

A catalogue of 2022's latest cons and scams

Crypto scams, real estate renter fraud, fake time share buyers, and more, in this roundup.

“I have been hacked.”

New York-based non-fungible token (NFT) collector Todd Kramer posted on social media after 15 NFTs were wiped from his crypto wallet. The NFTs were part of the valuable Ape Yacht Club series and valued at more than US\$2.2 million. The NFT market, which saw US\$41 billion in sales last year, has become a target for scammers who have carried out a series of high-profile thefts. Earlier this year on the platform OpenSea, the world's largest NFT market, an estimated US\$1.7 million was lost in a hack that saw 254 cryptocurrency tokens stolen in a matter of hours. Trading activity on OpenSea dropped by 80 per cent the following month, as concerns increased about the security of the largely unregulated market.

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Number of reports the Canadian Anti-Fraud Centre (CAFC) received of scams targeting people donating to Ukrainian aid efforts. The CAFC said the frauds primarily came via social media, where groups and individuals on platforms like Facebook and Instagram solicited donations via e-transfer and pocketed the funds.

In addition to the donation scams, the CAFC warns of fraudulent websites claiming to offer low-cost immigration services and guaranteed jobs for Ukrainian refugees. There have even been romance scams trying to capitalize on the war in Ukraine, including one featuring a scammer posing as a Canadian intelligence officer who convinced a woman to send him money to aid the war effort.

“Scammers will try to use any means necessary to convince you that their requests are legitimate,” the CAFC said in a statement. “The majority of fraud is not committed by amateurs and they will use technology to their advantage.”

8:30 P.M.

The time Quebec residents began receiving text messages on March 22 luring them to click on a link to receive \$500 dollars via Interac transfer. This came less than five hours after the province tabled its official 2022 budget, where it was announced that 6.4 million Quebec residents would be eligible for a \$500 tax rebate to offset rising inflation. The text messages were made to look like they were sent by the political party, Coalition Avenir Québec, which quickly warned its followers via social media of the fraud in progress and urged them to not click on the link, which could be used to access personal information. It's one of several text-message frauds to be linked to provincial government announcements in Quebec this year.

Timeshare target

With the pandemic slowing international travel, many Canadians who own timeshares have explored the notion of selling. That's resulted in an upswing in fraudsters targeting sellers, prompting the Canadian Anti-Fraud Centre to issue a warning to all Canadians.

Victims are typically contacted by scammers either responding to sale postings or cold-calling timeshare owners offering to purchase their share. Documents that appear authentic are presented and signatures requested—a tactic the CAFC says is meant to provide a false sense of security—before up-front fees and other monies are instructed to be transferred to bank accounts in the United States and Mexico. The CAFC warns sellers to remain vigilant and carry out due diligence to assure properties are traded using accredited agencies.

Crypto-curious

A Calgary investor with no experience in cryptocurrencies reported being scammed out of \$2,500 after contacting a crypto trading company she found online. The investor sent the money to the company, who reported profits of \$200 within a two-week span. The investor said the company then asked for an additional \$10,000 to be transferred. If she didn't, she was allegedly told, then her account would be handed down to a junior staffer, with smaller profit margins to follow. She refused and asked how to withdraw her money. Later that night, after being instructed by the company to carry out a series of transactions to free up her funds, her account balance read zero dollars.

The Better Business Bureau estimates that Canadians lose a median of \$600 to unregulated crypto investment frauds like this, with cumulative losses in the millions nationally.

“We knew there was a risk”

Quebec Public Safety Minister Geneviève Guilbault told Radio-Canada that the province opened more than 150 investigations regarding suspected fraudulent vaccine passports and QR scan codes. The Unité permanente anticorruption (UPAC), Quebec's anti-corruption unit, is investigating potential cases involving government employees, while provincial police are looking into civilians alleged to be engaged in buying, selling or manufacturing fake QR codes for vaccine passports. A UPAC spokesperson called the scam a priority case for the office, while, during a press conference, Quebec health minister Christian Dubé said the false passports were not a result of computer error but instead ill-intentioned employees.

