



Victim Services of Waterloo Region

Fact Sheet on Fraud

What is Fraud?

Fraud is an act in which attempts are made to deceive with promises of goods, services or financial benefits that do not exist, never were intended to be provided or were misrepresented.

Who is a Victim of Fraud?

Victims of fraud can come from all walks of life, with different age, ethnic, gender, socioeconomic and educational backgrounds. Victims are generally targeted based on their differences. Elderly persons are often targeted because:

- ❑ They are likely to have savings, property and investments.
- ❑ They tend to be home to answer the phone during the day.
- ❑ They are more likely to listen to a sales pitch over the telephone, due to loneliness.

Younger, educated adults may be targeted because:

- ❑ They have less experience, making them less likely to recognize a fraud.
- ❑ They want to increase their standard of living quickly.
- ❑ They are not as knowledgeable about money and investments.

Other victim characteristics may include:

- ❑ Compassion.
- ❑ Respect for authority figures.
- ❑ A trusting nature.

Who Commits Fraud?

Fraud perpetrators also come from diverse backgrounds. Many persons who commit fraud are professionals, highly trained and skilled in their chosen field. They make stealing from victims easier by:

- ❑ Joining professional organizations.
- ❑ Participating in community events (to look legitimate and gain trust).
- ❑ Keeping abreast of business issues and current events.
- ❑ Finding common ground with victims, in order to appear more trustworthy (e.g. age or ethnic background).

These people use sales pitches, marketing materials, technology and relationships with members of the community in order to gain trust and swindle victims.

Types of Fraud

Credit: pre-approved credit cards, credit for persons with imperfect credit history.

Free Stuff: merchandise, vacations.

Lottery: scratch n' win tickets where you have to pay to get your prize.

Services: home repair, auto repair, helping you to recover monies lost when you were victimized by another fraudulent scheme.

Charities: bogus charities who sound legitimate contact you for donations, usually at the end of the year.

Pyramid Schemes: recruiting an ever-increasing number of investors, recruitment is more important than selling products.

Identity theft: your personal information is used to obtain credit, government documents or OHIP services.

New and creative schemes are being created on a regular basis. If it sounds too good to be true it probably is!

The Costs of Fraud

Some of the common emotional reactions to being a victim of fraud include:

- ❑ Self blame
- ❑ Shame
- ❑ Guilt
- ❑ Societal condemnation and indifference (the belief that the victim deserves what they get as a result of their own greed or gullibility)
- ❑ Isolation (victims would rather suffer alone than risk alienation and blame from others).

Other costs include:

- ❑ Difficulty trusting business and investment opportunities in the future.
- ❑ Damage to credit ratings and financial security.

Tips

- ❑ Never give out your personal/financial information.
- ❑ Don't be pressured into any agreement.
- ❑ Never donate to a charity that you do not know, ask for details to be mailed to you.
- ❑ Listen for names of charities that sound similar to other, well-known charities.
- ❑ Before making any investments, obtain written facts about the company. Do your research!
- ❑ Contact your Better Business Bureau before hiring a contractor or making a large purchase.
- ❑ If you didn't enter a contest, you can't win it.
- ❑ Prizes are free. You shouldn't be required to buy anything, give up any information or money in order to receive one.
- ❑ Cash is untraceable. Use cheques, which can be tracked and cancelled.
- ❑ Do not get sucked in by the enthusiasm or friendliness of the person you are talking to.
- ❑ Remember, a manager is a busy person *who pays people to make calls for them*.
- ❑ If you have to act right away, chose not to. Legitimate companies give you time to think.
- ❑ Ask for advice before making purchases,

investments or donations.

- ❑ If you are uneasy about a phone call – hang up!
- ❑ Check your credit card statements carefully. If you see discrepancies call the company.
- ❑ Make sure that your credit card statements arrive on time – call the company if they don't.
- ❑ Do not keep important identification in your wallet or purse (eg. your social insurance card).
- ❑ Never give out a blank cheque.
- ❑ Use passwords to protect your information, and ensure that they are difficult to guess.
- ❑ Shred important papers before tossing them out.
- ❑ Don't give out your social insurance number.
- ❑ Guard your mail – ensure that you inform companies of any address changes.
- ❑ Follow your instincts. If you sense that something is wrong, contact your local police and PhoneBusters.

Warning Signs a Family Member is being Targeted

- ❑ Increase in the amount of mail with too-good-to-be-true offers.
- ❑ Frequent calls offering get-rich-quick schemes, valuable awards, or for donations to unfamiliar charities
- ❑ A sudden inability to pay normal bills.
- ❑ Requests for loans or cash.
- ❑ Banking records that show cheques or withdrawals made to unfamiliar companies.
- ❑ Secretive behaviour regarding phone calls.

Who can help?

- ❑ **PhoneBusters**
1-888-495-8501 or info@phonebusters.com
- ❑ Contact your **local police** service for further advice/to proceed with a criminal investigation.
- ❑ Contact your **creditors** if you are the victim of Identity Theft, and complete an Identity Theft Statement (can be obtained from Victim Services or the PhoneBuster's website).
- ❑ Contact **Victim Services** for referrals to emotional and/or credit counseling in your area.



Victim Services of Waterloo Region

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