PERSONAL FRAUD: THE VICTIMS AND THE SCAMS

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Abstract: *The evidence from fraud victimization surveys is unanimous that repeat victimization is common. Greater education is not a protective factor against victimization; the evidence points to the reverse. Much evidence also suggests that older people are not at greater risk of fraud victimization. It may be that younger and better-educated people have wider interests, engage in a broader range of activities, and have more consumer participation in the marketplace than other demographic groups, thereby increasing their exposure to fraudulent solicitations and transactions. Risk heterogeneity and state dependence both appear to contribute to repeat victimization. The present study finds that fraud attempts are less likely to succeed if: (1) the offender is a stranger; (2) the initial contact is by telephone or mail; (3) the potential victim has heard of this type of fraud before; or (4) the potential victim tries to investigate the person or proposition before responding. Targeted campaigns aimed at fraud victims should be mounted. Enhanced and routine data collection on a national level is necessary, together with anticipation of new methods of fraudsters.*

Public perceptions of crime as a social problem often depend, in part, on the specific type of crime being referred to. When thinking about or discussing crime, most people have images of violent street

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crime, such as robbery, assault, rape, etc. As a result, a large amount of research in criminology and criminal justice has focused on the financial and physical consequences of these criminal actions on victims (Shichor et al., 1996). According to this research, victims experience trauma, self-blame, anxiety, and worry about their future safety over a long period of time (Greenberg and Ruback, 1992). Unfortunately, criminologjcal research has devoted much less attention to the aftermath of fraud victimization. This is an interesting fact, given that many believe that victims' experiences with fraud and other forms of white collar crime have more devastating effects on victims than street crime. In fact, according to a survey of public attitudes in Illinois on the costs of white-collar crime, 55.2% of the respondents believed that these crimes do more to undermine the morality of society than do regular street crimes (Cullen et al., 1983). Seventy-six percent of the respondents believed that the amount of money lost through white-collar crime is more than that lost as a result of street crimes such as robberies, burglaries and thefts. According to a national survey of fraud victimization (Titus et al., 1995) the total annual losses exceed $40 billion. Fraud offenses involve issues such as a violation of trustworthiness and honesty — basic values that are not typically associated with street crime victimization.

A proposed typology of white collar crime victims includes individuals as victims, corporations as victims, government institutions as victims, society as victims and the international order as victims (Tomlin, 1982). In this chapter we are concerned with the typology of individuals as victims of fraudulent acts, for which we employ the term "personal fraud." Fraud victimization involves the deliberate deception or intention of deception of an individual with the promise of goods, services, or other financial benefits that are actually nonexistent, were never intended to be provided or were grossly misrepresented.

There are several ways an individual may be victimized by fraud, such as telemarketing fraud, fraudulent acts that involve consumer goods or services, or fraudulent acts involving financial advice such as insurance coverage plans, investment packages or business schemes. Examples include: scams involving credit assistance or loan consolidation; offers for "free" prizes that may not actually exist and/or that may result in costs to victims; scams promising unnecessary or useless goods such as beauty products, or home repairs; unauthorized use of bank or credit card numbers; and charity scams whereby victims make contributions to fraudulent institutions under the pretense of assisting a charity.

REPEAT VICTIMIZATION BY PERSONAL FRAUD

Forms of repeat victimization such as domestic violence fit well into the "routine activities" perspective: the victim and offender are continuously in the same place in the absence of capable guardians, and domestic violence can often be ended by having the offender or victim move away. But for other types of crime, such as personal fraud victimization, different explanatory models are required. A framework for these models was laid out early by Nelson (1980) and by Sparks (1981): repeat victimization is to be understood in terms of risk heterogeneity (predisposing characteristics of persons or locations) or state dependence (the influence of prior victimization on the likelihood of subsequent victimization). These two positions are examined elsewhere in this volume for a number of crime types; the focus of this chapter is to show how risk heterogeneity and state dependence interact in the case of personal fraud victimization and re-victimization.

