

**Cross-Border Fraud Complaints  
with  
Canadian and United States  
Consumer Complaint Details**

*January – December 2006*



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**Federal Trade Commission**

*August 2007*

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**Report Subject** **Page No.**

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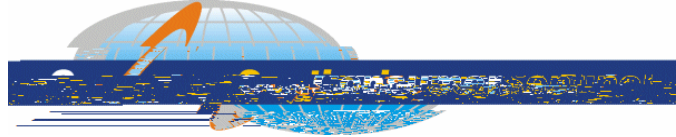
U.S. Consumers

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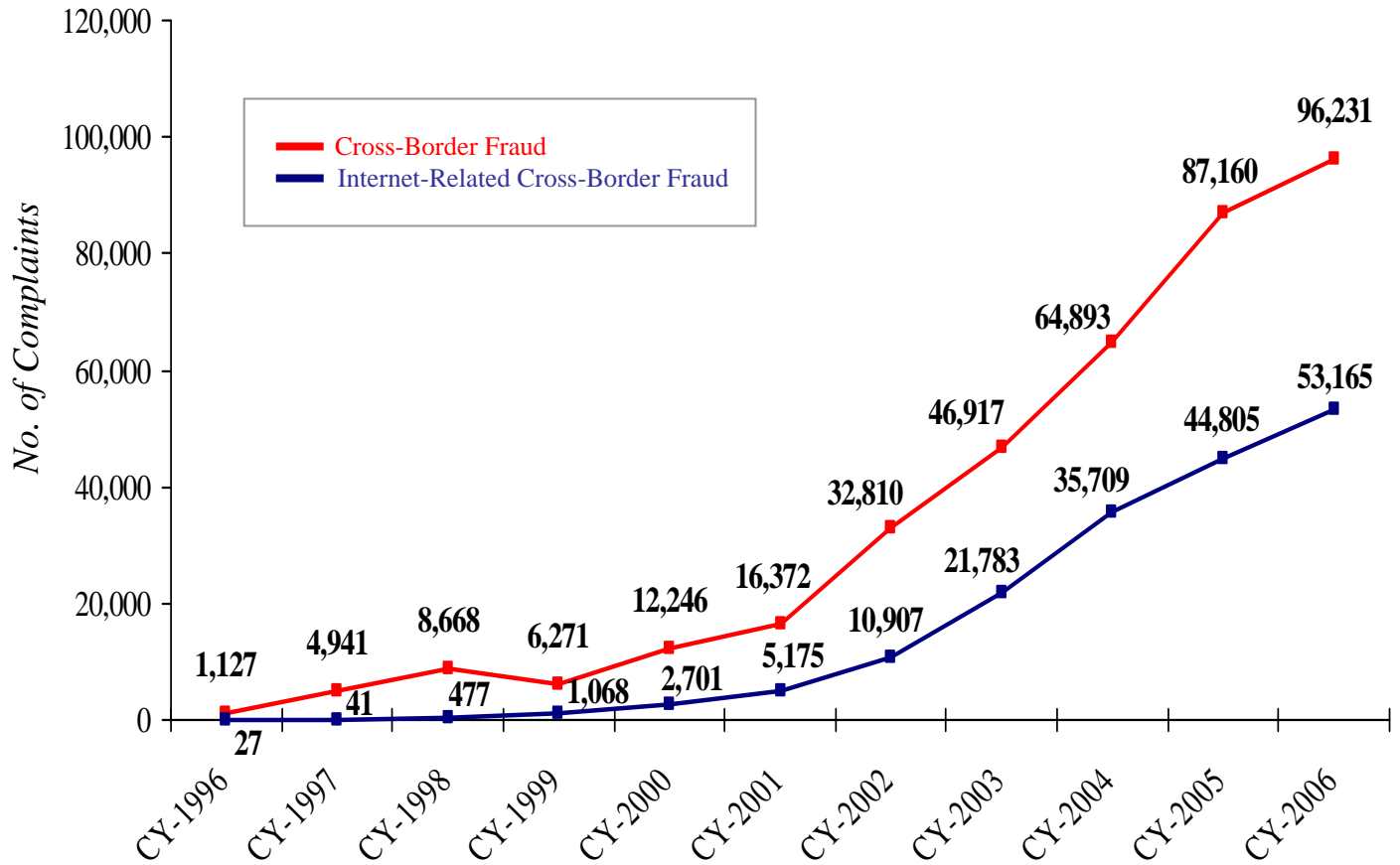
# INTRODUCTION

