

Victims of Advance Fee Fraud: Understanding the process of victimization

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Cyber-crime – Advance Fee Fraud (AFF)

- AFF refers to fraud that involves the offender using deceit in order to secure a benefit from the victim with the promise of some future ‘pay-off’ for the victim
 - Can be financial – classic ‘Nigerian’ scam, investment fraud; business opportunities
 - Can be the promise of a relationship - romance fraud

AFF crime – Victims and Offenders

- Offenders: Nigerian cells located across the world
- Victims: Largely located in countries such as Australia, US, Canada & UK
 - Recent data reveals that in one year period, Australians reported losses of over \$50 million to romance fraud and classic AFF (ACCC, 2013)
 - This represents only a small proportion of **true** losses given significant under-reporting
 - In Australia, most likely to begin as a romance scam and move to more classic Nigerian scam types

Research Collaboration – FCCG, Queensland Police Service

- Police responses
 - Offenders and victims are most likely located in different jurisdictions; offenders typically located in countries where police cooperation is difficult – policing AFF using traditional policing methods is problematic
 - Police approach - proactive contact by police with ‘potential’ victims to encourage cessation of victimisation
 - Little empirical research has been conducted and little is known about how police can effectively respond to AFF crime
- Proactive, Victim Focused Approach of FCCG
 - Reduce the seriousness and duration of AFF victimisation

Research Collaboration – FCCG, Queensland Police Service

- Program of Research
 - first Australian study to research AFF and police approaches from a multi-dimensional perspective
 - Methodology 1. Analysis of Police Operations
 - Methodology 2. The View of Fraud Detectives
 - Methodology 3. The View of AFF Victims

Methodology 1

Analysis of Police Operations

- FCCG had undertaken 2 x police operations and 1 x current operation
 - identification of individuals sending monies to ‘high risk’ countries
 - phone calls made by fraud detectives to discuss circumstances under which monies were being transferred
 - purpose of the police operations was to identify ‘potential’ victims of AFF and influence victims to disengage

Analysis of Police Operations

- The 3 x police operations yielded a database of over 400 contacts
 - Most vulnerable age groups
 - Males = 40 to 49 yrs; Females = 50 to 59 yrs
 - Over half (53%) the sample did not acknowledge that they were a victim when contacted by police
 - Relationship fraud (61.2%)
 - First approach by offender – Online Dating Site (23.8%)
 - 1 to 9 transactions (41.6%); Value of \$\$ - 0 to \$9999 (40.3%)

Methodology 2: Fraud Detectives

- Research focus
 - better understand the nature and process of interactions between police and victims involved in proactive police operations focused on interrupting victimisation
- Respondents were seven (7) male and two (2) female detectives from the Queensland Police Service
- Three (3) officers conducted less than 15 AFF interviews and five (5) others conducted between 30 and 100 interviews (mean 39)

Methodology 2: Fraud Detectives

- Key Conclusions (In Brief)
 - Low levels of victim acknowledgement and high levels of disbelief even following police contact – can result in increased levels of frustration by police
 - Officers largely untrained in the specific types of skills that are potentially the most needed to effectively intervene in and disengage victims from AFF crime
 - Definition of success? Difficulties in defining success, lack of consistency in the identification of aims, objectives and intended outcomes of intervention

Methodology 3: AFF Victims

- Research Focus
 - To better understand the victimology of cyber-fraud through descriptive narratives of advance fee fraud victims
 - Examination of:
 - The factors associated with on-going victim engagement
 - Reasons for continued engagement or continued involvement in the fraud (particularly, following police intervention)

Victim Interview Methodology

- Initial identification of 100 victims of AFF randomly selected from across 3 police operations undertaken by FCCG (selection made from a database of over 400 cases)
- FCCG attempted to make contact with these 100 victims to request participation in victim interview study
 - Of the 100 victims that were selected, 10 (10%) victims were excluded = 4 Deceased & 6 'Do Not Call' (based on advice from FCCG)

