

**CANADA MINISTRY OF IMMIGRATION, REFUGEES AND CITIZENSHIP****Extortion Phone Scams in Canada****PURPOSE:**

How can Canada develop and implement a plan to limit the number of newcomers who fall victim to extortion phone scams. The goal is to educate newcomers on how to avoid extortion scams so as to reduce the financial burden on both these newcomers and the federal government.

**BACKGROUND:**

- Citizens are being targeted by nation-wide phone extortion scams, demanding their money and threatening them with legal ramifications.
- These scams disproportionately affect newcomers who are unaware of the Canadian government's policies regarding the collection of money.
  - The newcomers who fall victim to extortion, most of who are not yet economically stable, lose a significant amount of money and are left feeling hopeless, stressed and defeated.
- The scammers often pose as various Canadian agencies, and claim that the person's identity has been comprised, and that they must pay thousands of dollars or face arrest and deportation.
- The phone numbers used by scammers are often connected to courthouses or government officials (caller ID spoofing), which renders the calls more believable.

*Financial Background*

- In 2018, over 22,000 people received extortion calls from fraudsters claiming to be from a Canadian agency, with almost 1,500 falling victim to the scams and relinquishing \$6.4 million.
- In 2019, there were 10,278 reports of extortion fraud in Canada, with \$9.2 million lost, according to the Canadian Anti-Fraud Centre.

*Current Status*

- The Canadian Anti-Fraud Centre offers advice on its website on how Canadians can protect themselves against phone scams.
  - Some of the tips include not giving out personal information over the phone, being aware that scammers can disguise their phone numbers, and remembering that calls demanding urgent payment are likely not legitimate.
- The Immigration, Refugees and Citizenship Canada (IRCC) website provides people with information regarding the ways that Canadian companies and the government do business, and warns newcomers about the kinds of fraud they should watch out for.
  - The website also tells people how to protect themselves against these forms of fraud, and the steps they should take if they fall victim to a scam.
  - This information is available in English, Arabic and French.
- The IRCC currently provides all new immigrants with a 'Welcome to Canada' booklet, which includes a section on preventing fraud, but this information is vague and does not go into adequate detail.
- The Royal Canadian Mounted Police (RCMP) launched Project Octavia in October 2018, which focuses on telephone tax scams in Toronto. To date, three people have been charged in connection to multiple transnational scams.

**ANALYSIS:***Other Jurisdictions*

- The United States government and the Federal Bureau of Investigations (FBI) include a section on Common Scams and Safety on each of their websites.
  - The websites' information includes descriptions of common scams and frauds, tips for protecting children, Internet fraud warnings, and sex offender registry websites.
  - These websites include a section for reporting crimes of fraud, and allow for people to submit anonymous tips online to the FBI, which is best practice for ensuring that people don't feel scared or intimidated by the authorities when reporting their incidents.

*Risks*

- Policies that only allow for the dissemination of information via the internet risk failing to reach certain populations, such as those who do not have access to the internet or the elderly who may not be technologically adept.
- Limiting the information to English, Arabic or French risks failing to inform those who do not understand these languages.
- Policies that focus on investigating crimes of fraud rather than preventing them before they occur risk facing higher costs associated with investigative measures.
- Key stakeholders to consider include victims of fraud, newcomers, the Canadian Anti-fraud Centre, the Royal Canadian Mounted Police, the Competition Bureau Canada, the Ontario Provincial Police, and other municipal, provincial and federal law enforcement organizations.
  - In general, these stakeholders' interests are all aligned, as they are all concerned with and committed to reducing the prominence of extortion and fraud throughout Canada.

*Recommendation*

- Create a detailed fraud information booklet to be distributed to all Canadian newcomers upon entrance into the country.
  - The Ministry could consider creating a booklet, equipped with detailed information regarding national extortion scams, in order to educate newcomers and prevent them from falling victim to such scams.
  - This booklet would serve as a guide to navigating the ways in which Canadian governments and companies do business, and would include tips and warnings regarding potential scams, such as how to recognize a scam, how to protect yourself from fraud, and Canada's policies on the collection of money.
  - It would also include a section on what to do if you suspect fraud or have fallen victim to an extortion scam, such as where to report the crime, what to do next, and which services you can seek for advice.
  - This booklet would be available in all languages, and would be distributed to every newcomer upon immediate entry into the country as part of their welcome package, making the information easily accessible. For those who are visually impaired, the booklets would be transcribed into audio recordings in each language.
  - This option would be inexpensive, as the Ministry would only need to provide a one-time lump sum of funding for the creation and translation of the information booklets and audio recordings. It would also reduce the high costs associated with investigating crimes of fraud.