

Complaint Report for The Atlantic Partnership

August 2007



Federal Trade Commission

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INTRODUCTION

Consumer Sentinel Leading Partners & Data Contributors

Consumer Sentinel is a secure automated consumer complaint database developed by the Federal Trade Commission (FTC), in cooperation with its law enforcement partners, to collect and make available investigative information about consumer fraud and deception. Currently, the Consumer Sentinel database includes over **4 million** complaints received by the FTC and other data contributors. The collected investigative information is accessible to federal, state, and local law enforcement agencies in the United States, Canada, and Australia through a secure, password-protected Web site. Between January 1999 and December 2006, more than 150 organizations contributed data to Consumer Sentinel. More information on this joint project is available at www.consumer.gov/sentinel.

During calendar year 2006, Consumer Sentinel received over **428,000** fraud-related complaints, of which 23% were cross-border fraud-related. The following are a series of statistical reports from the Consumer Sentinel 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. Please also note that we continue to add data provided by various organizations, which may contain complaint data from previous months. This may retroactively change some totals and percentages on our graphs and charts.

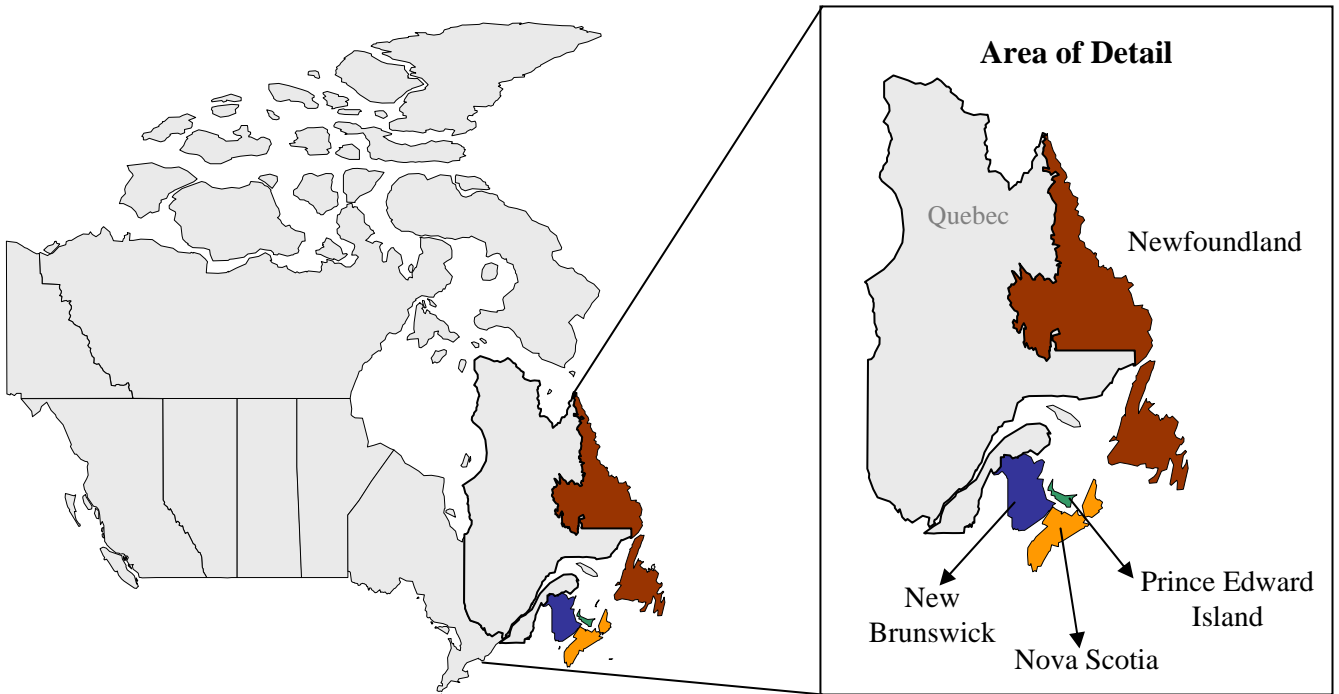
 Australian Competition and Consumer Commission	 Better Business Bureaus
 Department of Defense	 Federal Bureau of Investigation
 Federal Trade Commission	 Internet Crime Complaint Center
 National Association of Attorneys General	 National Consumers League
 Canada's Phonebusters	 Social Security Administration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

The Consumer Sentinel Network (For detailed description and data contributors, see Appendices A1 through A3)



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

January 1, 2004 – December 31, 2006



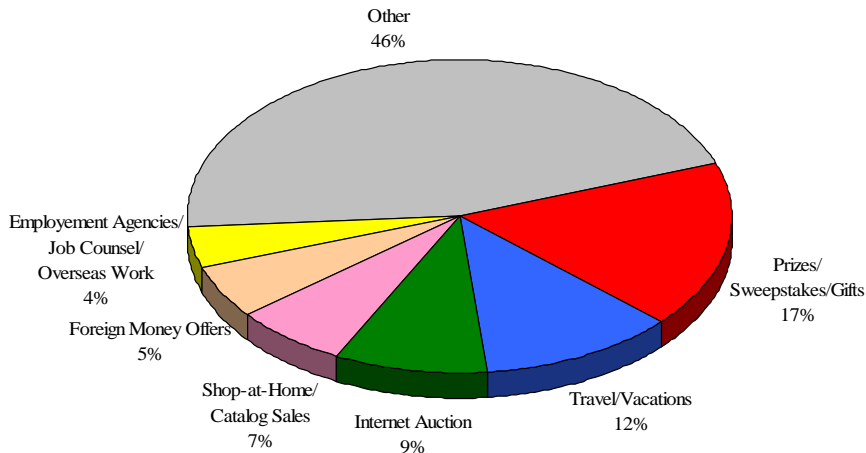
Consumer Locations

Province/ Territory	No. of Complaints CY-2004 through CY-2006
New Brunswick	1,621
Newfoundland	481
Nova Scotia	1,702
Prince Edward Island	219

¹These complaints represent less than one percent of all Sentinel fraud complaints in each calendar year from CY-2004 through CY-2006.

