

SCAM ALERT!

The following are common types of frauds that you should be aware of:

Advance Fee Fraud

This is a classified advertisement for a loan. The companies claim they can guarantee a loan regardless of the credit history or no credit rating at all. They usually request an up-front fee of several hundred dollars. If you send the money, it is unlikely you will get your loan and the money you advanced is now at risk or gone for good.

Prize Pitch Lottery Sam

Victims receive notification by mail, phone, or email that they have won a prize (money, vacation or other merchandise). In order to collect the prize they are required to pay fees, taxes or other inducements. The scammers usually phone the victims many times. If you have won something - **you do not have to pay!**

Nigerian Scam

This 4-1-1 scam is named for the penal code section in Nigeria that prosecutes this type of fraud. Victims usually receive a letter or email from an official sounding person from a foreign country. The fraudster is asking them to hold money, send money or help them place money in bank accounts for merchandise or wire banking information. The letter is full of spelling mistakes and demands for EXTREME confidentiality. Do not answer this letter. Cut and paste it to a new email and send it to phonebusters.com

Phishing (fishing)

This swindle looks for you to fill in a request to update your banking information on a very official looking website. The crooks remind you that your information will expire, or place your bank account in suspension until it is rectified. Revenue Canada can freeze your entire bank account, but accounts do not expire, they just go dormant. Do not subscribe to this request.

Identity Theft

Criminals seek your driver's license, banking information, SIN or other personal identification so they can open up bogus bank accounts, counterfeit plastic cards and build themselves a new life on the back of your credit.

Ponzi Schemes

This scheme returns investors funds from the principal contributed by subsequent investors. Funds are not returned from the earnings. There is no legitimate investment and money from later investors is used to pay off earlier investors. When the money runs out the scheme collapses.

Pyramid Schemes

This is a criminal code offense. It is illegal when the person participating in the scheme is entitled to receive more money than they invested by recruiting others into the scheme. The money is made by RECRUITMENT. The product or service has no real value. This scheme is mixed up with multi level marketing companies. They are legitimate because they sell a product and revenue is made from the product not the recruitment

Telephone Fraud

These scams come in all sizes, shapes and forms. They can be crooks phoning up to collect for a bogus charity to trying to elicit your personal information on a “too good to be true” product. If you want to give to a charity – you make the call or go to the store to but the product or initiate the procedure yourself.

Empty Envelope Drop

Depositing an empty envelope into an ATM and withdrawing money from the account. This is one of the reasons to protect your identity.

Over the Shoulder Scam

Scammers watch public telephones, ATM's, shoppers or anyone that has a card with a pin number. They use cameras, get close to the victims, or look over shoulders in line to obtain personal information. Guard your pin and bank account numbers.

Bank Examiner Scam

This is one of the oldest and more profitable swindles. A person claiming to be a police detective or bank auditor contacts the member and states they are investigating a dishonest teller. They ask the victim to make a withdrawal, and then meet on the pretext of examining the victims banking information or cash. They sometimes tell the victim that the money is counterfeit and they need to seize it for evidence.

Pigeon Drop

This swindle relies on the victim wanting to get rich quick or obtain something they do not deserve. Here is how it works... A stranger approaches the victim and asks for a favor. The person has obtained something very valuable but cannot redeem it for cash. They use very plausible reasons and offer to share in the profit if the victim assists. Someone else suddenly enters the picture (known to the fraudster but not to the victim). They say they have overheard the conversation and know where to obtain cash, sell, or transfer the item to make a profit. The third person offers to put up good faith money until the item is sold and the profits can be split. You would be surprised at how many people put up their hard-earned money...