

MARKETING *Benchmarks*

Scam loot hits new high

The Federal Bureau of Investigation has good news and bad news for U.S. Internet users:

- Reported Internet Scams ebbed by 0.3% in 2007
- But losses to Internet con games hit a new high of almost \$240 million during the year

The FBI's 2007 Internet Crime Report showed that the agency received 219,553 Scam complaints from January through December, 2007 — down slightly from the 207,492 cases it handled in 2006. However, the total dollar loss to cybercrime rose more than 20%, from \$198.44 million in 2006 to \$239.09 million last year.

- Scammers often pirate the logos of legitimate companies to lend credibility to their offers. Among the businesses victimized were Wal-Mart, FedEx, Target, McDonalds, Gap, Pepsi, Kmart, and MoneyGram.
- Only 1 in 7 Scam incidents are ever reported to law-enforcement or government regulatory agencies.
- California was home to 14.4% of all 2007 Scam complainants — leading all other U.S. states. It also served as the base of 15.8% of Scam perpetrators by a wide margin.



Among the report's highlights:

- Dollar loss from Scams reached a median \$680 per incident
- Men perpetrated 75.8% of the reported Scams
- Males were the victims in 56.6% of the incidents — and men lost \$1.67 for every \$1 bilked from women
- E-mails were the primary ways by which scammers contacted 76.5% of their victims were contacted — far ahead of Web pages (32.7%)
- Internet auction fraud was the most common (35.7%) Scam reported during the year, followed by non-delivery of "purchased" merchandise at 24.7% of complaints to law-enforcement agencies
- Scam victims reported that they lost a median of \$3547.94 per complaint to investment fraud, followed by \$3000 in check fraud, and \$1,922.99 to Nigerian letter schemes.

100 million+ Spam messages a day are clogging computers

— *The New Yorker*

- "Anyone who uses the Internet is susceptible" to cyberscams, the FBI's Internet Crime Complaint Center advises.

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