Sentinel Fraud Complaints from Consumers Located in New Brunswick, Canada January 1, 2004 – December 31, 2006

Top Products / Services¹



¹Percentages are based on the total number of complaints (1,621) received from consumers in New Brunswick, Canada, during the time period.

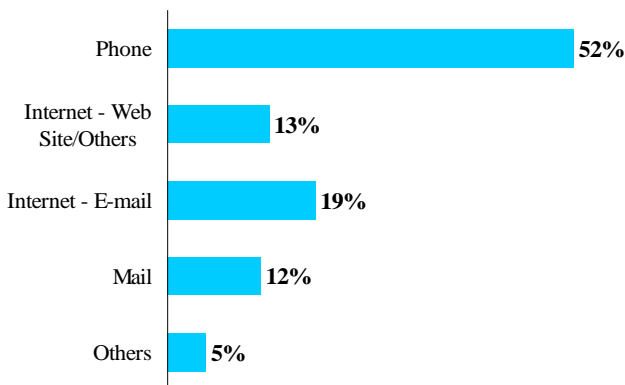
Reported Amount Paid

No. of Complaints	Complaints Reporting Amount Paid	Percentage of Complaints Reporting Amount Paid	Total Amount Paid Reported	Average Amount Paid ²	Mode ³
1,621	798	49%	\$2,676,868	\$3,354	\$40

²Average amount paid is based upon the total number of complaints where amount paid was reported. Four consumers reported an amount paid of \$100,000 or more (\$110,000, \$146,292, \$389,000 and \$588,000).

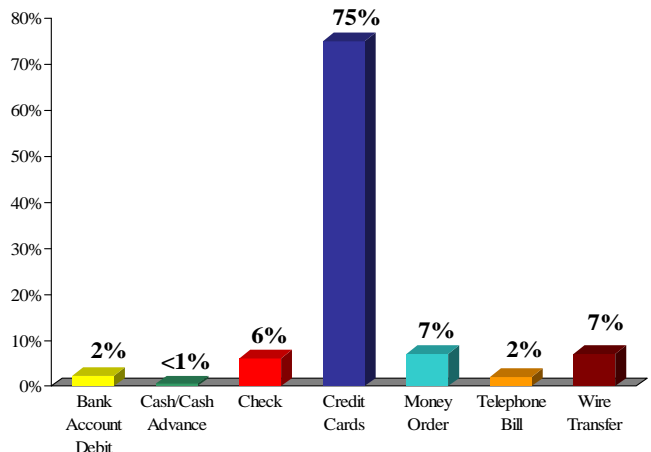
³Mode is the most frequently occurring amount paid reported. Calculation of the mode excludes complaints with amount paid reported as \$0.

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, during the time period (1,495). 92% of consumers reported this information.

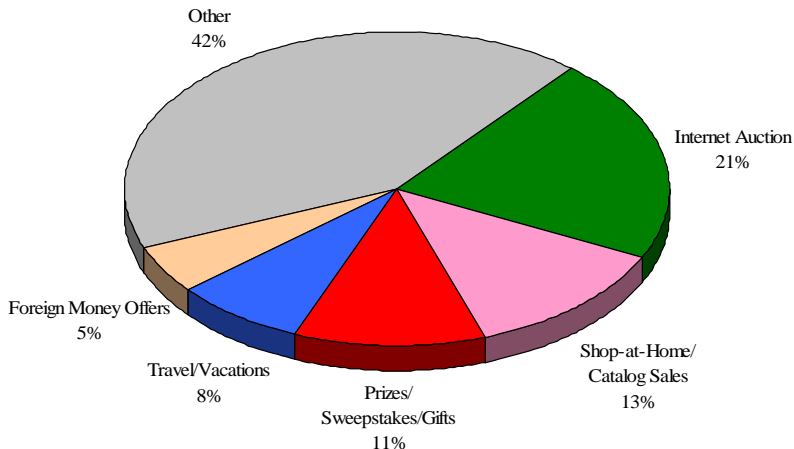
Methods of Payment Reported by Consumers⁵



⁵Percentages are based on the total number of consumers from New Brunswick, Canada, who reported the method of payment (210) during the time period. 13% of consumers reported this information.

Sentinel Fraud Complaints from Consumers Located in Newfoundland, Canada January 1, 2004 – December 31, 2006

Top Products / Services¹



¹Percentages are based on the total number of complaints (481) received from consumers in Newfoundland, Canada, during the time period.

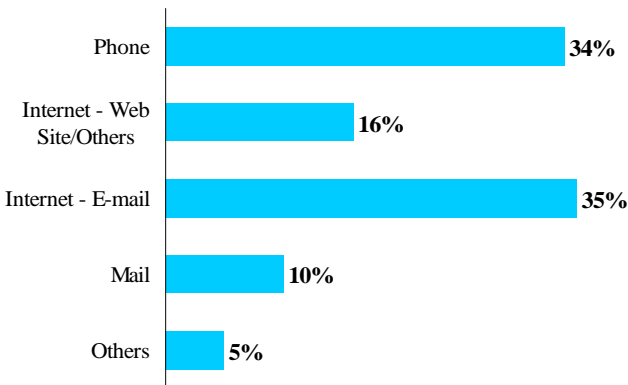
Reported Amount Paid

No. of Complaints	Complaints Reporting Amount Paid	Percentage of Complaints Reporting Amount Paid	Total Amount Paid Reported	Average Amount Paid ²	Mode ³
481	297	62%	\$1,153,963	\$3,885	\$1,000

²Average amount paid is based upon the total number of complaints where amount paid was reported. Two consumers reported an amount paid of \$100,000 or more (\$100,000 and \$500,000).