“We've given 16 million doses (of vaccine) and hired a lot of people,” Dubé said. “We knew there was a risk.”

99.99%

The drop in value in ten minutes for a digital crypto token called Squid Game, which took its moniker from the popular South Korean-made Netflix show. In late 2021, Squid Game shot up from one cent per token to more than \$2,856 in the span of less than one week—only to come crashing down much faster.

As the token's value first rose, investors began to complain that they weren't able to sell the coin. In an apparent scam known as a “rug pull,” the promoters of the cryptocurrency—which was traded on unregulated, decentralized cryptocurrency exchanges that connect buyers directly with sellers—yanked the coin from the exchanges and the liquidity pool disappeared instantly. The purported scammers made off with an estimated US\$3.38 million in the process.

“It is one of many schemes by which naïve retail investors are drawn in and exploited by malevolent crypto promoters,” Cornell University economist Eswar Prasad said in BBC report.

\$30/hour

The wage a 22-year-old Ontario woman was promised when she accepted a supposed data-entry job with Vancouver-based women's clothing chain, Aritzia. She soon found out her new gig was nothing more than a ruse that featured a fake Aritzia website, falsified contracts and even a fraudulent cheque for \$3,485 that was mailed to her.

Unsuspecting, she deposited the cheque to her bank and watched as her balance was automatically adjusted. Yet two days later, the fake cheque bounced as the ruse became apparent.

The Canadian Anti-Fraud Centre reported more than 1,400 victims in Canada lost over \$8 million in job-related scams in 2021—nearly double the previous year.

“Safeguard machines”

Is what a scammer posing as a Canadian Border Services Agency (CBSA) officer directed a victim to use in order to safely transfer her life savings as part of an elaborate con.

The victim first received a call from a supposed CBSA agent informing the woman that her bank account would be seized due to suspicious activity under her name.

The scammer continued correspondence via email where she was told that in order to protect her assets she would need to transfer \$30,000 to a more secure account using “safeguard machines” that police later determined were, in fact, Bitcoin machines.

It wasn't until the victim received a call from somebody posing as an officer named Sgt. Marshall of the Kingston, Ontario police department, who reprimanded her for asking too many questions, that she became suspicious. The caller ID and phone number both matched the real Kingston police offices—a technique called “spoofing”—but the bizarre conversation finally prompted her to contact the real police.

“Red flags”

In August, a couple purchased a town home in Ottawa's Barrhaven neighbourhood and listed the income property to rent through an MLS agent. A few weeks later, the agent contacted the couple to tell them their tenant was complaining about a supposed unexpected rent increase. The problem? The couple had yet to rent out their home. The so-called tenant, it turned out, had replied to a Kijiji listing for the property and negotiated rent prices and other arrangements via a series of text messages with a scammer. “Under normal circumstances, yes, this would have raised some red flags,” said the 36-year-old renter, who e-transferred over \$4,000 to the perpetrator, presuming the lack of a face-to-face meeting was common protocol during the era of COVID-19. How did the renter access the home? The victims believe the scammer acquired the lock box code by fraudulently posing as a realtor on a website that facilitates realty showings. Ontario police warn prospective renters to look for duplicate listings and exercise vigilance when searching for properties online.

\$34,000

Amount an elderly woman in Kelowna, B.C., was conned out of \$34,000 due to an elaborate Bitcoin scam. Intrigued by the opportunity in cryptocurrency investment, the woman entered her contact information on a website promoting Bitcoin. The site appeared legitimate but was far from it. What followed was a barrage of phone calls and emails—up to two dozen a day—instructing her how to e-transfer money to a fraudulent account. The scam even featured a banking portal with a bogus two-factor authentication process that showed a fake account balance. What began as a \$250 investment quickly “snowballed” until the woman's daughter intervened. The phone numbers have reportedly been deleted and an RCMP investigation is underway.

These stories first appeared on CPA Canada's online news site.

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