VICTIM CHARACTERISTICS

Victim characteristics are equally as important in the crime of personal fraud as they are in other types of crime. While in other crimes some amount of victim cooperation or facilitation may be involved, in personal fraud they are often indispensable. This emphasis on victim cooperation is not meant to invoke any moral judgements about victim blame, but to direct attention to the victim's role in assisting the offender and allowing the crime to occur. In fraud victimization there is a continuum of cooperation, ranging from none to considerable:

- No cooperation: A woman discovers in her monthly credit card statement that she has been the victim of an identity fraud, having done nothing to facilitate the crime.
- Some cooperation: A man responds to a "cold" phone call and contributes to a charity without investigating and learning that it was phony.
- Considerable cooperation: Having responded to an ad for a fabulous investment opportunity and been victimized in a Ponzi scam, a man is burned again in a recovery scam. Over a period of years, a woman loses many thousands of dollars in a series of one-in-five scams but continues to participate.

Those types of fraud involving some element of victim cooperation may include one or more of the following actions:

- The victim either makes the initial contact with the offender or takes steps that lead to the initial contact (e.g., by mailing in a coupon in response to a "free vacation" advertisement, or by visiting a website that promises extravagant returns on investment), thus providing an address and signaling some receptivity to the "pitch."
- The victim provides information about him/herself (e.g., desires, tastes, financial capacity) that helps the offender carry out the scam.
- The victim allows the offender to convert what should be a business relationship into a personal relationship, to create a sense of trust and to get a waiver of customary safeguards.
- The victim allows the offender to create a scenario or version of events (e.g., specially selected, rare good fortune, unique opportunity, insider information, need for prompt action) that when believed sets the stage for fraud.
- The victim writes checks, gives out credit card or bank account numbers and in other ways provides the offender with access to his funds.

Due to the influence of victim facilitation in many types of personal fraud, victim-blaming is common. Fraud victims often tend not to report fraud victimization due to the public's and criminal justice system's attitudes towards victims' culpability in the act (Walsh and Schram, 1980). For example, attitudes towards fraud victims have been compared to attitudes towards rape victims in that the victim has contributed to the incident. Some blame rape victims for contributing to the event by engaging in enticing behavior or violating rules for preventive behavior. This analogy has been made to fraud victims who entice fraudulent behavior through greed or by failing to take appropriate precautions against the tactics of fraud perpetrators.

Delord-Raynal (1983) portrays fraud victims' involvement as going far beyond simple cooperation. Fraud victims are viewed not only as the victims of their own cupidity, but also as co-conspirators with the con artist and even as con artist "wannabes." Delord-Raynal approvingly quotes La Rochefoucauld: "One is never more likely to be deceived than when trying to deceive." An American equivalent, "You can't cheat an honest man," has been attributed to a 19th-century con artist (Dornstein, 1996). Delord-Raynal describes victims as persons in search of something for nothing, and who see the con artist as an accomplice who will assist them in achieving these gains by exploiting situations, persons or institutions in ways that may perhaps be illicit. On occasion victims appear to believe that it is the con artist who is going to be their victim! According to Delord-Raynal, while victims may exhibit what appears to be naivete and credulity, at times this is due to larcenous motivations that have created a suspension of disbelief. She states that shame over having been duped is one reason why fraud victims often do not file complaints with authorities, but that another reason may be fear of exposure of their dishonest intentions. To the extent that these attitudes are generally shared, they would tend to produce feelings of guilt and shame on the part of the victim, while shifting the blame from the offender to the victim. In addition, these attitudes would result in underreporting of fraudulent acts and in underestimates of the seriousness of the crime.

Delord-Raynal's (1983) analysis would at most apply only to certain victims of certain types of personal fraud. Nonetheless, the "come-on" in numerous types of fraud clearly is based on elements of greed and self-deception. In fact, there seem to be large numbers of Americans eager to believe that in a capitalist economy, some businesses can turn a profit by giving things away. A recent television news item reported that — while almost all of the "top ten" search terms used with the Yahoo search engine dealt with sex — the most popular search term was the word "free," while the fourth most popular was a word that cyberjunkies know refers to free software. A search on the word "free" on Yahoo yielded 14,325 hits; for Alta Vista it was 13,370,399. Entering the word "sex" yielded 2,815 for Yahoo and 10,446,220 for Alta Vista. The lure of something free, absurdly cheap or unrealistically lucrative is integral to many fraud come-ons. If the victim already has some predisposition to believe, then the persuasive powers described by Pratkanis and Aronson (1992) achieve power that seems akin to hypnosis, or, perhaps more appropriately, guided self-hypnosis. The fraud prevention expert's mantra — "if it sounds too good to be true it probably is" — frequently falls on deaf ears.

There are also character traits other than greed and gullibility that can increase one's vulnerability to personal fraud victimization.