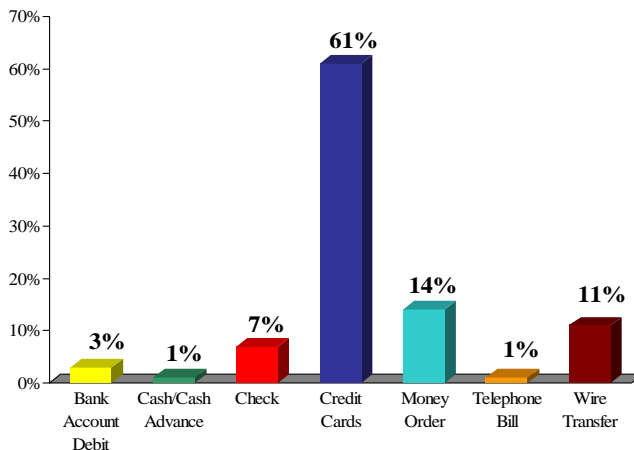
³Mode is the most frequently occurring amount paid reported. Calculation of the mode excludes complaints with amount paid reported as \$0.

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, Canada, during the time period (430). 89% of consumers reported this information.

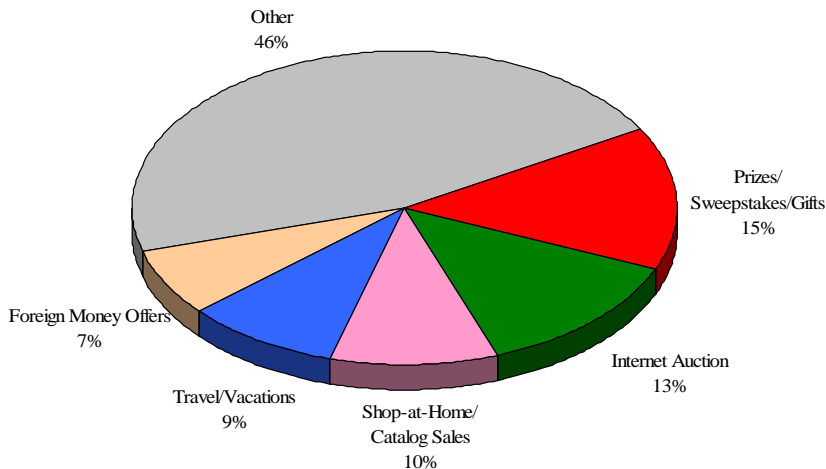
Methods of Payment Reported by Consumers⁵



⁵Percentages are based on the total number of consumers from Newfoundland, Canada, who reported the method of payment (70) during the time period. 15% of consumers reported this information.

Sentinel Fraud Complaints from Consumers Located in Nova Scotia, Canada January 1, 2004 – December 31, 2006

Top Products / Services¹



¹Percentages are based on the total number of complaints (1,702) received from consumers in Nova Scotia, Canada, during the time period.

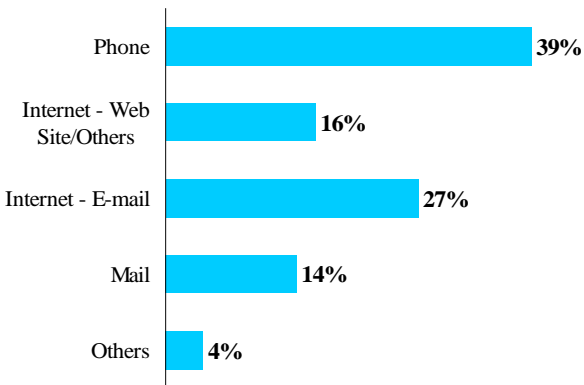
Reported Amount Paid

No. of Complaints	Complaints Reporting Amount Paid	Percentage of Complaints Reporting Amount Paid	Total Amount Paid Reported	Average Amount Paid ²	Mode ³
1,702	934	55%	\$2,934,451	\$3,142	\$25

²Average amount paid is based upon the total number of complaints where amount paid was reported. Five consumers reported an amount paid of \$100,000 or more (\$116,000, \$125,687, \$154,524, \$320,000 and \$615,810).

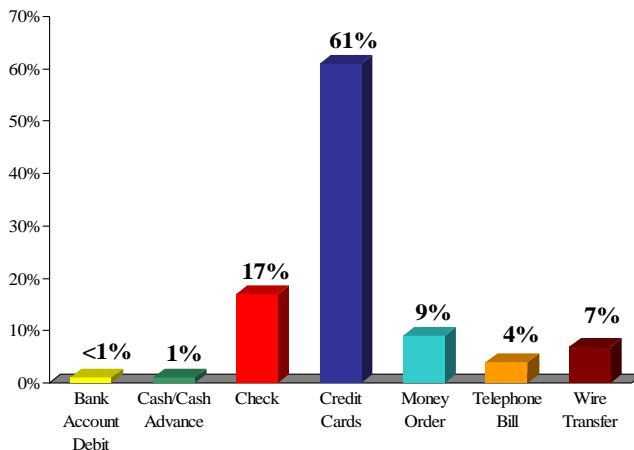
³Mode is the most frequently occurring amount paid reported. Calculation of the mode excludes complaints with amount paid reported as \$0.

