

Helping Victims of Fraud Recover

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**CANADIAN RESOURCE
CENTRE FOR VICTIMS
OF CRIME**



**CENTRE CANADIEN DE
RESSOURCES POUR LES
VICTIMES DE CRIMES**

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1. Introduction

The purpose of this e-resource is to offer information and increased understanding to individuals and families who have been impacted by fraud, either financial and/or romance fraud. It focuses on victims' lived experiences and explains the difficulties many victims of these crimes face in Canada. Victims of fraud-related crimes have to cope with strong feelings of shame or humiliation, financial losses, social implications, possible criminal/civil justice system involvement and the realization that financial recovery may never be possible.

Throughout this document, we provide information about the prevalence of fraud in Canada, the personal impacts of fraud, how victims can cope, and their right to seek restitution in the criminal/civil justice systems. As well, frequently asked questions are answered, and information is provided to encourage victims to find assistance and access supports in their community.

2. Defining the crime

Although forms of fraud differ, all fraud involves deception and misrepresentation to enrich the fraudster and victims should not be blamed for being deceived.

Fraud – An intentional act of deception involving financial transactions for the purpose of personal gain. This may include: cheque fraud, credit card fraud, mortgage fraud, medical fraud, corporate fraud, securities fraud (including insider trading), bank fraud, payment (point of sale) fraud, tax evasion, bribery, embezzlement, identity theft, money laundering, forgery and counterfeiting.

Romance scams – Are a specific form of fraud whereby scammers gain a victim's trust and confidence by developing a personal relationship for financial gain. Individuals with false romantic intentions towards victims gain their affection and trust (sometimes with the promise of marriage) and access to the victim's money, bank accounts, credit cards or in some cases by getting the victims (usually unknowingly) to commit fraud on their behalf.

Doug's story:

Doug is the victim of an elaborate romance fraud. He suffers from cerebral palsy and met a romantic interest online in Ottawa in 2004. The woman, an escort named Darquise, gained Doug's trust by convincing him that she wanted to engage in a mutual romantic relationship. She targeted Doug because he was a vulnerable member of the population and had recently lost a loved one.

In early 2006, Darquise expressed that she wanted to leave the escorting business and start a more long-term relationship with him. Shortly thereafter, Darquise presented Doug with multiple investment ventures in the Dominican Republic, on the pretence that this would be a way to start a life together. She also informed Doug that she was pregnant and used this supposed pregnancy as a negotiation tool when trying to obtain more money from him. Darquise later informed Doug that she had suffered a miscarriage. In December of 2006, Darquise faked her own death to prevent Doug from travelling to the Dominican Republic.

Doug made the realization that he had fallen victim to an elaborate romance scam to the tune of more than \$800,000. Doug submitted evidence to the police and learned that Darquise had fled the country to Jamaica with her husband – she had been married throughout their entire ‘relationship’. She returned to Canada several months later and was arrested. Four years later, Darquise was convicted of a number of fraud-related charges. As a result, Darquise was sentenced to 4 years in prison and ordered to pay restitution totalling \$847,000.

Unfortunately, Doug soon learned that the Canadian legal system lacks the proper mechanisms to ensure victims are repaid what was stolen from them. He learned that all legal costs associating with trying to collect restitution are the victim’s responsibility. His overall debt has now risen to over \$1.4 million dollars and he has yet to recover even a small fraction of what is owed to him. The offender is free after completing her sentence and only has to re-pay 20% of her earnings per month to him, if and when, she is actually working. The province of Ontario has told Doug it is up to him to try to collect what he is owed.

3. Scope of the problem in Canada

According to the Canadian Anti-Fraud Centre, the Canadian Fraud Statistics (2013/2014) are as follows:

Mass-Marketing Fraud-> Canadian numbers

- 41,019 complaints (44,355 in 2013);
- 13,701 victims (12,954 in 2013);
- \$69,481,724.77 reported dollar loss (\$53,690,220.65 in 2013).