Victim Interview Methodology

- Sample
 - Of the remaining 90 victims
 - 39% (35) = No reply/unable to be contacted
 - 20% (18) = Refused interview
 - 41% (37) = Agreed to interview
 - Final sample = 17 victims (58.8% Males; 41.2% Females)
 - Highlights the significant difficulties in contacting victims; securing participation; and then, re-contacting victims

Victim Profiles - Demographics

Based on Police Operations Database

- Scam Type
 - **Relationship - 76.5%**
 - Inheritance - 11.8%
 - Business - 5.9%
 - Investment – 5.9%
- First Approach by Offender
 - **Online Dating Site (41.2%)**
 - Letter or Newspaper (11.8%)
 - Online (Other) (5.9%)
 - Email (5.9%)
- Number of Transactions
 - **1 to 9 transactions (29.4%)**
 - 10 to 19 transactions (17.6%)
- Value of \$\$ Losses
 - **\$100 000 - \$499 000 (41.2%)**
 - \$0 - \$9 999 (23.5%)

Preliminary Findings

- Key Insights
 - ‘Classic’ AFF Stories
 - The Victim Experience – Identifying Victimization Factors
 - Gullibility? – Doubts from the Beginning
 - Timing of the Approach
 - Cessation of Victimization
 - The Aftermath
 - Impacting on Victimization

'Classic' AFF Stories

- The stories used by offenders remains consistent to those that have been reported over the last few years
- Key characteristics
 - Businessman/Army from a Western country travels to a West African location
 - Money is most likely requested for the purpose of visiting Australia
 - A series of events occur that prevent travel to Australia
 - The transfer of money is time sensitive
 - Escalation of 'story' involves the introduction of a range of actors

Gullibility?

Almost all victims felt unsure about sending money from the beginning, they had a 'sense' that this might be a fraud

- *'I was a bit hesitant but the reason he requested money was he claimed he was founder of XX Foundation for kids with no parents in Nigeria, he was sponsoring...'* (K1)
- *'Sometimes you think there is some doubt there, but then you think you're the special one...it was like I was a little bit obsessed'* (B33)
- *'I hesitated with that online stuff in the first place...but you just get into the 'what ifs ' and the 'maybes'* (R11)

Gullibility?

- *'..being lonely and that, you push things aside..that is the biggest thing with these love scam type things, they suck you in'*
- *'one side did not want to do it, and one side did...too easy to believe, they are good at it' (W14)*
- *'In a bizarre sort of way I had the warnings but I still did it...was probably because of my mental and emotional state' (C18)*

Victimisation factors: profiling of victim & timing of approach

Timing of the Approach

- *'I was freshly widowed at the time and I was vulnerable and lonely...that was company for me to keep chatting' (K1)*
- *'This was over a short period of time, my son got married, I had a heart attack, no sooner got myself over my heart attack and rehab and got back to work, I got a phone call to say my Dad had passed away...I come home Friday and my husband packed up and left, I never heard from him since' (B33)*
- *'I lost 5 people close to me in 5 years, in the family, and the last person I lost was my wife and we had battled for 4 years with secondary cancer and chemotherapy....It was only a few months after that that this person made contact with me' (C18)*

Timing of the Approach

- *‘To me it is bit the same as gambling or alcohol abuse because it effects people at very vulnerable time’ (C18)*
- *‘You’re just not your normal self, you are not thinking straight and your emotions are taking over and you are very mixed up and lost, you are swimming in emotion’ (C18)*
- *‘the way these people work it, they get you in such a bind you don’t know whether you are coming or going’ (M19)*

Victimisation factors: The ‘successful’ approach came at a time of significant vulnerability

Cessation of Victimisation

- *‘they came back about 4 or 5 months later and by internet they sent me a number of emails saying they were going to spread this page that I was a sex predator, over the internet in Australia’ (C18)*
- *‘she kept ringing at all hours of the night....she got quite abusive...saying you are technically married to me’ (L5)*
- *‘I said I am not sending no more money....he threatened that because he was in Army he could get these authorities to come out’ (R11)*

