

## Complaint Data Offers Consumers, Businesses Perspective on Internet Fraud

*Internet Fraud Complaint Center report helps identify scams, trends, and challenges presented by Internet fraud*

WASHINGTON, DC - April 23, 2001 - As more consumers and businesses become computer and Internet dependent, Internet fraud will have a potentially devastating effect on our nation. The Federal Bureau of Investigation (FBI) and the National White Collar Crime Center (NW3C) recently released a six-month trends report regarding Internet Fraud Complaint Center (IFCC) victim data. Analysis of the data revealed consumer education and law enforcement preparedness are key in developing programs to help all Internet users better protect themselves from becoming the victims of on-line crime.

The report showed that auction fraud was the most reported Internet fraud; it comprised 64.1 percent of all referred complaints. Non-deliverable merchandise and non-payment accounted for another 22 percent of complaints. Investment fraud and other types of confidence fraud were also among the most reported offenses. Additional highlights from the IFCC Six-Month Data Trends Report:

- Typical victim reporting to the IFCC was male and in his mid 30s.
- Males tend to lose more than females.
- Older individuals experience a higher dollar loss than younger individuals. When comparing those under age 50 with those over age 50, people over 50 suffered average losses of more than \$30 dollars more per transaction. When comparing those under age 65 with those over age 65, the latter suffered an average loss over \$100 higher than those under age 65.

"Anyone is susceptible to falling prey to con men who use the Internet as a means to commit fraud. Scams come and go, but the one constant has been the ability of criminals to use technology effectively to bilk unsuspecting citizens and businesses," said West Virginia State Auditor Glen B. Gainer III, chairman of the board of directors for the National White Collar Crime Center. "The data gathered by the IFCC offers the opportunity to conduct analyses to provide direction for consumers, businesses, and law enforcement on crime types, prevalent schemes, and emerging challenges that will affect us all."

The potential for the IFCC to expand its service to other Internet crimes is high. Users of the IFCC have already reported numerous non-fraud crimes including murder, theft, child pornography, and child exploitation. In each case, local, state, and federal authorities received the referral directly from the IFCC.

Information gathered has led to the creation of an economic crime-coding list to categorize incoming complaint types. The list continues to be refined to make data collection precise and useful. Early needs assessment resulted in the development and deployment of new training programs created specifically for investigators by the National Cybercrime Training Partnership (NCTP). The NCTP now offers: Using the Internet as an Investigative Tool, Computer Crimes on Your Doorstep, Prosecuting Cases that Involve Computers: Basic Information and Important Issues. These computer-based training courses are available through the NW3C at no cost to law enforcement.

The IFCC Six-Month Data Trends Report is the first in a series of regular research initiatives scheduled by the FBI and the NW3C that will help provide consumers, businesses, and law enforcement with a better and bigger picture of crime trends related to Internet fraud. An annual report will be available in July 2001.