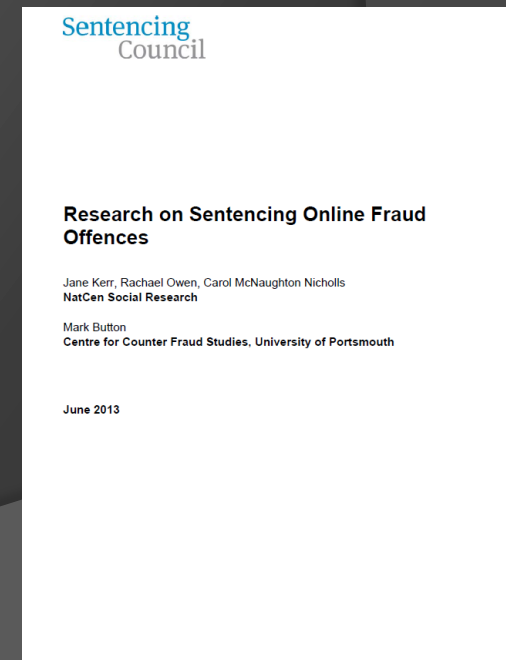
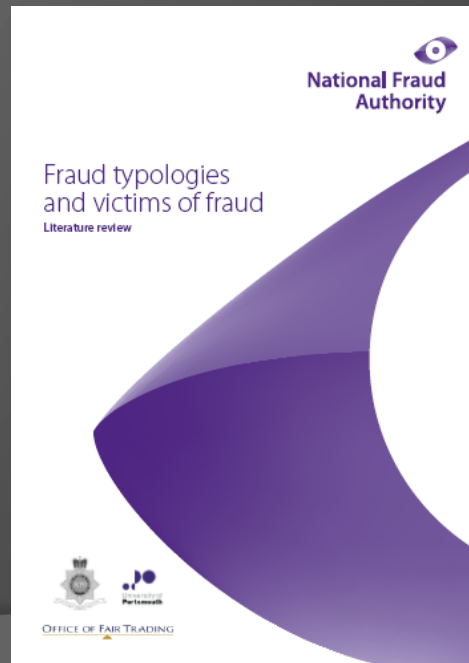


CROSS-BORDER FRAUDS AND VICTIMISATION

Professor Mark Button, Director of the Centre for Counter Fraud Studies



Outline

- Technological revolution
- Opened up huge fraud opportunities, particularly cross-border
- Impact of cross-border fraud

The Technological Revolution

- ◉ December 1995 across the globe there were estimated to be 16 million users of the internet (Jewkes and Yar, 2010b).
- ◉ By 2000 there were around 361 million users of the internet worldwide (Internet World Stats, 2012).
- ◉ This had grown to almost 2.5 billion in 2011, amounting to 35 per cent of the world's population using the internet, compared to 18 percent in 2006 or just over 1.1 billion.
- ◉ In the developed world in 2011, 71 percent of over 25s and 77 percent of under 25s were using the internet and for developing countries these figures were 23 percent and 30 percent respectively.
- ◉ Global mobile phone subscriptions in the four years prior to 2011 had been growing at the rate of 45 percent annually with 87 percent of the global population or 5.9 billion having one and within that a doubling of those subscriptions with access to mobile broadband to 1.2 billion (International Telecommunications Union, 2012)

The Changing Face In Commerce And Social Interaction



Impact on Frauds

- ⦿ Industrialisation of old frauds
 - 419 scams, lotteries, investment frauds etc
- ⦿ Expediting old frauds
 - Romance, bogus products and services, identity
- ⦿ New frauds
 - Phishing, hacking etc

Percentage of adults experiencing unsolicited mass marketing communications in England and Wales during 2011-12.