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, during the time period (1,495). 88% of consumers reported this information.

Methods of Payment Reported by Consumers⁵

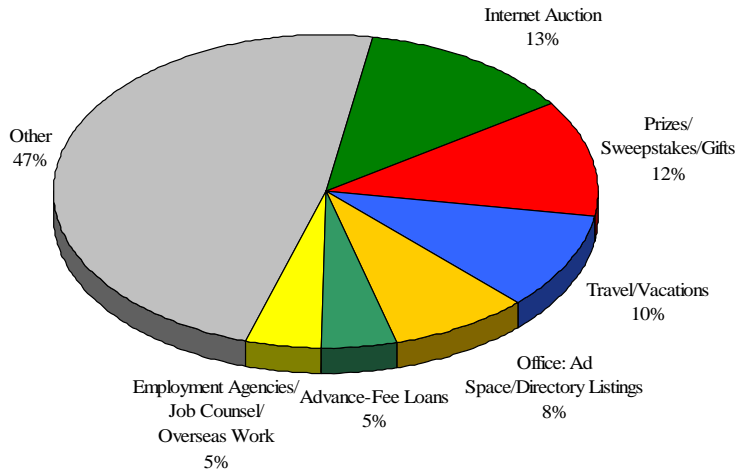


⁵Percentages are based on the total number of consumers from Nova Scotia, Canada, who reported the method of payment (204) during the time period. 12% of consumers reported this information.

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

January 1, 2004 – December 31, 2006

Top Products / Services¹



¹Percentages are based on the total number of complaints (219) received from consumers in Prince Edward Island, Canada, during the time period.

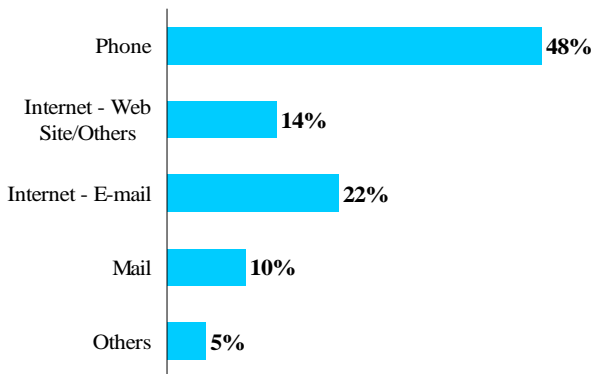
Reported Amount Paid

No. of Complaints	Complaints Reporting Amount Paid	Percentage of Complaints Reporting Amount Paid	Total Amount Paid Reported	Average Amount Paid ²	Mode ³
219	136	62%	\$316,895	\$2,330	\$35

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

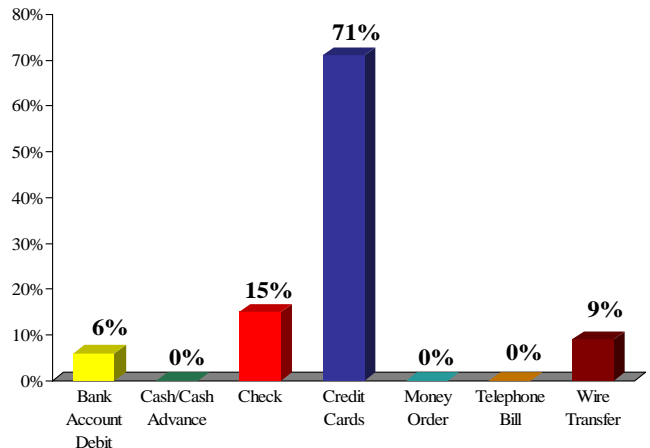
³Mode is the most frequently occurring amount paid reported. Calculation of the mode excludes complaints with amount paid reported as \$0.

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, during the time period (203). 93% 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 (34) during the time period. 16% of consumers reported this information.

Fraud Complaints Against Companies in the Atlantic Provinces¹

January 1, 2004 – December 31, 2006

Complaint Count by Calendar Year

Canadian Province	2004	2005	2006	Total
New Brunswick	120	187	338	645
Newfoundland	41	53	373	467
Nova Scotia	195	466	1,052	1,713
Prince Edward Island	17	37	72	126
Total	373	743	1,835	2,951

Complaint Count Against Companies in the Atlantic Provinces by Consumer Country

New Brunswick

Consumer Country	2004	2005	2006	Total
United States	84	143	294	521
Canada	29	36	38	103
Others	4	2	0	6
Location Not Reported	3	6	6	15
Total	120	187	338	645

Newfoundland

Consumer Country	2004	2005	2006	Total
United States	26	32	358	416
Canada	14	14	12	40
Others	0	3	2	5
Location Not Reported	1	4	1	6
Total	41	53	373	467

Nova Scotia

Consumer Country	2004	2005	2006	Total
United States	143	397	991	1531
Canada	40	52	45	137
Others	9	4	7	20
Location Not Reported	3	13	9	25
Total	195	466	1052	1713

