



# **NORTH BAY POLICE SERVICE**

## **2007 Annual Report Fraud Coordinator**

---

**Report date:** January 15, 2008  
**Author:** Detective Constable G. McClenaghan

## **A. Mandate**

The mandate of the Fraud Coordinator is:

- a) To receive and investigate fraud and fraud related complaints within the City of North Bay.
- b) Refer fraud and fraud related complaints to other members of the police service for investigation.
- c) Provide specialized investigative resources to members of the police service

## **B. Executive Summary**

From January 1<sup>st</sup> 2007 to December 31<sup>st</sup> 2007, the Fraud Coordinator received 100 complaint submissions. This is an increase when compared to 2006 when 82 complaints were received. These filings were composed of fraudulent and non-fraudulent complaints, primarily related to the Internet. This total included various fraud types and non-fraudulent complaints, including, but not limited to unsolicited e-mails and civil violations.

In 2007, the Fraud Coordinator processed more than 26 complaints that supported Internet crime investigations. These complaints were composed of many different fraud types such as auction fraud, non-delivery, and credit/debit card fraud, as well as non-fraudulent complaints, such as unsolicited e-mails and civil disputes.

Electronic mail (e-mail) and web pages were the two primary mechanisms by which the fraudulent contact took place. Nearly all of the complainants reported that they had e-mail or telephone contact with the perpetrators.

From the submissions, the Fraud Coordinator referred 24 complaints of fraud to the Operations and/or Investigative Support Sections of the police service. The vast majority of cases were fraudulent in nature and involved a financial loss on the part of the complainant. With Internet fraud, there was a decrease in the number of complainants that suffered financial loss. This decrease can be attributed, in large part to public education and initiatives, such as 'Project Protect', which was introduced in 2006.

## **C. Activities**

Fraud and fraud related complaints are primarily submitted to the Fraud Coordinator through the Platoon Resource Officer and/or communications personnel. Complainants also could submit complaints directly to the Fraud Coordinator via telephone. After a complaint is filed with the Fraud Coordinator, the information is reviewed, categorized and either referred to Operations or Investigative Support for investigation or investigated by the Fraud Coordinator.

The Fraud Coordinator referred specific fraud types to either the Operations or Investigative Support Sections of the police service. Complaints referred included those crimes where the reported monetary loss was low or complaints, which did not fall within the mandate of the Fraud Coordinator (i.e., Theft by persons holding Power of Attorney). In total, 24 of the 100 complaints filed in 2007 with the Fraud Coordinator were referred.

Of those complaints received and investigated by the Fraud Coordinator,

- a) 43 criminal charges were laid, and
- b) 5 Production Orders were executed.

Internet fraud was again the most reported offence, with the most common being advance fee fraud, non-delivery, counterfeit cheques and/or money orders and debit/credit card fraud.

Of the 26 fraudulent referrals involving the Internet or similar on-line service processed by the Fraud Coordinator in 2007, only 5 involved a victim who reported a monetary loss. Those complainants who did not file a loss reported the incident prior to victimization (i.e., through education and awareness, had prior knowledge of the scam or scheme).

Other complainants who did not file a loss had already recovered the money from the incident prior to filing or immediately after filing (i.e., zero liability in the case of credit/debit card fraud).

The vast majority of perpetrators were in contact with the complainant through either e-mail or via the web. This highlights the anonymous nature of the Internet.

Although the Fraud Coordinator is dedicated to specifically addressing complaints about fraud and fraud related offences, including Internet crimes, in April, the Fraud Coordinator served as the File Coordinator, field investigator and affiant on judicial authorizations issued under sections 487.05 and 487 CC (See NB07004698) for the 'Baby Doe' investigation. The Fraud Coordinator also assisted Operations with either drafting judicial authorizations himself or providing direction and instruction on drafting them. Some of these cases include NB07017187 a warrant issued under section 487.01 CC for the inspection of a motor vehicle that fled the scene of a collision.

Four cases initiated in 2006 and 2007 are still pending and will be reassigned to Detective Constable Levasseur, Fraud Coordinator effective December 31<sup>st</sup> 2007 for follow up investigation.

#### **D. Performance Indicators**

See Appendix A

## **E. Anticipated Issues for the Future**

Computer related fraud, including credit and debit card fraud and forgery and Internet fraud are on the rise. In 2007, like in 2006, computer related fraud was by far the most reported complaint.

The Internet is increasingly being utilized to foster fraudulent schemes. The schemes vary in type and complexity and tend to cross jurisdictional boundaries, with victims and perpetrators scattered across the world. As worldwide dependence on technology such as the Internet increases, high-tech crime is becoming an increasingly attractive source of revenue for organized crime groups.

The use of the Internet for criminal purposes is one of the most critical challenges facing law enforcement. One of the components of fraud committed via the Internet that makes investigation and prosecution difficult is that the offender and victim may be located anywhere in the world. This is a unique characteristic not found with other types of 'traditional' crime. Another factor that impedes the investigation and prosecution of Internet crime is the anonymity afforded by the Internet. Although complainants in these cases reported multiple contact methods, none reported interacting face-to-face with the perpetrator but rather being in contact with them through e-mail or a web page. Some reportedly had phone contact with the perpetrator. The anonymous nature of an e-mail address or a website allows perpetrators to solicit a large number of victims.

Provincial or International boundaries are irrelevant to Internet criminals. Jurisdictional issues can enhance their criminal efforts by impeding investigations with multiple victims, multiple provinces/countries and varying dollar losses.

## **F. Performance Indicators for the Next Year**

Complaints received and reviewed by the Fraud Coordinator increased with 100 complaints in 2007, up from 82 complaints in 2006. This total includes many different fraud types and non-fraudulent complaints.

Computer fraud, including Internet fraud was again the most reported offence. As dependence on technology increases, so will computer related crime. Education and awareness are major tools to protect individuals.

Ongoing and coordinated information sessions, including timely media releases and public presentations to 'at risk' groups are necessary to reduce the risk to individuals. Not only does the information serve to alert the public through the identification of current fraud patterns and trends but it also offers suggestions or 'tips' on how to prevent it or at least, how best to protect themselves.

The Internet is increasingly being used to foster fraudulent schemes or commit crimes. Anyone who utilizes the Internet is susceptible. Computer crime poses difficult and unique challenges to law enforcement. These challenges, including cover of anonymity make it difficult for law enforcement to locate, identify and prosecute offenders. It is therefore essential for law enforcement to take an aggressive approach in combating computer crime, including among other things, public education.

## Appendix 'A'

### Fraud Section Performance Indicators

	<b>2006</b>	<b>2007</b>
Occurrences	82	100
Criminal Code Charges	81	43
Fraudulent Use of Credit Card	11	0
Fraud Under	10	13
Other Criminal Code	10	13
Utter Forged Documents	23	12
Forgery	19	0
False Pretences	2	0
Fare/Fraud Accommodation Fraud	3	0
Fraud Over	5	5
Attempt Fraud	3	0
Search Warrants	6	8
Ongoing investigations	4	4