Ontario, Quebec, British Columbia and Alberta account for the majority of Canadian Mass-Marketing Fraud complaints but there are complainants received from all of Canada’s provinces and territories. This indicates that even those in rural regions are susceptible to financial fraud and victims exist everywhere.

It is estimated, though, that only a small fraction of consumer fraud is actually reported. Regardless of the type or scope of the fraud, reporting one's victimization is complicated by feelings of shame and guilt, as well as other complex factors, such as¹:

- a) not knowing where to turn;
- b) feeling that reporting wouldn't make a difference;
- c) fear that reporting will lead to a loss of legal or financial control;
- d) threats and intimidation from the perpetrators;
- e) loss of esteem or prestige in a victim's social group;
- f) concern that reporting may culminate in a family member or friend being arrested or sent to prison, which is particularly concerning if the individual is dependent on the exploiter;
- g) lack of confidence in the ability of authorities to respond and assist;
- h) embarrassment over being scammed by someone who is trusted or loved;
- i) potential negative impact on other close relationships, as family sometimes blames the victim; and
- j) the damage is so extensive, financially or emotionally, that the thought of re-living it, is unthinkable, and mere survival is the sole focus.

Who are the victims?

Anyone can be a victim of financial fraud. Research consistently shows that victims come from all education levels and socio-economic backgrounds. There is no single profile of a victim of financial fraud, and there is no level of intelligence that can prevent a person from being victimized. Everyone is at risk.

Research spearheaded by Michael Ross, a University of Waterloo social psychologist, found in data he examined from 1993-2013 that "...large U.S. surveys and registries of fraud complaints indicate the percentage of victims peaks in late middle age, then declines as people get older." Some scientists have theorized that memory loss and other cognitive deficits common to aging make seniors more vulnerable to being defrauded. It is possible, however, that those neurological weaknesses are counteracted by something more mundane: the fact the elderly are simply more "risk averse," said Prof. Ross. "As people age their goal orientation changes from trying to maximize gains, to trying to minimize losses," he said. "They spend less money, and they're more careful about spending their money."²

Some populations are more frequent targets of fraudsters because of their age, health, or life situation. Among those targeted are:

¹ A-G from publication by: FINRA & National Center for Victims of Crime, "Taking Action: An Advocate's Guide to Assisting Victims of Financial Fraud", p.2 &3.

² Blackwell, Tom. "Middle-aged people actually more likely to fall victim to con artists than 'risk averse' senior citizens, study says" National Post, March 9, 2014. Accessed online January 6, 2016 at: <http://news.nationalpost.com/news/canada/middle-aged-people-actually-more-likely-to-fall-victim-to-con-artists-than-risk-averse-senior-citizens-new-study-says>

- senior adults, especially those who depend on family and friends for their care or those who have physical or mental impairments;
- individuals who are physically impaired;
- individuals who have cognitive issues or age-related mental incapacity (e.g., dementia, including Alzheimer’s Disease);
- those who are grieving the loss of a loved one;
- victims of domestic violence;
- near-retirees; and
- previous victims of financial fraud.³

In most of these groups, there are completely understandable reasons for not to be able/willing to apply the customary level of due diligence that would expose the fraudulent schemes.

It is important to remember that fraudsters target such populations for a variety of reasons. They may think these groups will more easily hand over control of their finances due to cognitive disability, emotional fragility, or simply a desperate need for a quick financial fix. They may also target them for one simple reason: they have money. This is the case with new and near-retirees who may be likely to have access to retirement savings or pensions, and may be open to suggestions for how to handle or invest these funds. It is also the case for those who have recently come into a financial settlement or monetary windfall—such as an inheritance, lottery winning, etc.⁴

4. Victims’ experiences

It is important to remember the fraudster always uses manipulation in order to gain the victims’ trust and confidence. Con artists and fraudsters are usually intelligent, disciplined, organized and very skilled at what they do. Whether they make contact with victims over the Internet, by telephone, through the mail, or in person, these criminals tend to use the same persuasion tactics time after time in order to take assets from victims.

