

Participant Tip Sheet Masters

Home Renovation Fraud

Investment Fraud

Tel emarketing Fraud

Cyber Fraud

Financial Abuse



Seniors Fraud Awareness Campaign 2001



Home Renovation Fraud Participant Tip Sheet

Permission to reprint *Consumer Tips, Home Renovations and Repairs, Fair Trading Act*, August 2001, provided by Alberta Government Services

Seniors Fraud Awareness Campaign 2001

This is intended to provide general information and is not a substitute for legal advice

After Reading This Tip Sheet You Will Know:

How To Choose A Contractor

The Value Of A Detailed Contract

How To Protect Yourself From Liens

Your Cancellation Rights And The Contract Requirements

How to choose a contractor

The best way to find a contractor to repair or renovate your home is through satisfied customers. Ask around. Have any of your friends or neighbours had similar work done? Were they happy with the work and the price? Check the work. Does it meet your standards? Ask the contractor for the names of customers in your area, and see if you can look over the projects.

Describe the project in writing as completely as you can. Include the type and quality of materials you want. Give the same details to all prospective contractors, so they'll know what the job requires and be bidding on the same work.

Get written estimates from more than one business. An estimate should contain a description of the work to be done, the type and quality of materials to be used, the start and completion dates, the total price, guarantees, and method of payment. An estimate is not a contract.

See *Working with Prepaid Contractors* on page 4 of this tip sheet for how to find out if the company should be licensed and bonded.

Check tradespeople's qualifications. Ask to see the pocket certificates issued by Alberta Learning, formerly Alberta Advanced Education and Career Development.

Phone the Better Business Bureau. It keeps a record of complaints received against member contractors working in the area.

Beware! Avoid contractors who:

- knock on the door to tell you they just happen to be doing some work in the area and can give you a "special price. Most problems relating to home renovations involve contractors who solicit contracts door-to-door.
- promise a discount if you allow them to use your home "to advertise our work.". They have probably made the same offer to everyone.
- offer "lifetime" warranties that are only as good as the life of the company.
- quote a price without seeing the job.

- demand a large down payment "to buy materials". Most reputable contractors can maintain charge accounts with their suppliers.
- refuse to give you a written contract outlining what they will do, or won't allow you to get other estimates.
- only have a post office box for an address, a telephone answering number, or the address of their answering service.

The Value Of A Detailed Contract

Verbal contracts can be difficult to prove so a written contract is best. In some cases the law says that the contract *must* be in writing and contain specific information. (See *Working with prepaid contractors.*)

Contracts for large home improvements can be complicated. If you're not sure of something in the contract, ask for an explanation. If you're still in doubt, take it to a lawyer.

The Lawyer Referral Service (call 228-1722 in Calgary or toll-free 1-800-661-1095 from the rest of Alberta) will give you the names of three lawyers. You may contact all three. There is no charge for the first half hour.

Once you sign a contract it is legally binding, so read it carefully. Does it accurately describe the work to be done? It's important that you and the contractor agree on the exact job.

Any blank spaces on a printed form should be filled in with NA (Not Applicable) or NIL (nothing). Strike out anything you don't agree with, and make sure you and the contractor initial the change. You can also ask that the contract be rewritten.

Contract Checklist

In addition to the information found in *Prepaid contract requirements* renovation contracts should also include the following:

- a detailed description, with sketches if appropriate, of the work to be done. Write in the quality and type of materials to be used. Include all work that is being subcontracted, such as plumbing and wiring;
- assurance that the contractor will get all necessary permits and that all work will be done according to local codes. Ensure that inspections by local authorities will be done at the proper times;
- a statement that the contractor is responsible for removing all debris as soon as construction is completed;
- a statement that the contractor will repair or replace property damaged during the work;
- a statement of all warranties, explaining what is covered, for how long, and what will be done if problems arise;
- a statement of the contractor's public liability and property damage insurance;
- the contractor's Workers' Compensation Board number (if the contractor is not covered by the Board, check with your insurance agent or broker to find out if your policy will cover any claims);
- a statement outlining any cancellation rights; and
- signatures of you and the sales representative for the business.

