



Complaint Report for The Atlantic Partnership January – December 2008



Federal Trade Commission

May 2009

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INTRODUCTION

The Consumer Sentinel Network (CSN) is a secure online database of millions of consumer complaints available only to law enforcement. In addition to storing complaints submitted to the FTC, the CSN also includes complaints filed with the Internet Crime Complaint Center, Better Business Bureaus, Canada's Phone Busters, the U.S. Postal Inspection Service, the Identity Theft Assistance Center, and the National Fraud Information Center, among others. Begun in 1997 to collect fraud and identity theft complaints, the CSN now has more than **7.2 million** complaints received by the FTC and other data contributors, including those about credit reports, debt collection, mortgages, and lending, among other subjects. Some organizations transfer their complaints to CSN after the end of the calendar year, and as a result, the total number of complaints for 2008 will increase in a few months. For the same reason, totals from previous years may differ from prior CSN annual reports.

During calendar year 2008 CSN received over **1.2 million** consumer complaints. Over 643,000 complaints were fraud-related; twelve percent of these fraud-related complaints were identified as cross-border. The following are a series of statistical reports from the CSN database presenting information about cross-border fraud-related complaints. For the purposes of this report, a fraud complaint is cross-border if: (1) a U.S. consumer complained about a company located in Canada or another foreign country; (2) a Canadian consumer complained about a company located in the U.S. or another foreign country; or (3) a consumer from a foreign country complained about a company located in the U.S. or Canada. Company location is based on addresses reported by the complaining consumers and, thus, likely understates the number of cross-border complaints. In some instances the company address provided by the consumer actually may be a mail drop in the consumer's country rather than the physical location of the company in a foreign country, and in other cases, the consumer does not know whether the location is in the U.S. or abroad. The 2008 Complaint Report for the Atlantic Partnership is based on unverified complaints reported by consumers. The data is not based on a consumer survey.

For more information about the Consumer Sentinel Network, visit www.FTC.gov/sentinel. Law enforcement personnel may join CSN at Register.ConsumerSentinel.gov

Consumer Sentinel Network Leading Partners & Data Contributors

| | |
|---|--|
|  <i>Australian Competition and Consumer Commission</i> |  <i>Better Business Bureaus</i> |
|  <i>Department of Defense</i> |  <i>Federal Bureau of Investigation</i> |
|  <i>Federal Trade Commission</i> |  <i>Internet Crime Complaint Center</i> |
|  <i>National Association of Attorneys General</i> |  <i>National Consumers League</i> |
|  <i>Canada's Phonebusters</i> |  <i>Social Security Administration</i> |
|  <i>U.S. Postal Inspection Service</i> |  <i>U.S. Secret Service</i> |

For Consumer Sentinel Network detailed description, see Appendix A



www.FTC.gov/sentinel



www.econsumer.gov



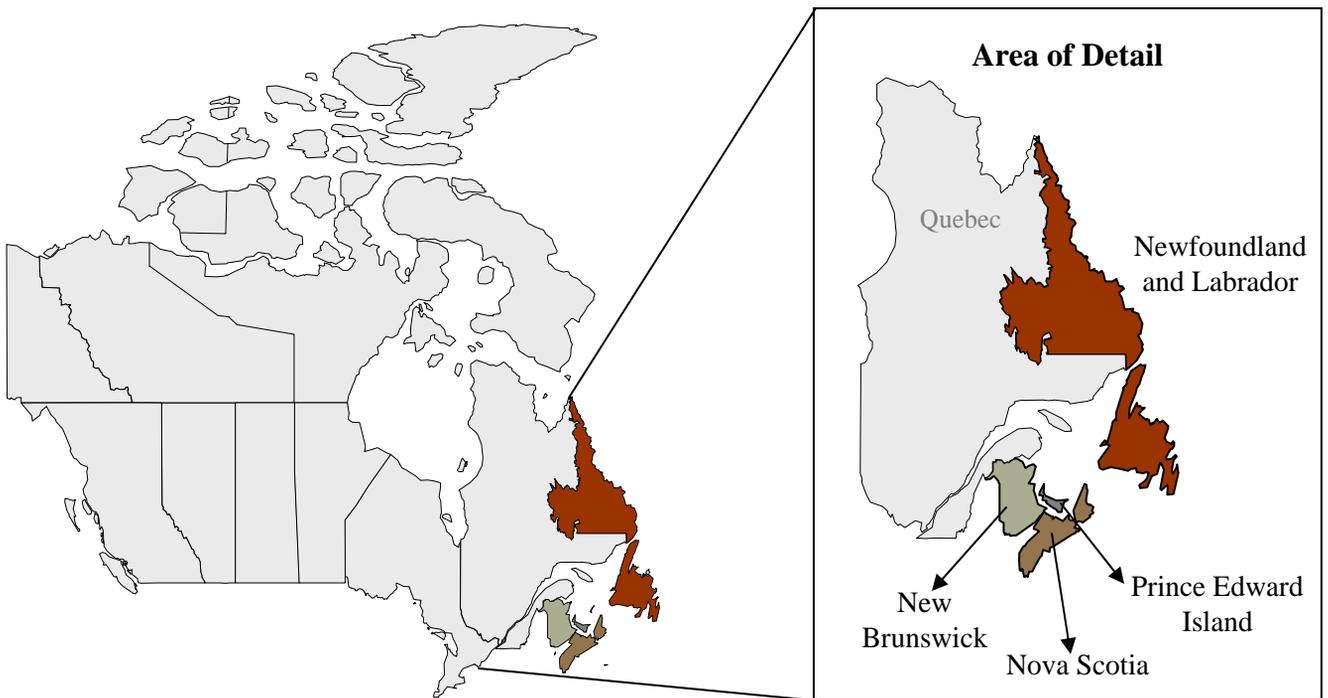
www.FTC.gov/idtheft



www.FTC.gov/sentinel/military

Fraud Complaints from Consumers Located in New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island, Canada¹

January 1, 2006 – December 31, 2008



Consumer Locations

| <u>Province/ Territory</u> | <u>No. of Complaints CY-2006 through CY-2008</u> |
|--------------------------------|--|
| New Brunswick | 2,083 |
| Newfoundland and Labrador | 778 |
| Nova Scotia | 2,267 |
| Prince Edward Island | 341 |

¹These complaints represent less than one percent of all CSN fraud complaints in each calendar year from CY-2006 through CY-2008.