Financial fraud is a crime of opportunity, much like burglary. Victims are not to blame for the fraud. No one deserves to be a victim of fraud and the perpetrator(s) is the one who is responsible.

Kathryn’s story:

Kathryn is a small business owner in the Toronto-area who is a victim of embezzlement by an employee. She was awarded restitution after losing a significant sum of money. The woman who targeted her was convicted and received a period of house arrest and was assigned a parole officer. As part of her house arrest and parole, the offender was required

³FINRA & National Center for Victims of Crime, “*Taking Action: An Advocate’s Guide to Assisting Victims of Financial Fraud*”, p.10 &11.

⁴ FINRA & National Center for Victims of Crime, “*Taking Action: An Advocate’s Guide to Assisting Victims of Financial Fraud*”, p.11.

to make restitution payments, which she did. Since the completion of her supervision though, the offender has ceased all restitution payments and boldly told her parole officer that she will not be paying any more restitution.

Kathryn has tried to obtain more information from the parole officer but the officer cannot disclose any information about the offender's residence or occupation due to privacy laws. Moreover, the offender is not legally obligated to identify her legal counsel – therefore, Kathryn cannot serve papers to garnish her wages, which is a crucial step in enforcing a restitution order. Kathryn has been re-victimized by having to take on the responsibility of seeking out her restitution payments and has found little information or support.

5. Types of scams/scammers

The Better Business Bureau top 10 list financial fraud/scams:

10. Sweepstakes scam – This one has been around for years: You get a message saying you've won a contest, lottery or sweepstakes event. Then you're asked to pay fees or taxes in advance in order to claim your prize.
9. Click bait scam – Scammers use "click bait" such as news stories, celebrity photos, or fake news in order to get you to click on something that actually downloads malware that can harm your computer.
8. Robocall scam – This scam takes personal information like your credit card number, after promising to lower your credit card interest rates, but then charges fees to your card.
7. Government grant scam – Another one that requests fees so you can collect a government grant award for thousands of dollars. It may mention programs you've heard in the news.
6. Emergency or "grandparent" scam – Often preying on older people, a scammer poses as a relative in a call or email claiming to have been injured, robbed or arrested while traveling overseas. They ask their target to send money right away.
5. Medical alert scam: This involves a call or a visit from a "company" claiming a concerned family member has ordered you a medical alert device in case of an emergency. The scammer takes credit card or banking information, but never delivers the device.
4. Copycat website scam: Scammers send an email, text or social media post about a sale or exciting new product, linking to a website that looks like a legitimate retailer. After you order using your credit card, you get a cheap counterfeit product or nothing at all.

3. “Are you calling yourself?” scam: This trick puts your number in so it shows up on your own Caller ID, which causes many people to answer the phone or return the call.
2. Tech support scam: A call or pop-up ad on your computer claims to be from Microsoft / Norton / Apple about a problem on your computer and asking you to give “tech support” access to your hard drive in order to fix it. Instead, malware is installed on your computer and the scammers can steal your personal information.
 1. Arrest scam: This trick starts with a call from someone claiming to be a police officer or government agent (often the CRA in Canada) who say they are coming to arrest you for overdue taxes or for skipping out on jury duty. They claim you can get out of it by sending them money via a prepaid debit card or wire transfer.⁵

It is impossible to compile a list of all of the schemes used by perpetrators because the fraudsters—who spend their “careers” developing schemes to defraud victims—are continually creating new, inventive scams. The online dating romance scam emerged around 2007 and has its roots in paper-mail based fraud. The romance scam still currently exists in paper-mail form through ads placed in adult magazines with stolen photographs on models, which victims may respond to. The online dating scam consists of two main parts: mass marketing fraud and identity fraud.

Scenarios

Scammers often pretend to be foreign specialists working in Nigeria or Ghana (usually originally from US and UK, but it may also be Canada, Australia or any other European country). Recently there are also similar scams originating from Malaysia, China, India, Turkey, Spain, Cyprus, and Egypt. Men often present themselves as widowed engineers, building contractors, military personnel, veterinarians, doctors, surgeons or antique dealers. Women tend to present themselves as nurses, models, charity or UNICEF workers or antique dealers.

