



Government of **Western Australia**
Department of **Commerce**
Consumer Protection

2016 Scams Review

Losses and victimisation rates during 2016 for
consumer fraud in Western Australia

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Overview

This report analyses the reported losses and number of victims of scams and consumer fraud in WA. The data comes from two sources: Consumer Protection's WA ScamNet service; and Project Sunbird, which is a joint initiative of Consumer Protection and the Major Fraud Squad at WA Police.

In 2016, 377 Western Australians reported losing more than ten million dollars to scams. This compares with 456 victims reporting losses of 9.8 million dollars in 2015. So while overall there has been a 17 per cent drop in the number of victims, the monetary losses increased slightly.

Romance and relationship fraud tops the list of scam types with \$4.1 million lost last year, but this represents a 17 per cent reduction from 2015. While most scam categories have seen a drop in both victims and losses, there are two categories that have seen huge increases in losses which is a cause for concern.

Technology scams have seen a 17 per cent increase in victim numbers while the losses have tripled. In this category, scammers contact their victims usually by phone and pretend to be from a well-known telecommunications company such as Telstra or a computer company, saying their computer has been hacked. They trick the person into giving them remote access to their computer and then ask them to log on to their online banking, where the bank accounts are later raided.

The other area of concern is the doubling of losses from investment scams to \$2.6 million in 2016, even though there has been a slight drop in the number of victims. Using fake websites and sometimes stealing the identity of legitimate companies, the scammers dupe investors with promises of quick financial gains. A range of different investments are offered by scammers, but one focus in 2016 has been in the area of binary option trading.

In some cases, the scammers set up an online account for the investor who can see their balance rise which gives them greater incentive to invest more money. However, the investor soon realises they have been scammed when requests to withdraw the money are ignored and contact is cut off.

There will be a particular focus in the coming year to increase education and awareness of these types of scams to reverse the increasing trend in these categories.

Project Sunbird's aim is to disrupt the transfer of money to scammers in the West African countries of Benin, Ghana, Nigeria, Sierra Leone and Togo. Many of the victims identified in Project Sunbird are caught up by a relationship scam. The scammers will establish a romantic relationship and then leverage this relationship to include investment, beneficiary and other types of scams.

Project Sunbird has continued to be a highly successful and effective intervention method which has contained losses for many WA victims of romance and investment fraud. Figures show that about 74 per cent of the 700 people who received a letter from Sunbird in 2016 ceased sending money to West Africa after being warned that they could be the victim of a scam.

Our general advice to people is to think carefully before sending money to anyone they don't know or haven't met in person and, if in doubt, contact Consumer Protection for advice before falling victim to consumer fraud.

WA ScamNet

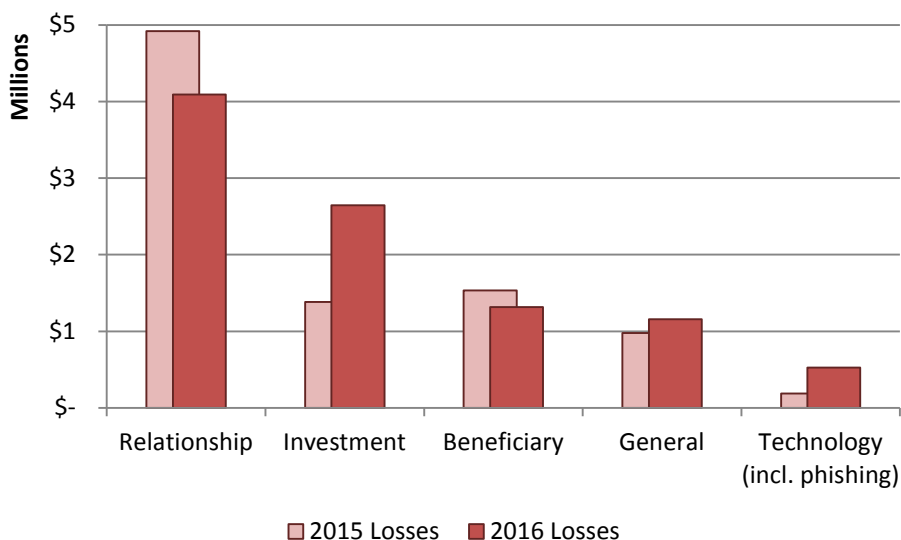
The total amount reported to WA ScamNet as being lost has remained steady from 2015 to 2016 increasing by only three per cent (Table 1). However, there has been a 17 per cent decrease in the number of victims with the average amount sent by victims increasing by 24 per cent to \$26,676 from \$21,458 in 2015.

