

The Psychology of Fraud



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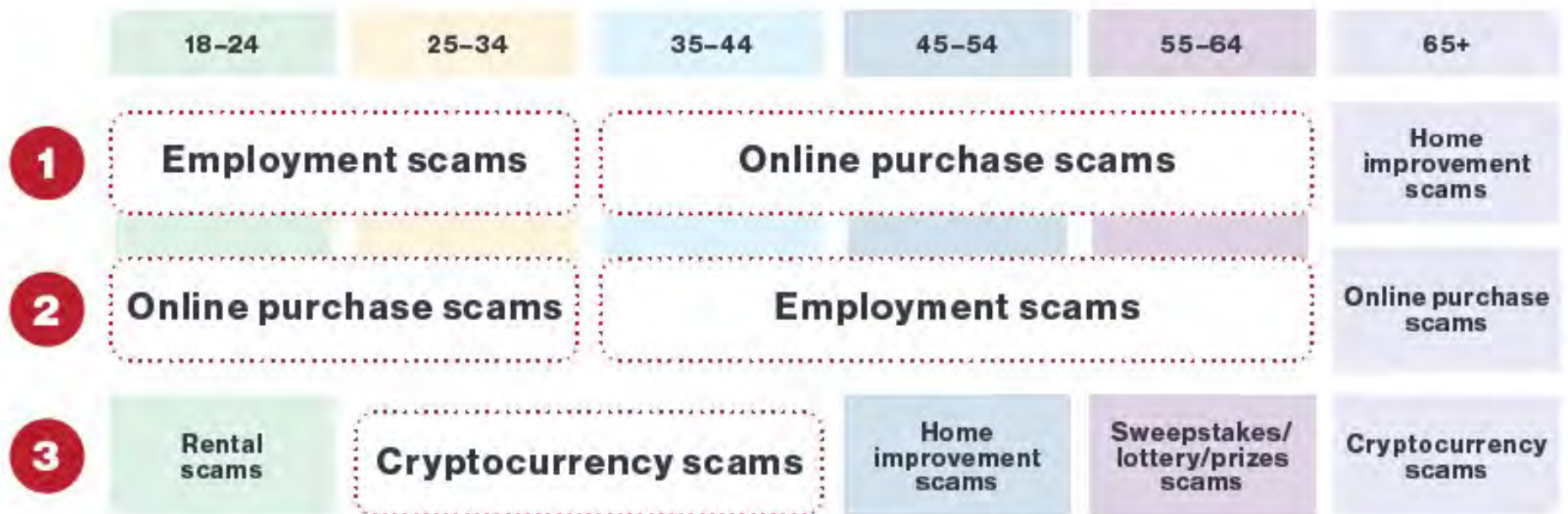
Mission

To be the leader in advancing marketplace trust.

Vision

An Ethical marketplace where buyers and sellers can trust each other.

Riskiest scams by age



Psychology of Fraud

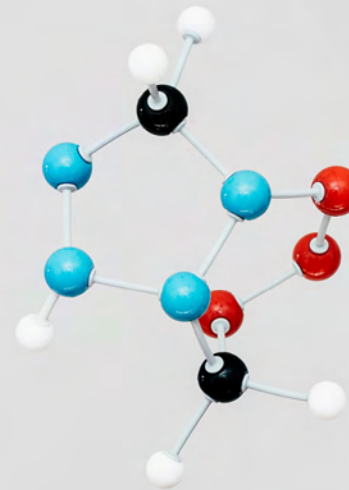
"Get them under the ether."

-Convicted Con Artist

"Ether is a condition that a master closer puts a prospect in by hitting their fear, greed, and urgency buttons. I would tell prospects, I wanted to keep the victim up in the altitude of the ether, because once they drop into the valley of logic, I've lost them.

Rocky, Con Artist Trainer

Ether is a heightened emotional state that makes it hard to think clearly and make rational decisions.



AARP – The Con Artist's Playbook

Profiling

The con artists asks a series of questions to find the person's emotional trigger.

Don't share personal information with a stranger



*AARP – The Con
Artist's Playbook*



Phantom Riches

Dangling the prospect of wealth; something you want but can't have.

Phantom Riches

Whenever you are approached with this kind of a pitch to win large amounts of money, pay attention to your reaction. Does your heart start to beat faster? Does sweat form on your forehead? Do you start imagining all the things you could do with the winnings? These are signs of being under the ether. Never decide to buy in this condition. Virtually all lotteries, prizes, and sweepstakes offers that require payment to win are scams.



Source Credibility

Pretending to have authority, experience or education to build credibility.





Social Consensus

“If everybody wants it, it must be good.”

