

Don't buy into investment fraud!

Spot the scheme, save your dreams

Ponzis, pyramids, pump and dumps, and advance fee schemes have one thing in common: they all take your savings and leave you with nothing but broken dreams.

The Ontario Securities Commission (OSC) and the Competition Bureau are joining together during Fraud Prevention Month to encourage investors to be careful and beware of potential investment scams. An informed consumer is a careful investor.

Here are some details about the most common investment scams:

- **Ponzis or Pyramids**

These scammers find their victims through ads and e-mails that promise big money working from home or turning \$10 into \$20,000 in just six weeks. Or, you may be given the chance to join a special group of investors who are going to 'get rich' on a great investment. The invitation might even come from someone you know. At the end of it all, someone made some money, but it wasn't you.

- **Pump and Dumps**

In these schemes, fraudsters work through lists of potential investors to promote an incredible deal on a low-priced stock. What you don't know is that the person or company contacting you owns a large amount of this stock and it is very likely that the stock may not even be a legitimate business. As more and more investors buy shares, the value of the stock rises sharply. Once the price hits a peak, the fraudsters sell their shares and the value of the stock plummets. You're left holding a stack of worthless paper.

- **Advance Fee Schemes**

In an advance fee scheme, the victim is persuaded to pay money up front in order to take advantage of an offer promising significantly more in return. The catch is that the scammer takes the money and the victim never hears from them again.

If you suspect fraud, report it to a regulator, contact your local police department or contact the Commercial Crimes Unit of the RCMP.

Consumers who believe they have fallen victim to an investment scam should file a complaint with the Ontario Securities Commission (1-877-785-1555 or at inquiries@osc.gov.on.ca) or reach their provincial regulator through the [Canadian Securities Administrators](#). For general complaints about false or misleading representations or deceptive marketing practices, consumers can [contact the Competition Bureau](#).

Associated Links

Learn more about the [signs of investment fraud](#) and how often [people get approached by scam artists](#) on the OSC's [GetSmarterAboutMoney.ca](#) website.

Learn how to protect yourself from fraud and scams in [The Canadian Edition of the Little Black Book of Scams](#).

Ontario Securities Commission and the Competition Bureau Sign [Memorandum of Understanding](#).