## *Consumer Sentinel Leading Partners & Data Contributors*

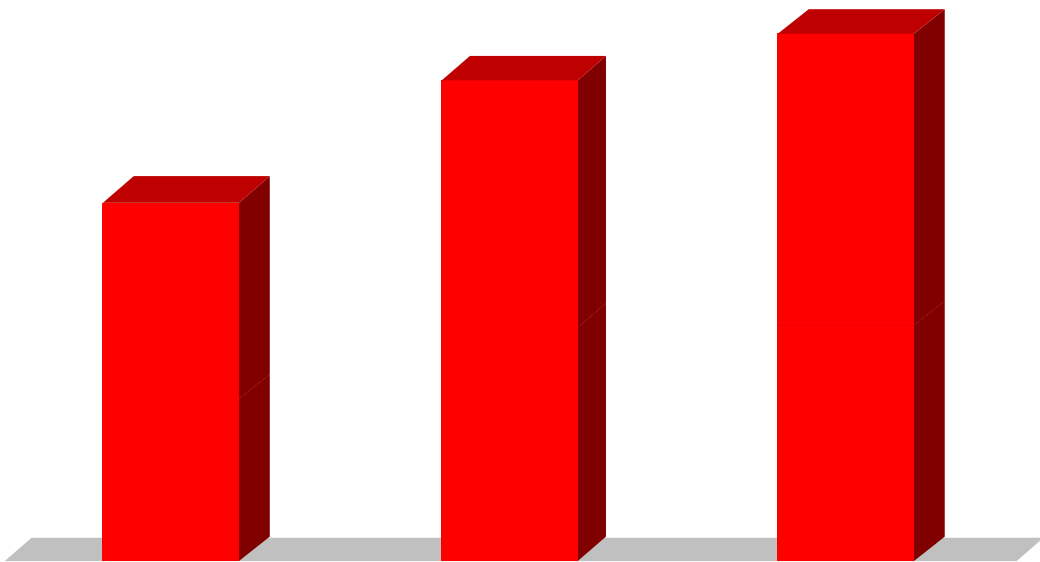
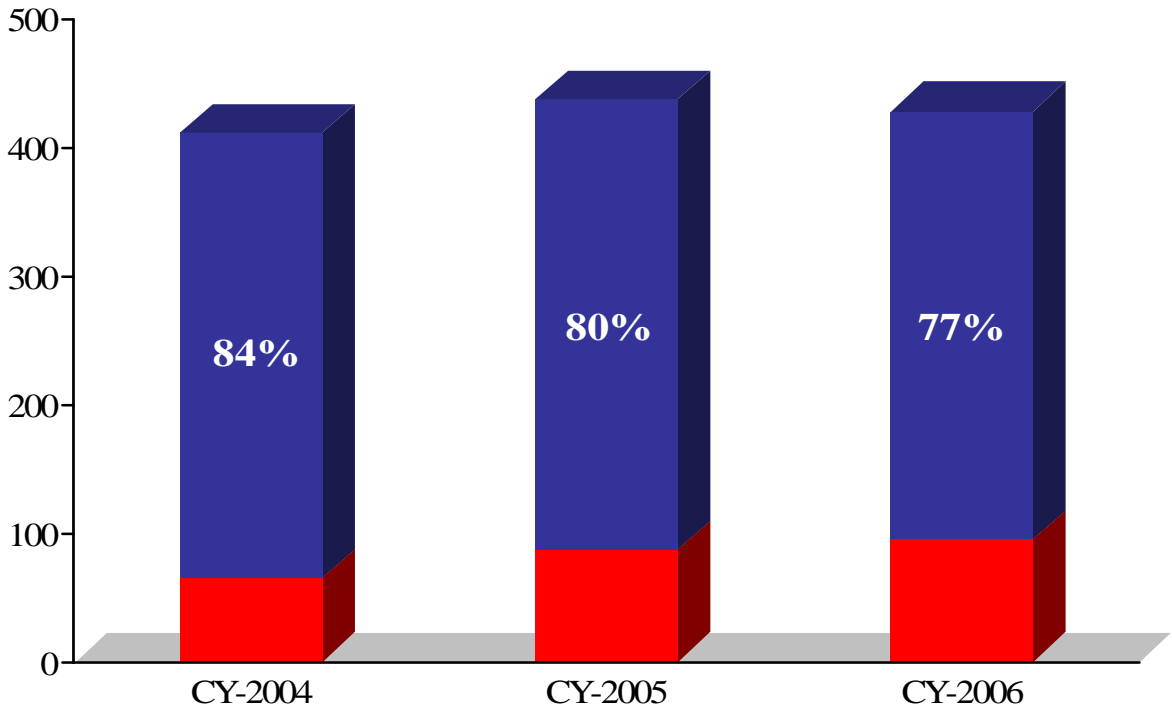
 <p><i>Australian Competition and Consumer Commission</i></p>	 <p><i>Better Business Bureaus</i></p>
 <p><i>Department of Defense</i></p>	 <p><i>Federal Bureau of Investigation</i></p>
 <p><i>Federal Trade Commission</i></p>	
	 <p><i>National Consumers League</i></p>
 <p><i>Canada's Phonebusters</i></p>	 <p><i>Social Security Administration</i></p>
 <p><i>U.S. Postal Inspection Service</i></p>	 <p><i>U.S. Secret Service</i></p>



