

## 2005 Trends

- The total loss in 2005 was \$4,921,932, compared to \$2,561,835 in 2004.
- The average loss in 2005 was \$2,892, compared to \$1,974 in 2004.
- There were significantly more complaints in 2005: 4,587, compared to 2,814 in 2004.
- The use of wire transfer in telemarketing fraud payments is growing. Among the Top 10 Scams, those with the most payment by wire were Fake Checks Scams (100 percent), Lotteries/Lottery Clubs (89 percent), Advance Fee Loans (78 percent), Prizes/Sweepstakes (69 percent).
- In some of the Top 10 Scams, the predominant method of payment was bank debit, including Phishing (89 percent), Scholarships/Grants (66 percent), and Credit Card Offers (66 percent).
- Among the Top 10 Scams, those with the most consumers age 60+ were: Magazine Sales (63 percent), Prizes/Sweepstakes (51 percent), and Phishing (45 percent).
- Among the Top 10 Scams, those with the most consumers under age 30 were: Scholarships/Grants (31 percent), Travel/Vacations (30 percent), and Advance Fee Loans (28 percent), Credit Card Offers (27 percent), and Work-at-Home Plans (24 percent).



# Telemarketing Scams

## January-December 2005

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### Top Ten Scams

Category	% of All Complaints	Average Loss
<b>Prizes/Sweepstakes</b> <i>Requests for payment to claim prizes that never materialize</i>	<b>31%</b>	<b>\$4,990</b>
<b>Scholarships/Grants</b> <i>Falsely promise to help get scholarships or government educational grants, for a fee</i>	<b>11%</b>	<b>\$366</b>
<b>Magazine Sales</b> <i>Misrepresent cost of subscriptions or pretend to be publisher offering renewals</i>	<b>9%</b>	<b>\$120</b>
<b>Credit Card Offers</b> <i>False promises of credit cards, even if credit is bad, for a fee</i>	<b>9%</b>	<b>\$282</b>
<b>Fake Check Scams</b> <i>Consumers paid with phony checks for work or items sold, instructed to wire money back</i>	<b>7%</b>	<b>\$3,714</b>
<b>Advance Fee Loans</b> <i>False promises of loans, even if credit is bad, for a fee upfront</i>	<b>6%</b>	<b>\$1,414</b>
<b>Lotteries/Lottery Clubs</b> <i>Requests for payment to claim lottery winnings or get help to win, often foreign lotteries</i>	<b>5%</b>	<b>\$2,430</b>
<b>Work-at-Home Plans</b> <i>Materials sold on false promises of big profits working at home</i>	<b>3%</b>	<b>\$348</b>
<b>Phishing</b> <i>Calls pretending to be from well-known source asking to confirm personal information</i>	<b>3%</b>	<b>\$588</b>
<b>Travel/Vacation</b> <i>Offers of free or discount travel that never materialize</i>	<b>2%</b>	<b>\$885</b>



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## Ages of Consumers

<i>Ages</i>	<i>% of Complaints</i>
19 and Under	1%
20-29	16%
30-39	16%
40-49	17%
50-59	15%
60-69	11%
70+	22%

## Top Methods of Payment

<i>Category</i>	<i>% of Payments</i>
Wire	34%
Bank Debit	22%
Check	18%
Credit Card	11%
Money Order	6%
Debit Card	4%
Cash	3%
Telephone Bill	1%
Cashiers Check	1%

## Methods of Initial Contact by Telemarketing Crooks

<i>Category</i>	<i>% of Contacts</i>
Phone	59%
Mail	29%
Print	9%
Other	3%

## Top Locations

### Victims

<i>Location*</i>
1. New Hampshire
2. Montana
3. Virginia
4. Maine
5. Pennsylvania

### Crooks

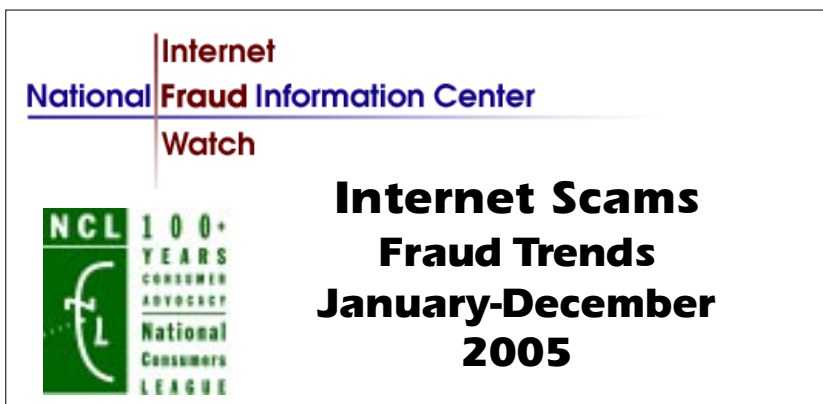
<i>Location</i>	<i>% of Complaints</i>
Tie: Countries Outside the U.S./Canada and Canada	13%
Florida	11%
New York	10%
California	8%
Tie: Nevada and South Dakota	6%

\*relative to state population

To learn more about the most common scams, visit [www.fraud.org](http://www.fraud.org).