Type	Percentage
A big win in a lottery, prize draw, sweepstake or competition you haven't entered	40
The chance to make an investment with a guaranteed high return	16
A loan on very attractive terms	15
Someone who invites you to get to know them with a view to a possible friendship or relationship	13
Help in moving large sums of money from abroad	12
A job offer, a franchise offer or other business opportunity	10
Help in releasing an inheritance	9
An urgent request to help someone get out of some sort of financial trouble	8
Adopting or buying a pet	3
Some other type of similar request	7
No communication received	44

Office for National Statistics (2013c: 4)

Romance scam victim tells her story to prevent further crimes

A romance scam victim has waived her anonymity to raise awareness of this latest fraud wave in conjunction with Action Fraud, the UK's national fraud reporting centre.

Ms Brenda Parke, a 60 year old retiree, was scammed out of £60,000 during February and March this year after joining an online dating site and befriending a man calling himself Bradford Cole. Over the following weeks they developed a close relationship via e-mails and phone calls.

Bradford portrayed himself to be a successful Dutch businessman who earned his living supplying and fitting computers. He told her his partner had died and said he was estranged from family and friends. He said he had moved to the UK a year ago bringing his young daughter, Mauoreen, with him.

An emotional story

He claimed that while abroad on business, his daughter had been injured in a hit and run accident and required £9,600 for the operation in hospital. Bradford did not ask Brenda for the money directly but claimed to have borrowed so much from the bank and that he had no-one else to turn to for help. He very subtly and cleverly manipulated Brenda into taking a position of responsibility for his daughter's welfare. She wrestled with her conscience and whilst she did not want to give her hard-earned money to a stranger, she did not want to leave a child to fend for herself. She wanted to pay the hospital directly but was told that they needed cash in advance. Having verified this online, she



Report a fraud

Support & prevention

Protect yourself

Types of fraud

Click here for a list of fraud related categories.

[Types of fraud ▶](#)

Latest fraud news and alerts

- [Illegal 'scraping' sites target tenants](#)
- [Free iPad scam](#)
- [Scam victims must speak up](#)
- [Have you won a luxury holiday?](#)
- [London 2012 Olympic Games: Beware of ticket scams](#)
- [Be vigilant: Ticket scams](#)
- [Beware of bogus workmen](#)
- [Online dating scam – could it be you?](#)
- [Be fraud safe this Valentines – top tips to avoid online dating fraud](#)
- [Scam phone call warning](#)



FREE DRAW DEPARTMENT - COPIES ENCLOSED
 TV DIRECT DISTRIBUTION - PO. BOX 385
 SOUTHAMPTON SO40 3YZ

IDENTIFICATION NUMBER: _____

IMPORTANT!

I am officially charged with sending a cheque for **£192.30**, payable to our winner, Mrs _____ for 52 weeks.

In order to be valid your payment condition form must be received by me before midnight on 06/11/2003*, as indicated by postmark.

10 days*

The Management
 C. François

Control: **PPL/080685/C833 290 105**
 Code: **57 # 26**

Total amount of the instalments:

£10,000



03046754 03109002 833290105

1 PAYMENT CONDITIONS FOR THE GRAND PRIZE:
 Mrs _____ the Grand Prize will be awarded in the form of instalments under the following terms.

2 TOTAL PRIZE AMOUNT:
£10,000 (ten thousand pounds)

AWARDING OF THE £10,000 GREAT PRIZE (in 52 instalments)

3 FREQUENCY OF INSTALMENTS:
 Every Monday, for a whole year (that is 52 Mondays)

4 AMOUNT FOR EACH AND EVERY INSTALMENT:
 £192.30 (one hundred and ninety-two pounds and thirty pence)

5 DRAW DESIGNATION:
 £10,000.00 - 52 instalments

6 IDENTIFICATION CODE:



WEEKLY PAYMENTS PRIZE CONFIRMED

ENTER TO WIN

Cross-border dimensions to fraud



Britain's most wanted fraudsters: The faces of our men suspected of operating 'boiler-room' fraud from Spain

- Four men are wanted for scams against the British public from Spain
- Graham Hawrysh, 37, and Robert Douglas Lynch, 53 are suspected
- Jeffrey Gordon, 54, has links to Romania as well as Ireland and Colombia
- Tunch Kashif, 48, is said to have engaged in various investment frauds
- Boiler Room fraud happens when investors are sold worthless shares