## Cross-Border Complaint Count by Calendar Year<sup>1</sup>

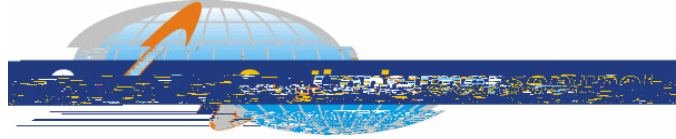


<sup>1</sup>For the purposes of this report, a fraud complaint is “cross-border” if: (1) a U.S. consumer complained about a company located in Canada or another foreign country; (2) a Canadian consumer complained about a company located in the U.S. or another foreign country; or (3) a consumer from a foreign country complained about a company located in the U.S. or Canada. Excludes “Identity Theft” and “Do Not Call” registry complaints.

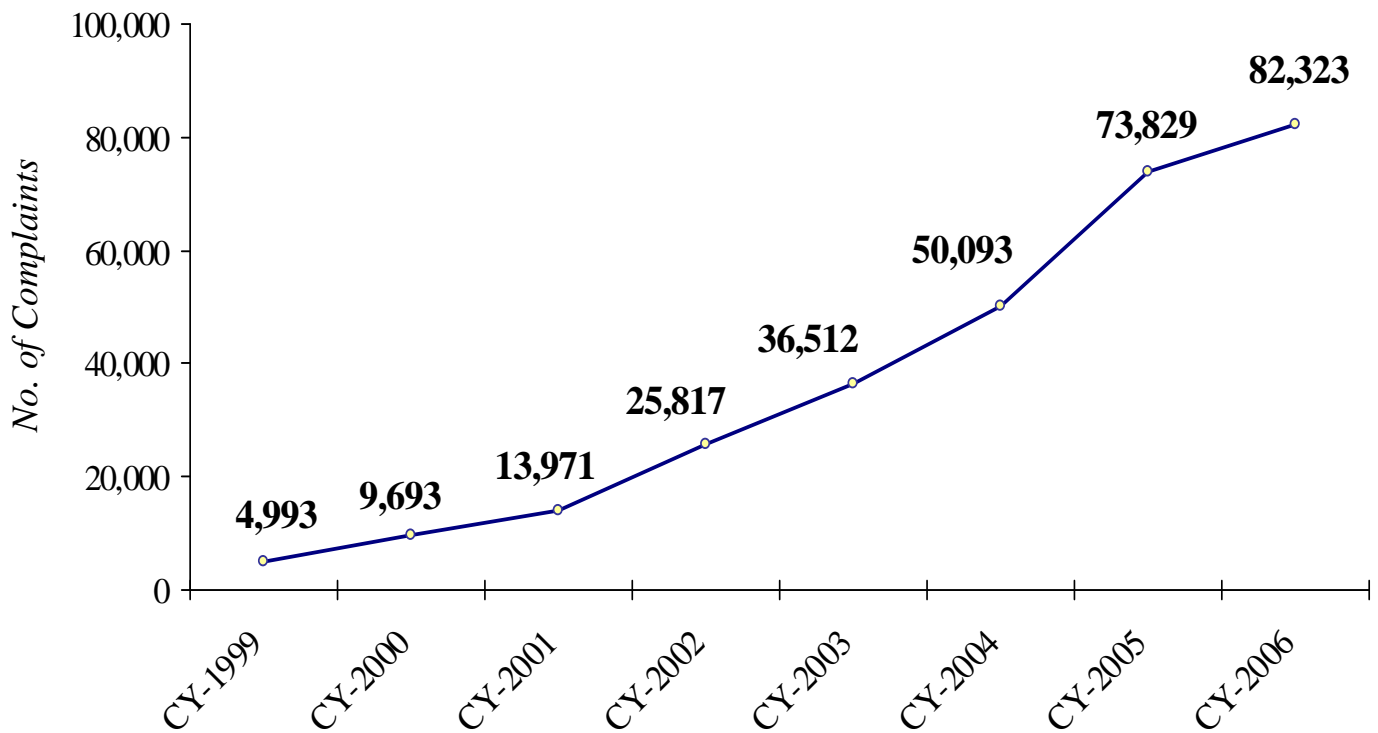


**Cross-Border Fraud Complaints**  
**By Consumer and Company Location<sup>1</sup>**  
*January 1 – December 31, 2006*

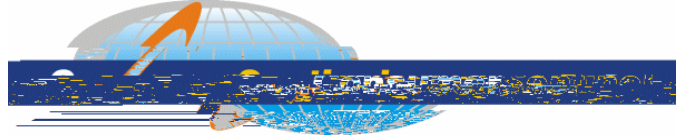
<sup>1</sup>Percentages are based on the total number of cross-border fraud complaints



