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FRAUD

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Examples of Fraud

Debt Collection Fraud



Definition

- Money that you never borrowed is attributed to you, and you are asked to make payments



Identifying it

- Someone is demanding that you provide them with information that is normally private
- The debt is one that you are unfamiliar with
- You are forced to use a prepaid card to make the payment

Debt Collection Fraud



Stopping it

- Use a credit report to see if the alleged debt is legitimate
- See if the person contacting you is willing to offer contact information



Dealing with it

- Get in touch with the Canadian Anti-Fraud Centre

Identity Theft Fraud



Definition

- Fraudulent behaviour that is carried out with information about you, even though you never agreed to it



Identifying it

- Strange transactions that you are unaware of appear on your statements
- You no longer receive your statements at their scheduled/normal times

Identity Theft Fraud



Stopping it

- For any transactions on the internet, make sure your internet connection is safe
- Private documents with identification details should be kept in the safety of your house



Dealing with it

- Let the police know

Gift Card Fraud



Definition

- Fraudulent setups where you use gift cards to transfer money to someone



Identifying it

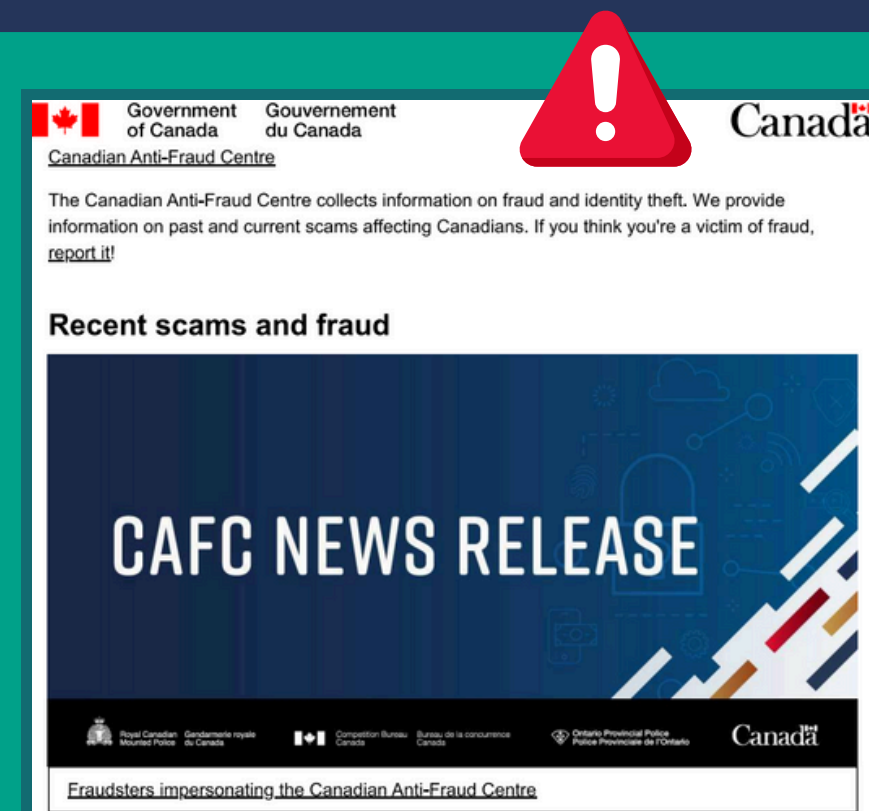
- A scenario where gift cards are the preferred way to pay for something
- Rushed or time-pressured transactions

Gift Card Fraud



Stopping it

- Reach out if you are unsure about whether something could be fraud



Source: <https://antifraudcentre-centreantifraude.ca/index-eng.htm>

Dealing with it

- Alert the Canadian Anti-Fraud Centre

Credit Card Fraud



Definition

- When a credit card that belongs to you is used by another person despite the fact that you never approved of this



Identifying it

- See a purchase from your credit card that you did not authorize

Credit Card Fraud



Stopping it

- Do not make online purchases unless the website is safe
- For in-person purchases, ensure you can constantly see where your credit card is
- Ensure you are the only person who knows your PIN