By WILLS ROBINSON

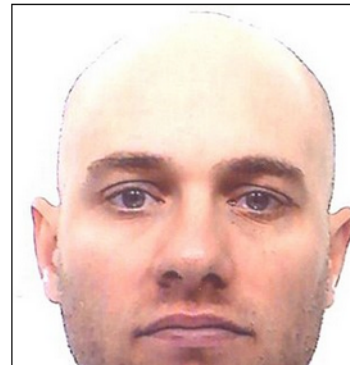
PUBLISHED: 09:06, 3 March 2014 | UPDATED: 10:09, 3 March 2014



These are the faces of four of Britain's most wanted fraudsters.

They are believed to be operating out of Spain, and are suspected of duping people into buying worthless shares or investing their life savings in to fake companies.

Officers from British and Spanish police forces have launched a Europe-wide search for the group who are said to have masterminded so-called boiler room scams, targeting elderly and vulnerable people in the UK, Serbia and Spain.



Russian Hackers 'Pull Off Biggest Data Theft'

Big name websites "in virtually all industries across the world" are hit by a massive hacking operation, say experts.

4:22pm UK, Friday 08 August 2014



The hackers apparently have not yet sold on the data to other criminals

Tweet 263 Recommend 26 8+1 31 Email

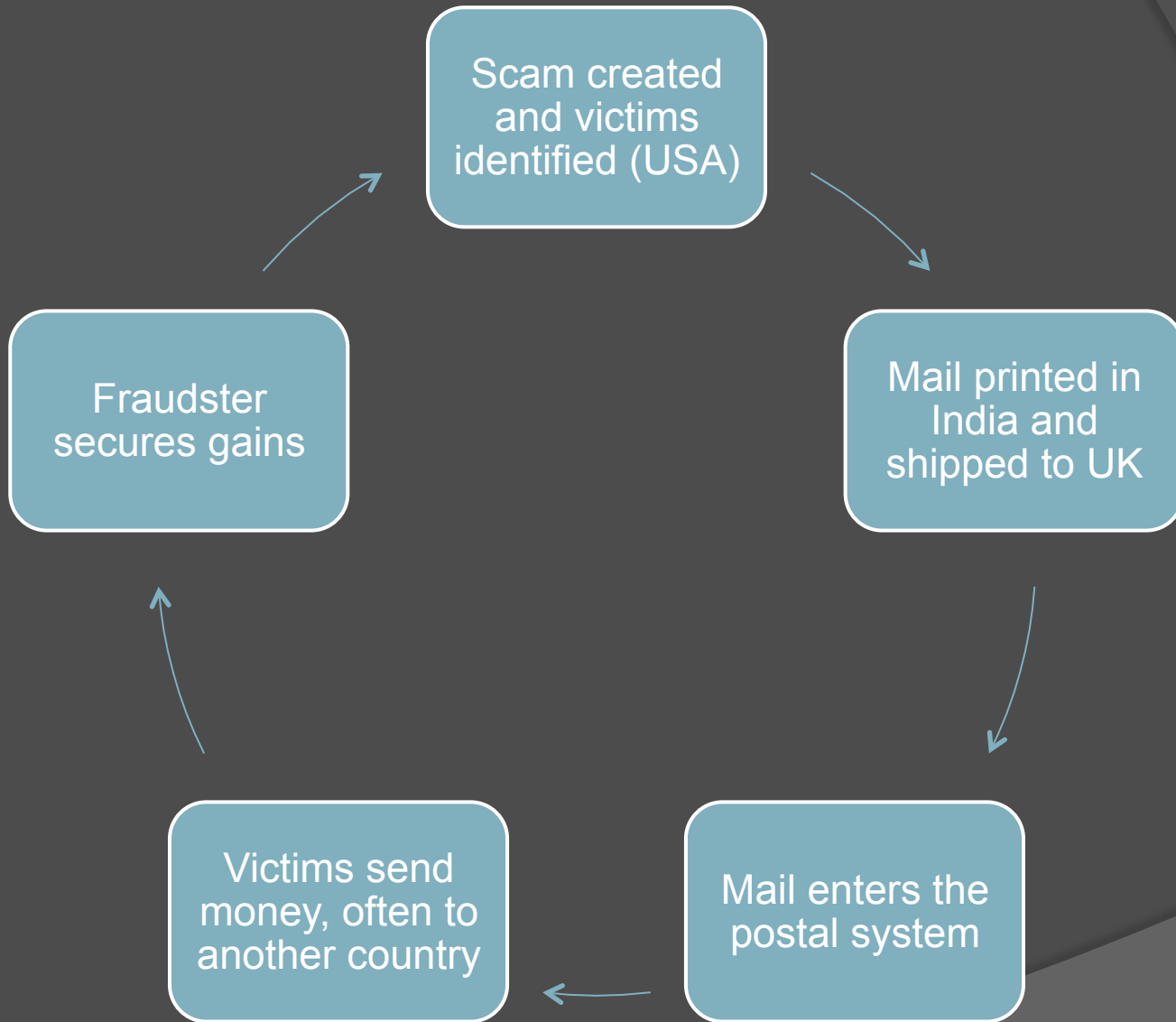
Russian hackers have stolen 1.2 billion user name and password combinations in what could be the biggest ever data theft, according to a US security firm.