Earl Jones case:

Perhaps the most famous case of financial fraud in Canada was that of Earl Jones, a Montreal-area investment advisor responsible for defrauding 158 victims using a ‘Ponzi Scheme’, whereby operators pay investors interest payments with money obtained from new investors. Victims were enticed into this type of scheme with promises of unusually high returns. Earl Jones raised approximately \$50 million from his victims but never invested any of the money. Instead, he paid a small fraction back to the investors to create the illusion of high returns. This occurred between 1983 and 2009.

After a brief disappearance, he turned himself into the police. Earl Jones was convicted on two counts of fraud and sentenced to 11 years in custody, of which he only served 4 years.

⁵ From Better Business Bureau: www.BBB.org

Victims include his own brother and sister-in-law, who lost \$1 million. A class-action lawsuit against the Royal Bank of Canada, Jones' primary banker, was filed by some of the victims but only a small portion of their original investments was ever recovered.

Example of a message sent as part of a scam⁶:

The diagram shows a screenshot of a text message from 'beckiehyde' received on May 14 at 12:40am. The message text is as follows:

Hi John. How are you? Im caring, I love to make laugh, Im kind and affection. I dont club and im not after a one night stand? Distance should not be a problem, I can relocate for my partner. How is your search going. I was born in a family of two Girls and I'm the eldest. Dad from Australia Perth, Mom from Canada Ottawa .. I lost my Dad in my very early of childhood age then I was 12 years old before my Mom took us down to Canada, on getting there Mom got married to a Canadian, so my Dad younger brother took I and my Sister down to United kingdom to complete our study. Im very busy now so i can be able to chat on here. You can contact me on my private email address beckiehyde@hotmail.com get in-touch so we can go along to know more about each other.

Warm regard.
Beckie.

Three callouts point to specific parts of the message:

- Acknowledges distance and offers to relocate on first contact**: Points to the sentence "Distance should not be a problem, I can relocate for my partner."
- Story of growing up in Australia, Canada and completing study in the UK is surprising given the poor English**: Points to the paragraph starting with "I was born in a family of two Girls and I'm the eldest..."
- Provides email address and encourages use of that rather than continuing to chat within the dating web site.**: Points to the sentence "You can contact me on my private email address beckiehyde@hotmail.com get in-touch..."

A separate callout box at the bottom right notes: "Note the free cloud-based email address. Not unusual nowadays but be mindful that this person could be based anywhere in the world."

Anatomy of the romance scam:

Criminals pretend to initiate a relationship through online dating or social networking sites with the intention to defraud their victims of large sums of money. Scammers create profiles with stolen photographs (e.g., attractive models, army officers). Scammers often try and move the conversation from the dating sites to instant messaging services and e-mail, on the basis of wanting an 'exclusive' relationship. Phone calls may occur but are typically less frequent – scammers may disguise their voices to sound like another gender or may even employ the use of a phone app to mask accents/voices/etc.

⁶Image borrowed from Scamwatch. Accessed online January 6, 2016 at www.scamwatch.gov.au

They will sometimes try and provide context to their current situation by referring to current world events (e.g. American Soldier in Iraq or an official working at the London Olympics). Scammers may try and ask for small gifts such as flowers, perfume or electronic devices as a strategy to 'test the waters' with potential victims. Victims may gradually be asked for small sums of money, eventually leading to a sudden and immediate request for a large sum of money due to an apparent crisis.

Victims may speak with other 'players' who pose as government officials, diplomats and customs officials in order to make the scam seem more believable. Male 'characters' often present as wealthy individuals in high-status positions whereas women will often present as young and vulnerable. Victims can be asked to remove clothing and perform sexual acts on camera for the scammers – these recordings are sometimes later used to blackmail the victim.

Overseas scams:

Every day, new cases are reported where Canadians have requested consular assistance after having their safety compromised by a scam. It is predicted that the number of victims will continue to rise. In many countries, con artists operate without consequences because local authorities often do not have the physical or financial resources needed to combat Internet crimes.