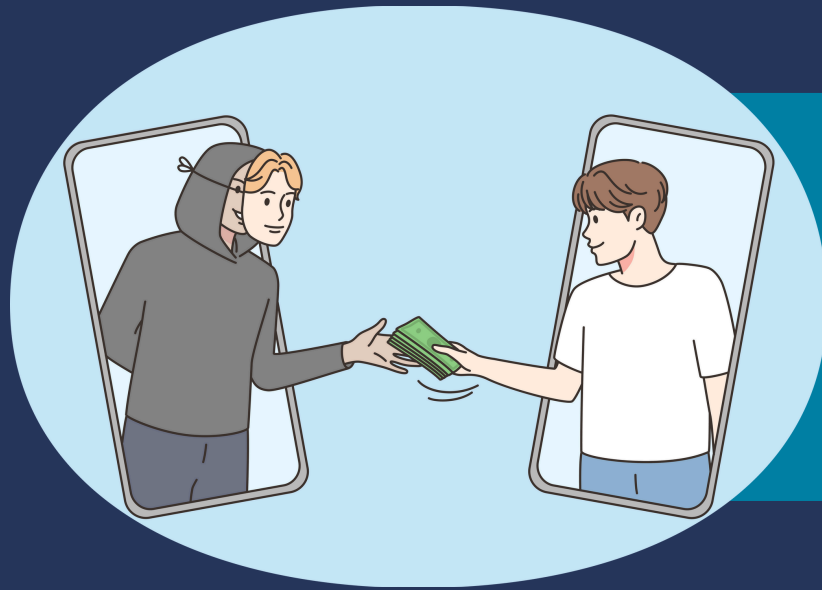


Source: <https://antifraudcentre-centreantifraude.ca/index-eng.htm>

Dealing with it

- Tell the Canadian Anti-Fraud Centre

Money Transfer Fraud



Definition

- When your money transfer does not go to its intended target and is instead taken by someone else



Identifying it

- Unusual situations where you are only given a brief period of time to carry out instructions

Money Transfer Fraud



Stopping it

- Ensure that you have non-predictable responses to security questions
- Whenever a digital communication does not seem safe or trustworthy, avoid sharing any information about yourself



Source: <https://antifraudcentre-centreantifraude.ca/index-eng.htm>



Dealing with it

- Notify the Canadian Anti-Fraud Centre
- Notify the police

Grandparent Scams



Definition

- When you are made to believe that you have to provide money to help a relative, when in reality, it is just someone impersonating them



Identifying it

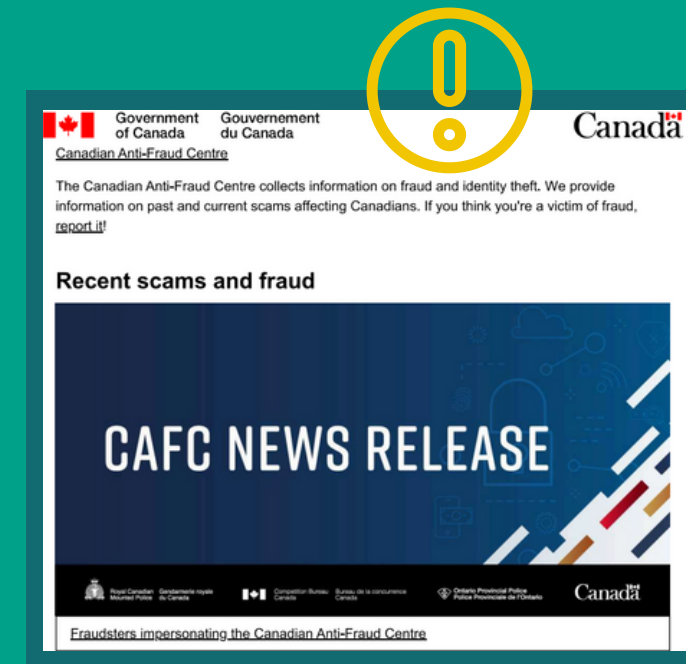
- The person contacting you is unable to provide specific information about their situation

Grandparent Scams



Stopping it

- Double check that you know the real identity of the person contacting you
- If you are unfamiliar with the number of the person contacting you, do not respond



Source: <https://antifraudcentre-centreantifraude.ca/index-eng.htm>



Dealing with it

- Inform the police
- Inform the Canadian Anti-Fraud Centre

Cryptocurrency Fraud



Definition

- Fraud that involves you investing via cryptocurrency and paying via cryptocurrency