## Complaints from U.S. Consumers Against Companies Located in Foreign Countries By Calendar Year<sup>1</sup>



<sup>1</sup>Number of cross-border fraud complaints from U.S. consumers against companies located in Canada or other foreign countries by calendar year.



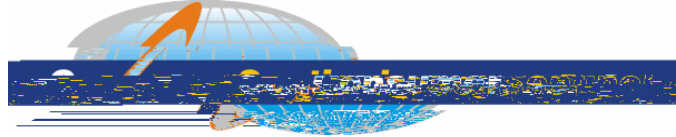
# **Top Products or Services for Cross-Border Fraud Complaints From U.S. Consumers<sup>1</sup>**

*January 1 – December 31, 2006*

<sup>1</sup>Percentages are based on the total number of cross-border fraud complaints (82,323) from U.S. consumers against companies located in Canada or other foreign countries received between January 1 and December 31, 2006. Forty-six percent (38,706) of the cross-border complaints from U.S. consumers against companies located in Canada or other foreign countries did not contain specific product service codes.

## **Top Products or Services for Complaints from U.S.**





## Fraud Complaints and Amount Paid by U.S. Consumers Against Companies Located in Canada *Calendar Years 2004 through 2006*

CY	Total No. of Complaints	Complaints Reporting Amount Paid	Percentage of Complaints Reporting Amount Paid	Amount Paid Reported	Average Amount Paid <sup>1</sup>	Median Amount Paid <sup>2</sup>
2004	16,304	14,207	87%	\$47,092,903	\$3,315	\$1,110
2005	18,387	13,759	75%	\$47,852,036	\$3,478	\$1,801
2006	24,897	20,334	82%	\$93,547,318	\$4,601	\$2,500

<sup>1</sup>Average is based on the total number of consumers who reported amount paid for each calendar year: CY-2004 = 14,207; CY-2005 = 13,759; and CY-2006 = 20,334. Four consumers reported an amount paid of \$1 million or more during CY-2006; 2 consumers in CY-2004 and 2 consumers in CY-2005.

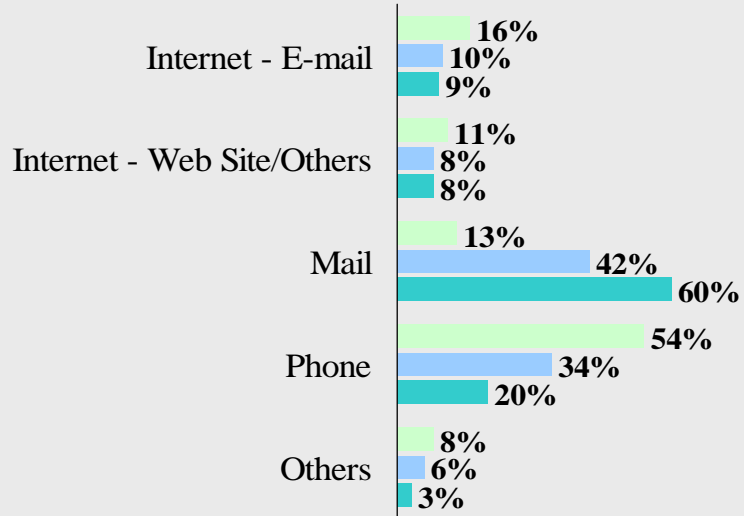
<sup>2</sup>Median is the middle number in a set of numbers so that half the numbers have values that are greater than the median and half have values that are less. Calculation of the median excludes complaints with amount paid reported as \$0.

## Fraud Complaints and Amount Paid by U.S. Consumers Against Companies Located in Other Foreign Countries *Calendar Years 2004 through 2006*

<sup>3</sup>Average is based on the total number of consumers who reported amount paid for each calendar year: CY-2004 = 22,116; CY-2005 = 28,728; and CY-2006 = 50,268. Eighteen consumers reported an amount paid of \$1 million or more during CY-2006; 2 consumers in CY-2004 and 7 consumers in CY-2005.

<sup>4</sup>Median 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.

