



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

2015 Scams Review

Losses and victimisation rates during 2015 for
consumer fraud in Western Australia

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Overview

This report analyses the 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.

WA ScamNet statistics show there has been an overall decrease in the money lost to scams and consumer fraud in 2015 compared to the previous year.

A total of 456 scam victims reported to WA ScamNet losses of \$9.8 million, compared to 657 victims losing \$16.8 million in 2014. This change represents a decrease of 42 per cent.

Project Sunbird's aim is to disrupt the transfer of money to scammers in the West Africa 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. In disrupting the transfer of funds to West Africa, Project Sunbird has had a significant impact in reducing the amount of money Western Australians have lost to relationship fraud.

In 2015, romance and relationship fraud topped the list of scam types with \$4.9 million lost in 2015. This was, however, a 55 per cent reduction from the 2014 figure of \$10.9 million.

Despite the overall reduction in scam losses, there were some categories of scams where losses have gone against this trend.

There was a doubling of losses to almost \$87,000 in the category of accommodation scams, where false advertisements are posted online and prospective tenants or holidaymakers make payments to scammers instead of the real owners.

Losses in the 'rebates and refunds' category also doubled in 2015 to \$78,000. An increase in aggressive tax debt scams was a new trend in this category in 2015. This scam typically involved the scammers leaving a disturbing recorded message or making a phone call threatening to take legal action if the person targeted did not pay a bogus tax debt immediately. False contact details for the Australian Taxation Office were then supplied to make the payment.

There was also a doubling of losses to beneficiary scams to \$1.5 million, where victims were told they are due to receive an inheritance but must first pay a variety of fees and taxes before receiving the fictitious funds.

There was an increase in employment scams with reported losses of almost \$66,000 – this type of scam often targets job seekers, particularly backpackers, who respond to an advertisement and are then asked to pay fees upfront to secure a job that doesn't actually exist.

In general the advice to the WA community remains: 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

There was a significant change in the reported losses resulting from scams in Western Australia between 2014 and 2015 (Table 1).

During the year, a 42 per cent decrease was observed in the total amount of money lost reported to WA ScamNet (Figure 1).

In 2014 a total of 657 West Australians (Figure 2) reported scam losses of \$16.8 million compared to 456 victims reporting \$9.8 million lost in 2015 (Table 1). In 2015, the amount lost to relationship scams was \$4.9 million, a decrease of 55 per cent from \$10.9 million in the previous 12 months.

Table 1. Total victims and amount lost across scam categories

Scam Category	Amount Lost			Total Victims		
	2014	2015		2014	2015	
Accommodation	\$42,982.00	\$86,888.00	102%	29	17	-41%
Beneficiary	\$805,827.00	\$1,534,443.00	90%	13	15	15%
Business	\$940,627.43	\$241,651.00	-74%	63	31	-51%
Buying and Selling	\$381,292.37	\$246,145.56	-35%	150	74	-51%
Employment	\$42,964.00	\$65,842.00	53%	22	14	-36%
General	\$256,969.09	\$975,545.30	280%	36	63	75%
Investment	\$2,602,586.59	\$1,380,685.00	-47%	26	39	50%
Lotteries Prizes Comps	\$368,636.00	\$67,402.48	-82%	30	18	-40%
Rebates Refunds Bank Fees	\$44,214.00	\$78,086.00	77%	19	17	-11%
Relationship	\$10,893,901.00	\$4,919,900.29	-55%	164	98	-40%
Technology (incl. phishing)	\$451,314.50	\$188,477.88	-58%	105	70	-33%
Grand Total	\$16,831,313.98	\$9,785,066.51	-42%	657	456	-31%