Reciprocity

Doing a small favor in return for a big favor.

Think: was the pitch preceded by a free meal or gift?





Scarcity


If something is rare or scarce,
it must be more valuable.

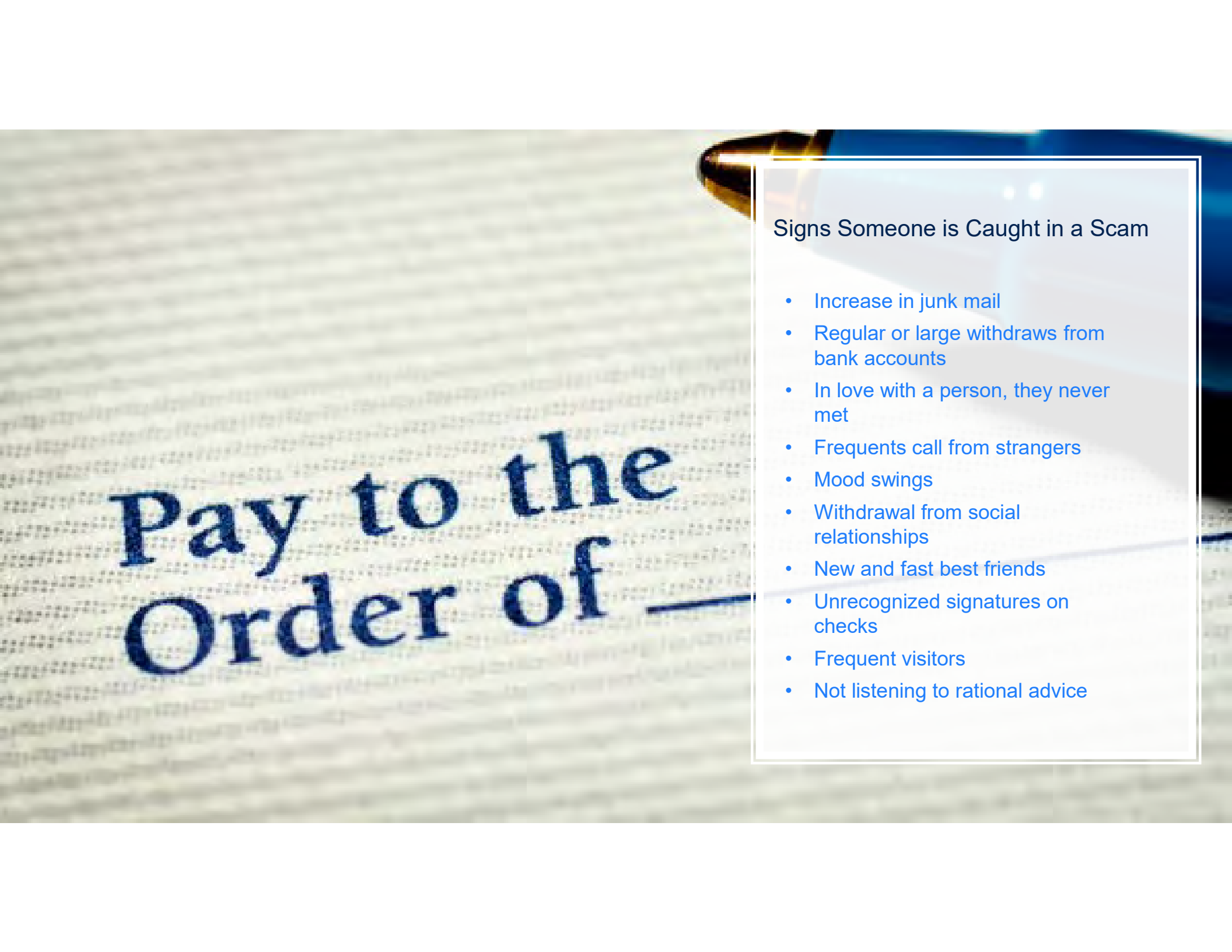
Whenever you get approached with an offer that is available only for a limited time or is in limited supply, beware! There are very few legitimate offers out there that can't wait for you to do some due diligence and make a rational decision.



What makes a person
more vulnerable to
fraudulent activity?



