



# CANADIAN ANTI-FRAUD CENTRE BULLETIN

Grant Scams

2021-04-26

FRAUD: RECOGNIZE, REJECT, REPORT

## Purpose

This bulletin was prepared to provide awareness on Grant scams to prevent victimization.

## Overview

Grant scams are offers of guaranteed free money. Yet, fraudsters will collect personal and financial information, upfront fees, and leave consumers with empty promises. The most common and current variations of grant scams are as follows:

### Government Grants

A consumer will come across an ad stating that they may qualify for free money that they can spend on anything. The consumer completes an application and receives confirmation that they qualify. All the consumer has to decide is how much money they would like to receive based on the fee they are willing to pay. The promise is that the more they give upfront, the more they will receive.

In a popular variation of the scam, the consumer receives a message from one of their trusted friends. The message states that they received a free grant and encourage the consumer to follow their lead. Unfortunately, the messages are from the fraudster who hacked their friend's account.

### Weight Loss Grants

Consumers will find ads for free weight loss grant programs. These programs promise to reimburse qualified candidates the larger part of their fees. After submitting an application, everyone receives a confirmation email stating that they qualify. Consumers are referred to preferred vendors and pay their upfront program fees. Consumers follow all the rules and lose the weight by their deadline. After requesting their reimbursement, consumers do not receive the grant.

### Small and Medium-Sized Business Grants

Business owners may be tempted by look-alike websites claiming to offer government grants for businesses. Part of the application may even request the draft of a business plan. Business



Royal Canadian Mounted Police  
Gendarmerie royale du Canada



Competition Bureau  
Canada

Bureau de la concurrence  
Canada



Ontario Provincial Police

Canada

owners will be asked to pay an upfront fee; either to receive a list of available grants or to complete the application. In some incidents, the business owner is asked to open a new business bank account to receive the money. Once the details of the bank account are provided, the fraudsters may use the account to launder money. No money is ever received by the business owner.

### **How To Protect Yourself**

- Government grants are available to specific demographics for specific reasons.
- All grants require an application. Government grant applications are readily available and free.
- Information for grants and funding from the Government of Canada is available at: <https://www.canada.ca/en/government/grants-funding.html>.
- Do not trust offers of guaranteed free money. If you have to pay money for a free grant, it really isn't free.
- Grant applications are not guaranteed to be accepted; even if you meet the eligibility requirements.
- There are no upfront fees for legitimate grants.
- If you receive a suspicious message from a trusted friend, reach out to them through a different means of communication to confirm that it is them.
- Do not give out your banking information to anyone you do not know.
- If an offer seems too good to be true, it usually is.

If you think you or someone you know has been a victim of fraud, please contact the Canadian Anti-Fraud Centre at 1- 888-495-8501 or report online at [www.antifraudcentre-centreantifraude.ca](http://www.antifraudcentre-centreantifraude.ca)