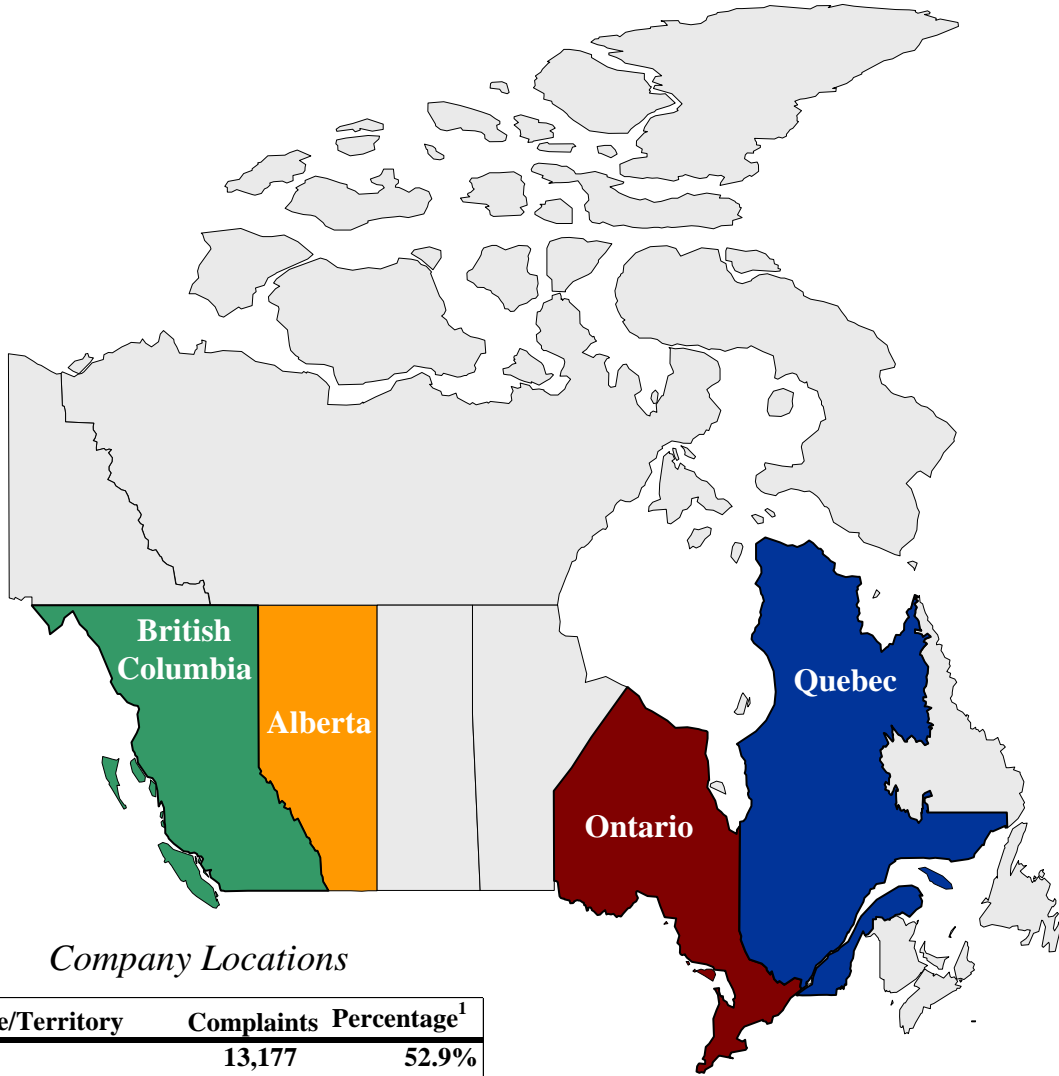
Prince Edward Island

Consumer Country	2004	2005	2006	Total
United States	12	31	68	111
Canada	4	2	2	8
Others	1	2	1	4
Location Not Reported	0	2	1	3
Total	17	37	72	126

¹47% of the Consumer Sentinel fraud complaints against companies located in the Atlantic provinces between January 1, 2004 and December 31, 2006 were provided by Canada's PhoneBusters.

