

Online Purchases

Over the past year, the Regina Police Service has received an increase in the number of complaints where the public is making purchases over the internet for items which are priced at an amount which could be described as “too good to be true”.

In most incidents, a big ticket item such as a vehicle, travel trailer, boat, ATV or property, is advertised on an online classified website at a significantly discounted rate. The seller will often use eBay as a broker and sends an e-mail that appears to be from eBay to the buyer, however the email is only a copy of an actual eBay email. The seller will also provide the name and website address of a shipping company which is also fake. As part of the agreement, eBay is to act as the broker. The payment is to be sent to a person acting as the “agent” for eBay, and the payment for the item is to be sent to the agent through a money transfer service where the funds will be available instantly. The seller will often say they have to sell the item for different reasons that they have to sell the item at the reduced price such as:

- Marriage Breakdown
- Job Transfer, and they have been moved out of the country
- Visiting relatives out of the country and they need the money
- Were in Canada working, have returned to their home country, and did not bring the item with them
- Have stated they are with the Canadian military and are currently deployed to Afghanistan

The purchaser will be informed that the item is in storage, or is in care of a friend or relative who are in Canada or the United States. Once eBay receives the payment, they will have the shipping company transport the item to the purchaser. It is stated that eBay will hold the money until the item is received by the purchaser, allowing them to see the item and determine if they are satisfied with it. If the purchaser is satisfied they will notify eBay who will then release payment to the seller. If the purchaser is not satisfied they are to notify eBay who will then return the money to the purchaser, and the item will be returned to where it was sent from. In the end the item is not received by the purchaser because it does not exist. The money sent to the “agent” for eBay has been obtained, and will not be returned to the purchaser because eBay does not act as a broker for purchases. Because the money is often sent out of the country, the investigation of these types of incidents is difficult as the payment is received by persons using fake identification at locations where there isn't surveillance video.

It is necessary for the public to be cautious when purchasing items using online classified websites. The following tips can be used to keep the public safe from being a victim:

- Don't be pressured into making a purchase. The seller will often use high pressure tactics, informing the purchaser that they might have other people who are interested, or that if they commit to the purchase now, they will not take any offers from anyone else.

- Perform price comparisons. Often the items that are being sold are higher end, and appear to be in excellent condition, with most or all of the available options, and low mileage. They will price the items often less than half the amount of what the item should normally be priced at. Question why a person would sell you this item at such a reduced price when you are a stranger to them.
- Ask for serial numbers and pictures. Serial numbers can be taken to dealers for the items who can confirm if the numbers are valid, and inform where the item was purchased. Observe any pictures you receive, and look for details in the pictures such as the background of the picture, license plates, and details of the item such as the speedometer. If the speedometer is showing miles per hour as opposed to kilometers per hour when the vehicle is supposed to be located in Canada, it is important to question this detail.
- Ask for an address to look at the item before purchasing it. If the seller does not have any contact with you after this request, this is a sign that the item does not exist.
- Obtain as much information about the seller such as their name, address, email address and phone numbers. Use the internet and conduct web-searches to see if this information has been used in any other frauds. If there is a shipping company that is named does an internet search of the shipping company name, and confirm whether or not they are an actual business.
- Pay attention to the email address of the email that you are receiving from eBay. The email address may contain “eBay” as part of the email address but it is not an actual email from eBay. eBay does not send email through web email providers such as hushmail, rocketmail, or gmail as examples.
- Do not make a deal and send money on an item you have not seen. All purchases online resulting in frauds are in cases where the purchase is occurring sight unseen. Ask yourself is it worth sending thousands of dollars to someone you don’t know, haven’t seen, for an item you haven’t seen.

Remember that is something sounds too good to be true, it likely is. Nobody is going to give you something for nothing.

As well be aware of fraud that is occurring involving rental property that is advertised on online classified websites. The rental ads are for apartment, houses or condos, and the rental rate is significantly less than what the normal rent on comparable property would be. The person who has listed the ad states they are willing to sublet the property to the person, as they will be away for an extended period of time either because of work, vacation, or family. They inform the person that they believe they are good, and trustworthy, and are willing to rent them the property. The only requirement is that they send the damage deposit to them through a money transfer service, and upon receipt they will be sent a key to the property. The money is always to be sent outside of Canada because the person is already gone. The amount of the damage deposit is usually \$500 to \$1000 which they are informed will be returned to them at the end of the rental. The addresses and pictures of the rental properties are obtained from the internet, and are actual properties owned by people who are not aware of this taking place.

Anyone who has been victim to an incident such as this should contact the police service in their area or the RCMP.

Online Fraud as a Seller

Often a perpetrator's success depends on the victim's greed and haste. In a typical scenario, the potential victim is legitimately selling items on an online classified website. The buyer contacts the seller and proposes buying the item for sale but offers to pay an amount greater than the selling price, with an agreement that the difference will then be forwarded to a third party who will act as a shipper for the buyer. This money sent to the shipper is to be sent through a money transfer service. As an added incentive for doing this the buyer will tell the seller that they can keep a small amount or percentage of the money for their assistance with this. A cheque or money order will be sent to the seller which they are to deposit in their account and then forward the difference to a person referred to as the "shipper" using a wire transfer service. If the seller carries out these instructions, they eventually discover that the cheque or money order sent by the buyer is forged, and the deposit made into their account will be reversed by their financial institution. As a result the victim has lost the money he or she sent, plus whatever banking fees apply to the return or NSF charge.

These frauds are extremely challenging because they can originate from anywhere in the world making the identification of suspects and gathering evidence very difficult. It is important that people exercise caution in all internet-based business transactions. When selling items on an internet-based marketplace the following things are important to pay extra attention to:

- Any email where the name of the seller has biblical references (Gabriel, John, Elijah, etc.), and the content of the email uses poor grammar, spelling, and sentence structure.
- Location of the buyer. Question why the buyer who says they are located outside of Canada would want to purchase your item (which is usually available everywhere), and often pay a shipping cost that is greater than the cost of the item.
- Suspicious emails that use hotmail, gmail, or yahoo extensions as these can be sent from anywhere in the world.
- Buyers who offer an amount significantly higher than the value of the item for sale.
- Any requests to forward extra money to a third party combined with an offer to keep some of the cash by the seller.
- High pressure emails to carry out requests and conditions (like forwarding money) immediately. If the cheque or money order is successfully deposited in the seller's account, there is often 5-7 days before it is discovered by the bank's clearing house that it is a forgery. The buyer will pressure the seller to immediately forward the amount of money to the "shipper" once the deposit is made into their account.

The internet can be used as a tool to prevent you from falling victim to this type of fraud. Use the internet to conduct searches of any information the seller give you about themselves such as their name, location, contact information (email addresses and phone numbers), and information about the person or company acting as a shipper. In these types of frauds the same information is used on multiple victims, or there may be similarities to previous frauds. Often people who are victim to these types of incidents will post information to specific websites pertaining to fraud on the internet to help prevent other people from becoming victims.

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