Consumer Sentinel Network Fraud Complaints from Consumers Located in New Brunswick, Canada

January 1, 2006 – December 31, 2008

Top 5 Products or Services

| Rank | Top 5 Products or Services | Complaints | Percentage ¹ |
|------|---|------------|-------------------------|
| 1 | Travel\Vacations | 227 | 11% |
| 2 | Prizes\Sweepstakes\Gifts | 219 | 11% |
| 3 | Shop-at-Home\Catalog Sales | 190 | 9% |
| 4 | Advance-Fee Loans, Credit Arrangers | 120 | 6% |
| 5 | Employ Agencies\Job Counsel\Overseas Work | 88 | 4% |

¹Percentages are based on the total number of fraud complaints (2,083) received from consumers in New Brunswick, Canada, during the time period. Forty-three percent (887) of the total number of fraud complaints received from consumers in New Brunswick, Canada were coded Other (Note in Comments).

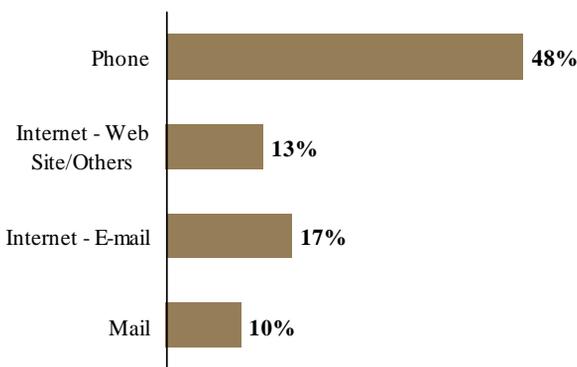
Reported Amount Paid

| No. of Complaints | Complaints Reporting Amount Paid | Percentage of Complaints Reporting Amount Paid | Total Amount Paid Reported | Average Amount Paid ² | Median Amount Paid ³ |
|-------------------|----------------------------------|--|----------------------------|----------------------------------|---------------------------------|
| 2,083 | 968 | 46% | \$2,648,468 | \$2,736 | \$607 |

²Average amount paid is based upon the total number of complaints where amount paid was reported.

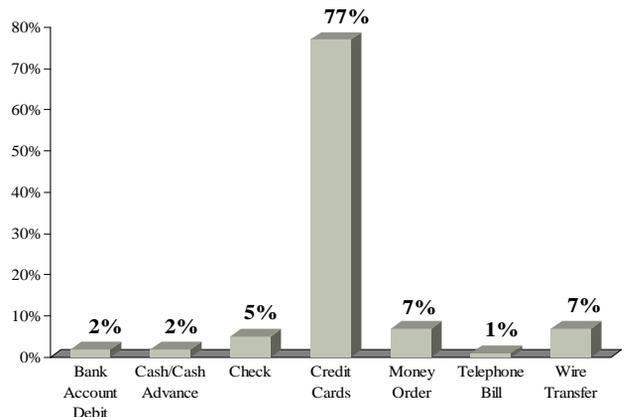
³Median is the middle number in a set of numbers so that half the numbers have values that are greater than the median and half have values that are less. Calculation of the median excludes complaints with amount paid reported as \$0.

Company's Method of Contacting Consumers⁴



⁴Percentages are based on the total number of fraud complaints where company's method of initial contact was reported by consumers from New Brunswick, Canada (1,569). Thirteen percent (198) of consumers reported other methods of initial contact. 75% of consumers reported this information.

Methods of Payment Reported by Consumers⁵



⁵Percentages are based on the total number of consumers from New Brunswick, Canada, who reported the method of payment (174) during the time period. 8% of consumers reported this information.

Consumer Sentinel Network Fraud Complaints from Consumers Located in **Newfoundland and Labrador**, Canada

January 1, 2006 – December 31, 2008

Top 5 Products or Services

| Rank | Top 5 Products or Services | Complaints | Percentage ¹ |
|------|---|------------|-------------------------|
| 1 | Shop-at-Home\Catalog Sales | 99 | 13% |
| 2 | Travel\Vacations | 72 | 9% |
| 3 | Prizes\Sweepstakes\Gifts | 63 | 8% |
| 4 | Advance-Fee Loans, Credit Arrangers | 34 | 4% |
| 5 | Employ Agencies\Job Counsel\Overseas Work | 30 | 4% |

¹Percentages are based on the total number of fraud complaints (778) received from consumers in Newfoundland and Labrador, Canada, during the time period. Forty-one percent (316) of the total number of fraud complaints received from consumers in Newfoundland and Labrador, Canada were coded Other (Note in Comments).

