

Alberta RCMP warns against binary option scams

Posted June 5, 2017

Every year, thousands of Albertans fall victims to fraud, losing millions of dollars. Most people don't believe it could happen to them, but fraudsters use sophisticated ways to target people of all ages. Last year, there were a total of 8,317 cases of fraud reported in Alberta RCMP jurisdictions from January to October.

Some of the most common scams in Canada in 2016 included:

- Romance scams: Fraudsters steal photos and use dating sites and social media to lure potential victims into sending money for various reasons.
- Wire Fraud scams: Financial industry wire fraud occurs when Canadian financial institutions and investment brokers receive fraudulent email requests from who they believe to be an existing client.
- Investments scams: An investment scam is any solicitation (telephone, mail, email, etc.) for investments into false, deceptive or misleading investment opportunities, often referring to higher than normal or true monetary returns which consumers lose most or all of their money.
- Merchandise scams: Involves deceptive websites selling counterfeit goods from existing retailers at discounted prices. They use the concept of a limited, one-time-only sale to attract online buyers.

"Fraud has a devastating impact on individuals, families, businesses and to our economy. The RCMP believes that the best way to fight these types of crime is through awareness because the more you know about a scam, the less likely you are to be victimized. Albertans should immediately report any incident to the appropriate authorities," said Inspector K.C.A. (Allan) Lai, Acting Officer-in-Charge of RCMP "K" Division Federal Policing for Southern Alberta.

Recently, scammers have also been targeting Canadians and Albertans using binary option scams. According to the Alberta Securities Commission (ASC), Albertans who fall victim to binary options scams lose, on average, more than \$20,000. Similar to gambling, binary options work much like a wager. All or nothing "bets" are invested based on how an asset will perform within a certain timeframe. The asset could be a stock, a currency or a commodity. This type of scam is typically offered online. Binary options websites are designed to look legitimate, enticing users with promises of high rates of return and very low-risk.

Albertans should know that companies offering securities to Canadians must be registered in the province they do business. Currently, there are no registered binary options dealers in Alberta.

The following tips from the ASC will help protect you from binary scams.

- Be cautious when asked to provide personal information and credit card details over the phone and internet.
- Do your due diligence, research an investment opportunity and seek the council of an independent third party.
- Prior to investing, ask for information on the investment. Check the registration and enforcement history.
- The Canadian Securities Administrator (CSA) encourages all investors to visit www.aretheyregistered.ca

If you or someone you know has been approached by a binary options company or believe you have been the target of a securities scam, you can

- Contact the Alberta Securities Commission at (877) 355-4488 (toll-free) or inquiries@asc.ca.
- Contact the Canadian Anti-Fraud Centre 1-888-495-8501 or report online at www.antifraudcentre.ca.

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