Table 1. Total victims and amount lost across scam categories

Scam Category	Amount Lost			Total Victims		
	2015	2016	Diff.	2015	2016	Diff.
Relationship	\$4,919,900.29	\$4,089,857.82	-17%	98	65	-34%
Investment	\$1,380,685.00	\$2,643,144.00	91%	39	37	-5%
Beneficiary	\$1,534,443.00	\$1,316,332.82	-14%	15	10	-33%
General	\$975,545.30	\$1,156,799.89	19%	63	66	5%
Technology (incl. phishing)	\$188,477.88	\$524,164.72	178%	70	82	17%
Buying and Selling	\$246,145.56	\$93,636.10	-62%	74	50	-32%
Business	\$241,651.00	\$89,698.50	-63%	31	17	-45%
Rebates Refunds Bank Fees	\$78,086.00	\$58,706.00	-25%	17	17	0%
Employment	\$65,842.00	\$52,961.00	-20%	14	14	0%
Lotteries Prizes Comps	\$67,402.48	\$20,995.00	-69%	18	12	-33%
Accommodation	\$86,888.00	\$10,720.00	-88%	17	7	-59%
Grand Total	\$9,785,066.51	\$10,057,015.85	3%	456	377	-17%

Whilst the amount lost to relationship scams has decreased by 17 per cent, the amount lost to investment scams has increased by 91 per cent to over \$2.6 million (Figure 1). This was due to a single victim who reported a loss of \$1 million to the Larosa Group investment scam which had previously been [reported](#) by the Department and WA Police in July 2015.

Figure 1. Top 5 Categories for Monetary Loss in 2016



There was also a significant increase in the amount lost to technology scams with an increase of 178 per cent. There was also an increase in the total victims reporting a loss to technology scams of 17 per cent (Figure 2). In particular there was a substantial increase in the amount lost to [Telstra scams](#) which increased 559 per cent from \$47,421 by 22 victims in 2015 to \$284,415 by 28 victims in 2016.

Figure 2. Top 5 Categories for Number of Victims In 2016



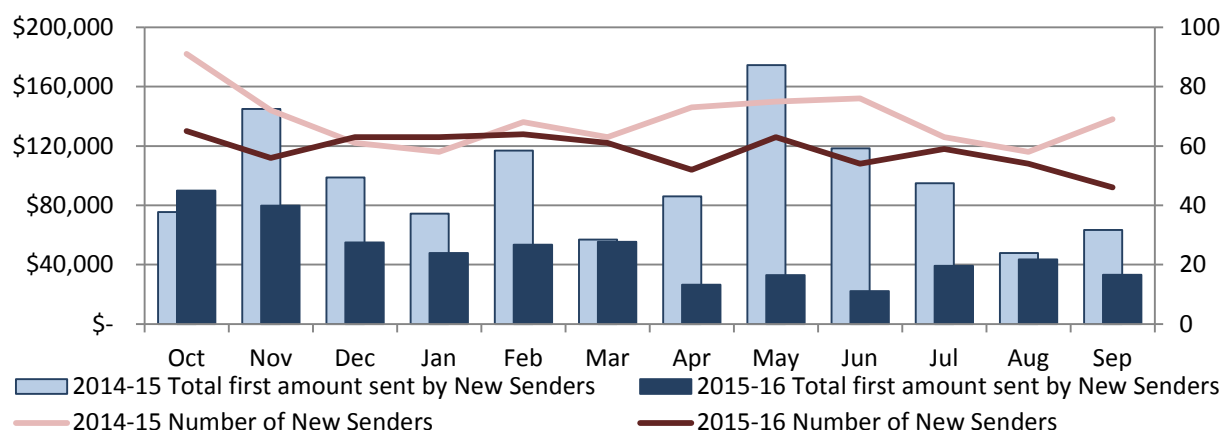
Project Sunbird

Transactions sent to Benin, Ghana, Sierra Leone, Toga and Nigeria (West Africa) are extracted by WA Police from financial intelligence data. WA Police assess the data and, by taking into account the senders and receivers of the funds, identify potential victims. This information is then sent to the Department for further analysis.