Organized fraud networks are developing more and more innovative and sophisticated approaches to deceive their victims and to extort small or large amounts of money. The criminals conduct extensive searches to create credible documents: complete profiles of fictitious businesses, medical reports, falsified export certificates, etc. The names and logos of reputable organizations, governments and government agencies are often used fraudulently. Websites that appear very authentic are also falsified.

Another type of overseas fraud involves con artists falsely representing themselves as Canadian embassy staff, such as consular officers and even ambassadors. If you are approached by someone claiming to work for a Canadian government office abroad who offers you unsolicited assistance, verify the identity of the individual by contacting the embassy or consulate where he or she claims to be employed.⁷

6. Impacts on victims

Participants in a study by Monica Whitty described how they felt prior to being victimized by scammers. Most described themselves as being in a neutral state prior to the scam. Some described themselves as being happy about finding a new partner. Other feelings ranged from

⁷ Summarized from "The Psychology of the Online Dating Romance Scam" Whitty, Monica T. *Psychology, Crime & Law*. Mar2014, Vol. 20 Issue 3, p261-283 and "Overseas fraud: an increasing threat to the safety of Canadians" Accessed online: <http://travel.gc.ca/travelling/health-safety/overseas-fraud>

depression and anxiety to loneliness and insecurity. This indicates that fraudsters don't discriminate.

Examples of Psychological Impact on Victims:

- Anger
- Regret
- Victimized/violated
- Betrayal
- Embarrassment
- Sadness
- Helplessness
- Shame
- Guilt (victims take personal responsibility for the fraud)
- Confusion
- Loss of trust
- Stress from indirect financial costs resulting from the fraud (legal fees, lost wages, private investigators, etc.)
- Non-financial costs such as depression, sleep deprivation, health problems, negative relationship consequences, etc.

Although some victims received support from loved ones, most did not. The majority had others tell them they were stupid, and had loved ones angry and upset with them for the financial loss (e.g., children losing their inheritance). Furthermore, victims found it difficult to visualise the real criminal even after being told they were scammed. Victims receive what is known as a 'double hit' - they are troubled by the loss of money as well as the loss of a relationship. For some, the loss of the relationship is more significant⁸.

Whitty found that victims appear to work through Kübler-Ross's stages of grieving: denial, anger, bargaining, depression and acceptance. Denial can leave victims in a dangerous position of possible re-victimization.

This type of fraud can lead victims to lose faith in their ability to seek out a future romantic relationship and lead to a drop in self-confidence. Victims often feel duped – tricked into believing that they were participating in a consensual, loving relationship. These feelings may cause victims to be reluctant to report the crimes they have experienced.

Individuals who are defrauded as part of romance scam are often blamed by others for being naïve, as outsiders often feel as though the scams should have been easily identified. It is crucial to remember that this is NOT the case. Victims unknowingly participate in these relationships under false pretences and the level of deception perpetrated against them can be highly sophisticated and complex.

Financial fraud can exact a heavy emotional toll on its victims, whose reactions to being victimized may resemble those of other crime victims, including victims of violent crime.

⁸Whitty, Monica T. "The Psychology of the Online Dating Romance Scam" *Psychology, Crime & Law*. Mar2014, Vol. 20 Issue 3, p261-283.

Understanding such reactions is the key to aiding the emotional recovery of financial fraud victims. Financial fraud victims often feel as though they should have known better or done more to prevent the fraud. It is important to remember that the blame for the crime belongs to the perpetrator, not the victim⁹.

Frances & Gandolfo:

Frances and Gandolfo were victimized by a fraudulent investment scheme in Ontario. The accused captured, and then violated, the trust of more than 30 investors in a \$3,000,000 Ponzi scheme. A restitution order was made in court for over \$2,000,000. The victims have been unable to collect any of this money despite their efforts because the offenders are not cooperating.

