



Perceptions and Knowledge of Money Laundering, Fraud and Cyber Security

Summary

Prepared for Financial Crime Coordination Centre (Public Safety Canada)

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Canada 

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This public opinion research report presents the results of an online survey conducted by EKOS Research Associates Inc. on behalf of Public Safety Canada. The research study was conducted with 2,008 Canadians 18 years of age or older, in March 2023.

Cette publication est aussi disponible en français sous le titre : Perceptions et connaissances concernant le blanchiment d'argent, la fraude et la cybersécurité.

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SUMMARY

A. BACKGROUND AND OBJECTIVES

Financial crimes, which can include money laundering and fraud, have serious economic, social and psychological impacts. Financial crimes are often complex, well-organized and transnational in nature, and are often used to finance activities such as firearms and drug trafficking, sexual exploitation, and cybercrime.

There is currently a limited understanding of the Canadian public's awareness, knowledge of, and concern about money laundering and other financial crimes, or about how the federal government's efforts to mitigate financial crime is being perceived by the Canadian public. This public opinion research is intended to garner information regarding:

- The Canadian public's knowledge, awareness, and perception of money laundering, fraud, cyber security and organized crime as problems affecting their communities and Canadian society as a whole; and,
- The Canadian public's knowledge of and/or perceived effectiveness of federal public policy in response to money laundering, fraud, cyber security and organized crime.

B. METHODOLOGY

Survey

A national online survey was conducted between March 11 and 28, 2023. The survey included 2,008 Canadians aged 18 or over (see Appendix A, Table 1 for details on age, region and other demographic characteristics of the final sample). Most survey respondents participated online as a result of an email invitation, although a small segment completed the survey by telephone. The randomly recruited probability sample carries with it a margin of error¹ of +/-2.2%. The margin of error for key segments (age, region, gender, education, etc.) within the sample is between +/-4% and +/-8%. Results were not isolated for segments with fewer than 80 responses to ensure that confidentiality was not compromised, and due to higher imprecision (i.e., margin of error) associated with small sample sizes. The sample source was an in-house

¹ Level of precision associated with each sample segment for which results are isolated in the survey (i.e., results are expected to be within this range of the reported findings, 19 times out of 20).

Probit panel of randomly recruited Canadians². The survey instrument was delivered online as well as by telephone, and was available in both official languages. The average length of the survey was 11 minutes online and 16 minutes by telephone. The overall response rate for the survey was 31%. [Appendix A](#) presents further details on the methodology for the survey.

Focus Groups

Nine online discussions were held over the course of two weeks between May 24 and June 7, 2023. Participants were recruited to represent a region, rather than one specific city. Eight participants were recruited to attend each discussion, using the sample of Probit online panel members who completed the online survey in the first component of the study, keeping in mind a mix of participants in terms of gender and age. Groups were organized based on participants' views indicated in the survey regarding the seriousness of financial crime in Canada today (recruitment screener is provided in Appendix A). Participants logged onto a Zoom video meeting to generally discuss their perceptions of financial crime and organized crime, as well as their use of information and perceptions of government efforts to combat financial crime.

Seven of the nine groups were conducted in English, while the two groups held with residents of Quebec were conducted in French. Of the 71 participants recruited, 50 attended a discussion³. Each focus group took approximately 90 minutes to conduct. Participants received an incentive of \$120 for their participation. Video recordings, researchers' notes and observations from the focus groups formed the basis for analysis and reporting of results.

C. KEY FINDINGS

Understanding Regarding Financial Crime

Study results suggest that Canadians have a significant appreciation for the nature of financial crime and growing severity of this problem in society.

In the focus group discussions, participants were asked to describe the types of activities that come to mind when they think of financial crime. The most frequently mentioned were online

² Probit panellists were selected using a random-digit dial (RDD) landline-cell phone hybrid sample frame.

³ One participant was dismissed because of high attendance in the group and one was unable to participate after logging in.

or telephone scams, followed by fraud, extortion and money laundering, each for financial gain, each involving false representation. Some said that financial crime is distinguished from other types of crime in that it is difficult to detect and prosecute, where the perpetrators, and even the victims, can be difficult to identify.

Focus group participants were largely unanimous in their view that there is a wide spectrum of people who are committing financial crime. Many said that criminals ran the gamut from single individuals operating alone to large, organized groups and even corporations and countries.