- Carelessness may cause one to insufficiently check out an offer before becoming involved in it.
- Those who lack interest in the news may not be informed about a current scam, though such information was freely available in the media.

- A susceptibility to flattery will be exploited by con artists.
- Being easily intimidated will also be exploited: con artists switch between flattery and bullying depending on their appraisal of the victim and the flow of the interaction (Schulte, 1995).
- A tendency towards risk-taking behavior can often lead a potential victim to match wits with a con artist. This increases vulnerability, because con artists use scripts called "objections" that include answers for every reason one could provide to not participate. Con artists thrive on this exact type of challenge (Schulte, 1995).

Finally, there are various socially valued individual characteristics that can also be exploited by con artists in particular types of scam. For example:

- One's good citizenship in, e.g., "bank inspector" scams.
- One's compassion and generosity in, e.g., charity scams.
- The respect for authority in, e.g., "building inspector" scams.
- An unsuspicious nature in, e.g., advance-fee scams.

The personality characteristics listed above can potentially affect the likelihood that one will provide to some extent the victim cooperation that con artists require. There are also behaviors and life events that — along with increasing the likelihood of legitimate sales pressure — also increase the likelihood that a fraudulent solicitation will be received. These include:

- Having been a fraud victim before (more about this below).
- Signing up for "free offers" and "prizes."
- Entering contests or sweepstakes.
- Being on catalogue mailing lists or "junk mail" lists.
- Belonging to organizations.
- Buying things over the phone, or using a 900 number.
- Making purchases on the Internet.
- Registering with any of the sites or groups on the Internet.
- An engagement, marriage, birth, graduation or death in the family.
- Retiring, or turning 65.
- Moving.
- Purchasing a house, car or major appliance.

- Having a major medical treatment or operation.
- Buying stocks or bonds, or making some other investment.
- Buying insurance.
- Giving to a charity.
- Requesting information about an advertisement.

Excluding the Internet items, this list could have been produced years ago. What has changed is the ease with which legitimate and illegitimate businesses can accumulate, access and utilize such information about us.

Risk heterogeneity, as it applies to personal fraud victimization, can be summed up as follows: personality characteristics combined with demographics and life events affect the likelihood that one will engage in certain actions. As a result, these actions may increase the likelihood of a fraudulent solicitation. Personality characteristics also influence the likelihood that one will succumb to a fraudulent solicitation if it is received. The next section will examine the literature to see what clarification can be offered on this issue.

WHO ARE PERSONAL FRAUD VICTIMS?

Prior to the introduction of the National Crime Victimization Survey (NCVS) in 1973, the only national statistical source of crime victimization data was the U.S. Federal Bureau of Investigation's (FBI's) Uniform Crime Report (UCR). The UCR is the most widely cited source of aggregate criminal statistics, and provides a nationwide view of crime based on the submission of crime statistics from city, county and state law enforcement agencies throughout the county. Despite its importance and wide use by criminologists, the UCR has been criticized for issues related to reporting practices, law enforcement practices and its methodological problems. Specifically, surveys of victims of crime indicate that fewer than half of all criminal incidents are reported to the police, which indicates that the UCR data significantly underestimates the total number of annual criminal events.

The UCR compiles data on fraud, which constitutes a Part II offense and is defined as the "fraudulent conversion and obtaining money or property by false pretenses. Included are confidence games and bad checks, except forgeries and counterfeiting." (U.S. FBI, 1997). In addition, according to the UCR Handbook, fraud consists of some deceitful practice or willful device, resorted to with the intent to deprive another or in some way to do an injury (U.S. FBI, 1984). According to the most recent UCR data, 324,776 persons were arrested in 1996 for fraud by 9,666 law enforcement agencies nationwide, compared to 121,781 robbery arrests and 264,193 burglary arrests (U.S. FBI, 1997). This calculates to a rate of 171 persons arrested for fraud per 100,000 persons in the population, 64.1 for robbery, and 139.1 for burglary (not all these fraud arrests are for what we are calling "personal fraud"). Although the UCR does in fact collect arrest information on the prevalence of fraud, as mentioned above, the UCR is not an ideal indicator since many fraud victimizations are not reported and many reports do not lead to arrest. Compilations of national data on prosecutions, convictions, sentences, and time served suffer from the same limitations.