The victims want to have the offenders' wages garnished but they have to hire lawyers to serve the perpetrator at their own expense. It has been very difficult for these victims to pursue financial recovery even though restitution was ordered. Justice officials protect the fraudster's privacy over the victims' right to enforce court ordered obligations.

7. What should I do if I become a victim?

If you are a victim of fraud, report it immediately to the police service of jurisdiction in your area. Also, always report fraud to the Canadian Anti-Fraud Centre on-line by visiting the [CAFC website](#) or by calling 1-888-495-8501.

It may be difficult to recover lost money, but there are steps victims can take to reduce the damage. It is very important to contact your local or regional police and file a report so the authorities are aware and can alert more potential victims, if required.

If you think that someone has gained access to your banking information or credit card details, contact your financial institution in order to suspend your account and potentially lessen the loss you experience. Credit card companies may be able to perform a 'charge-back' to refund the money charged to a particular card.

Contact your bank if you have sent money through e-transfer or Interac. If the transfer has not been processed yet, they may be able to cancel the transaction. The same goes for a cheque

⁹FINRA Investor Education Foundation & National Center for Victims of Crime. *"Taking Action: An Advocate's Guide to Assisting Victims of Financial Fraud"* Published 2013. Accessed online January 6, 2016 at: <http://www.ncpc.org/resources/files/pdf/mortgage-fraud/Taking%20Action%20-%20An%20advocates%20Guide%20to%20Assisting%20Victims%20of%20Financial%20Fraud.pdf>

that has been mailed to the potential scammer. Keep as much evidence of the scam as possible. Authorities may require these documents for the purpose of their investigation.

Lea's Story –

Lea, a former Toronto Catholic school teacher, is outraged by the sentence — 15 months of probation — imposed on a woman who admitted stealing her identity to secure a \$294,000 mortgage. Deborah pleaded guilty to committing fraud over \$5,000 and admitted to using her former friend's identity to secretly take out a \$294,000 mortgage in December 2009 to purchase a home in Niagara-on-the-Lake. Deborah obtained a joint mortgage for the home in Niagara-on-the-Lake, and unbeknownst to Lea, she was listed on the mortgage and deed.

A short time later, the victim received paperwork notifying her of the purchase, much to her shock. Lea feels betrayed by the former family friend and has been unable to have her name removed from the home's mortgage through the courts or by the Bank of Nova Scotia despite the criminal case against the perpetrator.

8. Finding support through victim services/other areas

The Canadian Anti-Fraud Centre (CAFC) is the central agency in Canada that collects information on telephone, Internet and letter fraud and identity theft complaints. It plays a key role in educating the public about specific fraudulent telemarketing pitches. There are also a number of local and regional agencies and resources you can report fraud to if you feel you have become a victim of romance fraud:

- Local police: Most major police services have a fraud unit specializing in investigation, prevention, and reducing the harmful effects of this type of victimization. Most police agencies also offer victim services in-house or through a community-based agency, who can provide you with information, emotional support and referrals to community agencies that can assist.
- The Canadian Anti-Fraud Centre (CAFC) collects information and criminal intelligence on such matters as advance fee fraud (i.e.: West African letters), romance fraud, internet fraud and identification theft complaints. You can file a report by phone at: 1-888-495-8501 or through the [CAFC's Fraud Reporting System](#).
- [The Competition Bureau's Information Centre](#), where you can access *The Little Black Book of Scams*, a helpful resource full of information on how to avoid being caught up in a scam such as romance fraud and how to report it to the appropriate authorities. The CBIC can be reached by phone at: 1-800-348-5358.

- Ontario: Consumer Protection Ontario is an awareness program from Ontario's Ministry of Government and Consumer Services and other public organizations through which victims can [report romance fraud](#).
- Québec: The scams and fraud section of the [Sûreté du Québec website](#) contains information and tips on how to avoid and prevent various types of fraud including romance fraud.
- For further information on this topic, you may wish to contact your territorial consumer affairs office.

How can Victim Services help?

