

## **SOCIAL MEDIA SPURRING A RISE IN FRAUD, CANADIAN REPORT WARNS**

Investment in complex fraudulent schemes is on the rise in Canada, fuelled by technological advances and the popularity of social media, warns a new report on organized crime.

Securities fraud in particular has become increasingly sophisticated here, as fraudsters have taken advantage of social-networking sites to exchange lists of victims and recruit accomplices, the report said.

The Criminal Intelligence Service Canada report, released Friday (August 20, 2010) by RCMP commissioner William Elliott and three other top officers, shows 38 per cent of Canadians have been approached with a fraudulent investment in 2009 (consistent with figures from 2007). About 11 per cent of those people actually put money in, but are investing more – in 2009, 38 per cent of investors in fraud schemes put in more than \$5,000, up from 32 per cent three years earlier.

People approached with such schemes are, however, more likely to report it: 26 per cent did so in 2009, up from 17 per cent two years earlier. The report attributed this in part to the publicity generated by the recent collapse of a number of Ponzi schemes exposed by “the recent economic downturn,” with collective Canadian losses of \$320-million to date. ...

Investment fraud in Canada is typically done through e-mail (33 per cent), stranger or telephone (28 per cent) or through a friend or co-worker (18 per cent). ... Because of the complexity of financial crime, police forces produce the 46-page report as an educational tool.

“This means public awareness is critically important,” said Edmonton Police Chief Mike Boyd. “The impact is devastating. Make no mistake – we are all victims. All of us.”

(Source: *The Globe and Mail*: 23 August 2010)