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

January 1 – December 31, 2006



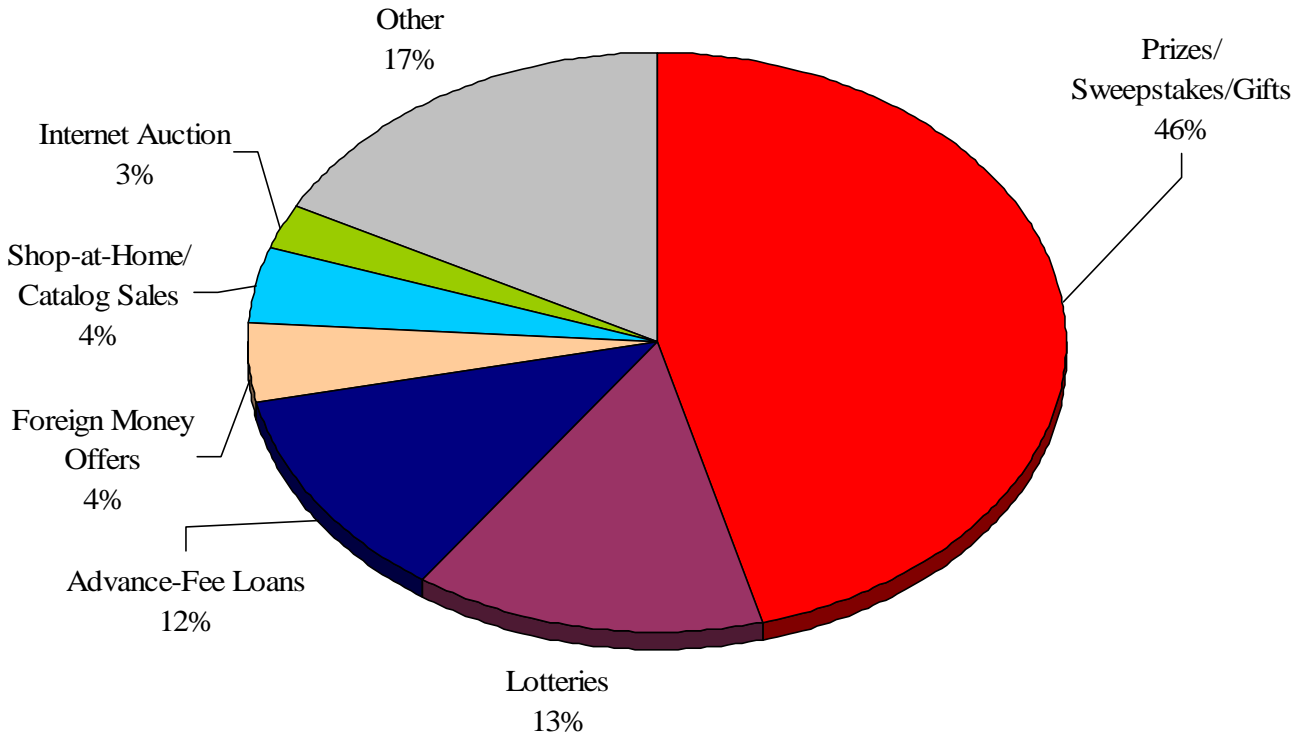
Company Locations

Province/Territory	Complaints	Percentage ¹
Ontario	13,177	52.9%
Quebec	3,079	12.4%
British Columbia	2,840	11.4%
Alberta	2,379	9.6%
Manitoba	1,253	5.0%
Nova Scotia	1,020	4.1%
Newfoundland	368	1.5%
Saskatchewan	344	1.4%
New Brunswick	297	1.2%
Prince Edward Island	70	0.3%
Yukon	32	0.1%
Northwest Territories	21	0.1%
Not Reported	17	0.1%

¹Percentages are based on the 24,897 fraud complaints received between January 1 and December 31, 2006 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, 2006

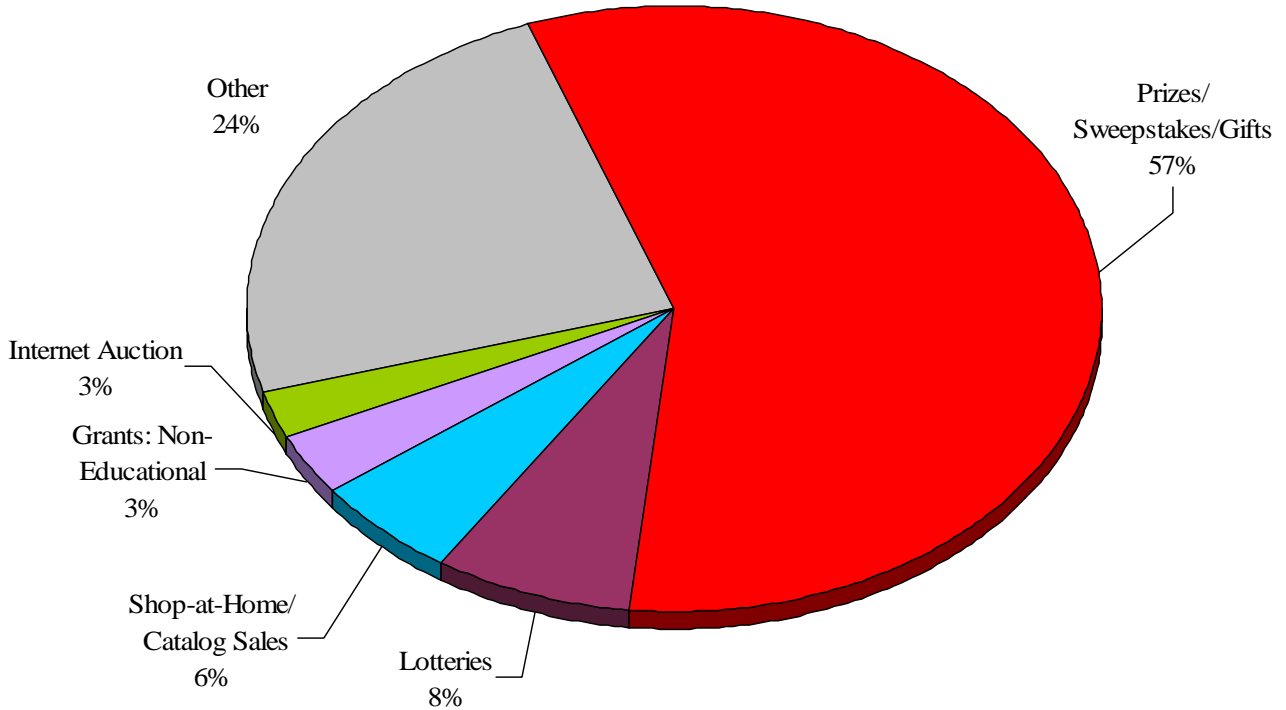


<i>Rank</i>	<i>Product or Service</i>	<i>No. of Complaints</i>	<i>Percentage of Complaints</i>
1	Prizes\Sweepstakes\Gifts	6,070	46%
2	Lotteries\Lottery Ticket Buying Clubs	1,745	13%
3	Advance-Fee Loans, Credit Arrangers	1,592	12%
4	Foreign Money Offers	566	4%
5	Shop-at-Home\Catalog Sales	554	4%
6	Internet Auction	355	3%

¹Percentages are based upon the total number of fraud complaints (13,177) by U.S. consumers complaining about companies in Ontario, Canada received between January 1 and December 31, 2006.

