



Mass Marketing Fraud Trend Bulletin #2011-09

“Black Money” Scams

2011-11-22

Purpose

This brief was prepared to provide an overview of a resurgence of the “Black Money Scam”. The Black Money Scam is a variation of a traditional foreign money offer scam. As well as, to provide a list of indicators to assist government agencies, and other private sector partners with identifying potential frauds in progress.

Key Issues

- In 2011, the Canadian Anti-Fraud Centre has received more than 2000 complaints of foreign money offer scams, involving more than 200 victims with reported losses totalling more than 5.9 million dollars. Foreign money offer scams currently represent the top reported international scam impacting Canadians, with the average loss per victim being more than \$25,000. (U)
- Since April 2011, the CAFC has been advised of 15 Black Money scam occurrences in which local merchants in Montreal, Saskatoon, Regina, Calgary, Vancouver, Pickering and Mississauga have been solicited in person with black money scams. The perpetrators have either wanted to buy large quantities of product or the business from the merchant. Moreover, on November 8, 2011 the Canada Border Service Agency arrested a couple bringing counterfeit currency, as well as, paper covered in black ink into Canada.¹ (U)
- A foreign money offer is any solicitation commonly offering or requesting assistance in the transfer of a large sum of money, usually from an international country. The solicitation may also come from a lawyer or some legal entity advising the victim of an inheritance of a sum of money. The victim must pay one or more advance fees before the money can be released. The money or inheritance is fictitious and the victim never receives the money promised. These scams are sometimes referred to as Nigerian scams, 419 scams or West African fraud. There are a variety of scenarios used by scammers carrying out foreign money offer scams. They can involve contracts for work completed in a foreign country, black money scams and fund transfer schemes. (U)
- Black money variations generally involve cash only business details, with the victims or would be victims of scam being enticed by the perpetrators to meet in person so that they can be shown a trunk or suitcase of the money they are to receive. What the victim will be shown is black bank note sized paper. The victim is told that the money has been died black to conceal it for security and that a fee needs to be paid to purchase chemicals or cleaning solution to “clean” the money. In some cases, the perpetrators will provide a demonstration of the money being cleaned and through sleight of hand exchange a black banknote with a real one. (U)
- Some recent variations of the scam have involved suspects showing would-be victims “white money” instead of black money. The “white money” when passed under a UV light shows as Canadian currency and a demonstration follows involving the suspects putting two pieces of the white paper together with a real Canadian bank note between them. It is then covered in a white powder and wrapped in tin foil and pressure is applied. The would-be victims are distracted and when the package is opened three bank notes will appear. (u)

¹ http://montreal.ctv.ca/servlet/an/local/CTVNews/20111109/mtl_black_money_scam_111109/20111109/?hub=MontrealHome
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Indicators

- Cash offers to buy a local business or to buy large quantities of merchandise.
- Unsolicited correspondence seeking assistance in obtaining large sums of money often from a foreign country.
- Demonstration involving cleaning “black money” or “white money”.
- Business meetings scheduled in hotel rooms or parking lots.

Outlook

This bulletin was prepared to provide an overview of a resurgence of the “Black Money Scam”. The Black Money Scam is a variation of a traditional foreign money offer scam. If you think you or someone you know has been a victim of this type of fraud, contact the Canadian Anti-Fraud Centre 1-888-495-8501 or www.antifraudcentre.ca.

For more information, please check the ABC News story by Chief Investigative Correspondent Brian Ross “The Secrets Behind the 'Black Money' Scam: One Internet con artist gives an inside look at the infamous black money scam”.
<http://abcnews.go.com/Blotter/popup?id=2938230>

Fraud: Recognize It, Report It, Stop It.