In the survey, financial crimes were described to respondents as including fraud, money laundering, cyber security and white-collar crime. When asked about the extent to which these financial crimes exist in Canada, most Canadians perceive them to be a very serious (25%) or a significant problem (43%). Furthermore, 56% believe the prevalence of financial crime has increased significantly in Canada in the past 10 years. Echoing the survey results, most focus group participants believe financial crime to be pervasive and a considerable problem in society today. Many participants said they feel financial crime is increasing, given that they are personally experiencing more scam attempts and know others who are saying the same. Some also spoke of the increasing level of sophistication and complexity of attempts, making it harder to detect.

Survey results vary most often by age cohort, with those 55 years of age or older more likely than those who are younger to view financial crime as a significant or great problem, that is increasing over time and occurs frequently in their own community. Individuals under 45 are least likely to view financial crime in this manner. Interestingly, the Canadian Anti-Fraud Centre (CAFC) indicates in their 2021 annual report that fraudsters committing extortion are increasingly targeting vulnerable and senior Canadians, who are also increasingly targeted for identity-related crime⁴. The total dollar loss due to fraud for Canadians over the age of 60 also increased by 164% between 2020 and 2022.

Half of survey respondents say they have either been personally affected (20%) or know someone who has been affected (31%) by financial crime in the past. Many respondents (44%) feel that they are not likely to be affected by financial crime in the next year; however, roughly half believe it is either moderately likely (27%) or likely (22%) to occur at some point in the next year. Only one in four (26%) feel they are prepared to face a threat from financial crimes. In the survey results, the reported rate of being affected by a financial crime is lowest among those 65

⁴ Canadian Anti-Fraud Centre, Annual Report, 2021.

or older. It is those under 35, however, who are least likely to think they will be affected by such a crime in the future, and also least likely to feel prepared to face such a threat. Most focus group participants said they feel relatively well-prepared to face a threat, and always try to be vigilant, particularly given the ever-changing nature of scam attempts. Some, however, said they feel quite vulnerable and ill-prepared.

Impacts and Segments of Society

Many Canadians perceive that everyone experiences the impacts of financial crime, although it may be felt more frequently or deeply by some segments of society.

Survey results indicate that most Canadians believe that financial crime exists to a significant or great extent within Canada (68%) and in their province (62%). Fewer feel that financial crime exists in their own community: 29% to a significant or great extent, and 32% to a moderate extent, although 28% believe it occurs to only a slight extent (24%) or not at all (4%). In the focus groups, many participants agreed that there are criminals committing financial crime in one's community, province and across Canada, as well as operating from other countries. A few spoke of larger call centre scams originating from other countries. Some said they mostly think of financial crime activities as taking place in large urban centres. A few residents of smaller communities said they do not feel particularly affected by it.

Focus group participants described the impacts of financial crime including loss of money, sometimes with far-reaching consequences such as significant loss of assets or identity. They also spoke of the disruption and stress caused by financial crime, potentially compromising credit scores and requiring considerable effort to rectify issues with banks and other organizations. The other main area where victims feel the impact was described as the loss of confidence and trust in one's own judgment as well as in other institutions and systems, such as financial organizations.

Many focus group participants said that some segments of society are targeted more than others, such as the elderly, as well as newcomers to Canada and youth. Others said that everyone pays for financial crime through loss of money, increased prices and loss of confidence in the organizations and services that consumers rely on. Focus group participants spoke of the stigma associated with being a victim of financial crime, describing the embarrassment of "falling" for a scam. Some suggested that others may judge a victim, or they may judge themselves, as not being sufficiently vigilant or informed. Others argued, however, that scam attempts are becoming more sophisticated and harder to spot and that victims should not feel blame. Some also acknowledged in the discussion that this stigma can lead to a

lack of reporting and missed opportunity to uncover, learn about and stop or prevent financial crime.

Public Awareness Campaigns

Proactively looking for information about financial crime may not be the obvious choice for most, although many Canadians are prompted to seek out information when faced with a possible threat.

Two in five (40%) survey respondents recall public announcements by the federal government telling Canadians about financial crime, including what it is, the activities it encompasses, the threat it represents and how to protect themselves against these types of crimes. Among these survey respondents, over half (54%) feel the campaigns are moderately effective, and a further 14% believe they are effective. Over one in four (28%) perceive that they are not effective. Perceived effectiveness is highest among those 65 or older.