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

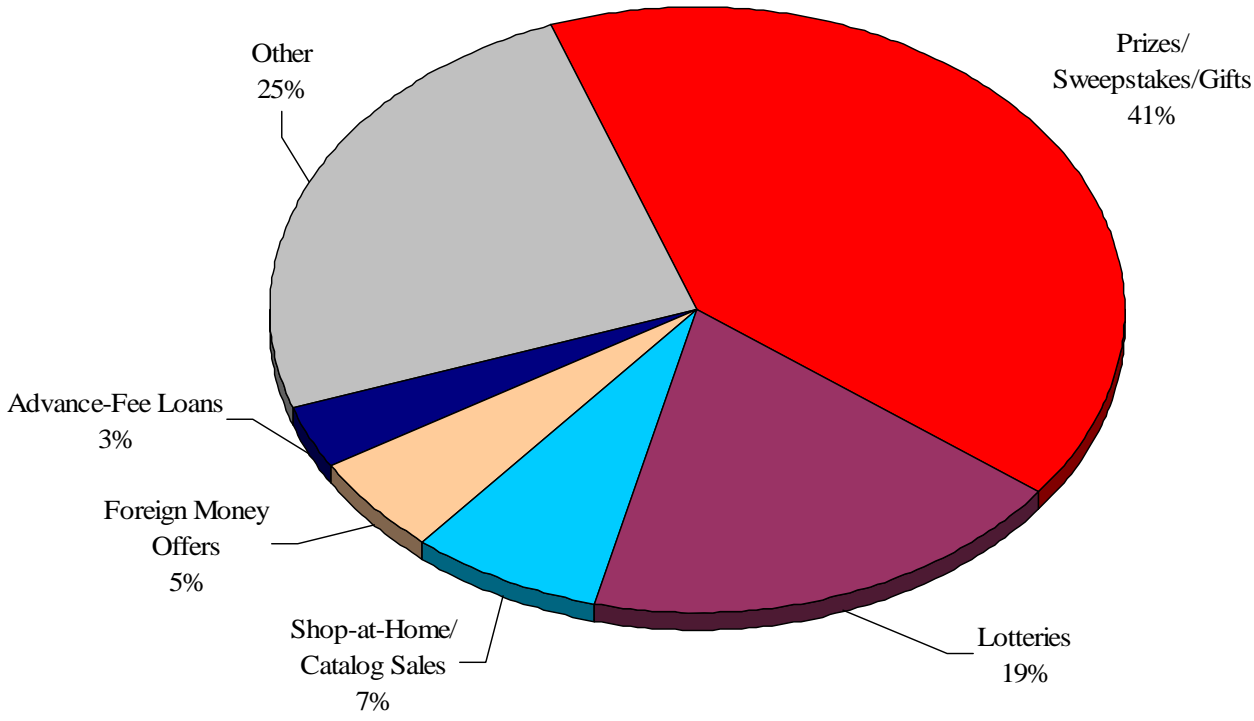
January 1 – December 31, 2006



Rank	Product or Service	No. of Complaints	Percentage of Complaints
1	Prizes\Sweepstakes\Gifts	1,759	57%
2	Lotteries\Lottery Ticket Buying Clubs	231	8%
3	Shop-at-Home\Catalog Sales	171	6%
4	Grants: Non-Educational	102	3%
5	Internet Auction	82	3%

¹Percentages are based upon the total number of fraud complaints (3,079) by U.S. consumers complaining about companies in Quebec, Canada received between January 1 and December 31, 2006.

Top Products or Services for Fraud Complaints from U.S. Consumers Against Companies Located in **British Columbia, Canada**¹ *January 1 – December 31, 2006*

