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## NEWS RELEASE

### THE DIRTY DOZEN – WORST SCAMS OF 2007

VICTORIA – The Better Business Bureau of Vancouver Island’s Dirty Dozen Scams show significant changes over the last year, and consumers are warned that scams are getting harder to spot.

“We have seen some brand new cons and frauds, as well as, variations on the known scams,” says Mayo McDonough, Executive Director of the BBB. “When people are taken by con artists they suffer extreme losses. We’d like to thank the consumers and Accredited Businesses that helped to identify the worst scams to impact Vancouver Island residents this year. And we’d like to extend a special thanks to consumer protection and business agencies who got together to produce practical tips you can use to protect yourself from these fraudsters.”

#### THE 2007 DIRTY DOZEN SCAMS LIST

**1) False health claims and scams** – The Competition Bureau of Canada has noted a huge increase in health related frauds that include: miracle drugs, weight loss claims, recreational medical scanning, counterfeit drugs and bogus online pharmacies.

***Consumer Tip:** Before buying any treatment or medication or joining any health and fitness program, consult your physician, pharmacist or other health care professional. Before signing any contract take the time to read the fine print and ensure you understand your contractual obligations and the cancellation or refund policy. For more information visit the websites of the Competition Bureau [www.competitionbureau.gc.ca](http://www.competitionbureau.gc.ca) and Health Canada [www.hc-sc.gc.ca](http://www.hc-sc.gc.ca).*

**2) Identity Theft** – ID Thieves have found new ways to steal your personal information from internet sites like Facebook and MySpace, as well as, from your mailbox, garbage, recycling box, computer or by asking you questions via phone, mail, fax or email about your banking or credit card information, passwords or social insurance number. (Note: Bill C-27 is currently before Parliament and if passed would make ID Theft a criminal offence in Canada.)

***Consumer Tip:** Limit what info you put on social networking sites and other internet sites. Never give out banking information. Keep your passwords, Social Insurance Number and PIN confidential. Monitor your account statements as frequently as possible- at least monthly and check your credit report annually. Store all documents containing personal information in a locked cabinet and shred before discarding. If you suspect you are a victim of ID Theft contact your local Police or the RCMP and financial institutions immediately. For an Identity Theft Guide go to <http://www.bccpa.org/crimeshield/consumers/identitytheft.html>*

**3) Affinity Frauds** – In about half of all investment frauds, scam artists target religious, ethnic or close knit community groups by gaining trust and encourage group members to invest their money in fake investment opportunities that promise guaranteed high returns, tax breaks and no financial risks.

**Consumer Tip:** *If it sounds too good to be true, it probably is. There are always risks when investing. Before investing your money, do your research. Make sure your investment advisor is licensed with the BC Securities Commission and visit [www.investright.org](http://www.investright.org) for information on how to make wise investment decisions. Also, consider getting a speaker from BCSC, the Wise Owls, the BC Crime Prevention Association, the People's Law School to speak at one of your regular group meetings.*

**4) Home Repair Rip-Offs and Pre-Sale Homes** – The contracting industry is plagued with fly-by night scam artists who show up on your doorstep offering to do house and yard work for exorbitant fees. Home repair rip-off artists typically request that you pay fees up front before the work is completed, refuse to provide a written receipt and complete work poorly. Watch out for companies who knock on your door offering to do work, regularly over bill or who charge for services you have not requested. Consumers who try to lock-in the price of homes by buying into homes before they are built may find they receive nothing back but their deposit on developments that go bankrupt or where the developer backs out of the deal.

**Consumer Tip:** *When you need work completed around your home get estimates done from a minimum of three contractors who have permanent addresses in your area. Visit [vi.bbb.org](http://vi.bbb.org) to check out the company's Reliability Report before agreeing to do business. If hiring a door to door contractor, know your cancellation rights and maximum deposits required under law, check with the Business Practices and Consumer Protection Authority of BC at [www.bpcpa.ca](http://www.bpcpa.ca). When buying a home check the BC Real Estate Association website [www.bcrea.bc.ca](http://www.bcrea.bc.ca).*

**5) Green Washing and Carbon Credit Fraud** – A study by TerraChoice Environmental Marketing, found evidence of Greenwashing -- making false or misleading green marketing claims – in 99% of products checked. Consumers of air travel and other products may pay a premium to offset carbon usage by planting trees.

