



Report # 2 – Mass Marketing Fraud Activities – February 2015

Canadian Anti-Fraud Centre – Ontario Monthly Statistical Report

Statistics presented in this report are based on what has been captured by the CAFC at a given point in time and are subject to change resulting from inputting back log complaints and database cleaning.

MMF Complainants

The following table presents a breakdown of Ontario and Canadian MMF consumer complaints.

MMF Complaints February – 2015							
Ontario Complaints				Canadian Complaints			
Attempts	Victims	Total	Dollar Loss	Attempts	Victims	Total	Dollar Loss
1,295	483	1,778	\$4,370,256.49	2,814	1,174	3,991	\$8,132,487.46

MMF Suspects

MMF operation locations are based on suspect addresses reported by consumers. Thus, it must be noted that in some cases, reported addresses may be mail drops and not the physical location of a MMF operation, or the suspect location identified may be false.

The following table presents a breakdown on Ontario and Canadian based MMF operations.

MMF Operations February – 2015							
Ontario Based Suspects				Canadian Based Suspects			
Attempts	Victims	Total	Dollar Loss	Attempts	Victims	Total	Dollar Loss
130	78	208	\$538,844.94	381	194	575	\$1,317,007.94

The following table identifies the top three MMF pitch types reported by Ontario and Canadian consumers based on the total number of complaints.

Top 3 MMF Pitch Types February – 2015	
Ontario Based MMF	Canadian Based MMF
Prize	Prize
Service	Extortion
Loan	Service

Vacation Scams

Individuals receive a cold call advising that they've won a vacation. Real company names such as Expedia, Air Miles, Air Canada and WestJet have been used. The caller advises the potential victim that they are a preferred customer and have been awarded a credit or discount on a trip if booked immediately. High pressure sales tactics are used and the caller will request a credit card number in order to pay for fees such as taxes.

Warning Signs – How to Protect Yourself

- An unknown caller tells you that you won a contest you didn't enter.
- You receive a call advising you have won a free vacation but have to provide a credit card number to cover taxes prior to receiving the vacation.
- Check the website of legitimate companies; they usually post warnings about these types of solicitations.
- Never give out personal information or credit card information over the phone.
- If it seems too good to be true...it is

Timeshare Re-Sale Scams

Consumers are solicited over the phone and made an offer to sell their timeshare. In some cases the consumer advertised their timeshare for sale on the internet. The suspect promises a quick sale with a high profit margin. Various fees are requested up front prior to the final sale, this includes maintenance fees, escrow fees and fees to cover taxes.

Documentation and correspondence with the victim is conducted on a professional level. The suspect provides victims with official looking documents which are detailed and may require a signature or witness. This approach is used to provide a level of authenticity to convince victims of the legitimacy of the company and transaction to be carried out.

Victims are often solicited by companies in the United States but are required to transfer funds to bank accounts in Mexico through a bank to bank wire transfer.

Warning Signs - How to Protect Yourself

You can minimize risk through safeguards such as the following:

- Be wary of unsolicited offers to sell your timeshare. Don't agree to anything on the phone or online until you thoroughly research the reseller.
- Many "businesses" claim to specialize in reselling timeshares. Do your research and only use an accredited agency and/or website.
- Do not pay any fees upfront to get your timeshare sold. Use a company that offers to sell for a fee after the timeshare is sold.
- If it sounds too good to be true, it is.

If you think you or someone you know has been a victim of fraud, please contact the Canadian Anti-Fraud Centre at

1-888-495-8501 or <http://www.antifraudcentre.ca>.