

WHAT YOU NEED TO KNOW ABOUT Phony Invoice Scams



MINISTRY OF **CONSUMER SERVICES**
www.ontario.ca/consumerservices



Ontario's **Ministry of Consumer Services** works to educate, empower and protect consumers so they can be confident and informed when buying goods and services in this province.

What Are Phony Invoice Scams?

The scam is simple. Swindlers send fake invoices to businesses for services or products that were never and will never be received. They hope that businesses will pay the invoices automatically, never noticing that the invoices are phony.

How Do They Work?

Many phony invoice schemes start with a telephone call during which the swindler gets the names of key contacts in the business and a few important details about how the company operates.

That information helps the swindlers create phony invoices which include names, account numbers and other details to make them appear legitimate. The invoice amounts are small

enough to go unsuspected by senior staff or they refer to an "order" placed by a more junior staff person. Invoices are often for goods or services that the company would ordinarily use, such as office supplies.

Fake Advertising Renewals

Sometimes the swindler asks if the business wants to renew an ad "placed last year". Often the invoice is supported by a bogus ad or a fake "clipping" created by copying real ads from legitimate companies. A good warning sign of this scam is to watch how quickly the so-called agent drops the price to get your order.

Solicitation in Disguise

These are solicitations that look like legitimate invoices for goods or services ordered and received. Once the invoice is paid, products are often not delivered or the fraudulent firm cannot be traced.

Phony Yellow Pages Listings

These scams often use actual clippings of real yellow pages ads along with a phony invoice that may be stamped "Renewal" or "Amount Due". They also include a warning encouraging immediate payment or risk being excluded from the directory.

How Can I Protect Myself And My Company?

Be aware. Be alert. Train the people that pay your company's bills to watch out for phony invoices.

- Know who you are dealing with. Independently confirm their information.
- Review bills carefully and check invoices against the orders that you've placed.
- Make sure that the name and address on the invoice and order forms are the same. Sometimes, swindlers steal the identity of legitimate suppliers.
- Call your supplier about any charge you don't understand.

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Need Help?

If you suspect fraud, report the matter to your local police or the Canadian Anti-Fraud Call Centre (PhoneBusters) at 1-888-495-8501.

If you receive a phony invoice, you should also send a copy to your local Better Business Bureau (www.bbb.org/canada). It investigates and publicizes scams in its ongoing efforts to protect businesses and consumers.

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HERE TO HELP

Visit our website at:

www.ontario.ca/consumerservices

Call us:

Greater Toronto Area

416-326-8800

Toll-free at

1-800-889-9768

TTY (for those who are hard of hearing)

Greater Toronto Area

416-229-6086

TTY toll-free

1-877-666-6545

Email us:

consumer@ontario.ca