# **Methods of Payment Reported by Consumers**



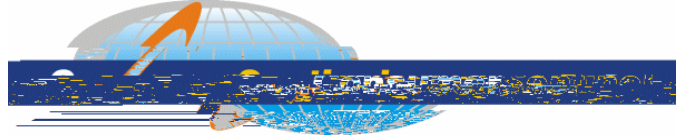


**Top Products or Services for Fraud Complaints  
from U.S. Consumers Against Companies Located in  
Ontario, Canada<sup>1</sup>  
*January 1 – December 31, 2006***

<sup>1</sup>Percentages are based upon the total number of fraud complaints (13,177) by U.S. consumers

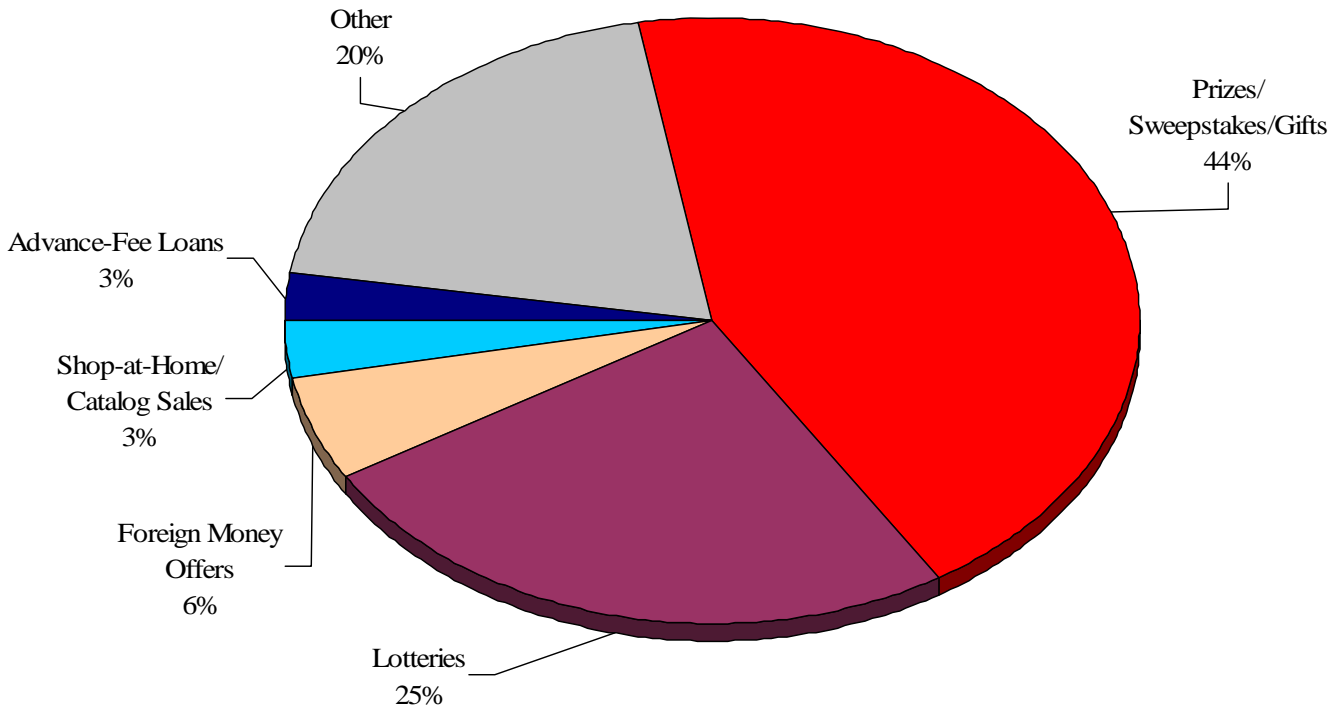


**Top Products or Services for Fraud Complaints  
from U.S. Consumers Against Companies Located in  
British Columbia, Canada<sup>1</sup>  
*January 1 – December 31, 2006***



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

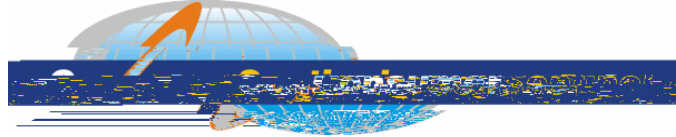
*January 1 – December 31, 2006*



<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%

<sup>1</sup>Percentages 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.