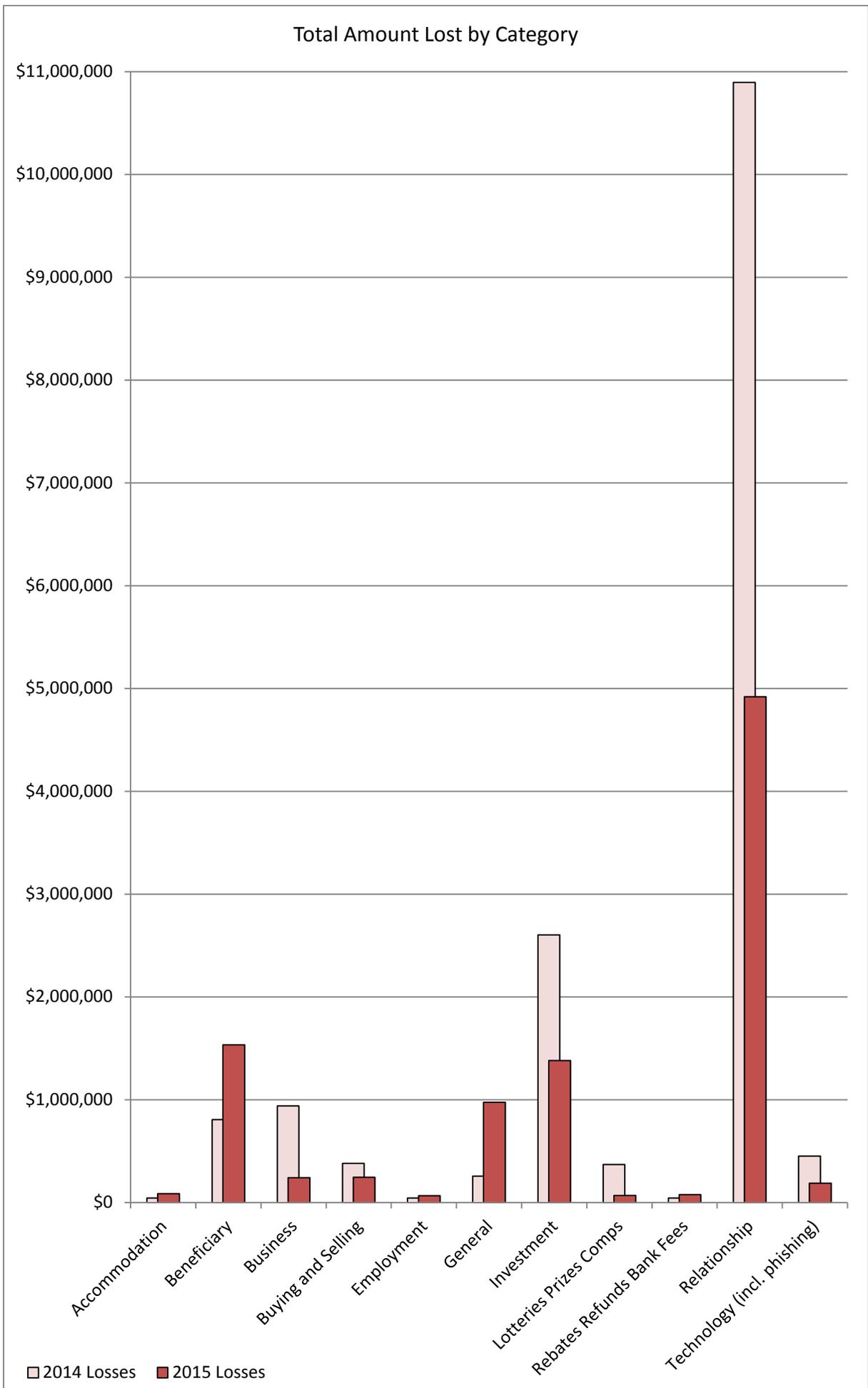


Figure 1. Total amount lost by category as reported to WA ScamNet

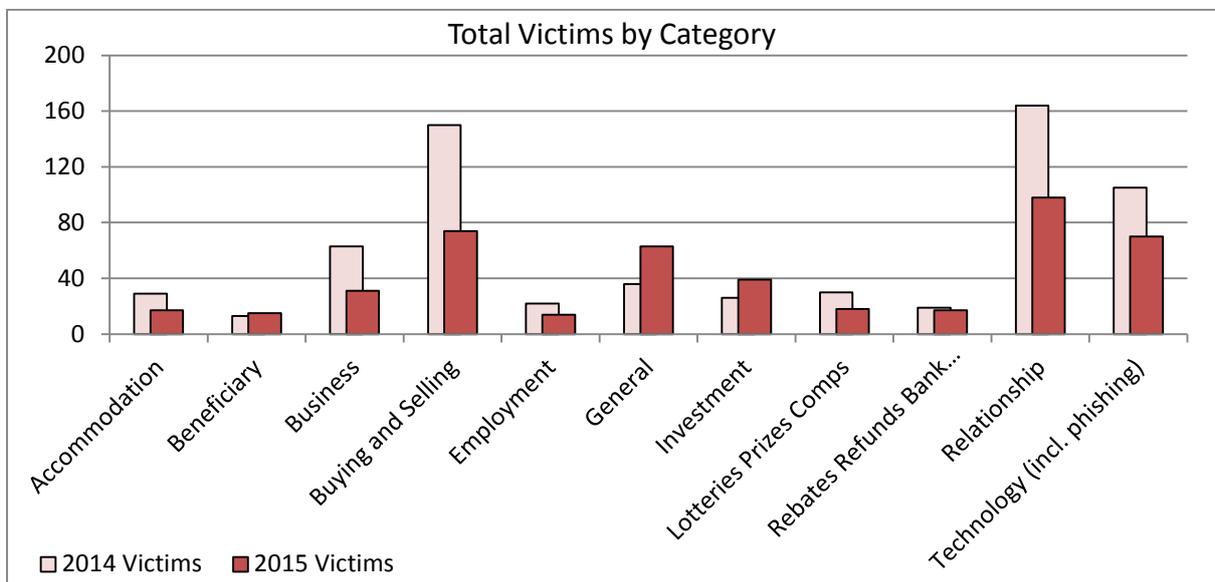


Figure 2. Total number of victims by category that have reported to WA ScamNet

Project Sunbird

Transactions sent to Benin, Ghana, Sierra Leone, Toga and Nigeria 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 Consumer Protection for further analysis.

Since 2013 Project Sunbird has sent out a total 4,708 letters, of which 67 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 2015 there was a 15 per cent decrease in the total number of potential victims. The number of first letters in particular decreased by 22 per cent to 842 whilst the number of second letters increased by 7 per cent to 406.

In the last 12 months Project Sunbird identified 795 new victims (Figure 3), a 26 per cent decrease from the previous 12 months (1,074 victims).