- 
-
- You respect authority
 - You like to please people
 - You are cocky
 - You slipped up once
 - You're friendly
 - You are under stress
 - You're lonely



Pay to the
Order of

Signs Someone is Caught in a Scam

- Increase in junk mail
- Regular or large withdraws from bank accounts
- In love with a person, they never met
- Frequent calls from strangers
- Mood swings
- Withdrawal from social relationships
- New and fast best friends
- Unrecognized signatures on checks
- Frequent visitors
- Not listening to rational advice

Reasons Scams Are Underreported

- Loss of independence
- Loss of financial security
- Shame
- Don't know how to stop
- Fear/Threats
- Don't want to be deemed incompetent
- Forgot
- Don't believe it will happen again
- Embarrassment
- Feel like nothing can be done



10 Tips for Avoiding a Scam

- Never send money to someone you have never met face-to-face.
- Don't click on links or open attachments in unsolicited email.
- Don't believe everything you see. Scammers are great at mimicking officials' seals, fonts, and other details. Just because a website or email looks official does not mean it is. Even Caller ID can be faked.
- Don't buy online unless the transactions is secure. Make sure the website has "https" in the URL and a small icon on the address bar. Even then, the site could be shady. Check out company first at BBB.org.
- Be extremely cautious when dealing with anyone you've met online.
- Never share personal identifiable information with someone has contacted you unsolicited.
- Don't be pressured to act immediately.
- Use secure traceable transactions when making payments for goods, services, taxes, and debts.
- Whenever possible, work with businesses that have proper identification, licensing, and insurance.
- Be cautious about what you share on social media.



A GENERATION VIEW OF CYBER THREATS

Al Ogata
President & CEO
September 08, 2023



GENERATIONAL TRENDS

Generation Names by Birth Year

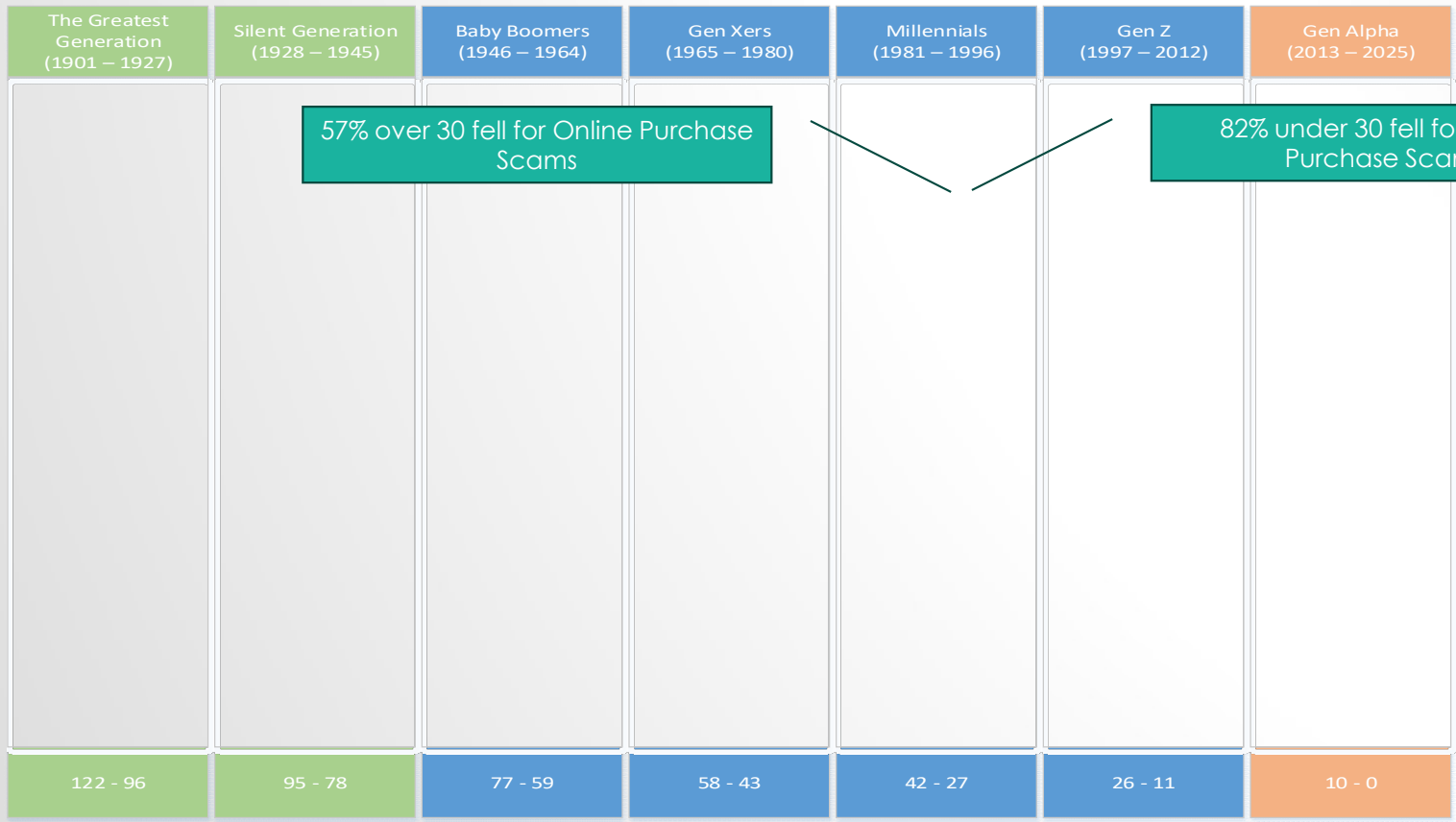
The Greatest Generation (1901 – 1927)	Silent Generation (1928 – 1945)	Baby Boomers (1946 – 1964)	Gen Xers (1965 – 1980)	Millennials (1981 – 1996)	Gen Z (1997 – 2012)	Gen Alpha (2013 – 2025)
122 - 96	95 - 78	77 - 59	58 - 43	42 - 27	26 - 11	10 - 0