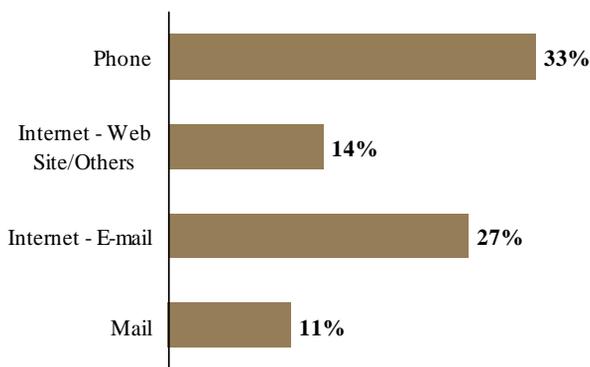
Reported Amount Paid

| No. of Complaints | Complaints Reporting Amount Paid | Percentage of Complaints Reporting Amount Paid | Total Amount Paid Reported | Average Amount Paid ² | Median Amount Paid ³ |
|-------------------|----------------------------------|--|----------------------------|----------------------------------|---------------------------------|
| 778 | 399 | 51% | \$918,584 | \$2,302 | \$585 |

²Average amount paid is based upon the total number of complaints where amount paid was reported.

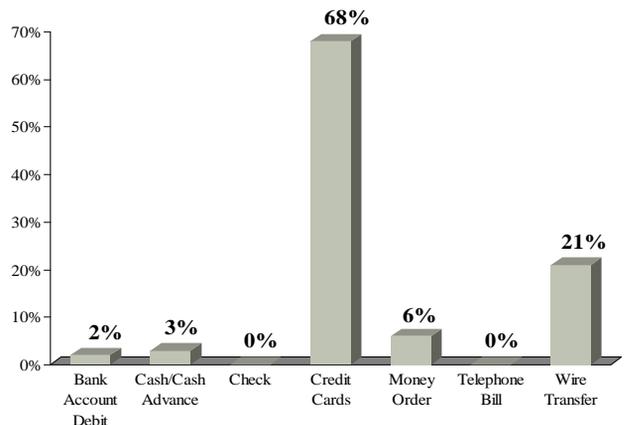
³Median is the middle number in a set of numbers so that half the numbers have values that are greater than the median and half have values that are less. Calculation of the median excludes complaints with amount paid reported as \$0.

Company's Method of Contacting Consumers⁴



⁴Percentages are based on the total number of fraud complaints where company's method of initial contact was reported by consumers from Newfoundland and Labrador, Canada (533). Fourteen percent (77) of consumers reported other methods of initial contact. 69% of consumers reported this information.

Methods of Payment Reported by Consumers⁵



⁵Percentages are based on the total number of consumers from Newfoundland and Labrador, Canada, who reported the method of payment (63) during the time period. 8% of consumers reported this information.

Consumer Sentinel Network Fraud Complaints from Consumers Located in Nova Scotia, Canada

January 1, 2006 – December 31, 2008

Top 5 Products or Services

| Rank | Top 5 Products or Services | Complaints | Percentage ¹ |
|------|-------------------------------------|------------|-------------------------|
| 1 | Shop-at-Home\Catalog Sales | 230 | 10% |
| 2 | Travel\Vacations | 230 | 10% |
| 3 | Prizes\Sweepstakes\Gifts | 221 | 10% |
| 4 | Advance-Fee Loans, Credit Arrangers | 118 | 5% |
| 5 | Foreign Money Offers | 75 | 3% |

¹Percentages are based on the total number of fraud complaints (2,267) received from consumers in Nova Scotia, Canada, during the time period. Forty-three percent (968) of the total number of fraud complaints received from consumers in Nova Scotia, Canada were coded Other (Note in Comments).

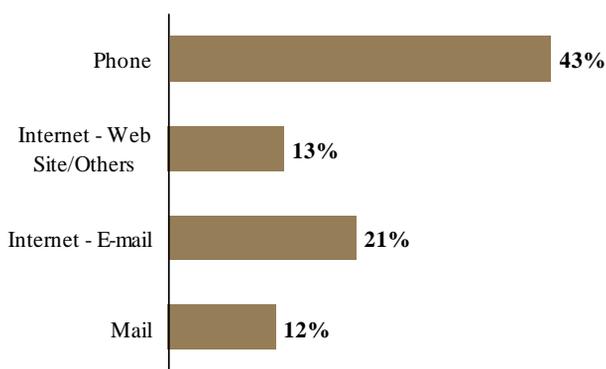
Reported Amount Paid

| No. of Complaints | Complaints Reporting Amount Paid | Percentage of Complaints Reporting Amount Paid | Total Amount Paid Reported | Average Amount Paid ² | Median Amount Paid ³ |
|-------------------|----------------------------------|--|----------------------------|----------------------------------|---------------------------------|
| 2,267 | 1,087 | 48% | \$2,676,248 | \$2,462 | \$545 |

²Average amount paid is based upon the total number of complaints where amount paid was reported.

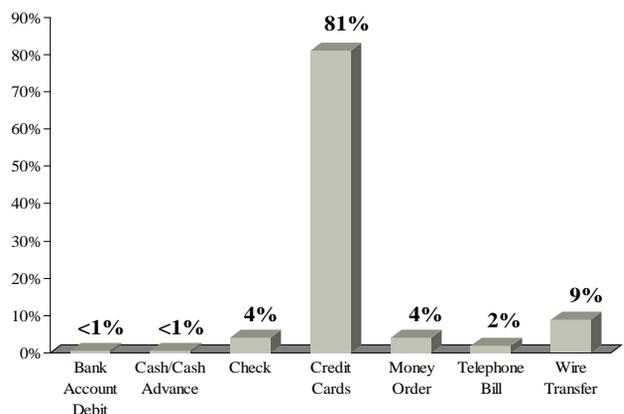
³Median is the middle number in a set of numbers so that half the numbers have values that are greater than the median and half have values that are less. Calculation of the median excludes complaints with amount paid reported as \$0.

Company's Method of Contacting Consumers⁴



⁴Percentages are based on the total number of fraud complaints where company's method of initial contact was reported by consumers from Nova Scotia, Canada (1,614). Twelve percent (186) of consumers reported other methods of initial contact. 71% of consumers reported this information.