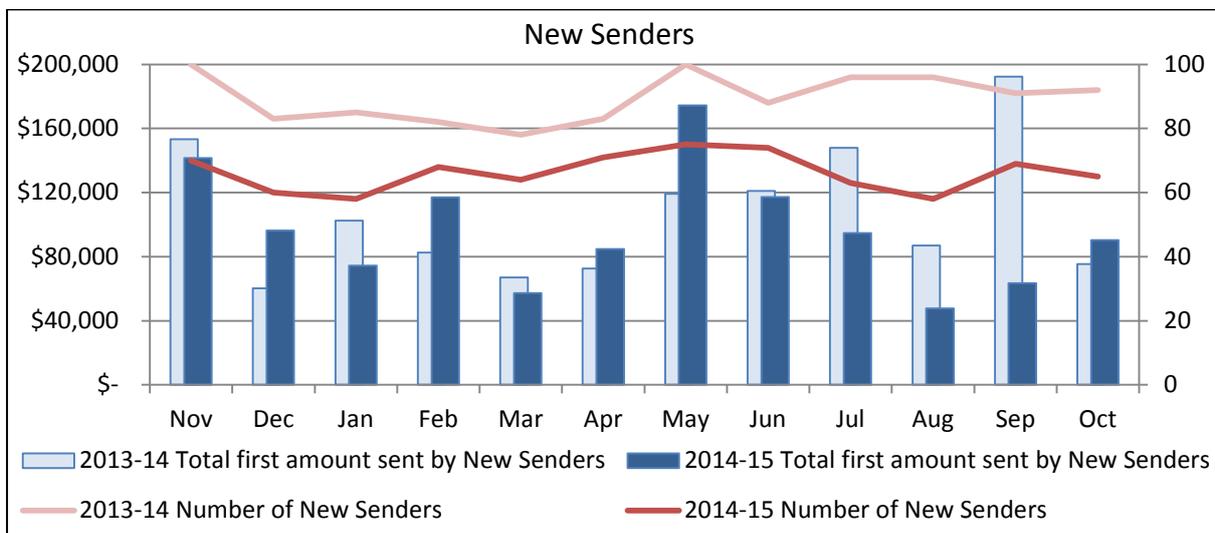


Figure 3. New senders identified by Project Sunbird each month

During the 2014–15 evaluation period, 72 per cent of people who received a Project Sunbird letter stopped sending funds to West Africa compared to 64 per cent in the previous 12 months.

The evaluation period covers the transactions up until October 2015 of people who received letters between August and July. The percentage of people who ceased sending money after receiving the first letter for the 2014–15 period has increased by 4 per cent to 78 per cent compared to the previous 12 months (Figure 4). This does not take into account those who restarted sending after the evaluation period.

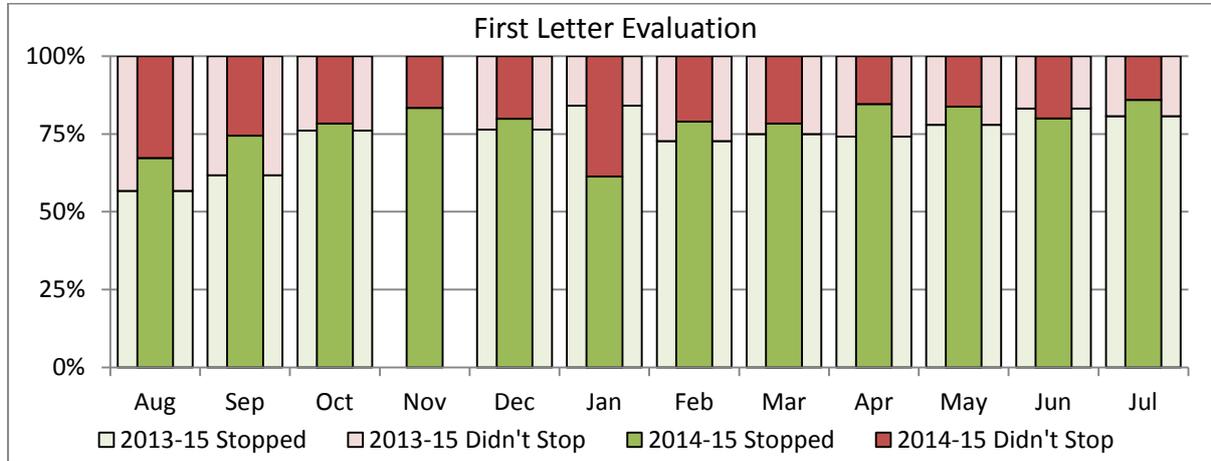


Figure 4. Evaluation of transactions sent in the three months following the first letter being sent

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 72 per cent for 2014–15 (Figure 5).



Figure 5. Percentage of people that ceased sending money altogether after receiving the first letter

The percentage of people who ceased sending money after receiving the second letter for the 2014–15 period has increased by 7 per cent to 62 per cent compared to the previous 12 months (Figure 6).

This does not take into account those who restarted sending after the evaluation period.