The information is said to relate to half a billion email addresses.

Hold Security, based in Milwaukee, says a 'Cybervor' gang stole the information from 420,000 web and FTP sites.

It claims the gang used a botnet, a network of infected computers controlled by a hacker, to identify weaknesses in websites that people visited.





Impact: Many local victims,
but how many?

The Extent of Fraud and Cross-Border Fraud

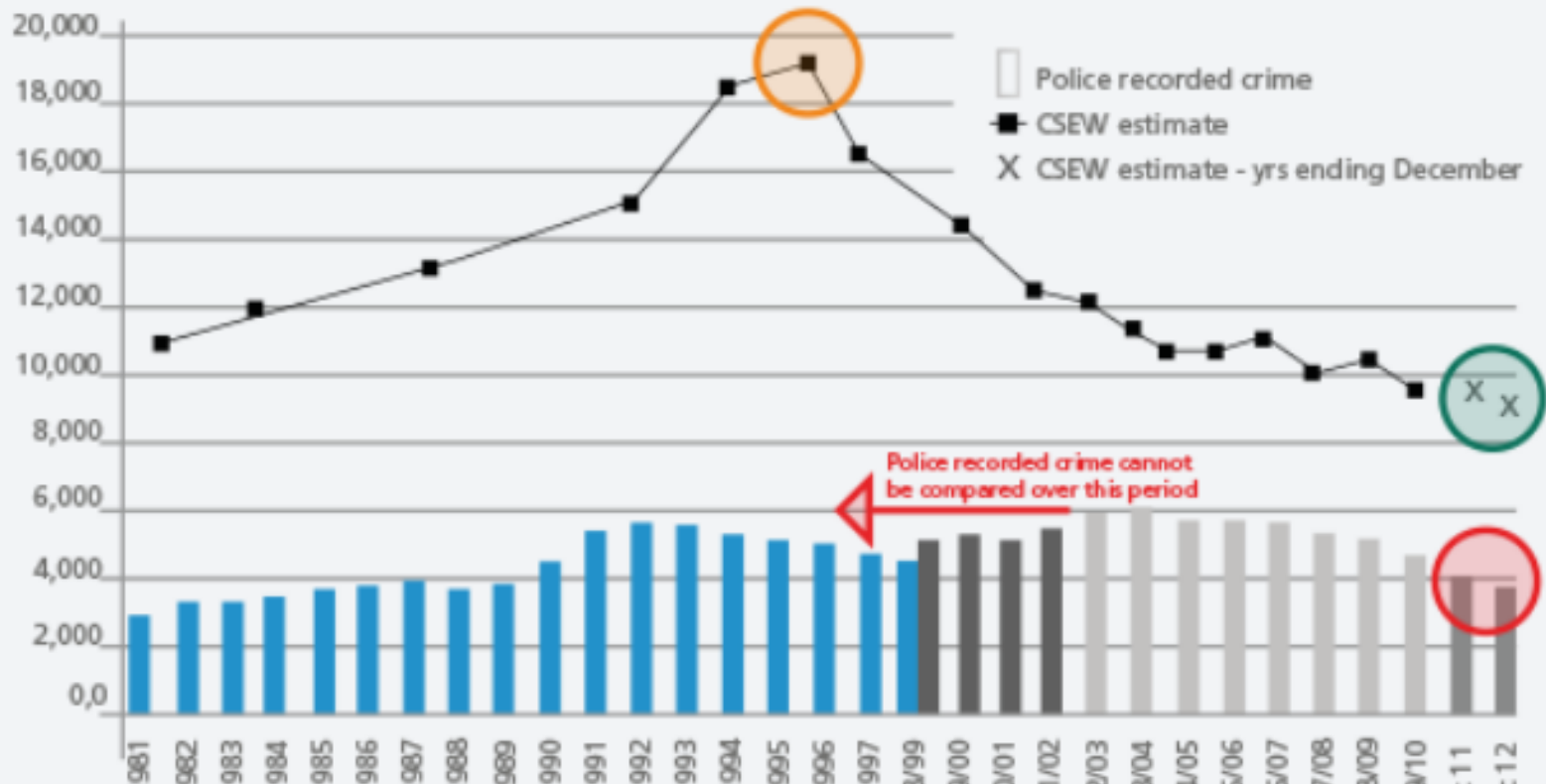
- Few regular accurate measures of fraud in general let alone cross-border fraud
- Detected frauds useless
- EWCS until recently only measured plastic card fraud
- Challenges with emerging approach to measure mass marketing fraud

