

Cybercrime victimisation experiences

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Publications

- Cross, C., Richards, K, and Smith, R.G. (2016) *Improving responses to online fraud victims: An examination of reporting and support*, Canberra: Criminology Research Grants. (full report)
- Cross, C., Richards, K, and Smith, R.G. (2016) The reporting experiences and support needs of victims of online fraud. *Trends and Issues in Crime and Criminal Justice* 518: 1-14. (summary)

<http://www.crg.aic.gov.au/reports/201617.html#1314-29>



Today's presentation

- Provides background and context to the problem of online fraud
- Gives an overview of the current research
- Presents overview of research findings:
 - How victims are targeted
 - Reasons for reporting online fraud
 - Victim experiences in reporting online fraud
- Concludes with implications of these findings at a broader level



Definition of online fraud

- “The experience of an individual who has responded through the use of the internet to a dishonest invitation, request, notification or offer by providing personal information or money that has led to a financial or non-financial loss of some kind” (Cross, Smith and Richards, 2014)



Types of online fraud

- There are an infinite number of approaches that offenders can take to defraud a potential victim
- Two most relevant types for this project
 - Advanced fee fraud: a person is asked to send a small amount of money in promise of a larger return (Ross and Smith, 2011)
 - Romance fraud: A person is defrauded under the guise of a legitimate relationship (Rege, 2009)



What we know...

- Fraud has a low reporting rate, online fraud even lower (Button et al. 2014; Copes et al. 2001; Smith 2007; 2008; van Wyk and Mason 2001)
- Victims have great difficulty in seeking to access the “fraud justice network” (Button et al. 2014)
- Large degree of shame and stigma associated with victimisation – strong attitude of victim blaming (Cross, 2015)
- The impact of fraud is far greater than pure financial losses and extends to physical health, emotional wellbeing, relationships, unemployment, homelessness and suicide (Button et al. 2009; Cross et al. 2014)
- Fraud is not generally a priority of policing agencies (Button, 2012; Doig, Johnson and Levi, 2001; Frimpong and Baker, 2007; Gannon and Doig, 2010)



Policing of online fraud

- The unique characteristics of online fraud make it even more difficult to police:
 - Hard to determine if an offence has actually occurred
 - Transnational approach by offenders
 - Identity crime
 - Technological aspects of the crime
 - Legislation is inadequate



Policing fraud in Australia

- No national coordinated approach
- Recent emergence of approaches which use financial intelligence to identify potential victims (Cross and Blackshaw, 2015; Cross, 2016)
 - Sending of letters to suspected victims stating police suspicions to them and asking them to stop sending money
 - Proactive in the sense that it notifies potential victims rather than waiting for them to report



Current research

- There is currently a gap in research as to the underlying reasons why people **do** report online fraud. Much of the research focus has been on why people **do not** report.
- Therefore, one of our research questions asks:
 - What leads online fraud victims to report their victimisation to the authorities?



Methodology

- Semi-structured face-to-face interviews with 80 victims who had reported fraud losses over \$10,000 to SCAMWatch (online report) (ACCC)
- Victims were recruited through an invitation letter sent from ACCC to those who had reported asking them to contact researchers
 - 5% response rate to overall invitations
- Victims across Queensland, New South Wales, Victoria, South Australia and Western Australia



How victims were targeted

- Myth to think that all online fraud approaches are obvious
- Offenders are highly tech savvy individuals who can identify a weakness/vulnerability and exploit this
 - Wide range of social engineering techniques
 - Individual targeting of potential victims
 - Grooming tactics (especially with romance fraud)



Reasons for reporting

- All victims reported because they had an assumption that they had been wronged and an expectation that in reporting, something would be done about it
- Two main reasons:
 - An individual need for justice
 - Altruistic motivations



Individual need for justice

- Victims reported under the expectation that their complaint would
 - Initiate an investigation
 - Help them get their money back
 - See the offender prosecuted through the criminal justice system



I would have liked to have my day in court with him [offender], I would have liked to nail him to the wall... I wanted him to go down. I wanted him to be reported and I wanted somebody to be able to stop him from doing what he is doing.

We all want justice and no one likes to see crooks get away with stuff where they are taking advantage of people.



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Altruistic motivations

- Other victims reported based on a desire to help others
 - Acknowledgement that nothing could be done for their individual case
 - Hoped that their story would assist others in avoiding victimisation
 - Still an assumption of action (though directed at others)



I am putting myself forward as an example and I do not want anyone caught in a rut and in a position that I was in. Because I will tell you that I am a bloody strong character, but this absolutely screwed me over.

It wasn't about.... I'm not reporting this for my personal benefit. I'm reporting this to try and protect everybody else. And I'm reporting this to try and get someone to stop this fraud happening.

I reported, not because I was embarrassed or ashamed, but because I was angry. And I didn't want anyone else to suffer the same thing. So I thought I would boost awareness.