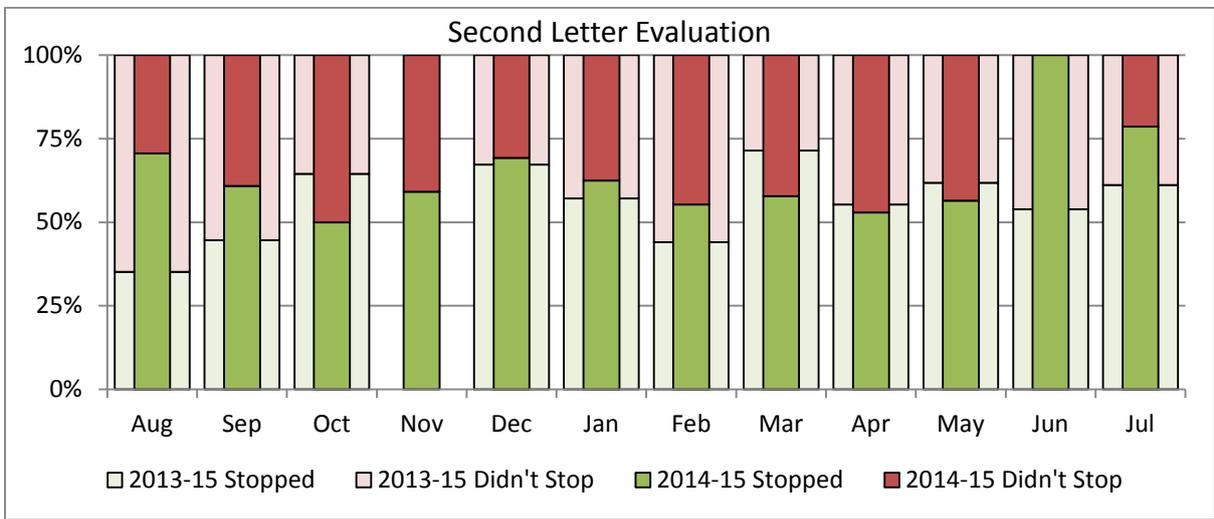


Figure 6. Evaluation of transactions sent in the three months following the second letter being sent

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 50 per cent in 2014–15 (Figure 7).

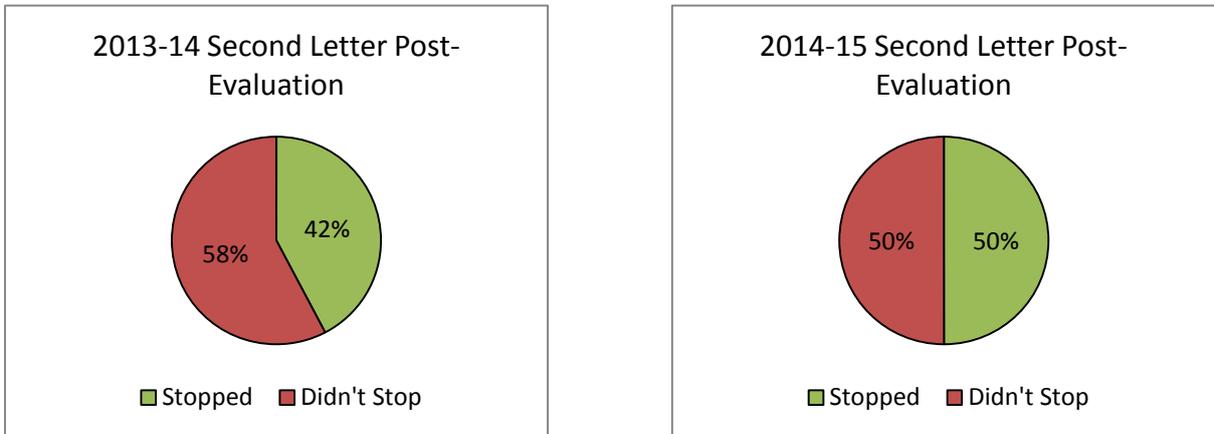


Figure 7. Percentage of people that ceased sending money altogether after receiving the first letter

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