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FSCO Warning Notice - KSB Toronto Group and its Related Entities Perpetrating an Advance Fee Fraud

May 20, 2010

During an investigation conducted by FSCO, it was found that KSB Toronto Group and its related entities (Peter Schmeale/Emil Jacobs) have been involved in perpetrating a scam similar to what is commonly known as an [Advance Fee Fraud \(AFF\)](#). It appears that the entities market themselves as a licensed insurance service by using the name of a licensed insurance company in their correspondence. These entities are not, however, representatives of the insurance company nor are they authorized to engage in the business of insurance in Ontario.

In an attempt to defraud consumers, KSB Toronto Group sends correspondence to out-of-country residents advising unsuspecting consumers that they are the recipient of a large sum of money as a result of a medical insurance settlement or medical inheritance claim. The letter instructs the consumer/claimant to wire specific up-front fees/funds to a noted website before the claim cheque can be mailed to them.

KSB Toronto Group provides a Mississauga address on its website, an address that does not belong to this corporation or any other person listed in the correspondence. The proper identity and/or location of KSB Toronto Group and its related entities cannot be confirmed.

Before providing funds to any entity, it is strongly recommended that consumers ensure the entity contacting them and the entity to which they have been directed to send money are not operating fraudulently. In Ontario, all financial institutions including loan and trust companies, credit unions, caisses populaires and insurers must be licensed with FSCO or with the [Office of the Superintendent of Financial Institutions \(OSFI\)](#) . If an entity purports to be a financial institution operating in Ontario, consumers should ensure that its name appears on the list of licensed financial institutions on the FSCO or OSFI website.

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Advance Fee Frauds (AFF)

Perpetrators of an Advance Fee Fraud (AFF) can be very creative and innovative. These schemes can use the following tactics:

- An individual or company receives a letter or fax from an alleged "official" representing a foreign government or agency;
- An offer is made to transfer a sum of money, possibly millions of dollars in "over invoiced contract" funds, into the individual or company's bank account;
- There may be an encouragement to travel overseas to complete the transaction;
- Blank company letterhead, forms, bank account information, telephone/fax numbers and other personal information may be requested;
- Perpetrators provide numerous documents with official looking stamps, seals and logos testifying to the authenticity of the proposal;
- Up-front or advance fees for various taxes, attorney fees, transaction fees or bribes are requested;
- In some cases, perpetrators may send nominal amounts of money to the intended victim, in order to establish his/her confidence;
- Once the perpetrators have received an initial up-front fee, requests to invest additional funds to complete the transaction follow;
- Other forms of schemes include: c.o.d. of goods or services, real estate ventures, purchases of crude oil at reduced prices, beneficiary of a will, beneficiary of a life insurance policy, recipient of an award and paper currency conversion.

Consumers who are contacted by an off-shore perpetrator of an AFF scam are recommended to not respond to the inquiry.

Before providing funds to any entity, it is strongly recommended that consumers ensure that the entity that has contacted them and the entity to which they have been directed to send money are not operating fraudulently. If the company to which they are to send money to is in Ontario, consumers should investigate and ensure that it is registered. In Ontario, all insurance companies, insurance agents and brokers; trust companies; credit unions and caisses populaires; and mortgage brokers must be registered/licensed with Financial Services Commission of Ontario or with the [Office of the Superintendent of Financial Institutions \(OSFI\)](#) or with the [Registered Insurance Brokers of Ontario \(RIBO\)](#).

AFF scam letters should be forwarded to [Phonebusters](#). Phonebusters is a joint partnership between the Ontario Provincial Police (OPP) and the Royal Canadian Mounted Police (RCMP). They are interested in receiving copies of any new versions of the scam letters, particularly those involving Canadian mailing addresses or telephone numbers. Records relating to the payment of advance fees should also be forwarded to Phonebusters.