Informing Canadians about financial crime is considered an important role for the Government of Canada, however, there may be conflicting evidence about whether Canadians currently consider the government an obvious or viable source.

Almost four in 10 Canadians (38%) in the survey have sought out information about financial crime, most often those under 35 (46%). Most often, these information sources are government produced information (56% of those who have sought information), Google (or internet searches more generally) (55% of those who have looked), or traditional media (43% of those who have looked). There is a greater tendency toward online sources among those under 35. Few focus group participants said they have proactively looked for information about financial crime. Some, however, were prompted to look for information in reaction to financial crime attempts they or others in the social circle experienced or because of an online or telephone scam they heard about. When looking for information about scams, many said they rely on online search engines such as Google. Apart from the use of the CRA website for this specific purpose, only a few said they have gone to government sources for general information about financial crime. Further, some focus group participants said that they would not think of looking at a government website because they would not know where to look; they do not think of the government as a source for this type of information; or they perceive government websites as being difficult to use or obtain clear and concise information from.

In spite of this, roughly two in three survey respondents feel it is important for the federal government to inform Canadians about various aspects of financial crime. Measured aspects of

importance include the nature of fraud, money laundering, cybercrime and white-collar crime in Canada (70% say it is important); where to obtain information on this issue (69%); and what the government is doing about fraud, money laundering, cybercrime and white-collar crime (64%). In the survey perceived importance for the federal government to inform Canadians is highest among those 55 or older and lowest among those under 35. Consistent with survey findings, most focus group participants also felt it is important for Canadians to know what the government is doing to educate the public. A few said that certain groups or topics should be tackled in particular, such as informing seniors and telling the public more about cryptocurrency. A few said they would like to know, in particular how or where to report scam attempts.

Government Efforts to Address Financial Crimes

Relatively few Canadians are aware of key Government of Canada sources, and perceived effectiveness of government efforts is modest, likely because Canadians are not informed about government efforts.

According to survey results, one in four (25%) Canadians are aware of efforts made by the federal government to combat financial crime. Awareness of specific efforts include Canada Border Services (CBSA) (67%), the Royal Canadian Mounted Police (RCMP) (60%), the Canada Revenue Agency Criminal Investigations Directorate (CID) (39%), and the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) (31%).

The perceived effectiveness of government efforts to combat financial crime is low according to survey results, as only 6% feel efforts are effective, although 32% believe these efforts to have been moderately effective. In the focus groups, some participants said they perceive that the government is not doing enough in this regard. Some believe the government is taking steps to combat scams, but making less effort, or achieving less success, in the areas related to money laundering and other larger, corporate crime. Some said their own experience regarding the volume of scams suggests there is limited or insufficient progress being made. Many pointed to financial crime not being made a high enough priority, particularly for the police.

In the survey, the two primary indicators that Canadians feel would measure efforts to combat money laundering include the number of convictions (48%) and number of cases where activities have been interrupted (46%). Many focus group participants also suggested a variety of statistics to demonstrate the government's performance, including the number of crimes discovered; the number of cases investigated; the number of charges laid or cases prosecuted; and the number of convictions and nature of the penalties.

Understanding of Organized Crime

Canadians may have a somewhat narrow view of organized crime. Nonetheless, they see it as a serious problem in Canadian society.

Organized crime is defined in the Criminal Code as a group consisting of three or more individuals, in or outside of Canada, working together to commit a serious crime; that is an indictable offence, for the purpose of financial or other material gain⁵. In the survey, most Canadians associated organized crime with gangs (81%), the mafia (71%), and activities that are generally predatory in nature (70%). The types of activities focus group participants associated with organized crime include money laundering, production and sale of drugs, and human trafficking. They also link it with larger operations, that are well-coordinated and multi-layered. Over half (56%) of survey respondents feel that organized crime is violent in nature, which was echoed in the focus groups associating organized crime with organizations that are powerful and violent. Compared with the Criminal Code definition of organized crime, both the survey and focus group results suggest a narrower public perception of organized crime.