Identifying it

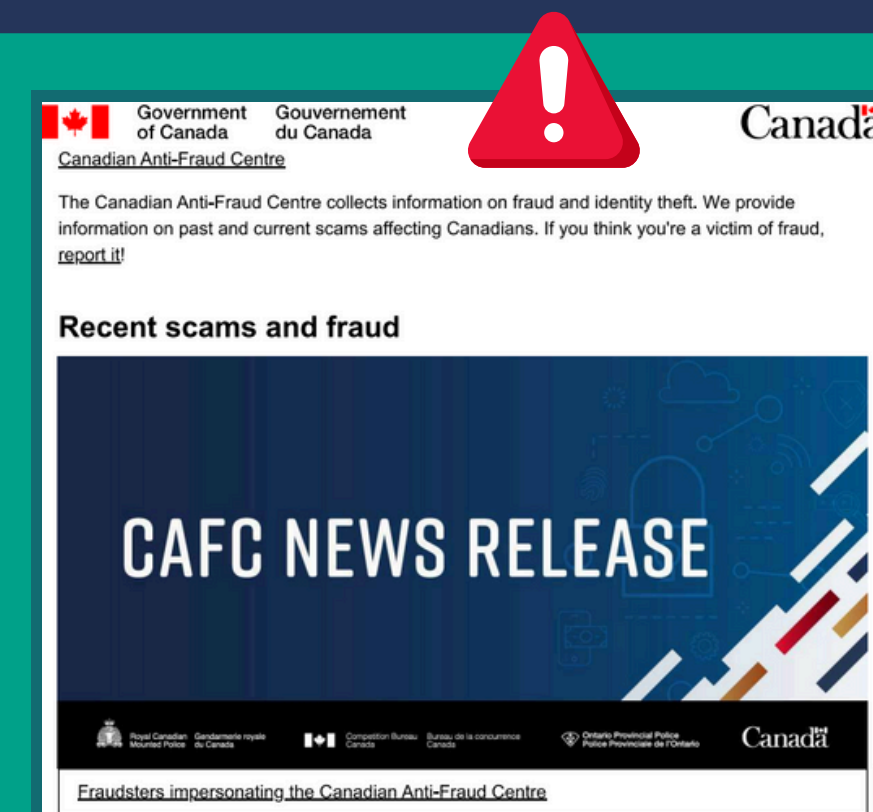
- Attempts to sell you on a risk-free investments involving cryptocurrency
- The nature of the investment is not transparent

Cryptocurrency Fraud



Stopping it

- Whenever the sole payment method is cryptocurrency, think twice and proceed carefully



Source: <https://antifraudcentre-centreantifraude.ca/index-eng.htm>

Dealing with it

- Work with the Canadian Anti-Fraud Centre

How to know when digital communications could be fraudulent



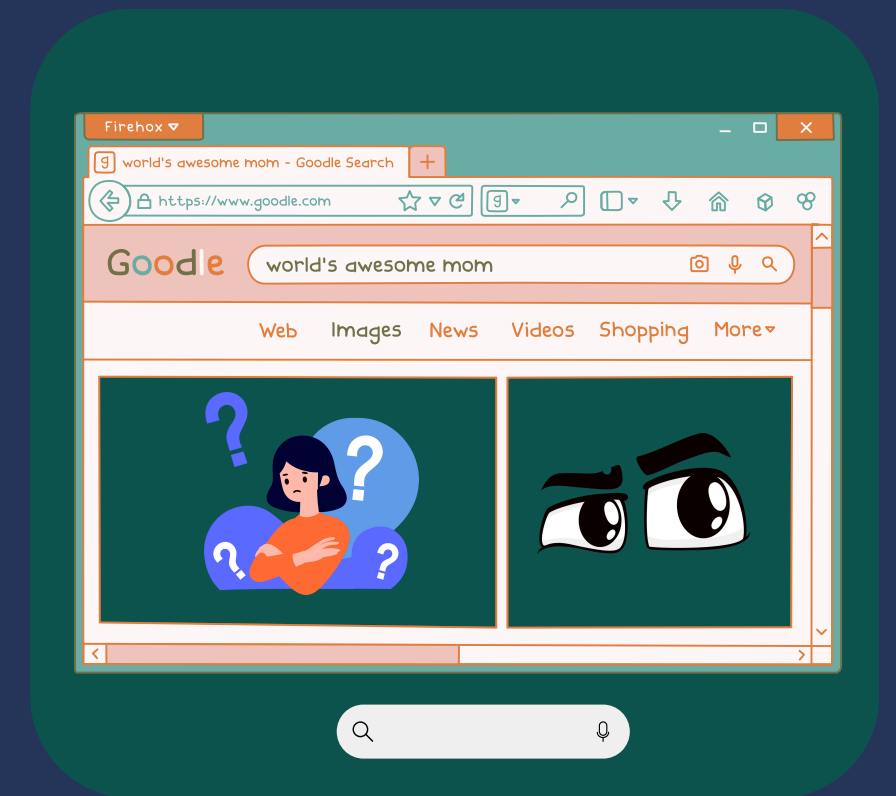
Typos, and fonts that are strange or inconsistent



