



Warning Notice

Issue No. 23 – February 2002

Warning Notices contain the names of entities recently brought to OSFI's attention through some form of notice, inquiry or complaint. If these entities, or persons purporting to represent them, are operating in Canada, they may be violating provisions of the *Bank Act*, other federal financial institution legislation, other federal legislation, or provincial legislation.

A cumulative list of entities on previous Warning Circulars, Notices or Advisories is available on OSFI's Web site at http://www.osfi-bsif.gc.ca/osfi/index_e.aspx?ArticleID=166

Important Reminder: “Nigerian” Advance Fee Scams

During the past few weeks OSFI has seen an increase in reported advance fee scams. These scams usually operate as follows: the target receives an unsolicited fax, email, or letter describing an allegedly legal business proposal. The essence of the proposal involves a large sum of cash hidden away, which needs to be moved to a bank account somewhere in North America. Although Nigeria is often said to be the source of these funds, recent “scam” letters have involved other countries such as South Africa and Sierra Leone. The aim of the perpetrators is to obtain the target's bank account information and extract as much cash as possible, in the guise of “advance fees”, “government taxes” and other pretexts.

Some scams have become more sophisticated and involve the use of non-existent “banks” through which the victim is encouraged to pay sums of money. Three of these are listed below.

Members of the public and financial institutions should be on their guard and refrain from paying any money to any unknown institution before checking out its *bona fides*. A list of all legitimate federally regulated financial institutions supervised by OSFI can be found on our Internet site at www.osfi-bsif.gc.ca/eng/whoweregulate.asp. In addition, our Internet site provides links to Provincial and Territorial Financial Regulators who supervise legitimate financial institutions regulated by the provinces or territories of Canada.

You are encouraged to report attempted scams to law enforcement (police) authorities. More information about scams is available on the Royal Canadian Mounted Police (RCMP) Web site, at www.rcmp-grc.gc.ca/scams/scams.htm.

In addition, the RCMP and the Ontario Provincial Police have established the new Phonebusters National Call Centre (PNCC), the national deceptive telemarketing call centre (Web site: www.phonebusters.com; or toll-free in Canada and the USA, by telephone at 1-888 495-8501 or by fax at 1-888 654-9426). “Nigerian / African” scam letters should be forwarded to the PNCC at wafi@phonebusters.com. The PNCC is interested in receiving copies of any ‘new’ versions of the Nigerian letter scheme, particularly those involving Canadian mailing addresses or telephone numbers. This intelligence information is used to assist in the strategic targeting of would-be fraudsters.

<i>Name of Entity</i>	<i>Agency to contact with any further information</i>
Bank of Central Atlantic	OSFI; and Project Phonebusters (contact information above)
Kanadian Western Bank (not connected with Canadian Western Bank, a legitimate bank)	OSFI; and Mr. Bernie Murphy, Anti-Rackets Investigation Bureau, Ontario Provincial Police, +1(705) 329-6450
First Security Financial Services	OSFI

**Compliance Division
121 King Street West
Toronto, Ontario
M5H 3T9**

**Tel.: +1-416-973-6117
Fax. no.: +1-416-954-3169
Email: scaminfo@osfi-bsif.gc.ca**