Country	Type of Research	Findings
Australia	Prevalence Survey	2010-11 6.7% of population over 15 at least victim of one personal fraud in previous 12 months. Above includes 3.7% victim of credit card fraud 0.3% victims of identity theft 2.9% victims of scam
England and Wales	National Fraud Authority commissioned survey Annual Crime Prevalence Survey Specific Office of Fair Trading Report (UK Wide)	2012 8.8% victims of identity fraud in previous 12 months 2011-12 4.5% of plastic card holders victims of fraud in previous 12 months 2006 48% targeted 8% a victim
Scotland	Annual Crime Prevalence Survey	2010-11 4.5% of plastic card holders victims of fraud in previous 12 months 0.5% of adults victims of identity theft
USA	National Public Survey on White Collar Crime National Crime Victimization Survey Specific Federal Trade Commission Report 2005 Specific Federal Trade Commission Report 2005	2010 24% of households had at least one person experienced a fraud related crime in past 12 months 2010 7% of households had experienced at least one incident of identity theft of those 12 and over in this year 2005 13.5% of adults victims of a consumer fraud 2005 3.7% of adults victims of identity theft

The 'Dark Matter' of Crime?

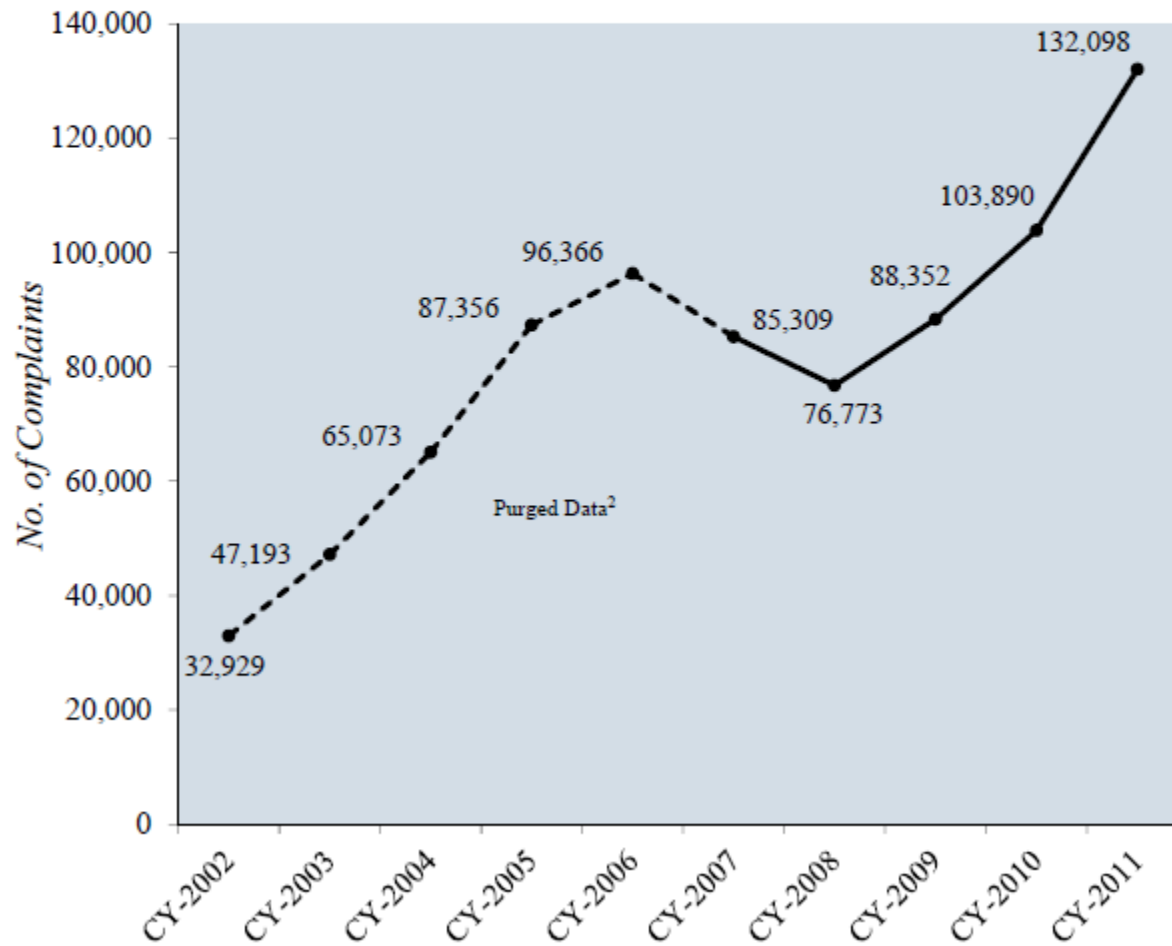
Annual trends

No. of offences (thousands)