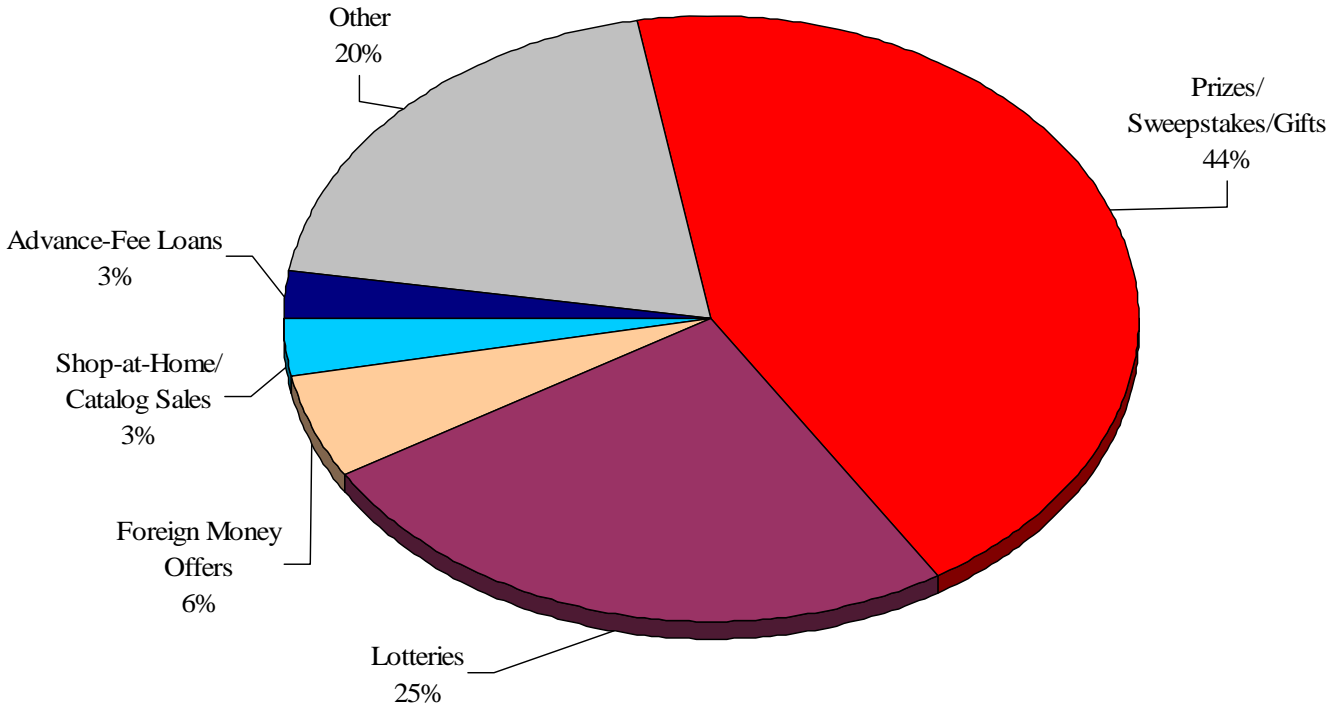


<i>Rank</i>	<i>Product or Service</i>	<i>No. of Complaints</i>	<i>Percentage of Complaints</i>
1	Prizes\Sweepstakes\Gifts	1,158	41%
2	Lotteries\Lottery Ticket Buying Clubs	530	19%
3	Shop-at-Home\Catalog Sales	207	7%
4	Foreign Money Offers	150	5%
5	Advance-Fee Loans, Credit Arrangers	93	3%

¹Percentages are based upon the total number of fraud complaints (2,840) by U.S. consumers complaining about companies in British Columbia, Canada received between January 1 and December 31, 2006.

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

January 1 – December 31, 2006



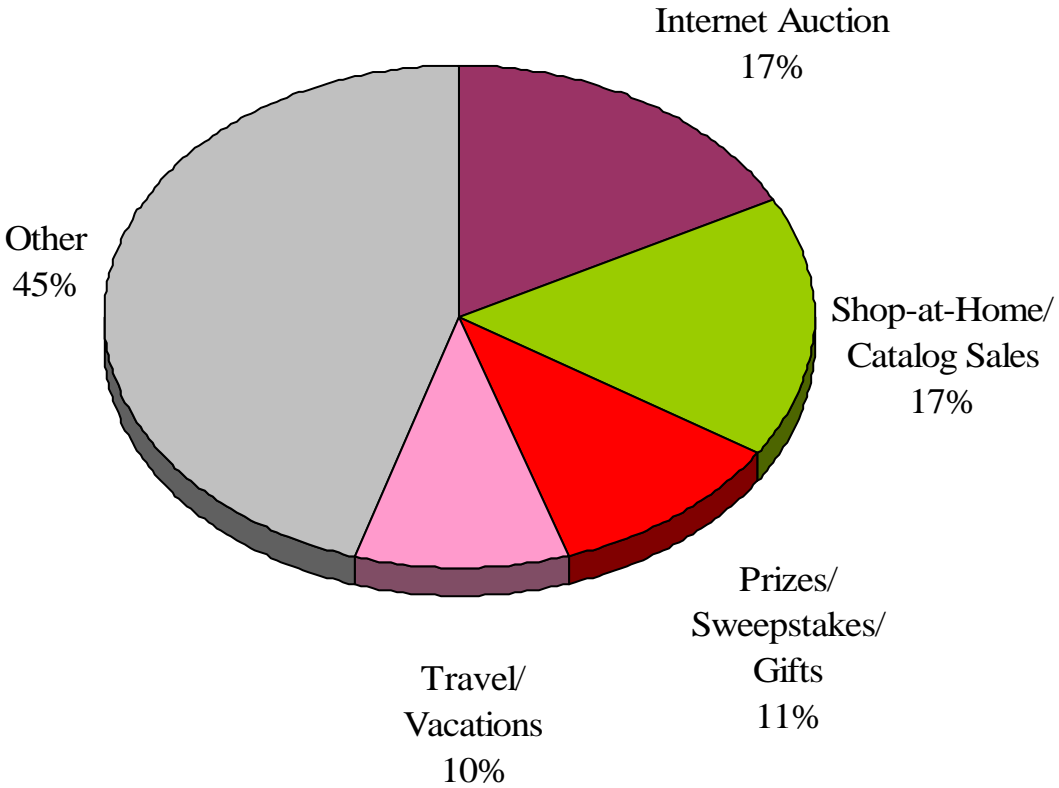
<i>Rank</i>	<i>Product or Service</i>	<i>No. of Complaints</i>	<i>Percentage of Complaints</i>
1	Prizes\Sweepstakes\Gifts	1,041	44%
2	Lotteries\Lottery Ticket Buying Clubs	602	25%
3	Foreign Money Offers	137	6%
4	Shop-at-Home\Catalog Sales	71	3%
5	Advance-Fee Loans, Credit Arrangers	62	3%

¹Percentages are based upon the total number of fraud complaints (2,379) by U.S. consumers complaining about companies in Alberta, Canada received between January 1 and December 31, 2006.

Canadian Consumer Fraud Complaints Against Companies Located in the U.S. *January 1 – December 31, 2006*

<u>Totals</u>	
<u>Complaint Count</u>	<u>Amount Paid</u>
4,250	\$8,146,123

Top Products or Services by Complaint Count¹



¹Percentages are based upon the total number of fraud complaints (4,250) by Canadian consumers complaining about companies in the United States received between January 1 and December 31, 2006.

Appendix A1: The Sentinel Network



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 Consumer Sentinel, the secure, password-protected government Web site. 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.



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 19 nations.



Military Sentinel, 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. Military Sentinel 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. Through Consumer Sentinel, the secure password-protected government Web site, this information is used by law enforcement agencies, members of the JAG staff, and others in the Department of Defense to help protect armed services members and their families from consumer protection-related problems.