



NEWS RELEASE

FOR IMMEDIATE RELEASE

December 11, 2006

THE DIRTY DOZEN – WORST SCAMS OF 2006

VICTORIA – The Better Business Bureau of Vancouver Island’s Dirty Dozen Scams list now has support and input from 10 consumer protection, business and law enforcement agencies.

“We started the ‘Dirty Dozen Scams’ list in response to real public need, that we see every day,” says Mayo McDonough, Executive Director of the BBB. “People are getting taken by con artists and suffering severe losses. We have had great support from our members and local consumer protection, business and law enforcement agencies to identify the worst scams to impact Vancouver Island residents. Along with the Dirty Dozen Scams list are practical tips you can use to protect yourself from becoming a victim of con artists and fraudsters.”

THE 2006 DIRTY DOZEN SCAMS LIST

1) Identity Theft – ID Theft occurs when thieves steal your personal information 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.

Consumer Tip: Never give out your personal or banking information. Store all documents containing personal information in a locked cabinet and shred before discarding. Keep your passwords, Social Insurance Number and PIN confidential. Monitor your account statements monthly and check your credit report annually. If you suspect you are a victim of ID Theft contact your local Police or the RCMP and financial institutions immediately.

2) Affinity Fraud – Scam artists target religious, ethnic or close-knit community groups by gaining trust and encouraging 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 for information on how to make wise investment decisions. Also, consider getting a speaker from BCSC, the Wise Owls, the BC Crime Prevention Association or the People’s Law School, to speak at one of your regular group meetings.

3) 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.

4) 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 that 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.

5) Health, Beauty & Fitness Claims – Fraudulent health treatment claims are a growing concern in the marketplace. Beware of too good to be true advertisements promising “rapid & effortless weight-loss,” “miracle cures,” or “newly discovered” treatments for disease and illness.

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 about contracts and consumer rights contact the Business Practices and Consumer Protection Authority of BC or visit www.bcepa.ca.

6) Lottery & Sweepstake Scams – Victims are informed they have won a large lottery prize or sweepstake, and are often sent a cheque of a few thousands dollars worth of the winnings. The “winners” are then asked to pay back a small portion to cover taxes and/or processing fees, before accessing their winnings. The victim sends money and never receives their winnings. Any cheques sent by the lottery company are fake or stolen.

Consumer Tip: Legitimate lotteries and sweepstakes contests will not require you to pay money in order to receive your prize. Do not respond to lottery or sweepstake scams, as responding to one solicitation typically opens the door to dozens more. To reduce unsolicited marketing offers from organizations that belong to the Canadian Marketing Association visit www.the-cma.org to register with CMA’s free Do-Not-Contact service.

7) 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 or visit www.competitionbureau.gc.ca.

8) Home Repair Rip-Offs – The contracting industry is plagued with fly-by-night scam artists that 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 that knock on your door offering to do work, regularly over bill or that charge for services you have not requested.

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 www.bbbvi.ca to check out the company’s Reliability Report before agreeing to do business.

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 for a list of registered charities in Canada.

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. 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) Directory Scams – In these scams businesses are typically invited to submit their company contact information for publication in a business directory for distribution on CD-Rom. By submitting their contact information the business has unintentionally committed to paying an exorbitant advertising fee to be listed in a directory that is often only distributed to other advertisers.

Consumer Tip: Read the fine print before giving out business information and before signing any document.

CONSUMER PROTECTION, BUSINESS & LAW ENFORCEMENT AGENCIES THAT CREATED THE 2006 "DIRTY DOZEN SCAMS" LIST

Better Business Bureau of Vancouver Island
BC Crime Prevention Association
BC Securities Commission
Business Practices and Consumer Protection Authority
Canadian Marketing Association
Competition Bureau of Canada

People's Law School
Saanich Police Department
Victoria Police Department
BC Hydro Power Pioneers (Wise Owls)

-30-

Media Contacts:

Mayo McDonough
Executive Director
BBB of Vancouver Island
(250) 386-6348 ext. 107
mayo@bbbvancouverisland.org

Valerie MacLean
Executive Director
BC Crime Prevention Association
(604) 291-9959 Ext. 226
v.maclea@bccpa.org

Andy Poon
Media Relations &
Government Affairs
BC Securities Commission
(604) 899-6880
apoon@bcsc.bc.ca

Manjit Bains
Vice President
Business Practices and Consumer Protection Authority
(604) 320-1667 Ext. 2852
Manjit.Bains@bpcpa.ca

Ed Cartwright
Senior Director, Communication
Canadian Marketing Association
(416) 644-3760
ecartwright@the-cma.org

Maureen McGrath
Communications Advisor
Competition Bureau
(819) 953-8982
mcgrath.maureen@cb-bc.gc.ca

Andrew Nip
Program Coordinator
The People's Law School
(604) 331-5428
anip@publiclegaled.bc.ca

John V. Price
Executive Administration
Office
Saanich Police Department
(250) 475-4337
jprice@saanichpolice.ca

Rick Anthony
Downtown Resource Officer
Victoria Police Department
(250) 995-7209
Anthonyr@police.victoria.bc.ca

Verna Webb
Seniors Safety & Crime Prevention
BC Hydro Power Pioneers (Wise Owls)
(250) 477-9367
wisowlvw@telus.net