Changing the contract

To protect you and the contractor, make sure changes to the contract have your written approval and a signed statement from the contractor, giving the extra cost (or reduction). If you are financing the work with a loan, find out if someone from the financial institution must approve the change.

Paying for the work

A down payment is seldom required on a routine home repair or improvement job. Even large projects are often done without a cash advance. If a down payment is required, make it as low as possible. Most small jobs take no more than a few days to do, so payment is usually made after the work is completed.

If your project is large, the contractor will likely ask you to make "interim" payments (made in between starting and completion dates). *Make payments only for work that has been completed.* Always keep back some money to ensure the work is completed to your satisfaction.

Avoid "progression" clauses that call for payments at specific times, no matter how much work has been done. You could be left with an unfinished job that's fully paid for.

Make sure you get a signed receipt for all payments. Paying by credit card may give you charge-back rights if work is not done.

How To Protect Yourself From Liens

If a contractor does not pay his suppliers and subcontractors, they can place liens on your property. A lien is a notice that someone is claiming a right to be paid out of the value of a particular piece of property. If a lien is registered on your property, it will be difficult to mortgage or to sell your property until the lien is removed.

You can find out if a lien has been registered by checking your certificate of title at a registry agent. You can get copies of land title records for a fee.

The Builders' Lien Act

You can protect yourself from a lien by using the provisions of the *Builder's Lien Act*. The *Act* requires you to hold back 10% of the value of the work or materials supplied up to the time the payment is made. You should keep the holdback money for 45 days after the work has been completed, the materials have been received, or the contractor has given written notice stating the renovation is ready to use.

The holdback money is to be used to pay suppliers and workers who have registered liens. Before you make any payment, check your certificate of title to make sure no one has registered a lien. Talk with a lawyer for more information about the *Builders' Lien Act* and for advice if a lien is registered against your property.

When is the job complete?

Don't be in a hurry to declare a job complete! Wait until everything you have been promised has been done before making the final payment, signing a completion certification, or any other document that releases the contractor from further responsibility.

If the contractor asks for immediate payment and assures you he will be back "in a few days to finish everything off", tell him his cheque will be ready then too.

If you have problems

No matter how much care you've taken in selecting a contractor and preparing a contract, things can go wrong.

If the completion date passes or it seems that the contractor has abandoned the job, send the contractor a registered letter. This letter should state when you expect to have the job completed, and that if that

deadline is not met you will hire another contractor to complete the work with the money remaining from the original contract. Do this only after you have received an estimate from another contractor.

Many disagreements can be settled through discussion and compromise. If these don't work, you may have to take the contractor to court.

If you think some of the work is not up to Building Code standards, report it in writing to your municipal inspection department. If the work doesn't meet Code requirements, the contractor will have to correct it at his or her own expense.

The Better Business Bureau can help with some consumer complaints.

If a job was misrepresented, or the supplier defaulted on a prepaid contract, or if you suspect the business is not following the requirements of, the *Fair Trading Act* contact Alberta Government Services, Consumer Services Division.

Working with prepaid contractors

Special regulations apply to contractors in Alberta if:

- they accept money before work is complete, and
- they look for work or discuss or finalize a contract away from their normal place of business - for example, in your home.

Contractors who carry out *both* practices must be licensed under the *Fair Trading Act* by Alberta Government Services, Consumer Services Division. They must also be bonded by a bonding company. You can find out if a contractor is licensed and bonded by calling Consumer Services Division or by checking the Business License Search section of Alberta Government Services website.