Victims often report difficulties when dealing with counsellors and other health professionals due to a lack of knowledge about the crime and the psychological impacts on victims. Family, friends and professionals need to be made aware that there are few traditional social supports available to victims of this type of crime. Service providers should be aware of the fact that victims are not only dealing with a financial loss but an emotional trauma as well. They should also be aware that victims may have suffered past abuse or may be suffering from mental health issues that may render them more vulnerable.

Victim services will take a victim-centred approach with people who contact them. They will communicate with compassion, explain what victims should expect from them, and assess any additional safety concerns that arise out of the financial fraud. Staff will likely assist victims in preventing further victimization as well as help victims access additional supports to help them cope with emotional and mental health as they recover.

[Crimes-of-Persuasion.com](#) offers tips for victim services providers when working with victims of investment fraud and financial scams:

- Express sorrow that the crime happened and ask how you can help.
- Pay close attention to signs of psychological trauma, including words, statements, or physical descriptors that imply hopelessness or depression, and, where appropriate, provide referrals to mental health providers, spiritual counsellors, other human service agencies, or support groups, especially those sensitive to the needs of fraud victims.
- Inquire about any specific fears or concerns victims may have about participation in the justice process, paying special attention to victims who are especially fearful that criminal justice participation may result in the disclosure of the crime to family, friends, professional colleagues, clients, or employers.
- Provide information to reduce the chances of re-victimization.¹⁰

¹⁰ Crimes-of-Persuasion.com "Fraud Victim Assistance - Help for Scam Cases" Accessed February 11, 2016 online at: <http://www.crimes-of-persuasion.com/Victims/support.htm>

Paul's story

Paul was one of six victims who lost \$66,000 in an investment fraud in Saskatchewan. Under advice from Archie, an Insurance and Investment Agent for Manual Life and other companies, the six victims took money out of their tax-sheltered retirement plans and put them into another fund and were told there would be no income tax consequences. After a period of time without an update on their investments, the victims began to suspect fraud. In 2005, they hired a lawyer and went through the court of Queen's Bench, which Archie failed to attend, and was found in contempt of court, and the judge ordered restitution. In 2010, the Saskatchewan Insurance Council was asked to help and found that Archie had misrepresented and stolen the monies from his clients. After the RCMP and CRA investigated he was charged with fraud under the *Income Tax Act*. He was found guilty and sentenced to fourteen months in jail, serving only four or five months.

The victims cannot easily enforce the restitution order even though the fraudster was convicted and sent to jail. While there is a restitution enforcement program in Saskatchewan, the victims have not benefitted from it. Since his release, Archie says he does not work, has no property or assets, and cannot pay back the monies he stole. This fraudster has moved to another province, started up a new company, but does not pay himself so he has no income/wages for the victims to garnish. He uses aliases and has a number of different business names in order to evade the victims and paying restitution.

9. Is recovery possible?

Recovery is not only about finances, but it is also about facing any emotional trauma caused by the crime and potentially seeking help to process feelings and restore mental health. Full financial recovery is difficult to achieve – even when a restitution order is made by a court, victims rarely regain their losses in full. Financial compensation programs for victims of crime in Canada are designed for violent crime and not available to victims who've suffered losses as a result of financial crimes. Victims need to understand that although recovery of lost assets may not be possible, they can take back control of their lives and financial futures, and put an end to the trauma and stress of being victimized¹¹. Recovery does not come easily; it requires work. Victim services can help connect victims to mental health and counselling supports.

¹¹ FINRA Investor Education Foundation & National Center for Victims of Crime. "Taking Action: An Advocate's Guide to Assisting Victims of Financial Fraud" Published 2013. Accessed online January 6, 2016 at: <http://www.ncpc.org/resources/files/pdf/mortgage-fraud/Taking%20Action%20-%20An%20advocates%20Guide%20to%20Assisting%20Victims%20of%20Financial%20Fraud.pdf>

The reality facing victims of financial fraud is that most cannot get their money back because fraudsters hide/spend the assets they've stolen. Civil lawsuits are an option for some victims but they take time and can be very costly. Most Canadians simply don't have the financial resources to pursue civil litigation, especially after significant financial loss. Using the civil system for financial recovery is not advisable unless there is an ability to identify and seize assets or garnishee wages from the perpetrator.

