



Cryptocons

Cryptocons, also commonly known as Pig Butchering, is a new type of scam that has become more popular recently with the rise of the cryptocurrency industry. This new cryptocurrency scam is a highly sophisticated form of fraud that relates to romance and investment scams.

How does it work?

In a cryptoscam, the scammer creates a trusting relationship with the victim over a committed and lengthy period, until they are finally ready to introduce an investment scheme, to which the victim would be willing to contribute.

The scammer usually approaches the victim through social media and dating apps, targeting people who are lonely and typically older, and with a wealth of money. The scammer attempts to initiate a relationship with the victim, whether as a love interest or a friend. After building trust over an extended period of time, the scammer gradually introduces the idea of business investments using cryptocurrency. Through these cryptocurrency investments, the scammer takes the victim's capital and usually walks away with a large sum of the victim's money.

Why is it something I should worry about?

Although you may not be worried about falling for these types of scams, the demographic of people that are usually targeted and victimized by cryptocons are older and less cyber-savvy, and, therefore, more susceptible to online fraudulent activities. Talk with your older relatives and loved ones and educate them on these newer cybercrimes and make sure they have the knowhow and sense to detect and avoid these situations if they are ever targeted.

The rise of investment scams in North America

With the rampant growth of the cryptocurrency industry of the last few years, criminal activities related to cryptocurrency has risen with it. In North America, investment scams have caused the highest loss of any scam in 2022.

In Canada alone, investment scams caused \$164 million in losses in 2021, compared to \$33.5 million in 2020, an increase of 490%.

In the USA, Investment scams caused losses of \$3.3 billion in 2022, an increase of 183% from the previous year, with \$2.5 billion of the net loss from cryptocurrency scams, like pig butchering.





Investment fraud is by far the costliest form of fraud in the early 2020s. While having a relatively low number of reports compared to other forms of fraud, the amount of money lost from investment scams dwarves everything else in comparison.

How to spot and avoid Cryptocons

The exponential increase in the occurrence of these scams is not expected to stop, and it's only a matter of time before you or someone you know is targeted. Educate yourself on how to detect and neutralize these scams with the following tips:

- **Be skeptical.**
Approach every situation with an abundance of caution. Don't rely solely on the advice of someone you met over the internet, or who is claiming to be someone you know. These scammers will claim to have guaranteed return on investments and promises of good fortune. If something seems too good to be true, it probably is.
- **Research before you commit.**
Before you invest in anything, do some research on what your about to invest in. Does it make sense? Is the exchange platform they want you to use legitimate? Many of these scammers will direct you to fraudulent exchange sites that their scam syndicate owns. Check the domain registration of the site. Does any of the information on it look fishy? Educate yourself on how crypto works. Learn about the industry of digital currency before investing in it. An educated investor is unlikely to fall for fraudulent investments.
- **Know who you are working with.**
Don't ever engage in business with someone you've never met face to face. Even if the person you think you are in contact with claims to be someone you used to know from the past, verify that it's them. If they avoid video calls, meeting in person, can't recall information from your past that they should know, cut contact immediately. Many scammers will try to impersonate someone from your past. Always make sure you are talking to the person you think you are.
- **Verify the investment company.**
Verify if investment companies are registered with provincial securities agencies through the National Registration Search tool: [Aretheyregistered](https://www.aretheyregistered.com/).

Related Links:

[Canadian Anti Fraud Centre – Investment Fraud](#)

[Get Smarter About Money](#)

[Canadian Anti Fraud Centre – Protect Yourself from scams and fraud](#)

[PS61-46-2021-eng.pdf \(publications.gc.ca\)](#)