Prepaid contract requirements

If a prepaid contract is worth \$200 or more the contractor is required by the *Act* and the regulation to give you a written contract. It must contain:

- full names and addresses for yourself and the contractor and the name of the salesman if applicable,
- the company's telephone number and fax if applicable,
- the date and place of the contract,
- a detailed description of quality or type of materials to be used, and the services and work to be carried out under the contract with a price breakdown for all,
- the completion date of the services to be provided,
- a statement of your cancellation rights,
- the total price of the contract and the terms of payment,
- if the goods and/or services are to be provided later, the delivery date for the goods and the start date for the services as well as the date when all services will be completed and goods provided,
- full credit disclosure including details about any security taken for payment,
- signatures of you and the sales representative for the business

See the *Contract Checklist* for other information that should be included in your contract.

The contractor must give you a copy of the written contract at whichever time comes first:

- on or before the date the work begins, or
- within 10 days after you sign the contract

Your Cancellation Rights And The Contract Requirements

When a written contract has been solicited, agreed upon or signed at your home, the *Fair Trading Act* lets you cancel it without giving a reason. You must do so *no later than 10 days* after receiving your copy of the contract. Notice of cancellation is considered to be given on the date the letter was postmarked or delivered.

You can cancel a contract by any means as long as you can prove the date that you cancelled the contract. Ways to give notice include in person, by registered mail, by fax, and by courier. Keep a copy of your notice.

You can cancel the contract by sending or delivering the notice to the business or the salesperson at any address on the contract. If you don't know how to reach the supplier, contact Alberta Government Services, Consumer Services Division.

You may keep goods delivered to you under the contract until the seller refunds your money or returns any trade-in you may have given as part of the sale. The seller must provide you with a full refund within 15 days of cancellation. You should then allow the seller to pick up the goods. The business should pick up the goods within 21 days of cancellation.

If the work started before the end of the 10-day cancellation period, you can still cancel the contract. However, the contractor can demand that you pay a reasonable amount for the work that was done up to the time you cancelled. The contractor must refund your money before the demand can be made.

Extended cancellation rights

Your cancellation rights can be extended for up to one year from the day the contract was signed if:

- the seller wasn't licensed when the contract was signed,
- the sales contract didn't include all the required information found in Section 35 of the *Fair Trading Act* including the required cancellation statement,
- all the goods were not provided within 30 days of the delivery date specified in the contract or an amended date agreed to in writing by the buyer and seller,*
- the services were not started within 30 days of the delivery specified in the contract, or an amended date agreed in to writing by the buyer and seller.*

*Note: If you accept delivery of the goods or authorize services after the 30-day period, you can't cancel the contract.

For more information :

Registry agents can be found by:

- checking in the Yellow Pages™ of the telephone directory under "License Registry Services"
- in Edmonton (780) 427-4013. Toll free in Alberta, dialing 310-0000 and follow the instructions.
- checking the Alberta Government Services web site at www.gov.ab.ca/gs
- Alberta Government Services, Consumer Information Centre
Edmonton (780) 427-4088
toll free in Alberta 1-877-427-4088
web site www.gov.ab.ca/gs

A current version of this tip sheet and other tip sheets are available at the Alberta Government Services web site at www.gov.ab.ca/gs. Most public libraries have Internet access available if you don't have access at home.

If you need more copies of this tip sheet you have permission to photocopy. Please call our office to make sure you have the most up-to-date copy.



Investment Fraud Participant Tip sheet

Seniors Fraud Awareness Campaign 2001

Recognizing the Risk

Fraudulent investment promoters are glib and resourceful. They may tell you that they have high-level financial connections; that they're privy to inside information; that they'll guarantee the investment; or that they'll buy back the investment after a certain time. To close the deal, they may serve up phony statistics, misrepresent the significance of a current event, or stress the unique quality of their offering to deter you from verifying their story.¹

Each year thousands of seniors are affected by investment frauds targeting seniors. Remember that there are several types of frauds, and they can be originated in person, by phone, through mail and e-mail.

Are you being told not to worry about the money you send in?