Invalid domain names and miniature versions of URLs



Non-specific introductions/opening lines



Googling the sender's contact information reveals something suspicious

Scenario 1: Debt Collection Fraud

David is a 42 year old small business owner. He currently has a home mortgage and he typically relies on the bank to inform him of payment schedules and changes to his loan conditions.

After leaving work one evening, he receives a call telling him that the \$8000 small business loan that he received from Sharkie's Private Loan Agency five years ago is due for collection. He is told that he needs to provide information from his debit and credit cards to facilitate an expedited payment since it's a final collection. David knows that he and his brother started their small business five years ago and tries to recall the specifics of how they financed it, but a loan from Sharkie's Private Loan Agency just doesn't ring a bell. The woman calling him recognizes that David is hesitant and says that to make things easier, Sharkie's will allow David to use a prepaid card to make the payment.

Question: What type of fraud could David be falling victim to?

Answer: Debt Collection Fraud



Scenario 1: Debt Collection Fraud

David knows that his brother can be quite reckless when it comes to finances and he figures that his brother must have taken out the loan on their behalf without informing him. When David begins to text his brother to ask about the loan, he remembers that his brother just left for a three week road trip in South America. He decides to just pay off the loan now and sort things out with his brother when he gets back.

Question: What clues should David have picked up on that pointed toward Debt Collection Fraud?



Answer:

- Someone is demanding that you provide them with information that is normally private
- The debt is one that you are unfamiliar with
- You are forced to use a prepaid card to make the payment

Scenario 1: Debt Collection Fraud

After David's brother returns from his trip, David tells him about the call from Sharkie's Private Loan Agency. David's brother says that he never borrowed anything from Sharkie's Private Loan Agency. After a heated discussion, they realize that they were victims of Debt Collection Fraud.

Question: What should David and his brother do next?

Answer: Get in touch with the Canadian Anti-Fraud Centre



David and his brother are quite shaken after this incident. They decide that they need to be more pragmatic and agree that if they ever get a call like this again, they should have a plan for how they should respond.



Question: What are some things that they should include in their plan?

Answer:

- Use a credit report to see if the alleged debt is legitimate
- See if the person contacting you is willing to offer contact information

Scenario 2: Cryptocurrency Fraud

Jasmine is a 21 year old college student. On top of student loans, she works two part-time jobs to pay for college. She is thinking about doing another degree after she graduates, but she does not know whether she will be able to afford it.

One weekend while scrolling through social media, she sees a video of one of her classmates from high school talking about how much money they made from using a new investment company called VirtualCash.

After going to the link provided in her classmate's video, she learns that VirtualCash offers risk-free investments that use a multi-step, cross-border, proprietary trading mechanism. All that it requires is that users pay via cryptocurrency.

Question: What type of fraud could VirtualCash be engaging in?

Answer: Cryptocurrency Fraud

Scenario 2: Cryptocurrency Fraud

Jasmine sees this as the perfect opportunity to make the money she needs for school. But before she decides to continue, she remembers a presentation about Cryptocurrency Fraud that she saw in high school. She looks at VirtualCash's website again and recognizes the following identifiers of Cryptocurrency Fraud.

Question: What are the identifiers that she sees?



Answer:

- A risk-free investment involving cryptocurrency
- The nature of the investment is not transparent
- The sole payment method is cryptocurrency

Scenario 2: Cryptocurrency Fraud

Jasmine decides not to use VirtualCash and is glad to put this whole incident behind her. But a month later, her coworker at one of her part-time jobs, Liam, comes in late and is panicking. Liam tells Jasmine that he invested using a company called VirtualCash and has lost everything. VirtualCash won't respond when he asks for an explanation and he doesn't know what to do.