The NCVS was developed by the U.S. Bureau of the Census in cooperation with the Bureau of Justice Statistics of the U.S. Department of Justice. One benefit of the NCVS is that it can potentially capture an estimate of crime that is missed by the UCR by collecting information about victims, offenders and crime (including criminal events that go unreported to the police). The most recent NCVS obtained data on over 110,000 individuals from 66,000 households (U.S. Bureau of Justice Statistics, 1994). While the NCVS provides an extremely valuable source of information on crime victimization, this survey does not contain questions dealing with fraud victimization.

In order to have an impact on individual behavior for the prevention of personal fraud victimization and to develop policies for the criminal justice system's reaction to such crime, it is imperative for the criminological community to accurately estimate the nature and extent of fraud victimization. Unfortunately, studies of fraud victimization are few in number and statistical estimates of these crimes are underrepresented in the literature (Moore and Mills, 1990). Of the few studies that have been conducted, many suffer methodological problems such as the utilization of small samples and a reliance on samples of convenience.

A national telephone survey was administered to a representative probability sample of 1,246 respondents aged 18 and older (Titus et al., 1995). This survey provided the first national estimate of the incidence and prevalence of personal fraud victimization, the characteristics of the victims involved, and the impacts and effects of these offenses. Respondents were asked whether they had been victims of fraud or if an attempt had ever been made to victimize them by 21 specific types of fraud, plus a category of "other" types of fraud. Fifty-eight percent of the respondents reported that they had been the victim of a successful fraudulent act or an attempted fraudulent act during their lifetime. Within the previous 12 months from the time of the survey, 31% of the respondents reported one or more fraud attempts, and, of these, 48% were reported to be successful. Therefore, 15% of the entire sample had been successfully victimized by personal fraud within the previous year. Even more startling, 8% of the sample reported a victimization or attempted victimization for five or more of the fraud categories, which indicates that there is a substantial proportion of individuals who are repeat victims of this crime.

The average amount of money and property loss victims incurred was $216.00. There was a large variation in loss experienced by these victims — the overall loss ranged from $0 to $65,000. Financial and property loss is not the only aftermath of this crime experienced by fraud victims. In fact, researchers have found that victims of both fraud and violent crime show similar psychological effects, with feelings of anxiety and major depressive disorders the most common psychiatric complications (Ganzini et al., 1990). In addition to loss of money or property experienced by victims, in the study conducted by Titus et al. (1995), 10% to 20% of the victims reported health problems, lost time from work and harm to other family members.

The media typically portrays the elderly population as prime targets of con artists, but Titus et al. (1995) found that those aged 65 and older were less likely to report being fraud victims, and that the probability that the recipient of a fraud attempt will succumb cannot be predicted by any demographic variable, including age. This finding is consistent with the AT&T survey discussed below, and with a 1993 American Association of Retired Persons (AARP) survey that examined older consumer behavior. According to this AARP survey, individuals aged 50 and older reported receiving fewer calls than the general population for "prize notifications" (AARP, 1994).

In response to the recognition by the U.K.'s Home Office Crime Prevention Unit that credit and check card fraud have significant social and economic consequences, a telephone survey was conducted by Barclaycard's Market Research Division in 1991 (Levi, 1991). Of the 200 individuals surveyed, 84% reported that their credit cards were stolen, while the remainder reported that their cards had been lost. Among these individuals, 57% of the lost or stolen cards were used fraudulently. Fifteen percent of the sample were repeat victims of fraud or loss on one or more occasions. In over 40% of cases of lost or stolen cards, other forms of personal identification, other credit cards or check books were also stolen. Of these additional items that were stolen or lost, almost half were fraudulently used. Therefore, it appears that the initial loss of credit cards has a "knock-on" (facilitating) effect on the fraudulent use of other credit and payment types. Of this sample of 200 Barclaycard losses, for those who were victims of fraud as a result of the loss, an average of 12 fraudulent transactions were made using the lost or stolen card. The researchers of this study concluded that general risk awareness appears to be the best approach to card theft protection.

A 1992 survey of telemarketing fraud found that one in three Americans reported having been cheated out of money through various deceptive means (Bass and Hoeffler, 1992). Fewer than one third of those victimized reported the incident to anyone, and only one-third of those surveyed believed that they knew whom to contact to determine whether an offer or promotion was legitimate. In 1995, residents from Delaware and Pennsylvania were surveyed for the AT&T corporation (Princeton Research Associates, 1995). Seventeen percent of those surveyed reported that they had been victims of fraud at least once during their lives. Individuals over the age of 50 were least likely to have succumbed to potentially fraudulent sales techniques; however, significant differences in fraud victimization were not found based on age.