Since 2013 Project Sunbird has sent out a total 6,111 letters, of which 69 per cent were first contacts with potential victims. Potential victims are initially contacted by a letter addressed to the household where they are advised that they may be the target of a scam. If it is observed that they continue to send money to overseas criminals, a second letter is sent addressed to the individual emphasising the need to cease sending money to scammers. The letters also encourage the potential victims to contact Consumer Protection for further advice and assistance.

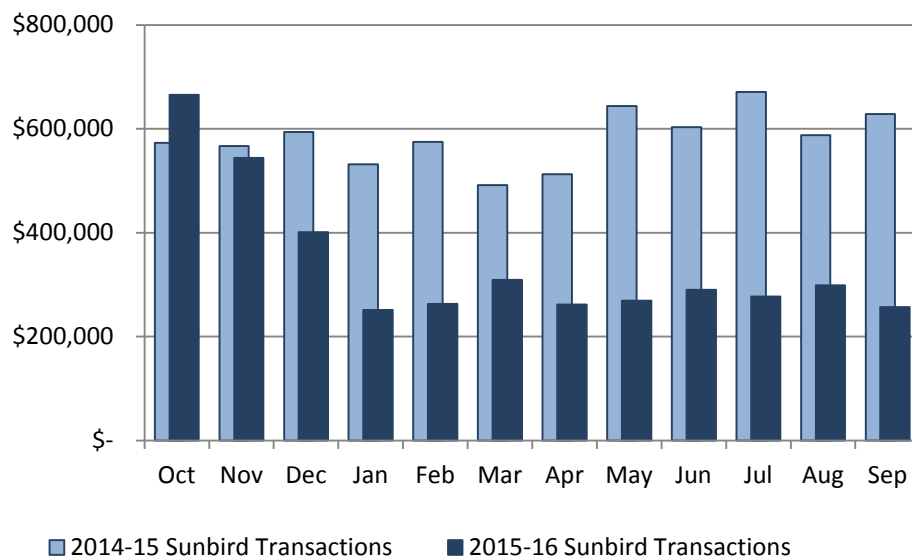
In the last 12 months Project Sunbird identified 700 new victims (Figure 3), a 15 per cent decrease from the previous 12 months (827 victims). In addition to this, the lowest number of new senders since March 2013 occurred in September 2016 (46).

Figure 3. New senders identified by Project Sunbird each month



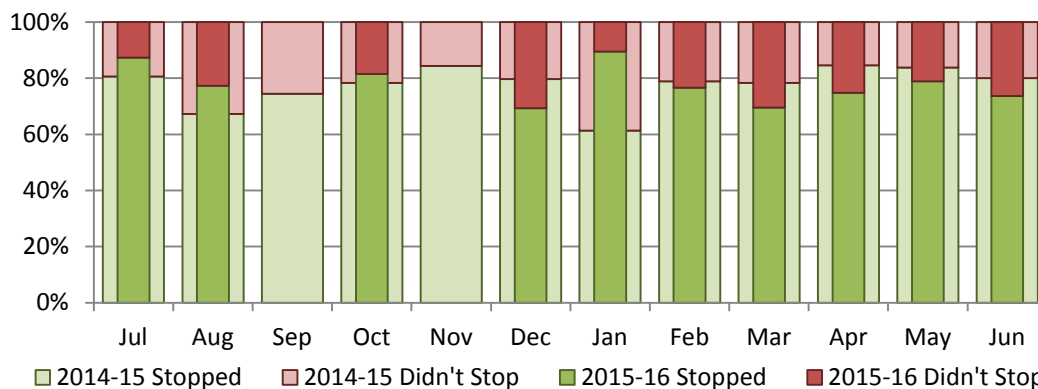
There has also been a 50 per cent decrease in the amount sent in the first month by senders to \$578,000 along with a 41 per cent decrease in the total amount sent by Project Sunbird victims to West Africa to \$4 million (Figure 4).