Cross-Border Fraud Complaint Count¹

Calendar Years 2002 through 2011



3.3%

Total UK Defence Expenditure

£38 Billion

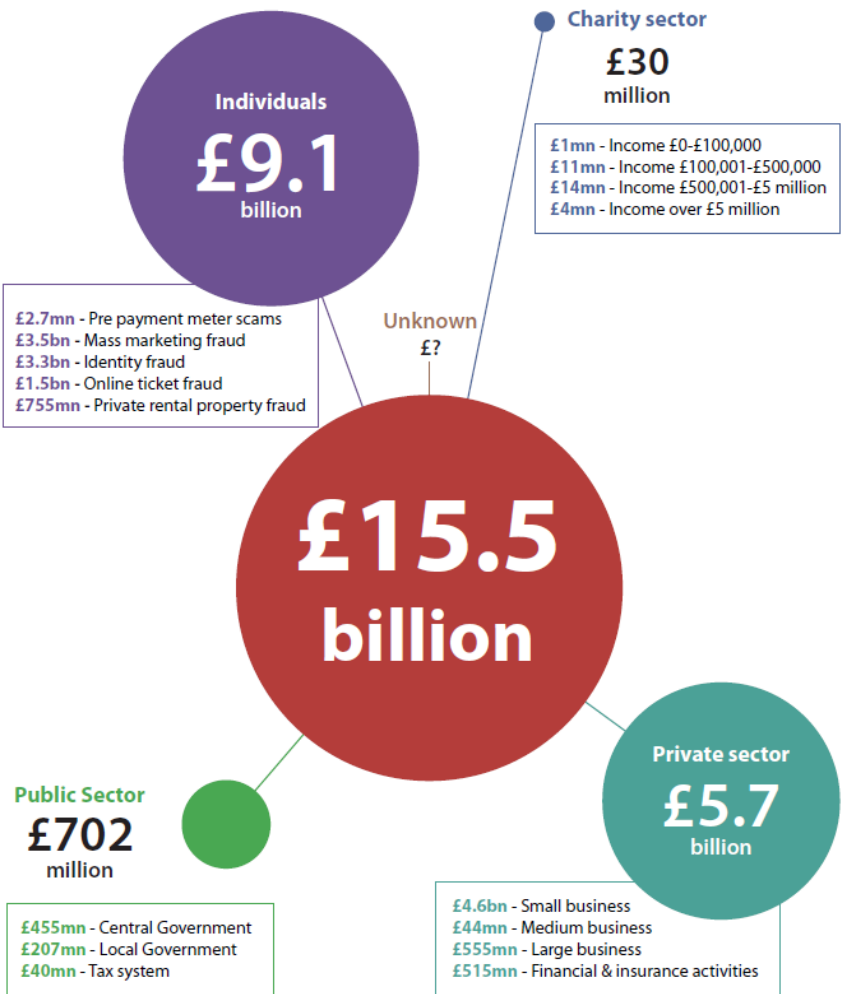
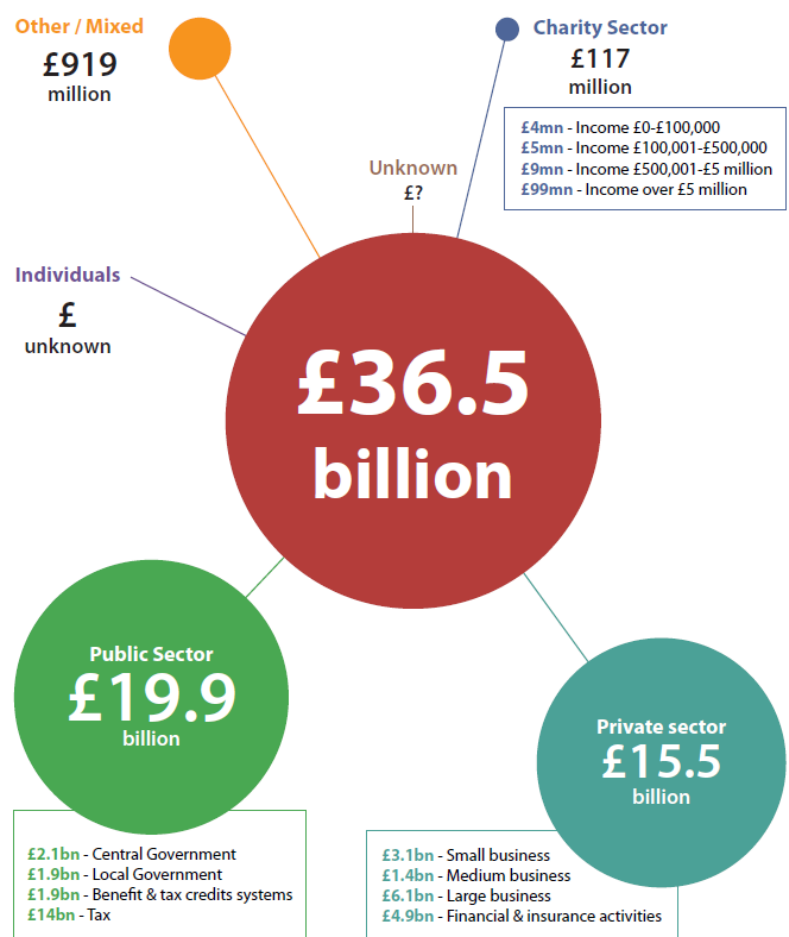


Figure 2: Hidden fraud loss estimates by victim



Impact: Victims

Victimisation

- ◎ Not knowing how they felt victim?
 - *And I think that's one of the scary things is that I haven't got a clue how they've managed this, to have all those details, you know (Interview participant)*
- ◎ Victimisation at a distance
 - *It borders on almost dirty doesn't it, it's horrible... it leaves you feeling contaminated... touched by that person" (Interview participant)*