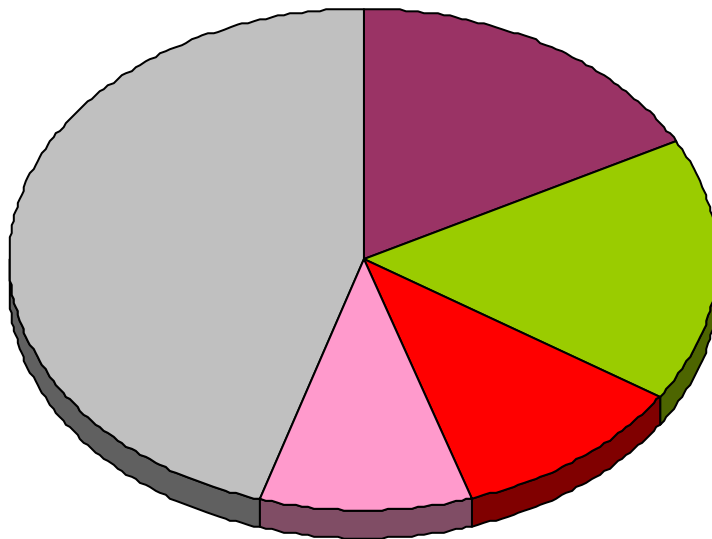




# Canadian Consumer Fraud Complaints Against Companies Located in the U.S. *January 1 – December 31, 2006*

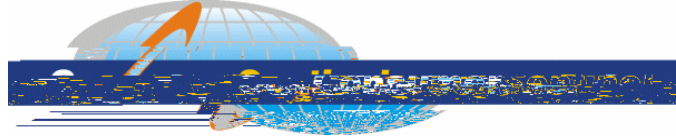
<u>Totals</u>	
<u>Complaint Count</u>	<u>Amount Paid</u>
4,250	\$8,146,123

## *Top Products or Services by Complaint Count<sup>1</sup>*



<sup>1</sup>Percentages 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.

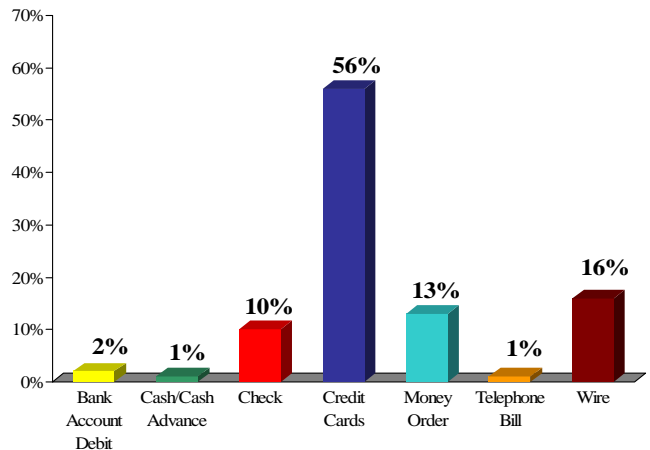
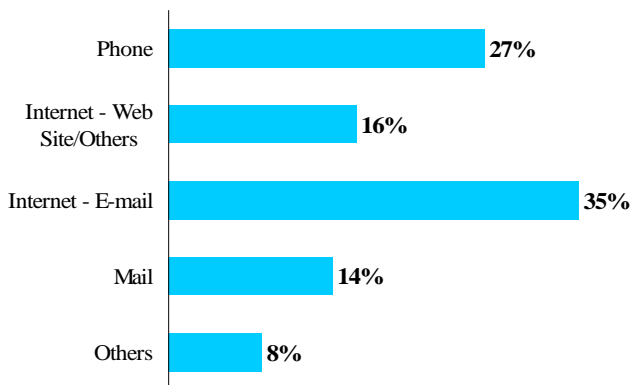




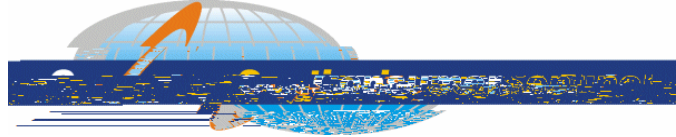
# Sentinel Fraud Complaints from Consumers Located in **British Columbia**, Canada *January 1– December 31, 2006*

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

<sup>3</sup>Median 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.



<sup>4</sup>Percentages are based on the total number of fraud complaints where company's method of initial contact was reported by consumers from British Columbia, Canada, during the time period (1,864). 80% of consumers reported this information.



# Sentinel Fraud Complaints from Consumers Located in **Alberta, Canada** *January 1– December 31, 2006*

## Top Products or Services<sup>1</sup>

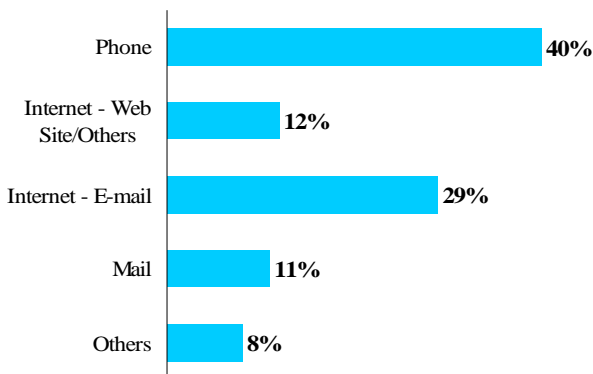
<sup>1</sup>Percentages are based on the total number of fraud complaints (2,193) received from consumers in Alberta, Canada, during the time period.