Methods of Payment Reported by Consumers⁵



⁵Percentages are based on the total number of consumers from Nova Scotia, Canada, who reported the method of payment (188) during the time period. 8% of consumers reported this information.

Consumer Sentinel Network Fraud Complaints from Consumers Located in Prince Edward Island, Canada

January 1, 2006 – December 31, 2008

Top 5 Products or Services

| Rank | Top 5 Products or Services | Complaints | Percentage ¹ |
|------|-------------------------------------|------------|-------------------------|
| 1 | Prizes\Sweepstakes\Gifts | 31 | 9% |
| 2 | Shop-at-Home\Catalog Sales | 31 | 9% |
| 3 | Travel\Vacations | 28 | 8% |
| 4 | Advance-Fee Loans, Credit Arrangers | 18 | 5% |
| 5 | Office: Ad Space\Directory Listings | 15 | 4% |

¹Percentages are based on the total number of fraud complaints (341) received from consumers in Prince Edward Island, Canada, during the time period. Thirty-seven percent (127) of the total number of fraud complaints received from consumers in Prince Edward Island, Canada were coded Other (Note in Comments).

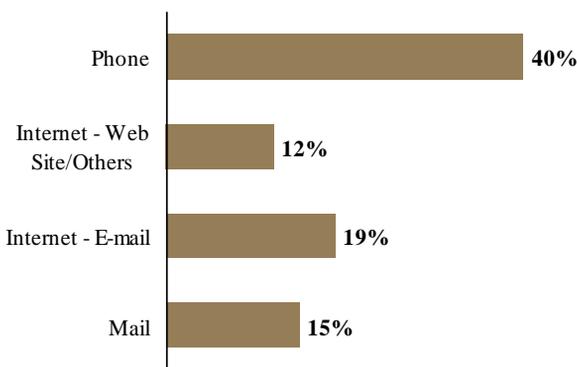
Reported Amount Paid

| No. of Complaints | Complaints Reporting Amount Paid | Percentage of Complaints Reporting Amount Paid | Total Amount Paid Reported | Average Amount Paid ² | Median Amount Paid ³ |
|-------------------|----------------------------------|--|----------------------------|----------------------------------|---------------------------------|
| 341 | 201 | 59% | \$471,956 | \$2,348 | \$530 |

²Average amount paid is based upon the total number of complaints where amount paid was reported.

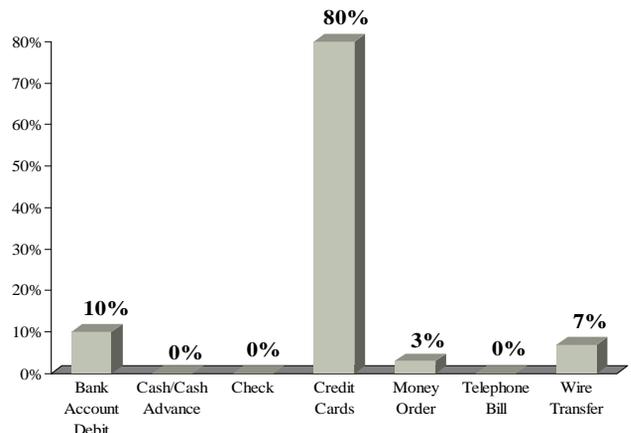
³Median is the middle number in a set of numbers so that half the numbers have values that are greater than the median and half have values that are less. Calculation of the median excludes complaints with amount paid reported as \$0.

Company's Method of Contacting Consumers⁴



⁴Percentages are based on the total number of fraud complaints where company's method of initial contact was reported by consumers from Prince Edward Island, Canada (217). Thirteen percent (29) of consumers reported other methods of initial contact. 64% of consumers reported this information.

Methods of Payment Reported by Consumers⁵



⁵Percentages are based on the total number of consumers from Prince Edward Island, Canada, who reported the method of payment (30) during the time period. 9% of consumers reported this information.

Fraud Complaints Against Companies in the Atlantic Provinces¹

January 1, 2006 – December 31, 2008

Complaint Count by Calendar Year

| Canadian Province | 2006 | 2007 | 2008 | Total |
|---------------------------|--------------|--------------|--------------|--------------|
| New Brunswick | 349 | 533 | 615 | 1,497 |
| Newfoundland and Labrador | 383 | 329 | 548 | 1,260 |
| Nova Scotia | 1,090 | 603 | 900 | 2,593 |
| Prince Edward Island | 73 | 90 | 13 | 176 |
| Total | 1,895 | 1,555 | 2,076 | 5,526 |

Complaint Count Against Companies in the Atlantic Provinces by Consumer Country

New Brunswick

| Consumer Country | 2006 | 2007 | 2008 | Total |
|-----------------------|------------|------------|------------|--------------|
| United States | 305 | 496 | 551 | 1,352 |
| Canada | 39 | 31 | 46 | 116 |
| Others | 0 | 3 | 1 | 4 |
| Location Not Reported | 5 | 3 | 17 | 25 |
| Total | 349 | 533 | 615 | 1,497 |

Newfoundland and Labrador

| Consumer Country | 2006 | 2007 | 2008 | Total |
|-----------------------|------------|------------|------------|--------------|
| United States | 368 | 303 | 528 | 1,199 |
| Canada | 12 | 23 | 16 | 51 |
| Others | 2 | 1 | 0 | 3 |
| Location Not Reported | 1 | 2 | 4 | 7 |
| Total | 383 | 329 | 548 | 1,260 |

Nova Scotia

| Consumer Country | 2006 | 2007 | 2008 | Total |
|-----------------------|--------------|------------|------------|--------------|
| United States | 1,028 | 552 | 801 | 2,381 |
| Canada | 46 | 42 | 81 | 169 |
| Others | 7 | 5 | 8 | 20 |
| Location Not Reported | 9 | 4 | 10 | 23 |
| Total | 1,090 | 603 | 900 | 2,593 |

Prince Edward Island

| Consumer Country | 2006 | 2007 | 2008 | Total |
|-----------------------|-----------|-----------|-----------|------------|
| United States | 69 | 76 | 11 | 156 |
| Canada | 2 | 11 | 2 | 15 |
| Others | 1 | 1 | 0 | 2 |
| Location Not Reported | 1 | 2 | 0 | 3 |
| Total | 73 | 90 | 13 | 176 |

¹48% of the Consumer Sentinel fraud complaints against companies located in the Atlantic provinces between January 1, 2006 and December 31, 2008 were provided by Canada's PhoneBusters.