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Reporting experiences

- There were several contributing factors to the negative experiences that victims detailed:
 - Merry-go-round effect
 - Victim blaming (explicit and indirect)
 - Trivialising the loss
 - Inability to actually make a complaint



Merry-go-round effect

So yeah, I think so far I have been to ACCC, ASIC, Office of Fair Trading in [state], the police, and they kind of kept on giving me ‘well you need to speak to this person’, and I was like ‘I just spoke to them and they told me to ring you’ and then they will do the ‘well you need to ring this person’ and I would say ‘well they told me to ring you’ and whatever. And I am like do any of you guys know? They were all just trying to hand pass.



Victim blaming

I said it was an investment fraud and she [police officer] said she had much more important things than that to deal with. We have people robbed at knife point. I said \$20 000. She said, but you gave it away sir and I said, I didn't give it away, it was an investment. She said it was voluntary and I gave it away. I ended up phoning up a few times but got nowhere.



Victim blaming

I expect [the police] to be sympathetic, but these two police guys they just laugh, I was humiliated. They tell me, I submitted a police report, and I made a statement and they tell me [victim's name] we cannot do anything about this with you and your lover boy in [overseas country], you just write to SCAMWatch.



Trivialising the loss

The major fraud squad came here, took my computer details, everything off there. Having spoken to them, after that they pretty much said, 'We're not going to do anything about your case. Other people have lost more money than you did. And there's very little chance that it can be found.'



Inability to report

My biggest thing is trying to talk to the right people. Just to say right well if you can't help me well, who can... Even if they just made a little token effort that would be nice... but at the moment they won't even take a statement.



Reasons for reporting to SCAMWatch

- Online reporting mechanism which had no human screening or interaction
 - Therefore couldn't be turned away
- Directed by all agencies to report in this way
 - Disappointing given it is a non-enforcement agency who only deals in education

It [ScamWatch] was the last person I reported it to. I wasn't expecting anything anymore.



Wider implications of findings

- Misunderstanding of how fraud is perpetrated and how it operates
 - Why victims become involved and stay involved
- Responses violate the victim charters across Australian jurisdictions
 - Particularly the requirement to treat victims with respect, dignity and empathy



Wider implications of findings

- Exemplifies the problematic nature of procedural justice in this area
 - Being heard and listened to
- Reduces the overall confidence and trust in police more broadly



Critical research finding

- Improved communication and interpersonal interactions would significantly increase victim satisfaction with reporting experience
 - Premised on the delivery of the message
 - Does not need additional resources



Learning from the victims

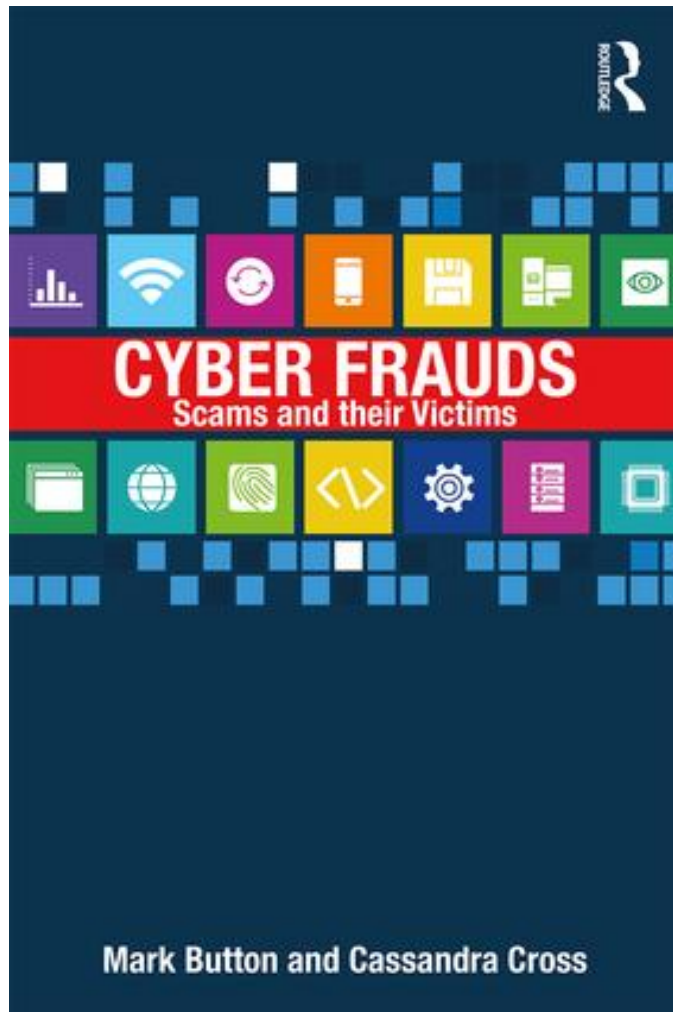
- For many victims, additional trauma came through the communication and interpersonal interactions between themselves and agencies
 - Refusal to acknowledge victimisation
 - Attitude towards the victim
- Many victims were realistic in terms of what could be done, but were denied the ability to voice their experiences



The future

- In late 2014, Australia launched the Australian Cybercrime Online Reporting Network (ACORN)
- ACORN is now the central reporting agency for cybercrime in Australia
- Potential to improve response to fraud victims, but also potential to replicate negative experiences in a different context
 - Anecdotal evidence to date suggests the latter





- Available from Routledge



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