- Don't sign on the dotted line until you are certain you are the one that is going to benefit the most. Always ask about commissions, how much will the broker receive?
- Get a second opinion. Never sign a contract without having a friend or lawyer check it over.
- Take your time. Don't be pressured to invest immediately.

Were you called out of the blue about your personal finances?

- Be wary of unsolicited callers requesting details about your finances.
- Be skeptical about 'get rich quick' claims.

Is the company reluctant to give written information about the company or broker?

- Research the company's reputation. Always check credentials of any broker or firm by contacting the Better Business Bureau.
- Always ask for written information about the investment before committing to any agreement.

Top Ten Lines from Fraudulent Investment Promoters²

1. "We don't make money unless you make money."
2. "I know you get offers everyday from people who tell you they're going to make you rich. I can make it easy for you to make your decision based on actual facts."
3. "This opportunity is the best chance to make extra money for guys who work for a living... guys like you and me."
4. "I've been in the business for 20 years, and I can tell you this: I know no other program that's legal that's so easy to afford and so easy to work that can bring in this kind of big money from such a small investment."

5. "I know this can work for you. I personally guarantee your success, right down to the last penny."
6. "Give me one percent of your trust. I'll earn the other 99 when you see the return."
7. "Of course there's a risk. There's a risk in everything."
8. "Sure we could finance this venture ourselves. But we're trying to build a power base for the future with folks like you."
9. "We're talking about a cash cow here. But it's going fast. I need your check tomorrow at the latest."
10. "I can't be lying. There are laws against that."

Always remember, if it seems too good to be true...it probably is.

Referrals

Local RCMP and Municipal Police Agencies-refer to your local telephone directory

Better Business Bureau

Central and Northern Alberta Government

Edmonton (780) 482-2341

Southern Alberta

Calgary (403) 531-8780

For more information or assistance contact:

Alberta Seniors Information Line

1-800-642-3853

¹ Federal Trade Commission Website- *How to Avoid Losing Your Money to Investment Frauds*. www.ftc.gov/. November 2001

² Federal Trade Commission Website- *Make Huge Profits With Amazing No-Risk Investments*. www.ftc.gov/. November 2001



Telemarketing Fraud Participant tip Sheet

Seniors Fraud Awareness Campaign 2001

Tips to Avoid Becoming a Victim of Telemarketing Fraud

Telemarketing fraud can happen to anybody. Your family, friends and neighbours could become victims of telemarketing fraud. It is not an isolated or individual crime. It affects all of us. Millions of dollars are taken from Albertans every year in relation to telemarketing fraud.

Victims of telemarketing fraud are often embarrassed and ashamed. That is exactly what the criminals want. When people are embarrassed or ashamed, they are reluctant to tell anyone about the crime, giving the criminals additional time to victimize even more people. Being embarrassed shouldn't stop you from reporting this crime to police. The sooner a telemarketing fraud is reported to police, the sooner the criminals can be stopped.

IT TAKES A GREAT DEAL OF COURAGE TO REPORT THIS TYPE OF CRIME

Heads Up!

DON'T

- believe everyone who calls with an exciting promotion or investment opportunity.
- disclose personal information about your bank accounts, credit cards or address over the telephone.
- be afraid to hang up.
- be afraid to ask for documentation to verify a product or investment. But remember, even the unscrupulous have professionally prepared literature, catalogues and invoices.
- be pressured into making a decision. Any legitimate gift or prize will still be available tomorrow.

DO

- take the time to call a friend, relative, banker or a police agency before making a decision to send money.
- call the police to report any suspicious phone calls or mailings.
- take the opportunity to ask the caller questions about their offer or promotion. No legitimate company will refuse your inquiries.
- ask for literature so you can read about the company before making a commitment.¹

Be On Guard For Callers With The Following Offers

Prize Scams - "Winning" can make you a loser.

Everyone wants to be a winner, but some prizes aren't worth the price of "winning." You may receive a phone call or post card telling you about a "fabulous" prize you've won. But some prizes are used as a lure to sell you an overpriced product, and the prize won't be what you expect either. A "home entertainment center" may turn out to be a worthless keyboard that fits in the palm of your hand.

