

Investment fraud on the internet

The internet is a popular method to defraud people. It's easy, inexpensive, accessible, available 24/7 and a great way to contact millions of people world-wide. It's difficult to trace, track down and catch someone because it's anonymous. Say goodbye to any money you send to an internet scam artist.

Things to watch for

The fraudulent solicitation comes in the form of an unsolicited e-Mail message. There are different types of spam e-Mails.

Affinity fraud

e-Mails target groups of people who know each other, share information, chat or are members of the same social network. The scam encourages people to share information about fraudulent investments.

Pyramid (Ponzi) scheme

Investors are recruited by promises of high returns paid quickly on investments that do not exist. Interest cheques are paid from subsequent investors. The scheme falls apart when there are no new investors.

The pump and dump

One person or company owns a large amount of stock and promises in incredible

low price on the stock. People buy. The price skyrockets. When it peaks, the scam artist sells their shares at a high price and the value of the stock falls fast leaving everyone else holding worthless assets.

Spoofed websites

These are e-Mails that look like they come from your bank, credit card company or a legitimate business. These e-Mails ask you to reply with your personal information: bank account number, password, credit card information, social insurance number, etc. The scam artist uses your personal information to commit identity theft.

Protect your \$\$\$

What you can do

- NEVER reply to spam e-Mails
- Delete and block spam e-Mails
- Install anti-spam software
- DO NOT provide information
- DO NOT click on links in e-Mails
- Install anti-virus/anti-spyware
- Avoid using public computers

Research potential investments

- Be an informed investor. Read financial statements, reports, newsletters, websites, newspapers
- Research www.sedar.com

Information and assistance

Avoid investment. Be an informed investor.

The following is a list of some websites providing information and assistance relating to investment fraud and securities:

Canadian Securities Administrators (CSA)

www.securities-administrators.ca

North American Securities Administrators Association (NASAA)

www.nasaa.org

InvestRight (B.C. Securities Commission)

www.investright.org

Autorité des marchés financiers

www.lautorite.qc.ca

New Brunswick Securities Commission

www.nbsc.cvmnb.ca

Nunavut Superintendent of Securities

www.justice.gov.nu.ca/i18n/english/legreg/sr_index.shtm

Royal Canadian Mounted Police (RCMP)

www.rcmp-grc.gc.ca/scams-fraudes/index-eng.htm