## Reported Amount Paid

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

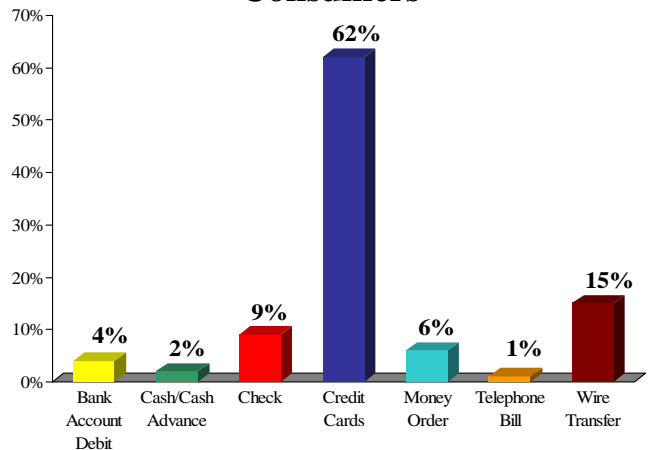
<sup>3</sup>Median is the middle number in a set of numbers so that half the numbers have values that are greater than the median and half have values that are less. Calculation of the median excludes complaints with amount paid reported as \$0.

## Company's Method of Contacting Consumers<sup>4</sup>

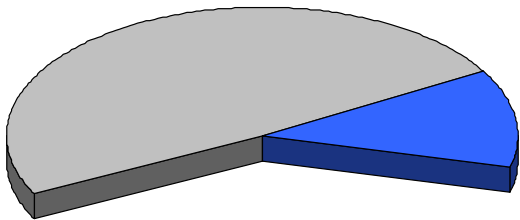


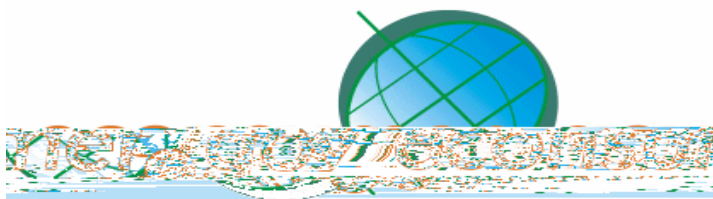
<sup>4</sup>Percentages are based on the total number of fraud complaints where company's method of initial contact was reported by consumers from Alberta, Canada, during the time period (1,789). 82% of consumers reported this information.

## Methods of Payment Reported by Consumers<sup>5</sup>

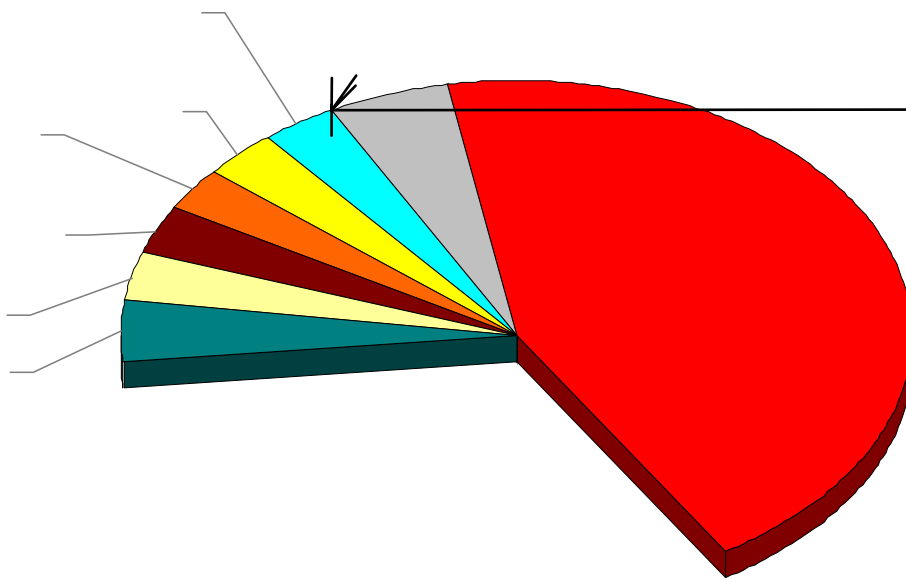


<sup>5</sup>Percentages are based on the total number of consumers from Alberta, Canada, who reported the method of payment (297) during the time period. 14% of consumers reported this information.