Some companies will ask you to pay shipping. Unfortunately, the shipping charge will exceed the value of the prize. **Never pay money to receive a prize. Legitimate winners are notified by certified mail. Never give your credit card or bank account numbers.**

Charity Scams - Sometime charity shouldn't begin at home

This year you'll probably receive dozens of requests to give to charity, either through a phone call, by mail, or visits to your home. In fact, once you've given to charity, the number of solicitations you'll receive will increase.

Although fundraisers may use emotional pleas and high pressure, you are never under any obligation to give. Who gets most of your donation? Those in need? Or professional fund raisers? It's important to find out so you can give wisely.

Make cheques out to organizations, not individuals. Ask about the charity's programs and services. Take your time making a decision; charities that need your money today will also need it tomorrow.²

On the Phone - Watch Out For

- "Congratulations you've won a prize."
- "This is the final day of our promotion, so order now."
- "We can come to your home for a free demonstration."
- "We'll send someone right over to pick up your cheque."³

For more information contact:

<p>Canada wide PhoneBusters Free video "Stop Phone Fraud – It's a Trap" 1-888-495-8501</p> <p>Industry Canada, Competition Bureau 1-800-348-5358</p>	<p>Provincial RCMP detachments and Municipal Police Services</p> <p>Better Business Bureau Central and Northern Alberta Government Edmonton 403-482-2341 Southern Alberta Calgary 403-531-8780</p>
<p>Edmonton Wise Owls/Heads Up Fraud Prevention Association (780) 421-2842</p>	<p>Calgary ABCs of Fraud/Calgary Seniors' Resource Society (403) 266-6200</p>

¹ Heads Up Fraud Prevention Association. *Hang up On Fraud*. November 1997.

² The Better Business Bureau Alberta. *Opportunists Knock*.

³ The Scotiabank Fraud Awareness Program: ABCs of Fraud®. *What you don't know about fraud...could hurt you*.



Cyber Fraud Participant Tip Sheet

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Recognizing the Risk

Approximately 82% of all the frauds on the Internet are solicited through web sites, approximately 12% through email and 4% through newsgroup postings.¹

Statistics

The following statistics² provide you with a glimpse of what type of websites involve fraud on the Internet:

- Online Auctions 78%
- General Merchandise Sales 10%
- Internet Access Service 3%
- Work at Home Business Offer 3%
- Advance Fee Loans 2%
- Computer Equipment/ Software Sales 1%
- Nigerian Money Offers via the Internet 1%
- Information Adult Services 1%
- Credit Card Offers .5%
- Travel/Vacations .5%

Is the ad an unsolicited contact?

- Beware of unsolicited e-mail. If you did not ask for the message then it is probably part of a massive re-mailing program in attempt to find someone who will be part of the scheme.

Does it advertise "GET RICH QUICK"?

- Even with the "excitement" of the Internet and with all the "glorious opportunities" there is still no get rich quick scheme to be had. Beware of all the promises.

Does it ask for personal banking or credit card information?

- Be aware of who has access to your credit card number. The danger is not in the card number being "intercepted" but that you are providing the number to the perpetrator.

Some of the main issues with investigating "Internet" Crime or scams are as follows:

1. The Internet is not sensitive to geographic boundaries. Offences can occur from half way around the world. Therefore investigating the crime, securing witnesses and the ultimate prosecution of the culprits responsible becomes difficult.
2. The Internet is "faceless". We can determine which web site or computer was used to perpetrate the crime but putting the criminal behind the keyboard is very difficult.
3. Scams can be hosted or perpetrated from one country one day and another the next. The Internet is the movement of "data". This data can be held on any computer anywhere in the world and changed the next day.

Always remember, if it seems too good to be true...it probably is.

Referrals

Local RCMP and Municipal Police Agencies-refer to your local telephone directory.