Figure 4. Sunbird Victim transactions



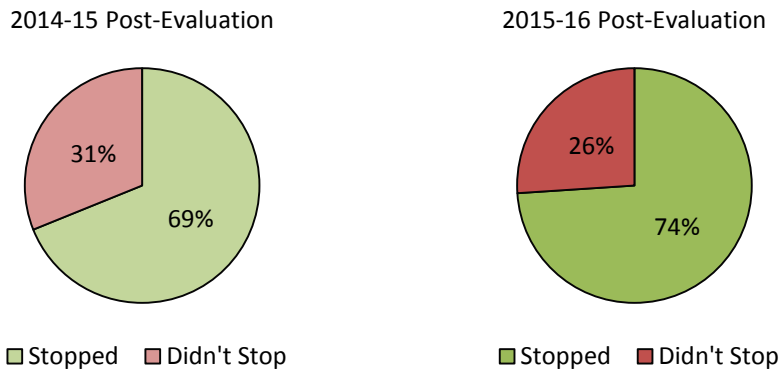
The evaluation period covers the transactions up until September 2016 for people who received letters between July 2015 and June 2016. The percentage of people who ceased sending money after receiving the first letter for the 2015-16 period has remained steady at 77 per cent (78 per cent for the same period in 2014-15). This does not take into account those who restarted sending after the evaluation period.

Figure 5. Evaluation of transactions sent in the three months following the first letter being sent



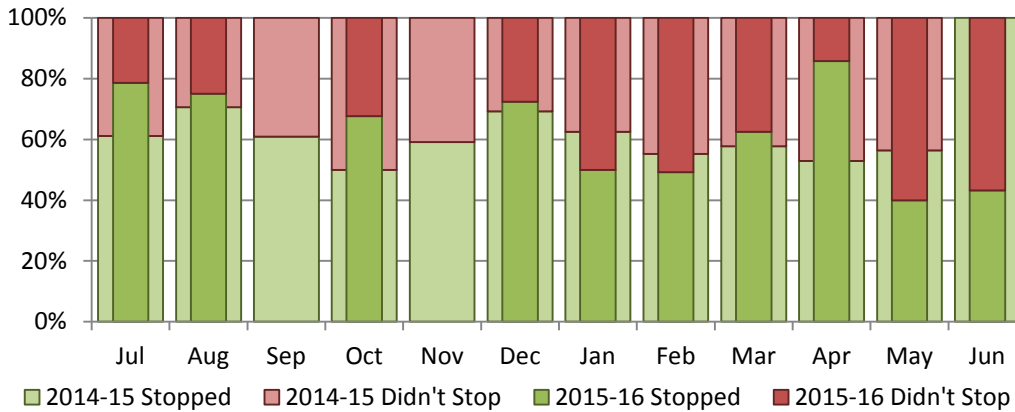
At the end of the evaluation period, those classified as having ceased transactions are monitored for further transactions. The number of people who ceased sending money has increased to 74 per cent from 69 per cent for previous 12 months (Figure 6).

Figure 6. Percentage of people who ceased sending money altogether after receiving the first letter



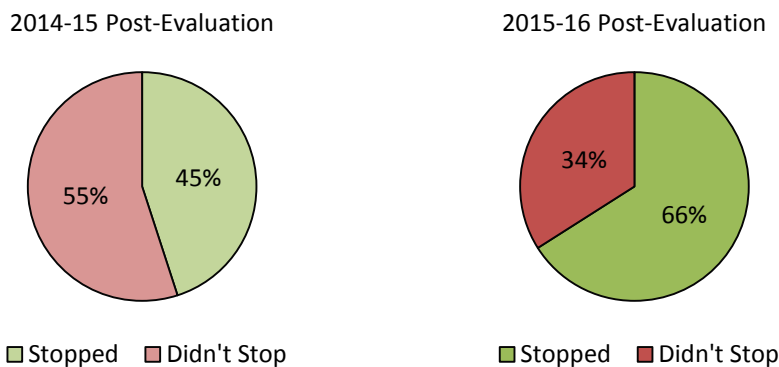
The percentage of people who ceased sending money after receiving the second letter for the 2015-16 period has remained steady at 62 percent compared to 64 per cent in the previous 12 months (Figure 7).

Figure 7. Evaluation of transactions sent in the three months following the first letter being sent



As with the first letters, those who appeared to have ceased sending money were further monitored. The number of victims who ceased sending money completely increased to 66 per cent in 2015-16 (Figure 8).

Figure 8. Percentage of people who ceased sending money altogether after receiving the second letter



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