

Over the past several months, Healthcare and Municipal Employees' Credit Union has seen a spike in fraudulent cheques deposited by our members. HMECU wants to ensure that our members know how to recognize fraud and how to protect themselves.

Recognizing Fraud

Thousands of Canadians of all ages and from all walks of life are defrauded each year. There is no typical fraud victim in Canada. Fraud targets Canadians of all ages and from all walks of life. Recognizing fraud is the first step to better protecting yourself.

Fraudsters are professional criminals that know what they are doing. Fraudsters rely on some basic techniques to be successful. These include:

- developing professional-looking marketing materials;
- providing believable answers for your tough questions;
- impersonating government agencies, legitimate businesses, websites, charities, and causes;
- pretending to be your ordinary supplier;
- hiding the true details in the fine print;
- preying on areas of vulnerability, including those needing help with loans or finding employment;
- asking for fees in advance of promised services;
- threatening legal action to collect on alleged contracts;
- falsely claiming affiliation with reliable sources, such as legitimate news sites to support their products or services;
- and exchanging victim lists with other fraudsters.

Common Scams

Scammers target people of all backgrounds, ages and income levels. Fake lotteries, Internet frauds, get-rich-quick schemes and miracle health cures are some of the favoured means of separating the unwary from their money. New varieties of these scams appear all the time. Some common scams include:

- Mystery/Secret Shopper Scams
- Lotteries, Sweepstakes, and Contests
- Pyramid Schemes
- Money Transfer Requests
- Internet Scams
- Dating and Romance Scams
- Charity Scams

To learn more about these common scams and how to protect yourself, click here to view Competition Bureau Canada's [The Little Black Book of Scams](#).

Mystery/Secret Shopper Fraud

Job advertisements for mystery shoppers found online can be fraudulent schemes. The victim responding to the ad is required to provide their personal contact and employment information to apply for a job as a secret shopper. Once the victim is approved as a secret shopper, they receive correspondence indicating that a cheque and instructions have been mailed to them. The victim is asked to cash the cheque and use a money transfer company to wire a portion of the funds to a specific person or place. When the victim later finds out the cheque is counterfeit, he or she is on the hook for the money wired to the fraudster.

The RCMP offers the following tips to help the public avoid these types of fraudulent mystery/secret shopper schemes:

- There are legitimate mystery/secret shopper programs available. Research the legitimacy on companies hiring mystery shoppers. Legitimate companies will not charge an application fee and will accept applications on-line through legitimate company websites;
- No legitimate mystery/secret shopper program will send payment in advance and ask the employee to send a portion of it back;
- Always scrutinize the e-mail address and telephone number of the person you are corresponding with to ensure that they accord with a legitimate company;
- Avoid filling out forms contained in e-mail messages that ask for personal information;
- Report suspected fraud. If you suspect a mystery/secret shopper scheme, report it to the appropriate authorities.

Tips to Protect Yourself from Fraud

- Don't be fooled by the promise of a valuable prize in return for a low-cost purchase.
- Be extra cautious about calls, emails or mailings offering international bonds or lottery tickets, a portion of a foreign dignitary's bank account, free vacations, credit repair or schemes with unlimited income potential.
- Don't be afraid to hang up the phone, delete the email or close your Internet connection.
- Don't purchase a product or service without carefully checking out the product, service and company.
- Don't be afraid to request further documentation from the caller so you can verify the validity of the company.
- Don't disclose personal information about your finances, bank accounts, credit cards, social insurance and driver's license numbers to any business that can't prove it is legitimate.
- Shred unwanted personal information such as bank statements, credit card bills, unwanted receipts, cheques, pre-approved credit applications and old tax returns.
- Check your credit report every year and report problems immediately.
- If a scam artist contacts you, or if you've been defrauded: Report it! Your reports are vital to the anti-fraud efforts of law enforcement agencies.

Information in this article was taken from the Competition Bureau Canada's website at www.competitionbureau.gc.ca.