In 1994 Shichor and colleagues (1996) mailed questionnaires to 152 randomly selected victims of an oil and gas partnership telephone investment scam that ended in early 1991. Individuals who completed the surveys were drawn from a pool of 8,527 victims who lost money from this scam. The majority of the victims were between the ages of 52 and 63 years old, well educated and male. Sixty-five percent of the victims invested less than $30,000, 17% between $30,000 and $74,999, and 18% more than $75,000. Victims were promised that they would receive between a 15-to-l and 37-to-l return on their investment within a few years. The questionnaire revealed that when victims were notified that they would be losing their investments, they felt "angry," "enraged," "sick," "depressed," "devastated," and other variations of these responses. Even after being contacted years after the scheme, victims continued to have feelings of anger and distress, and many of the victims still remained in serious financial jeopardy as a result of the scam. Interestingly, victims of this particular telephone scam felt that their experience was sufficient protection from repeat fraudulent victimization experiences of this nature.

The findings from this research mirror findings from ethnographic interviews conducted with victims of a failed financial institution in an earlier study conducted in 1990-1991 (Shover et al., 1994). Victims who lost investments in this institution (Southland Industrial

Banking Corporation), due to the criminal activities of its officers and employees, harbored feelings of bitterness and anger even 10 years following the victimization. In addition, a small proportion of the victims were completely devastated by their experiences, became severely depressed, and felt intensified feelings of anger and resentment resulting from their belief in the injustice of their situation.

The AARP conducted interviews with 745 victims of telemarketing fraud in 1995, and found that fraud victims are "besieged by telemarketers" (AARP, 1996). Specifically, 99% of the fraud victims interviewed reported that they had been contacted by a telemarketer who was notifying them that they had won a prize or sweepstakes, or were selected as one of a few people who were eligible for a prize. Forty-two percent of the victims interviewed reported that they had received 20 or more calls during the past six months from telemarketer s who either asked for a charity contribution, tried to sell the victim something, or were notifying them about a contest or sweepstakes. In fact, 82% of the victims received one or more such calls within the past six months, and 46% within the past week. Contrary to the national survey by Titus et al. (1995), this research found that older individuals were more likely to be victimized by telemarketing fraud than younger people. Fifty-six percent of the victims were age 50 and older, while only 36% of this age group comprised the general population. However, some of this overrepresentation could be explained by Titus et al.'s findings that older fraud victims were more likely to report to authorities. On the other hand, consistent with Titus et al. (1995), fraud victims interviewed in the AARP (1996) study were more likely to be well educated, as well as being informed, relatively affluent and not socially isolated. Interestingly, half of these victims reported sending in money for participation in a sweepstakes offer at some point in their lives, and nearly two thirds of these individuals reporting doing so more than once. However, the majority of the victims said that as a result of their experience, they would change their behavior in the future if approached by a fraudulent pitch.

In 1996 a random sample of 865 persons, aged 50 and older, participated in an AARP telephone survey that focused on telemarketing fraud (AARP, 1997). This same survey was replicated with a random sample of 882 individuals in 1997. Fifty-seven percent of the 1996 sample and 52% of the 1997 sample reported that they received a telemarketing call at least once a week from an unknown organization asking them to make a donation or an investment, or requesting them to buy something or enter a sweepstakes or contest. Fourteen percent of the 1996 sample and 12% of the 1997 sample responded to these telemarketing calls by giving a credit card number; sending in money to make a purchase, investment, or donation; or entering a contest. These figures show that a large proportion of the population (of those aged 50 and older) are in fact contacted quite frequently by telemarketers, and are responding to such calls. Forty percent of the 1996 sample and 43% of the 1997 sample reported that they did not know how to identify whether a call was fraudulent. Finally, over half of the respondents from both surveys (64% of the 1996 sample and 65% of the 1997 sample) were unable to name any organizations that are working to protect people from being victimized by telephone fraud.