Fraud Complaints from U.S. Consumers Against Companies Located in Canada¹

January 1 – December 31, 2008

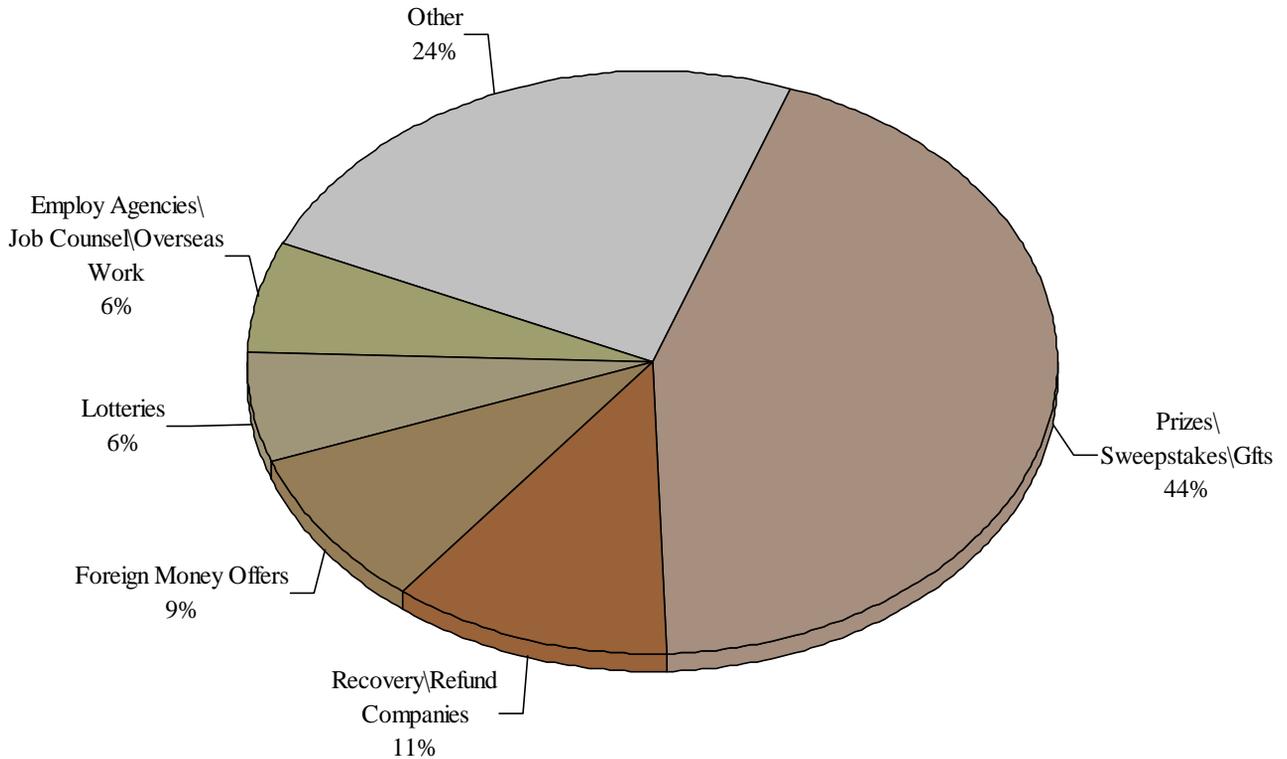


Company Locations

| Province/Territory | Complaints | Percentage ¹ |
|---------------------------|------------|-------------------------|
| Ontario | 11,836 | 51.9% |
| Quebec | 1,877 | 8.2% |
| British Columbia | 1,787 | 7.8% |
| Alberta | 1,060 | 4.6% |
| Nova Scotia | 801 | 3.5% |
| Manitoba | 560 | 2.5% |
| New Brunswick | 551 | 2.4% |
| Newfoundland and Labrador | 528 | 2.3% |
| Saskatchewan | 181 | 0.8% |
| Northwest Territories | 21 | 0.1% |
| Yukon | 14 | 0.1% |
| Nunavut | 12 | 0.1% |
| Prince Edward Island | 11 | <0.1% |
| Not Reported | 3,567 | 15.6% |

¹Percentages are based on the 22,806 fraud complaints received between January 1 and December 31, 2008 from U.S. consumers against companies located in Canada.