**Consumer Tip:** *Look for EcoLogo or Green Seal symbols that show third party testing of the products. Be skeptical of marketing promotions that offer to support environmental processes without proof that the processes are subscribed to and are effective.*

**6) Bogus Cheques / Overpayment Schemes** – In this scam, fraudsters typically target people selling a product via classified ads or online bulletin boards. The buyer/scammer sends a cheque for a product or service for more than the negotiated price. The scammer then requests that the seller deposit the money and return the excess funds. The original cheque is typically stolen or fake, and by the time the victim has cashed and returned excess funds the scammer has disappeared with the money and the product.

**Consumer Tip:** *Never accept payment for more than your selling price and never agree to refund excess money to an unknown buyer. When accepting a cheque from a stranger hold the product and the money in your account until the cheque officially clears at the bank.*

**7) Internet Fraud** – Beware of fake websites, emails (phishing scams) and VoIP phone calls (vishing scams) from scam artists pretending to be legitimate businesses, asking for your personal or banking information. Also beware of sellers from online auctions who try to lure you outside the security of the online auction site, or who ask you to download programs (usually viruses or password stealing software) in order to do transactions with them.

**Consumer Tip:** *Only enter personal or credit card information on secured websites. Look for the letter "s" (<https://>) and for an unbroken padlock symbol to determine if the site is secured. Check for the BBBOnline Reliability Seal on each website. Never download programs to your computer from unknown sources.*

**8) Money Wiring Scams** – Traditionally called the "Nigerian Letter Scam" scammers develop a variety of sad stories and reasons they need you to wire them money. Victims are contacted via phone, mail, email and fax and asked to wire money to the fraudster. The fraudster typically promises to return the money with interest, however, once the money is wired the fraudster disappears and the money is untraceable.

**Consumer Tip:** *Never wire money or give out personal or banking information to strangers. Only wire money to friends or family, and only wire money if you are prepared to lose it. If you need to transfer money for the purposes of a transaction, consider using a legitimate escrow or legal service to hold your money until goods or services*

have been received. For more information on scams contact the Competition Bureau at 1-800-348-5358 or visit [www.competitionbureau.gc.ca](http://www.competitionbureau.gc.ca), and contact Phone Busters at 1-888-495-8501 or visit [www.phonebusters.com](http://www.phonebusters.com)

**9) Bogus Charities** – Scam artists pretending to represent a charity often contact victims by phone or show up on the door step, during the same fundraising cycles as legitimate charities. Watch out for bogus charities with names that sound like legitimate ones.

**Consumer Tip:** Ask all fundraisers for their name, the charity name and their contact information before considering a donation. Inquire as to how much of your donation actually goes to the program. Visit the Canadian Revenue Agency at [www.cra-arc.gc.ca/tax/charities](http://www.cra-arc.gc.ca/tax/charities) for a list of registered charities in Canada. To search for licensed third-party telemarketers in BC who are making calls on behalf of legitimate charities, please visit the Business Practices & Consumer Protection Authority website at [www.bccpa.ca](http://www.bccpa.ca).

**10) Unscrupulous Moving Practices** – Beware moving companies that have hidden service fees, provide low estimates then charge more at the time of delivery or that hold your goods hostage until you pay extra in cash.

**Consumer Tip:** Before hiring a moving company, have them provide a detailed estimate in writing and request a firm quote. Check the company out with the Better Business Bureau at [www.bbbvi.ca](http://www.bbbvi.ca). Find out what protection the company will provide you in the case of damaged or missing items and make sure that this information is included in your written agreement.

**11) Resort Vacation Promotions** – Free or low cost exotic vacation packages or prizes often come with hidden costs and several hours of high pressure sales meetings.

**Consumer Tip:** If it sounds too good to be true it probably is. Don't sign up for any vacation package promotion without knowing what you are really getting into. Ask lots of questions about the realistic costs, insurance coverage and sales seminar requirements. Get the details in writing before you commit to the vacation.

**12) Debit and Credit Card Skimming** – occurs when your debit or credit card info and PIN are stolen without your knowledge. This can happen when a handheld keypad is replaced, a small device like a pinhole camera or card reader is added or a dishonest employee uses an electronic device to trap your pin number along with your credit card information.

**Consumer Tip:** Don't let restaurant or retail staff take your card out of sight. Shield your PIN at ATMs with your hand or body, check your transaction record and statements carefully, keep your PIN confidential, report any suspicious activity to your financial institution.

#### **CONSUMER PROTECTION & BUSINESS AGENCIES THAT CREATED “DIRTY DOZEN SCAMS”**

Better Business Bureau of Vancouver Island	People's Law School
BC Crime Prevention Association	Royal Canadian Mounted Police
BC Securities Commission	Saanich Police
Business Practices and Consumer Protection Authority	Victoria Police
Canadian Marketing Association	Wise Owls
Competition Bureau of Canada	

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