



CANADIAN ANTI-FRAUD CENTRE BULLETIN

Investment Scams: What's in a fraudster's toolbox?

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FRAUD: RECOGNIZE, REJECT, REPORT

The Fraud Prevention Month campaign is held each March to inform and educate the public on the importance of protecting yourself from fraud. This year's theme is "**Tricks of the trade: What's in a fraudster's toolbox?**". Follow the [Canadian Anti-Fraud Centre \(CAFC\)](#) on social media and visit [our website](#) for fraud prevention information. Don't forget to use #FPM2023 on all fraud prevention posts!

Investment scams

With reported losses of \$308.6 million to the CAFC, investment scams produced the highest losses in 2022. In most of these cases, the investment opportunities offered higher than normal, or true monetary, returns which often resulted in investors losing most, or all, of their money.

The majority of the investment scam reports involve Canadians investing in crypto currency after seeing a deceptive advertisement. It typically involves victims downloading a trading platform likely fraudulent or controlled by fraudsters. In most cases, victims are unable to withdraw their moneys after transferring crypto currency into their trading account.

Variation: Romance and investment scams

Fraudsters are also targeting victims on dating or social media sites. They will develop a relationship with the victims and convince them to invest into a fraudulent investment platform.

What's in a fraudster's toolbox?

Variety of solicitation methods:

- Investment fraudsters use various methods of solicitation including:
 - Search engine optimization
 - Compromised social media accounts
 - Ads on the internet and social media
 - Email or text message
 - Direct phone calls from fraudulent crypto investment companies
- Usually the solicitation will use urgency to get you to send money faster and have less time to think about the legitimacy of the investment



Royal Canadian Mounted Police Gendarmerie royale du Canada



Competition Bureau Canada

Bureau de la concurrence Canada



Ontario Provincial Police

Canada

An appealing sales pitch:

- Fraudsters will offer investment opportunities with higher than normal or true monetary returns
- Someone you meet on a dating or social media platform encourages you to invest into crypto currency, vouching that the company is “safe” or saying they’re investing with them too
- Fraudsters will say whatever they have to, to get your money

Impersonation and spoofing:

- A “friend” tells you about a crypto currency investment opportunity via social media or email
This “friend” is actually a fraudster who has either hacked or spoofed one of your contact’s accounts in order to scam you

What’s in your toolbox?

Caution:

- Be careful when sending cryptocurrency; once the transaction is completed, it is unlikely to be reversed
- Be wary of individuals met on dating sites or social media who attempt to educate and convince you to invest into crypto currency

Research:

- Canadians need do their research to ensure they are using reputable and compliant services. Proceeds of crime and anti-money laundering regimes around the world create regulatory frameworks that treat businesses dealing in crypto currencies as money service businesses
- Prior to investing, ask for information on the investment
- Research the team behind the offering and analyze the feasibility of the project

Communication:

- If you receive a suspicious message from a trusted friend, reach out to them through a different means of communication to confirm that it is them
- Verify if the investment companies are registered with your Provincial Securities Regulator or the National Registration Search Tool (www.aretheyregistered.ca)

Reason:

- The choice to open a wallet or invest should be yours, not someone else’s
- Beware of fraudsters asking you to open and fund new crypto accounts, they will direct you to send it to wallets they control - **Don’t!**
- Question why someone is reaching out to you about an investment offer: Is this a conversation I would usually have with this person? Does it make sense to

invest in an opportunity based on a pop-up ad? Should I feel pressure or urgency when deciding to invest?

Learn [more tips and tricks for protecting yourself](#).

Anyone who suspects they have been the victim of cybercrime or fraud should report it to their local police and to the Canadian Anti-Fraud Centre's [online reporting system](#) or by phone at 1-888-495-8501. If not a victim, report it to the CAFC anyway.