Top Products or Services for Fraud Complaints from U.S. Consumers Against Companies Located in **Ontario, Canada**¹ *January 1 – December 31, 2008*

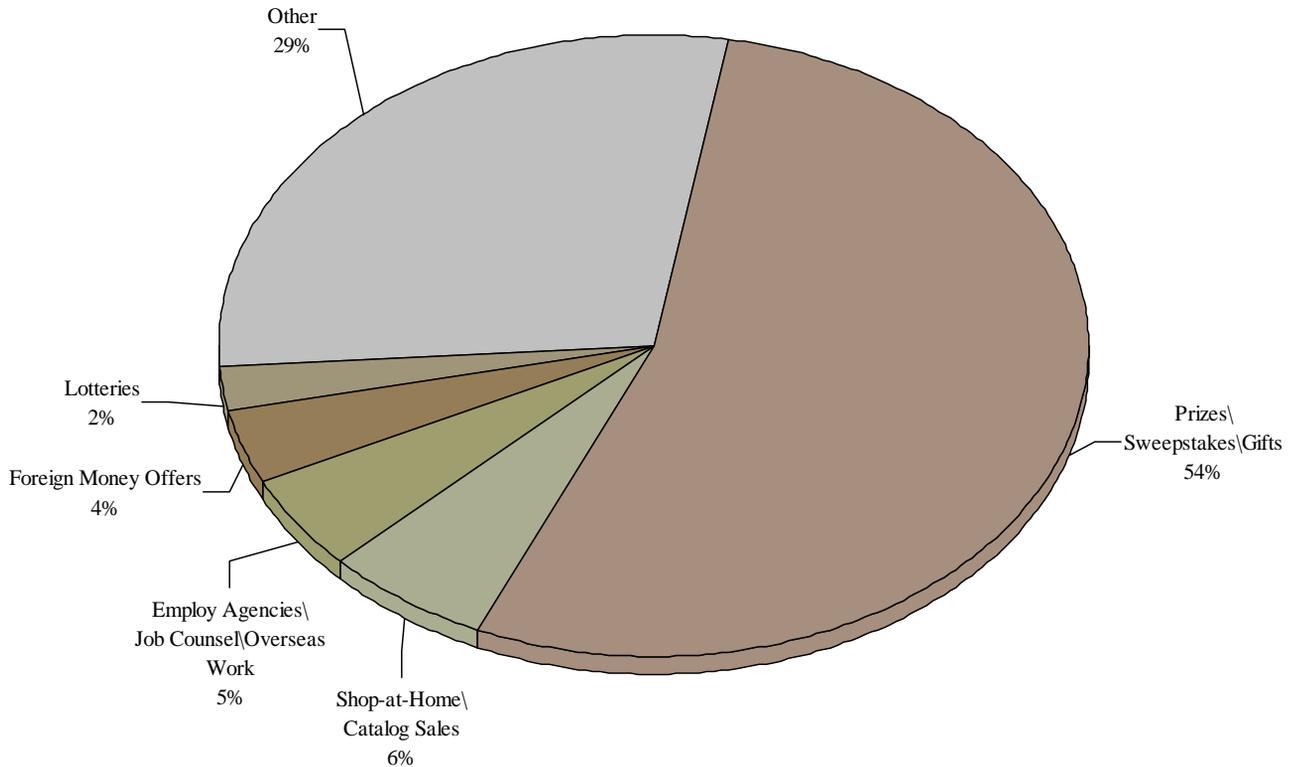


| Rank | Product or Service | Complaints | Percentage |
|------|---|------------|------------|
| 1 | Prizes\Sweepstakes\Gifts | 5,149 | 44% |
| 2 | Recovery\Refund Companies | 1,308 | 11% |
| 3 | Foreign Money Offers | 1,122 | 9% |
| 4 | Lotteries\Lottery Ticket Buying Clubs | 766 | 6% |
| 5 | Employ Agencies\Job Counsel\Overseas Work | 711 | 6% |

¹Percentages are based upon the total number of fraud complaints (11,836) by U.S. consumers complaining about companies in Ontario, Canada received between January 1 and December 31, 2008.

Top Products or Services for Fraud Complaints from U.S. Consumers Against Companies Located in Quebec, Canada¹