While the Canadian Victims Bill of Rights (2015) now provides victims with the right to ask a judge to consider restitution in their case, actually collecting restitution is very challenging for victims because restitution collection is a provincial jurisdiction. Hence, collection varies by province. In Ontario, a criminal restitution order is equivalent to a civil judgement enforceable at the victim's expense. Saskatchewan and Nova Scotia do provide provincial assistance for restitution order execution (meaning the enforcement costs are borne by the province).

In Saskatchewan, contact:

Toll free: 1-888-286-6664

In Regina: 306-787-3500

Email: restitution@gov.sk.ca

In Nova Scotia, contact:

Restitution Coordinator: (902) 424-3309 or Toll-free – 1 (888) 470-0773.

10. Prevention

Tips for preventing credit/banking fraud:

To help prevent and recognize fraud, never share your credit card or debit card's personal identification number (PIN) with anyone, even your family. Check your statements every month to spot any errors, and if you cancel any accounts or cards, ask for written confirmation that this has been done. Contact your financial institution the moment you suspect there has been fraudulent activity with your credit card or bank account. Check your credit histories with Canada's two credit reporting agencies, TransUnion and Equifax Canada, to ensure you are not a victim of fraud.

Report any suspected fraudulent activity to the Canadian Anti-Fraud Centre at 1-888-495-8501. For more information on how to protect yourself from financial fraud, visit Financial Consumer Agency of Canada's [website](#). A good rule of thumb to live by is to never send money to someone you don't know personally or for something you have "won" in a contest, etc.

Tips for preventing romance fraud:

There is absolutely nothing wrong with seeking friendship and/or relationships through online dating websites, but there are ways to help protect you against being victimized by scams.

1. Make sure you only use established and reputable dating sites. Check spelling carefully as scammers will slightly change the name of the service to entice victims.
2. Be careful when giving out your personal information. Scammers may be collecting your personal details and images in order to create their own profiles and assume your identity.
3. Scammers may make a declaration of love very quickly. They will often associate concepts of 'fate' and 'destiny' with the new relationship.
4. Consider avoiding becoming 'friends' on websites such as Facebook or changing your privacy settings. Victims' information becomes instantly accessible to scammers and can be used to commit further crimes.
5. When looking at someone's online profile, look at their existing 'friends'. Are they mostly individuals of the same sex and age? This is potentially a warning sign.
6. Be conscious of broken language. Scammers will often claim to be successful university-educated individuals but have great difficulty with spelling and grammar when communicating with victims.
7. Another red flag is the person's profile history. For example, if the person you are connecting with has only had an active profile for a very short period of time or has had very little activity.
8. Never give out your personal financial information. This is a dangerous practice even with people you know. Never provide detailed family history such as parents, siblings, and children's names.

The info-graphic below will help you recognize some of the possible warning signs of a scam.



When an online relationship moves to real life, romance scammers employ isolation techniques that encourage increased reliance or trust in the scammer. Scammers will be unwilling to meet the victim's friends and family, or anyone who might expose them. While the victim is "in love" and wants to build trust in the relationship, the scammer accentuates "it's just you and me" and avoids any real contact with people who can identify them as a scammer and lessen the victim's trust in them.

11. Conclusion

Financial fraud is real and can be devastating. Fortunately, you are not alone and can get help in your community from various programs. Prevention is an important part of combating financial fraud. Yet, we know that fraud occurs in spite of preventive methods. Victims of fraud are left to cope with both financial losses and emotional losses, and often painful feelings such as anger, fear, and frustration.

This guide provides examples from victims to demonstrate that this crime is prevalent across Canada. Being defrauded is never the victim's fault, as scammers are often adept manipulators. Reporting the crime is very important and can help prevent others from suffering similar losses. Victim service providers can help you by connecting you to professionals who can help you manage the emotional fallout of financial fraud. Financial victims can rebuild their lives with time and supports.

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