Question: What advice should Jasmine give Liam?

Answer: Work with the Canadian Anti-Fraud Centre

Scenario 3: Grandparent Scams

Colin is a 53 year old flight attendant. For most of the year he is either working on international flights and living in hotels abroad. He has no children of his own but whenever he is in Toronto, he does his best to visit his niece, Anna. In fact, Colin was in Toronto last spring and he helped Anna choose an apartment close to her new job.

One morning in December, Colin checks his phone and sees a voicemail from the night before. When he listens to it, he hears the following, “Hey Colin, it’s Anna. Sorry to call you so late but I don’t know who else to call. A couple things came up this year and I’m a few months behind on my rent. I really have to get the money to my landlord and I don’t want my parents to know about this. Could you help me out? I’m out of town for the next week, but you could just transfer the money directly to my landlord. I’ll have them text you the account number. It’s about \$8200 total. I’ve got to go now, but I’ll explain everything when I get back.”

Question: What type of scam/fraud does this appear to be?

Answer: Grandparent Scam

Scenario 3: Grandparent Scams

Colin is really conflicted. Because of his career, he doesn't spend a lot of time with Anna. Therefore, he can't really tell if this something that Anna would do. He knows that Anna is usually a pretty good kid and if she is reaching out like this, her situation must be really serious. But he also thinks that the situation is a bit unusual and he's heard of things called Grandparent Scams before. He wants to make sure he is not being scammed.

Question: What are some things that you would suggest Colin do?



Answer:

- Double check that you know the real identity of the person contacting you
- If you are unfamiliar with the number of the person contacting you, do not respond

Scenario 3: Grandparent Scams

A few weeks later, Colin is working as a flight attendant and you are one of the passengers on his flight. He tells you the story about the voicemail and says that luckily, he figured out that it was a scam and did not transfer any money. He says that he would have been mortified if he had fell for the scam and has no clue what he would have done had that happened. He then asks you:

Question: In the event that you fell for a Grandparent Scam, how would you deal with it?



Answer:

- Inform the police
- Inform the Canadian Anti-Fraud Centre

Sources

Debt Collection Fraud (and Scenario 1)

<https://www.consumerfinance.gov/about-us/blog/how-tell-difference-between-legitimate-debt-collector-and-scammers/>

<https://loanscanada.ca/debt/how-to-tell-if-your-debt-collector-is-a-fraud/>

Identity Theft Fraud

<https://ised-isde.canada.ca/site/office-consumer-affairs/en/identity-theft-spam-and-fraud/identity-theft>

<https://www.ontario.ca/page/how-avoid-or-recover-identity-theft>

<https://competition-bureau.canada.ca/little-black-book-scams-2nd-edition#sec15>

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<https://stories.td.com/us/en/article/how-to-protect-yourself-from-gift-card-scams>

<https://www.walmartcanada.ca/gift-card-fraud-prevention>

Credit Card Fraud

<https://www.canada.ca/en/financial-consumer-agency/services/credit-fraud.html>

Money Transfer Fraud

<https://www.cibc.com/en/privacy-security/banking-fraud/frauds-and-scams/e-transfers.html>

<https://www.td.com/ca/en/personal-banking/advice/day-to-day-banking/services/etransfer-fraud>

Grandparent Scams (and Scenario 3)

<https://www.scotiabank.com/ca/en/personal/advice-plus/features/posts/grandparent-scams-are-rising-across-canada.html>

Cryptocurrency Fraud (and Scenario 2)

<https://www.cibc.com/en/privacy-security/banking-fraud/frauds-and-scams/cryptocurrency-scams.html>

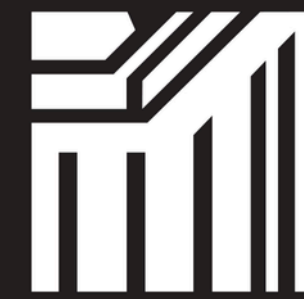
<https://www.nbc.ca/personal/advice/security/cryptocurrency-fraud-avoiding-the-pitfalls.html>

How to know when digital communications could be fraudulent

<https://stories.td.com/ca/en/article/email-internet-scams>



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