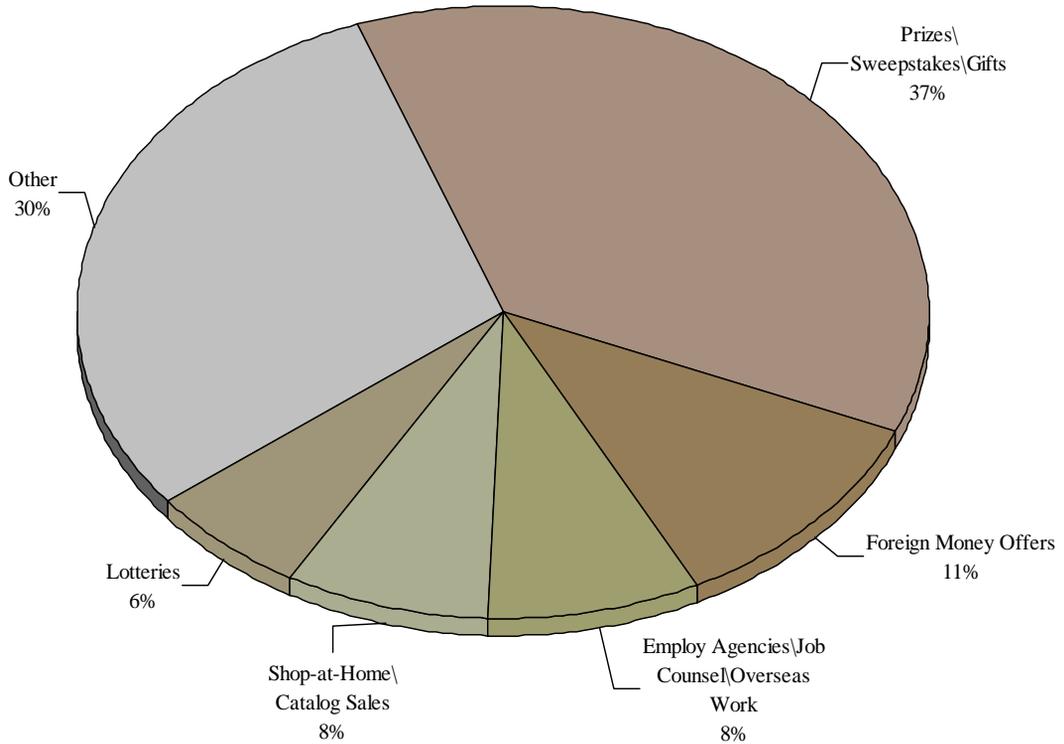
January 1 – December 31, 2008



| Rank | Product or Service | Complaints | Percentage |
|------|---|------------|------------|
| 1 | Prizes\Sweepstakes\Gifts | 1,019 | 54% |
| 2 | Shop-at-Home\Catalog Sales | 105 | 6% |
| 3 | Employ Agencies\Job Counsel\Overseas Work | 92 | 5% |
| 4 | Foreign Money Offers | 84 | 4% |
| 5 | Lotteries\Lottery Ticket Buying Clubs | 39 | 2% |

¹Percentages are based upon the total number of fraud complaints (1,877) by U.S. consumers complaining about companies in Quebec, Canada received between January 1 and December 31, 2008.

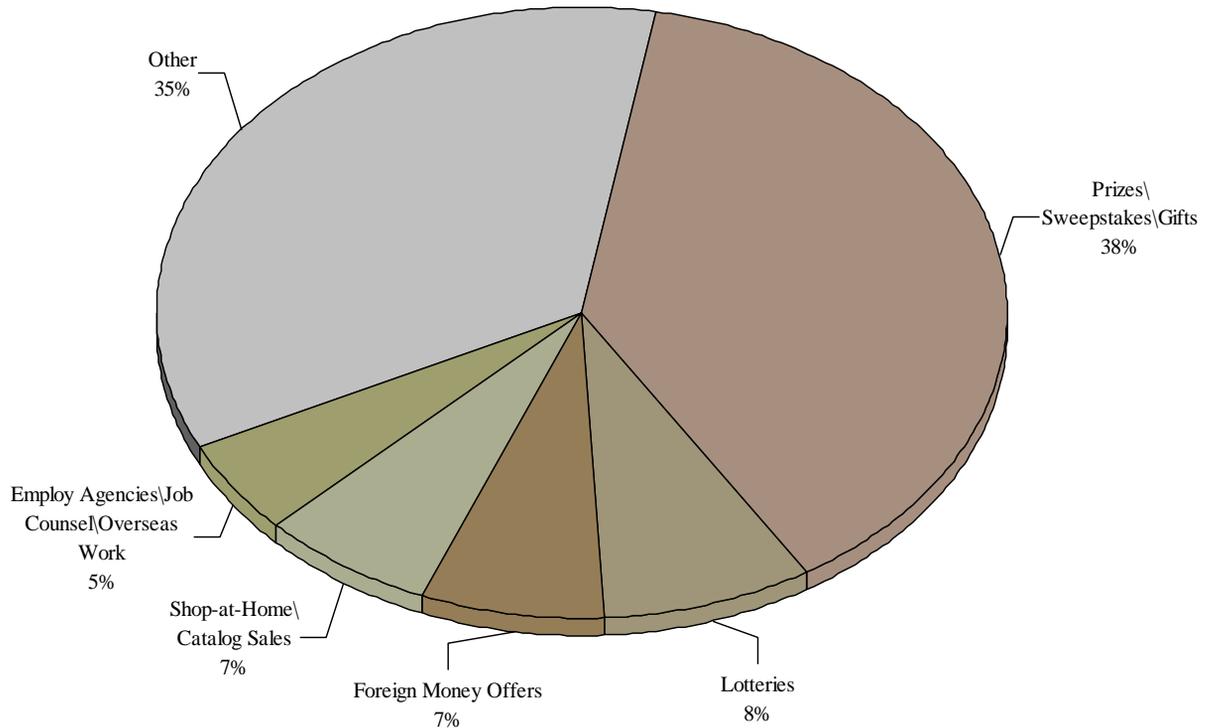
Top Products or Services for Fraud Complaints from U.S. Consumers Against Companies Located in **British Columbia, Canada**¹ *January 1 – December 31, 2008*



| Rank | Product or Service | Complaints | Percentage |
|------|---|------------|------------|
| 1 | Prizes\Sweepstakes\Gifts | 655 | 37% |
| 2 | Foreign Money Offers | 197 | 11% |
| 3 | Employ Agencies\Job Counsel\Overseas Work | 138 | 8% |
| 4 | Shop-at-Home\Catalog Sales | 135 | 8% |
| 5 | Lotteries\Lottery Ticket Buying Clubs | 100 | 6% |

¹Percentages are based upon the total number of fraud complaints (1,787) by U.S. consumers complaining about companies in British Columbia, Canada received between January 1 and December 31, 2008.

Top Products or Services for Fraud Complaints from U.S. Consumers Against Companies Located in **Alberta, Canada**¹ *January 1 – December 31, 2008*