It appears that one of the surest ways to become a personal fraud victim is to have been a victim. Typically, the names of fraud victims are added to "mooch" lists that are exchanged and sold among con artists for "reload" schemes (the same or similar scams) and "recovery" schemes (an offer to assist the victim recover his/her losses). Prior victims are targeted again and again because they are the very opposite of a "cold call"; they have given clear evidence of their vulnerability (Schulte, 1995). In the 1995 AARP study of fraud victims, 42% of victims reported receiving 20 or more telemarketer calls involving sale of a product, contribution to charity, or a contest or sweepstakes; 82% received one or more such calls within the past six months and 46% within the past week (AARP, 1996).

The evidence from this limited set of fraud victimization surveys is unanimous that greater education is not a protective factor; instead, the evidence points to the reverse. Much of the evidence also suggests that older individuals are not at greater risk for fraud victimization. It may be that younger and better-educated people have wider interests, engage in a broader range of activities, and have more consumer participation in the marketplace than other demographic groups. If so, they may increase their exposure to fraudulent solicitations and transactions.

In terms of the contribution of risk heterogeneity versus state dependence as an explanation for repeat victimization in personal fraud, we can cite no data that bear directly on the question. However, the weight of the evidence that we have amassed indicates that both contribute:

- *Risk Heterogeneity:* Individual characteristics influence the likelihood that a fraudulent solicitation will be received. In addition, it seems plausible from much of the evidence reviewed that individual characteristics influence the likelihood that a solicitation, if received, will be succumbed to. However, it is important to note that in Titus et al (1995), no demographic variable was significant in predicting whether a fraud attempt, if received, would be successful; the key factor in victimization by personal fraud in this study was whether or not one was the recipient of an attempt.

- *State Dependence:* The research and practitioner literatures agree that an individual, once victimized, is much more likely to be approached again for the same and different types of scam: such leads are prized by con artists because experience teaches them that "once bitten twice shy" doesn't apply to many fraud victims. Moreover, some scams (e.g., "one-in-five") are set up to appeal to tendencies that are similar to those that keep some people playing the one-armed bandits and lotteries to a point that can best be described as a "triumph of hope over experience."

WHAT ARE THE FRAUDS?

The Titus et al. (1995) fraud victimization survey used screener questions for 21 specific categories of fraud, plus a category for "other." The types of fraud used in the screener were gleaned from the literature and from a national focus group of fraud investigators and prosecutors. Table 1 examines how fraud incidents ranked in terms of frequency and of whether or not the attempts were successful. The types of fraud that were frequently mentioned by fraud investigators ("pigeon drop," fake bank official, fake ticket, phony inspector, credit repair) were not very common, and others that were also frequently mentioned ("free" prize, credit card number scam, fake charity), while more often reported among the sample, were not usually successful. The fraud types that occurred most often and were more likely to have been successful were appliance/auto repair, fraudulent price, 900 number, other types, subscriptions and warranty. These fraud types relate to consumer transactions that might have simply involved misunderstandings or "bad shopping experiences" rather than true fraud. All that can be said is that the survey was designed throughout to cue the reporting of events that were criminal and fraudulent, involving the elements of deception, false and misleading information, impersonation, misrepresentation, abuse of trust and failure to deliver. Furthermore, the legal elements of fraud were incorporated as appropriate into the wording of each screener question. The response option of "Not sure if it was legal"

Table 1: Types of Fraud Incident and Outcomes

Fraud Type	Total # of Incidents	Number of Attempts	Number of Successful	Percent Successful
Free Prize	131	114	17	13.0%
Appliance/Auto Repair	70	20	50	71.4%
Card Number	57	48	9	15.8%
Price	55	30	25	45.5%
900 Number	52	31	21	40.4%
Other Types[a]	50	27	23	46.0%
Subscriptions	43	13	30	69.7%
Charity	39	32	7	17.9%
Warranty	31	11	20	64.5%
Work at Home	23	19	4	17.4%
Health-Beauty	23	12	11	47.8%
Insurance	20	14	6	30.0%
Home Repair	18	6	12	66.7%
Broker/Planner	17	10	7	41.2%
Credit Repair	16	12	4	25.0%
Inspector	13	10	3	23.1%
Investment	12	8	4	33.3%
Ticket	10	9	1	10.0%
Fees/Membership	8	0	8	100.0%
Pigeon Drop	6	5	1	16.7%
Training Course	5	0	5	100.0%
Bank Official	1	1	0	0.0%
TOTALS	700	432	268	38.3%

(a) Frauds that fit into no existing category and were too diverse to be recoded into new categories.

was available on every screener item. Thus, it appears that the respondents believed that they were defrauded. Moreover, the evidence provided by congressional hearings and consumer protection agenties indicates that consumer transactions often do involve deception and abuse of trust for financial gain, which are key elements of economic crimes, as in the case of fraud.