Impacts very familiar

- Some little impact to huge impact
- Financial impact
- Stress and anxiety
- Anger
- Embarrassment
- Feelings of violation
- Self-blame
- Impact upon physical and mental health

Lorraine

- £1500 on bogus holiday booked on the web
- *I know **I was really upset**, and I mean **I was so angry** that they could have done something to, not just to me and my kids, but to...they pinpointed families, they knew what resorts to go for to get...to get families to go in for it. And **it just made me feel sick**, how people could do that to others, you know. I've never said a bad word against anyone, then all of a sudden we'd got this and the effect it had on my kids, just made me... **I wanted to punch them**. I wanted to be in that court room, good job I didn't go really. Because there was a point where they thought they were going to call me as a witness (Lorraine, bogus holiday fraud victim)*

Christine

- Christine was a pensioner in her 70s with a husband who was terminally ill with Alzheimers. Her husband had received correspondence suggesting he could secure £500,000 if certain fees were paid. After the first fee was paid by Christine was sucked into a succession of further payments which culminated in the loss of their £108,000 of life savings. When she went to the solicitor to re-mortgage the house she was told it was a scam and told to inform the police

- ① *Um, the idea was...you see, my husband wasn't well. He's now been diagnosed with Alzheimer's disease, and I felt that I could care for him, you know, very easily if I had lots of money [laughs] (Christine, Nigerian scam victim).*
- ② *No, I haven't. I was so ashamed I suppose...of the fact that I'd done it, that I didn't want anyone to know. And so I have in fact told one friend, that's all... ..and I was so ashamed of the fact that I'd been so stupid (Christine, Nigerian scam victim).*

Hilda

- Hilda was an 83 year old woman who received a letter telling her she had won a lottery prize of £500,000. However, to secure the prize she had to make various payments to release the money. In total she lost £6,500, but could have lost more.

- ◎ *Yes, so I didn't tell them. But one daughter still lives in Darlington, who doesn't speak to me anymore for some reason, I don't know why. But she'd seen the news and she told them in Kent, so I didn't have to tell them, she went and told them. She would enjoy doing that I think. I didn't actually tell anybody except Peter, because Peter was taking me to the building society. (Hilda, lottery fraud victim)*

- ◎ *I was embarrassed by it, especially when as I say it was before I was troubled with the cancer, and I was doing my shopping in a large superstore. And people were stopping me and saying ‘Oh what an idiot you’ve been.’ How on earth did you make such a fool of yourself? And I just had to tell them it was very easy (Hilda, lottery fraud victim).*

Harold

- Victim of \$202 credit card fraud, but it had been used to access child pornography. 3 years later his house was raided by police in early morning raid with devastating consequences for his life.

- ① *I mean like a woman for example whose husband was an old friend of mine and they had three children, I know them all, I met them in Clapham at a private view in a house, and I noticed certain caginess and as I went up to greet them all I noticed the mother moving her children away from me like that. I didn't - I didn't really sort of want to believe consciously that I was believing my own eyes. I just thought well she's being sort of funny or something (Harold, identity fraud victim).*

- ① *Um, and it's certainly altered my life and personality irrevocably, because I'm no longer the completely open frank person, naïve person that I was lucky enough to be for the first, er, 55 years of my life, I'm quite a different person now. I'm much more cagey as witnessed by my insistence on being anonymous...(Harold, identity fraud victim).*

Challenges

- For victims who do you go to?
Significant improvement with Action Fraud, but still challenges.
- Securing interest of law enforcement:
above acceptance of report.
- Lack of significant cross-border capacity
- Education and prevention

Conclusion

- Fraud has become a much more significant problem: technology, low risk of capture, lower sentences compared to other crimes.
- Significant element cross-border.
- Extent difficult to gauge because measurement has not kept up-to-date with nature of problem
- Impact can be as and sometimes more devastating as 'normal' volume crimes