Most survey respondents feel that organized crime is a significant (41%) or very serious (22%) problem. Organized crime is perceived to occur frequently in Canada (66%) and their province (61%); however, as with financial crime, fewer believe organized crime occurs frequently in their own community. Some focus group participants said that organized crime originates in Canada, but others said it originates from other countries. Often organized crime seated in Canada was described as operated from large cities such as Toronto, Vancouver and Montreal. As a result, several participants felt they were not affected by organized crime as it does not take place in their community. Compared with financial crime, fewer survey respondents believe that organized crime is increasing. Still, two in three (69%) feel that organized crime has increased over the past 10 years.

As with perceptions about financial crime more broadly, many Canadians believe some segments of society may be more vulnerable to the impacts of organized crime.

Survey results suggest that most Canadians (70%) believe that all members of the general public are affected by organized crime, although some believe there are groups that are more affected (e.g., elderly according to 60%, and children according to 34%). Echoing survey results,

⁵ <https://www.criminal-code.ca/criminal-code-of-canada-section-467-1-1-definition-of-criminal-organization/index.html>.

focus group participants were divided in their view of who, if anyone, is targeted by organized crime.

Lack of awareness about, and active search for information is similar for organized crime, as it is for financial crime more broadly.

One in four (27%) in the survey have looked for information about organized crime, most often among those under 35 (33%). The most common sources reported in the survey include government information (53%) and traditional media (52%).

Echoing views about the government role in combatting financial crime, Canadians understand the importance of government efforts to fight organized crime, as well as informing Canadians, particularly where some vulnerable groups may be at risk.

Almost all survey respondents believe it is important for the federal government to put in place efforts to combat organized crime in Canada. Organized crime is more often seen as a significant and increasing threat among survey respondents who are 55 years of age or older. The general view expressed by focus group participants was that the public should be informed in order to be on alert and knowledgeable of what is happening in their communities. In particular, when activities include human trafficking and exploitation of children, some participants said that the public should be made aware of any activities that target and take advantage of vulnerable groups in society.

D. NOTE TO READERS

Detailed findings are presented in the sections that follow. Overall results are presented in the main portion of the narrative and are typically supported by graphic or tabular presentation of results. Bulleted text is also used to point out any statistically and substantively significant differences between sub-groups of respondents. If differences are not noted in the report, it can be assumed that they are either not statistically significant⁶ in their variation from the overall result, or that the difference was deemed to be substantively too small to be noteworthy. Results for the proportion of respondents in the sample who either said “don’t know” or did not provide a response may not be indicated in the graphic representation of the

⁶ Chi-square and standard t-tests were applied as applicable. Differences noted were significant at the 95% level.

results in all cases, particularly where they are not sizable (i.e., 10% or less). Results may also not total to 100% due to rounding. Similarly, some totals of percentages for two responses may not appear correct due to rounding. The programmed survey instrument can be found in Appendix B.

As per section 10.2.3 of Public Services and Procurement Canada's Qualitative Research Standards, "Qualitative research is designed to reveal a rich range of opinions and interpretations rather than to measure what percentage of the target population holds a given opinion. The qualitative focus group results must not be used to estimate the numeric proportion or number of individuals in the population who hold a particular opinion because they are not statistically projectable."⁷ In order to avoid portraying these results as generalizable to the population, terms such as "a few," "some" and "most" are used to broadly indicate views rather than using specific percentages. To ensure a common understanding of the terms used in the analysis, the following guidelines were used in analyzing and reporting on participant results:

"A few participants" = at least two people but less than 25%;

"Some participants" = 25 to 49%;

"Many participants" = 50 to 75%; and,

"Most participants" = over 75%.

It should be kept in mind when reading this report that findings from the focus groups are qualitative in nature, designed to provide a richer context rather than to measure percentages of the target population. These results are not intended to be used to estimate the numeric proportion or number of individuals in the population who hold a particular opinion as they are not statistically projectable.

E. CONTRACT VALUE

The contract value for the POR project is \$98,055.75 (including HST).

⁷ Public Services and Procurement Canada. [Standards for the Conduct of Government of Canada Public Opinion Research - Qualitative Research](#). Last updated: Spring 2019.

F. POLITICAL NEUTRALITY CERTIFICATION

I hereby certify as Senior Officer of EKOS Research Associates Inc. that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Policy on Communications and Federal Identity and the Directive on the Management of Communications. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leaders.

Signed by:



Susan Galley (Vice President)