Table 2 shows the mean and median loss for each type of fraud. Recall that Table 1 identified fraud types that occur more often and are frequently successful. Of these, Table 2 shows that other types, appliance/auto repair, 900 number, fraudulent price, and warranty all have mean losses in excess of $280. Table 2 also shows that some types of fraud, while relatively infrequent and not usually successful, can involve extreme losses for their victims. These include: investment, insurance, broker/planner, and credit card number. It is important to note that if this survey were conducted today, Internet-related frauds and identity theft would most likely appear on this list. Together, Tables 1 and 2 provide guidance on where fraud prevention efforts should be concentrated.

PREVENTING PERSONAL FRAUD

According to the national survey by Titus et al. (1995), fraud attempts were less likely to succeed if: (1) the offender was a stranger; (2) the initial contact was by telephone or mail; (3) the potential victim had heard of this type of fraud before; or (4) the potential victim tried to investigate the person or proposition before responding. Clearly, there is a preventive role for public information campaigns to increase general understanding of how frauds are perpetrated, what current frauds are, how to decrease one's exposure and risk, how to investigate a solicitation before participating in it, and how to report if victimized. There is some research evidence that these general campaigns can be effective (AARP, 1997). However, given that a powerful predictor of future victimization is past victimization, more targeted campaigns aimed at fraud victims should also be mounted.

When analyzing a criminal incident, we can speak of the extent to which actions by the victim are necessary in order for the crime to occur. If the victim's actions helped the offender commit the crime, then changes in victim behavior should assist in preventing the crime. Therefore, the victim should be involved in the solution. One part of police and victim services intake procedure should be to review with victims their daily activities and past fraud victimization history to assist them in assessing how they can reduce their risk of exposure to fraudulent solicitations. This would include a discussion of factors that research has identified as contributing to victimization and repeat victimization risk, an analysis of how these factors contribute to the victim's risk, and a discussion of what changes the individual can make to reduce that risk. A "debriefing" could also be conducted with the victim to examine the current victimization as a way to learn from the experience. By guiding the victim through the events that culminated in the crime, the victim may gain a more realistic idea of what changes in behavior could produce greater safety in the future, as well as an appropriate assessment of his involvement in the outcome.

Table 2: Types of Fraud Incident, Mean and Median Losses

Type of Fraud	Number of Cases	Mean	Median
Investment	3	$22,175	$1,500
Other Types[a]	24	$4,180	$550
Insurance	5	$1,780	$1,200
Broker/Planner	5	$1,564	$100
Card Number	8	$1,321	$200
Appliance/Auto Repair	48	$1,039	$200
Home Repair	8	$459	$117
Ticket	1	$398	
900 Number	16	$348	$35
Price	18	$332	$100
Warranty	14	$281	$200
Fees/Membership	8	$263	$150
Free Prize	16	$261	$64
Training Course	5	$118	$100
Credit Repair	4	$103	$80
Health/Beauty	11	$87	$60
Pigeon Drop	1	$80	
Inspector	2	$64	$64
Subscriptions	26	$42	$28
Work at Home	4	$40	$43
Charity	5	$32	$25
Bank Official	0	0	0

(a) Frauds that fit into no existing category and were too diverse to be recoded into new categories.

There is also a role for research in the prevention of fraud victimization, such as enhanced and routine data collection on a national level. Currently, the criminological community has very incomplete data to analyze and interpret on the types of fraud that are occurring, who the victims of fraud victimization are, the costs of fraud victimization to victims and society, and what strategies have been effective in controlling and preventing fraud victimization. In addition to routine and comprehensive data collection, another research priority is to examine the operations of con artists with a view to interdicting them; most of what we know today comes from the practitioner literature. For example, more knowledge is needed on how con artists develop their lists of potential victims for purposes of preventing individuals from appearing on these lists and removing victims' names from these lists. Another priority would be to explore research of a preemptive nature, which involves predicting what new scams will be committed by con artists, how new technologies will be used to carry them out and how these events can actually be prevented. A final item for a future research agenda includes a measure of the effectiveness of public information campaigns that aim to teach people how to recognize a scam, and how to quickly and effectively terminate the attempt.

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