Cessation of Victimisation

- *‘the person I first started talking to supposedly got sick and died and then the supposed son took over and that’s when all the abuse started’ (D9)*
- *‘someone from Nigerian police rang me, and then they threatened me’ (K1)*

Victimisation factors: Cessation of victimisation involved victims facing psychological pressure and harassment

The Aftermath

- Self blame
 - *'It's a mistake I made and you pay for your mistakes, it's like you do the crime, you do the time'* (D9)
 - *'I don't want to think about how stupid I was'* (K1)
 - *'Angry with myself about it'* (L5)
 - *'I only have myself to blame, but I get so angry, but I have to learn to forgive myself a bit now...it has left a big scar on me'* (B33)

The Aftermath

- Financial Impact
 - *'I am now working for the rest of my life...I ended up selling my home and bought a unit, to help get out of debt, but still owe money on it'* (B33)
 - *'I had used all my super and took all the money out of the credit cards that I had paid off'* (D9)
 - *'I was sending myself into bankruptcy..I couldn't pay some of the bills that I needed to pay'* (W14)
 - When did you stop sending money? *'I ran out of money'* (C10); *'I didn't have anymore...and that was sorta the end of it'* (M19)

The Aftermath

- Psychological Impact
 - *'The stress of it all just changed me forever....I don't know what is real anymore'* (B33)
 - *Took me a long time to come to grips with it, get over it'* (H16)
 - *'If you are a vulnerable person and you are searching for somebody, guard your heart...that is a huge one I think...that's what they target isn't it, these romance sites, this is what they target'* (R11)

Impacting on Victimisation

- Friends and family
 - *'All my girlfriends they told that I am wrong and I didn't want to hear it....I ignored their advice'* (K1)
 - Checks of scam websites: *'my son-in-law did look on that, and he said he thought it was a scam..but I said no, no no'* (M19)
- Other Stakeholders (Banks and Money Transfer Agencies)
 - *When the bank rang...That should have been the alarm bells ringing for me then but it didn't, so I kepted, kept it up...people were trying to help me, but I had the blinkers on'* (D9)
 - Western Union: *'They warned me...but I still sent it'* (K1)

Impacting on Victimisation

- Police
 - Police intervention often came after the cessation of the fraud
 - Victims were often unsure of the **purpose** of police intervention (police phone calls to discuss international monetary transfers)
 - Some victims were frustrated that police were unable to ‘catch’ the offender
 - Lack of knowledge at first contact
 - *‘I did go into the local XXX police station, but they just gave me the contact for the website...there obviously wasn’t a lot of real knowledge, when I went into the local’ (M18)*

What we have learnt?

- Offenders continue to use ‘classic’ AFF stories
 - Crime prevention directed towards AFF tends to focus on highlighting the content of a ‘story’ that is characteristic of a fraud
- *‘There is no information to give, you can give all the information in the world out there, the person is still going to give that money, they get under your skin, they promise you the world’ (L5)*

What we have learnt?

- Re-consideration of crime prevention and education focus addressing AFF crime
 - The crime prevention message needs to be one that addresses, in part, the psychological vulnerabilities of individuals who are ‘at risk’
 - Stakeholders in a position to influence seriousness and duration of victimisation (police; banks; monetary transfer agencies) need to move beyond ‘content’ warnings
 - Greater appreciation and training on the psychological factors involved in AFF victimisation
 - What is the role of police?: Police need to clearly define their role in AFF victimisation intervention, both for themselves and to victims

What we have learnt?

- Cessation of Victimization
 - Greater Victim Support Services are needed – to end participation in AFF and following its cessation
 - At the time of terminating their involvement in AFF, the individual will experience harassment and pressure to continue
 - Individuals experience loss of relationship; psychological and financial hardship; and, self-blame in the days, months and years that follow their victimisation

Questions

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