Age Range as of 2023

Older = Victim

GENERATIONAL TRENDS

Generation Names by Birth Year



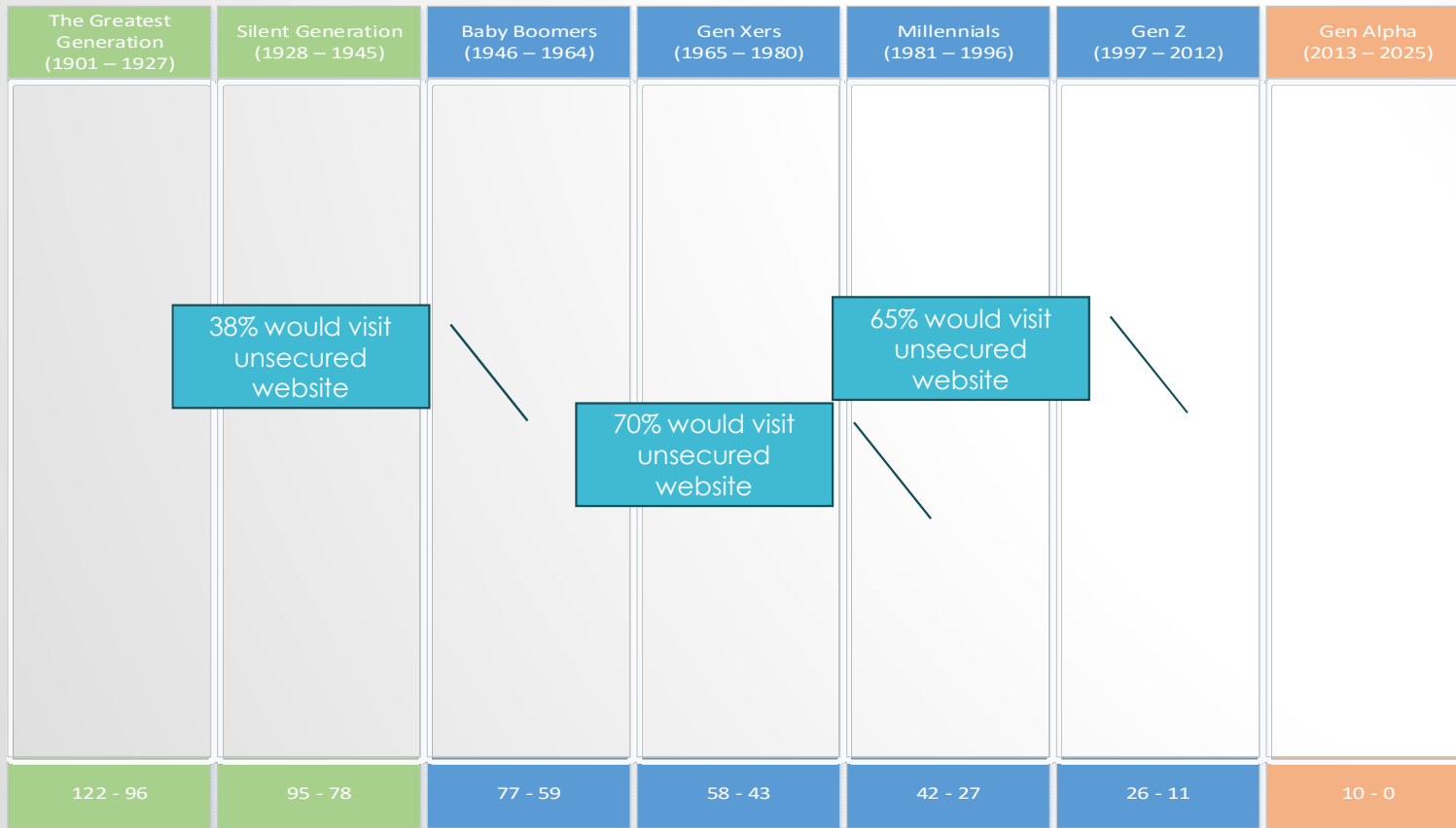
57% over 30 fell for Online Purchase Scams