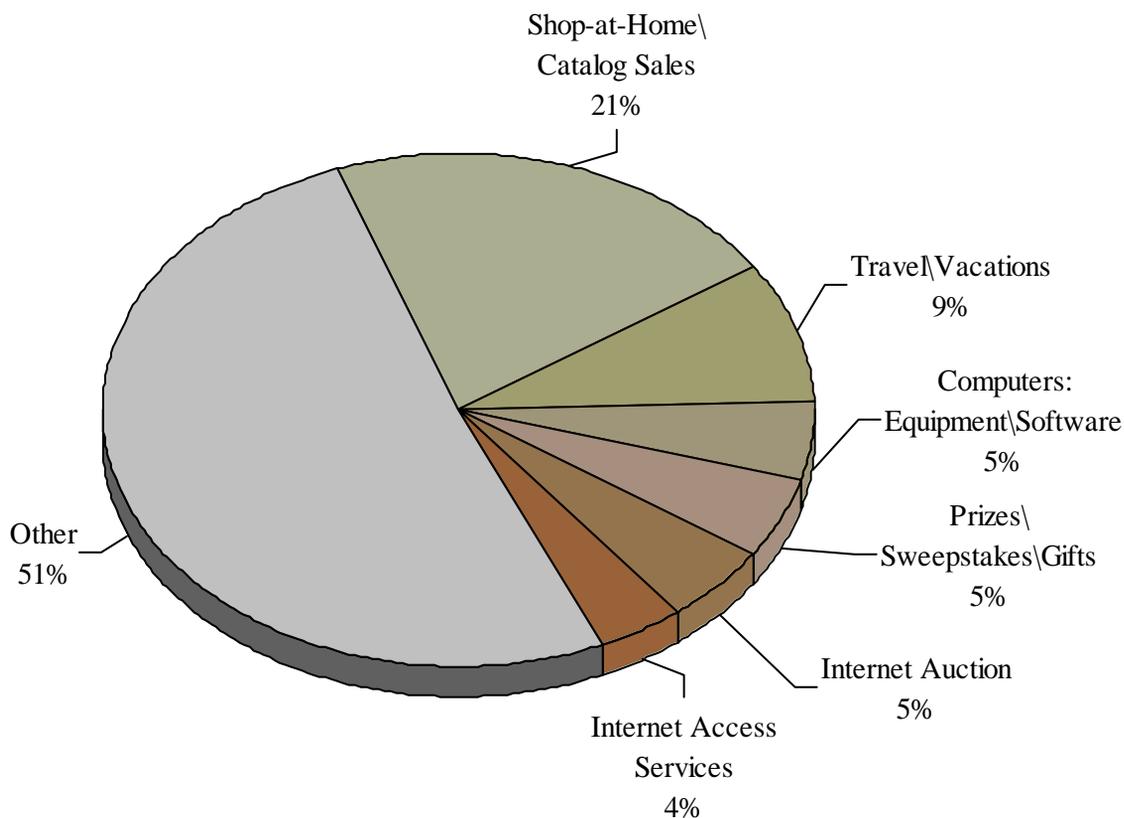
| Rank | Product or Service | Complaints | Percentage |
|------|---|------------|------------|
| 1 | Prizes\Sweepstakes\Gifts | 405 | 38% |
| 2 | Lotteries\Lottery Ticket Buying Clubs | 86 | 8% |
| 3 | Foreign Money Offers | 73 | 7% |
| 4 | Shop-at-Home\Catalog Sales | 73 | 7% |
| 5 | Employ Agencies\Job Counsel\Overseas Work | 51 | 5% |

¹Percentages are based upon the total number of fraud complaints (1,060) by U.S. consumers complaining about companies in Alberta, Canada received between January 1 and December 31, 2008.

Canadian Consumer Fraud Complaints Against Companies Located in the U.S. *January 1 – December 31, 2008*

| <u>Totals</u> | |
|------------------------|--------------------|
| <u>Complaint Count</u> | <u>Amount Paid</u> |
| 5,480 | \$11,180,732 |

Top Products or Services by Complaint Count¹



¹Percentages are based upon the total number of fraud complaints (5,480) by Canadian consumers complaining about companies in the United States received between January 1 and December 31, 2008.

Appendix A: The Consumer Sentinel Network

Consumer Sentinel is the unique investigative cyber tool that provides law enforcement members of the Consumer Sentinel Network secure access to millions of consumer complaints. Consumer Sentinel is free to any federal, state or local law enforcement agency. In addition, Consumer Sentinel information is also available to select international law enforcement authorities. Consumer Sentinel is based on the premise that sharing information can make law enforcement even more effective. To that end, the Consumer Sentinel Network provides law enforcement members with access to consumer complaints provided directly to the FTC, as well as providing members with access to complaints shared by other data contributors.

www.FTC.gov/Sentinel



The Identity Theft Data Clearinghouse was launched in November 1999 and is the sole national repository of consumer complaints about identity theft. The Clearinghouse provides specific investigative material for law enforcement and broader reports that provide insight to both private and public sector partners on ways to reduce the incidence of identity theft. Information in the Clearinghouse is available to law enforcement members via the Consumer Sentinel Network. This access enables law enforcers to readily spot identity theft problems in their own backyards, and to coordinate with other law enforcement officers where the data reveals common schemes or perpetrators.

www.FTC.gov/idtheft



Econsumer.gov was created in April 2001 to gather and share cross-border e-commerce complaints in order to respond to the challenges of multinational Internet fraud, and enhance consumer confidence in e-commerce. The multilingual public Web site provides general information about consumer protection in all countries that belong to the International Consumer Protection and Enforcement Network, contact information for consumer protection authorities in those countries, and an online complaint form. All information is available in English, French, German, Korean, Polish, and Spanish. Using the existing Consumer Sentinel Network, the incoming complaints are shared through the government Web site with participating consumer protection law enforcers from 23 nations.

www.econsumer.gov



Consumer Sentinel/Military, which was established in September 2002, is a project of the Federal Trade Commission and the Department of Defense to identify and target consumer protection issues that affect members of the United States Armed Forces and their families. Consumer Sentinel/Military also provides a gateway to consumer education materials covering a wide range of consumer protection issues, such as auto leasing, identity theft, and work-at-home scams. Members of the United States Armed Forces can enter complaints directly into Consumer Sentinel. This information is used by law enforcement agencies, members of the Judge Advocate General staff, and others in the Department of Defense to help protect armed services members and their families from consumer protection-related problems.

www.FTC.gov/sentinel/military