For more information contact:

Alberta Seniors Information Line

1-800-642-3853

¹ RCMP "K" Division. Edmonton, Alberta. October 2001

² Statistics provided by RCMP "K" Division. Edmonton, Alberta. October 2001



Financial Abuse Participant Tip Sheet

Seniors Fraud Awareness Campaign 2001

ELDER ABUSE is defined as:

Any action or inaction by self or others that jeopardizes the health or well being of any older adult and can include emotional, physical, financial, medication and/or neglect.¹

ELDER ABUSE can be prevented:

As a community member you can:

- Support efforts to increase community awareness of elder abuse.
- Support the promotion of more positive attitudes toward the aging process and elderly people
- Support relief and support services for those who care for elderly people.
- Support the training of individuals, both professional and the general public, to detect signs of possible financial abuse in their clients and colleagues.²

How to identify financial abuse and financial exploitation

When trying to determine if someone is being abused or neglected it is often difficult to make a connection between impairment of any physical or mental condition an elderly person may have and the possibility of maltreatment. The following are some indicators of financial abuse or financial exploitation.

Please Note: If you think that any one of the following indicators are applicable to an individual, it does not necessarily mean that abuse is taking place. It might however, indicate that you may want to look into the situation further.

- The older adult has signed a legal document without understanding the significance
- Signatures on documents don't match
- There been unusual activity in the individual's bank account or ATM transactions.
- The individual appears confused about his/her own finances.
- There are discrepancies between income and standard of living.
- Possessions have gone missing or appear to have been sold.
- There are overdue or unpaid bills and rent that have not been paid.³

If you believe someone is being taken advantage of:

Keep Talking

- Encourage individuals to contact their doctor, lawyer, home care person, social worker or public health worker and tell them what is happening.
- Although the individual may feel like the problem is unsolvable, help the individual understand that that no one deserves to be abused and that there is probably a solution to the problem.
- Remember that many cases of financial fraud are against the law.
- If someone you know is being financially abused, tell someone. **Keep talking until someone listens.**

You Are Not To Blame

- Help the person to understand that abuse does not discriminate. It can happen to anyone, rich, poor, educated, or non-educated.

- Older adults who are or have been taken advantage of financially are not to blame. **They are not responsible for being abused.**

Why would someone be susceptible to Elder Abuse?

Often older adults who are financially abused have not been allowed to make their own financial decisions throughout their lives. Whether they are making life choices such as sharing their home or vehicle or looking after children or grandchildren, they are often told what to do and are never given a choice. The power to make life decisions has been removed.

These individuals have been charged excessive amounts of money for everyday services. They are bombarded by relatives or friends for money or have been pressured to loan money to the same individuals without a written agreement for repayment. Their money goes missing or their cheques are cashed without their permission.

Family members may move into their home without a prior agreement on shared costs and the same family members may pressure older relatives to sign over their house or property. Financial abuse is not only a social issue. It can also be a crime, even if the offender is a relative.

Referrals:

If you or someone you know is in **immediate danger** please contact your local law enforcement agency.

Calgary

Kerby Rotary House Shelter for Abused Seniors, 24-Hour Crisis Line (403) 705-3250

Edmonton

Elder Abuse Intervention Team, referrals (780) 451-9243

Provincial

Alberta Children's Services, Office for the Prevention of Family Violence (OPFV) was created in 1984. The office provides a coordinated, provincially based government response to family violence, including elder abuse. (780) 422-5916

For more information or assistance contact

Alberta Seniors Information Line

1-800-642-3853

¹Edmonton Elder Abuse Intervention Team, April 1998.

²Office for the Prevention of Family Violence, Alberta Family and Social Services, (1993) *Family Violence Prevention-Elder Abuse Fact Sheet*. Edmonton

³Ideas taken from: Office for the Prevention of Family Violence, (1995) *Elder Abuse and Neglect*. Alberta Family and Social Services, Edmonton, Alberta.