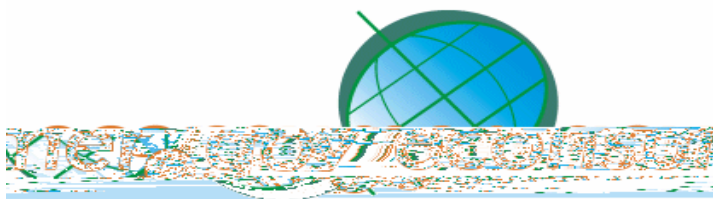
## **Top Products or Services for Econsumer Complaints<sup>1</sup>** *January 1 – December 31, 2006*



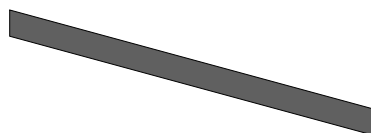
<sup>1</sup>Percentages are based on the 13,123 econsumer complaints received from January 1 to December 31, 2006.

## **Top Products or Services for Econsumer Complaints** *Calendar Years 2004 through 2006*

<sup>2</sup>Percentages are based on the total number of econsumer complaints reported in each time period: CY-2004 = 7,222; CY-2005 = 10,179; and CY-2006 = 13,123.



## **Top Law Violations for Econsumer Complaints<sup>1</sup>** *January 1 – December 31, 2006*

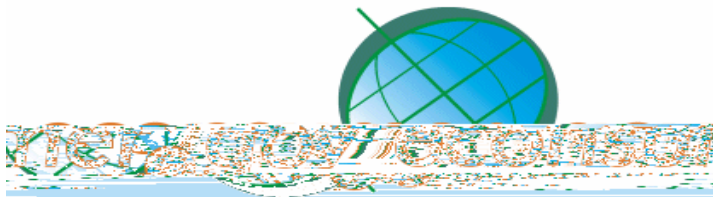


<sup>1</sup>Percentages are based on the 17,811 econsumer law violations reported from January 1 to December 31, 2006. One complaint may have multiple law violations.

## **Top Law Violations for Econsumer Complaints** *Calendar Years 2004 through 2006*

<sup>2</sup>Number of complaints reporting each econsumer law violation in each time period. The total number of law violations are more than the number of complaints reported in each time period because one complaint may have multiple law violations. The total number of econsumer complaints reported in each time period are: CY-2004 = 7,222; CY-2005 = 10,179; and CY-2006 = 13,123.

<sup>3</sup>Percentages are based on the total number of econsumer law violations reported in each time period: CY-2004 = 9,884; CY-2005 = 13,699; and CY-2006 = 17,811. One complaint may have multiple law violations.



**Econsumer Complaints**  
**Top Consumer and Company Locations**  
*January 1 – December 31, 2006*

<b>Top Consumer Locations</b>	<b>Complaints</b>
United States	8,357
Australia	600
United Kingdom	415
Canada	294
France	132
India	87
Mexico	86
Belguim	81
Germany	80
Spain	74

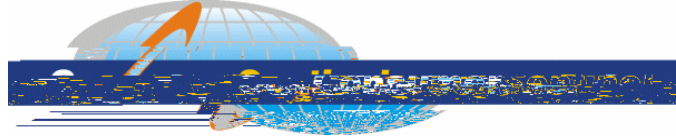
<b>Top Company Locations</b>	<b>Complaints</b>
United States	2,503
United Kingdom	1,981
Canada	658
Nigeria	462
China	423
Spain	268
Netherlands	261
Germany	230
Italy	201
Australia	165



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





## Appendix A3: Other Sentinel Data Contributors

January 1 – December 31, 2006

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### Federal Agencies

Commodity Futures Trading Commission  
Federal Bureau of Investigation  
U.S. Department of Justice  
U.S. Social Security Administration

Local Police/Sheriff Departments  
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### Attorneys General Offices

District of Columbia  
Kentucky  
New York  
Nevada  
North Dakota  
Texas  
Vermont

### Other State & Local Agencies

California, Stanislaus County District Attorney  
Connecticut, Department of Consumer Protection  
Georgia Governor's Office of Consumer Affairs  
Louisiana Department of Justice  
Montana Office of Consumer Protection  
North Carolina Department of Justice  
Tennessee Regulatory Authority  
Wisconsin Department of Financial Institutions  
Pennsylvania State Police

### Others

Belgian Ministry of Economic Affairs  
Identity Theft Assistance Center  
National Fraud Information Center  
Ohio University Police Department  
Xerox Corporation