## 2005 Trends

- The total loss in 2005 was \$13,863,003, significantly higher than the \$5,787,170 reportedly lost in 2004.
  - NCL received more complaints in 2005: 12,315 compared to 10,794 in 2004, but that does not account for the more than doubling of total loss.
  - The average loss in 2005 was \$1,917, also much higher than the \$895 average loss in 2004.
  - For the first time since NCL began collecting Internet fraud complaints in 1997, wire transfer was the most common method of payment in 2005.
  - The most expensive scam among the Top 10 was Nigerian Money Offers. 42 people reported losing money to this scam in 2005, compared to 18 in 2004, 12 in 2003, seven in 2002, ten in 2001, and one in 2000.
  - Among the Top 10 Scams, those with the most consumers age 60+ were Phishing (21 percent), Lotteries/Lottery Clubs (21 percent), Adult/Information Services (20 percent), and Nigerian Money Offers (12 percent).
  - Those with the most consumers under age 30 were Work-at-Home Plans (44 percent) and Advance Fee Loans (35 percent)
- \* In the fall of 2003, online giant eBay removed the link from its Web site to fraud.org. As a result, the number of auction complaints reported to NCL's fraud center dropped to 1/6 its previous level. Based on statistics prior to eBay's action, NCL estimates that there would have been 30,720 auction complaints in 2005, representing 71 percent of complaints overall.



## Internet Scams Fraud Trends January-December 2005

### Top Ten Scams

Category	% of All Complaints	Average Loss
<b>Auctions*</b>	<b>42%</b>	<b>\$1,155</b>
<i>Goods never delivered or misrepresented</i>		
<b>General Merchandise</b>	<b>30%</b>	<b>\$2,528</b>
<i>Sales not through auctions, goods never delivered or misrepresented</i>		
<b>Nigerian Money Offers</b>	<b>8%</b>	<b>\$6,937</b>
<i>False promises of riches if consumers pay to transfer money to their bank accounts</i>		
<b>Fake Checks</b>	<b>6%</b>	<b>\$4,361</b>
<i>Consumers paid with phony checks for work or items sold, instructed to wire money back</i>		
<b>Lotteries/Lottery Clubs</b>	<b>4%</b>	<b>\$2,919</b>
<i>Requests for payment to claim lottery winnings or get help to win, often foreign lotteries</i>		
<b>Phishing</b>	<b>2%</b>	<b>\$612</b>
<i>Emails pretending to be from well-known source asking to confirm personal information</i>		
<b>Advance Fee Loans</b>	<b>1%</b>	<b>\$1,426</b>
<i>False promises of personal or business loans, even if credit is bad, for a fee paid upfront</i>		
<b>Information/Adult Services</b>	<b>1%</b>	<b>\$504</b>
<i>Cost and terms of services not disclosed or misrepresented</i>		
<b>Work-at-Home Plans</b>	<b>1%</b>	<b>\$1,785</b>
<i>Kits sold on false promises of big profits from working at home</i>		
<b>Internet Access Services</b>	<b>1%</b>	<b>\$1,262</b>
<i>Cost of Internet access and other services misrepresented or services never provided</i>		

## Internet Scams

### Fraud Trends January-December 2005



### Ages of Consumers

<i>Ages</i>	<i>% of Complaints</i>
19 and Under	3%
20-29	25%
30-39	25%
40-49	23%
50-59	16%
60-69	5%
70+	3%

### Top Methods of Payment

<i>Category</i>	<i>% of Payments</i>
Wire	31%
Credit Card	24%
Money Order	13%
Bank Debit	10%
Debit Card	9%
Check	7%
Cashiers Check	3%
Cash	3%

### Methods of Contact by Internet Crooks

<i>Category</i>	<i>% of Contacts</i>
Web sites	75%
Email	25%

### Top Locations

#### Victims

<i>Location*</i>
1. Hawaii
2. North Dakota
3. Nevada
4. New Hampshire
5. District of Columbia

\*relative to state population

#### Crooks

<i>Location</i>	<i>% of Complaints</i>
Countries Outside U.S./Canada	37%
California	9%
New York	7%
Florida	6%
Texas	4%
Tie: Canada and Illinois	3%

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