82% under 30 fell for Online Purchase Scams

Older = Victim

GENERATIONAL TRENDS

Generation Names by Birth Year

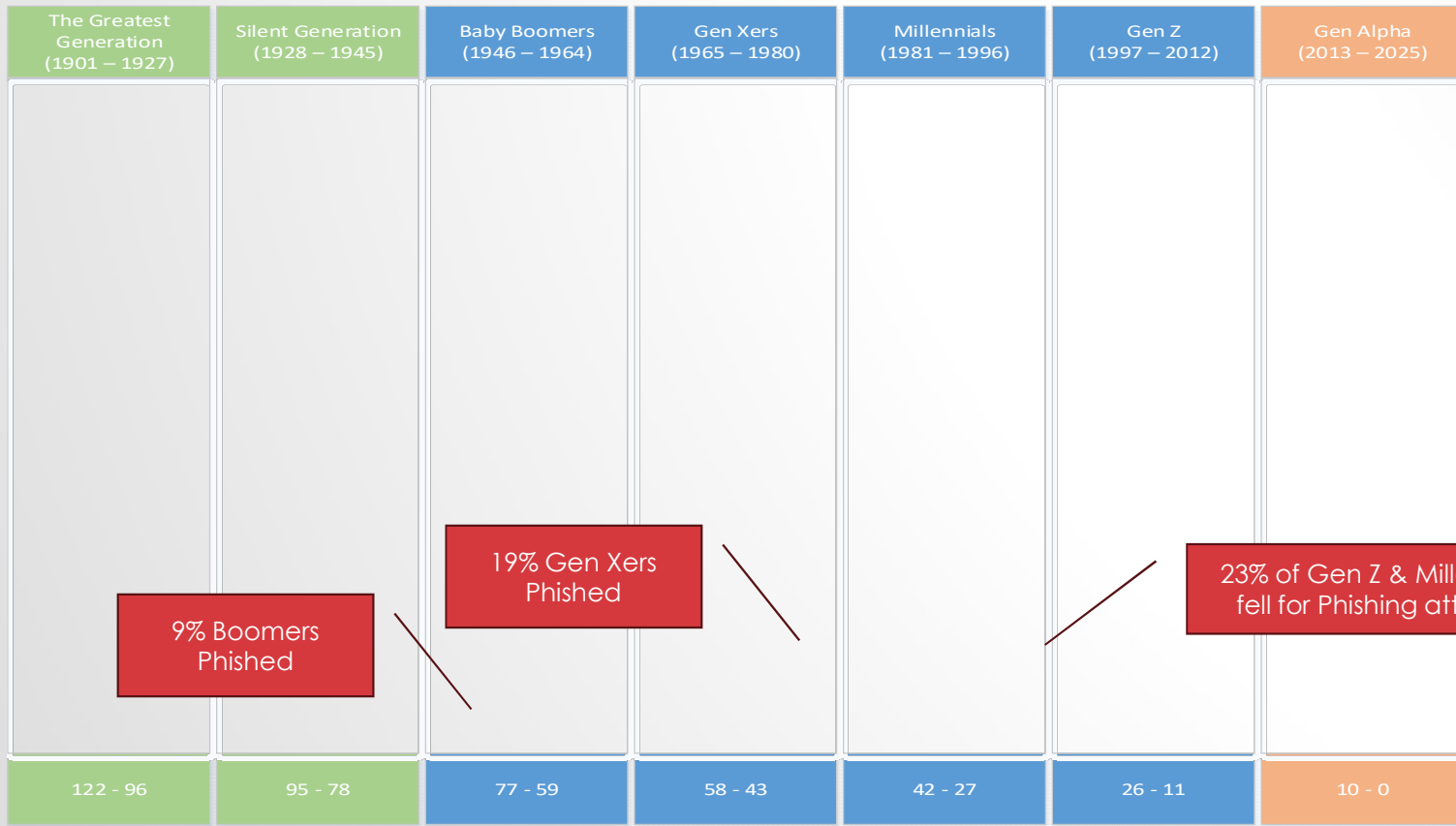


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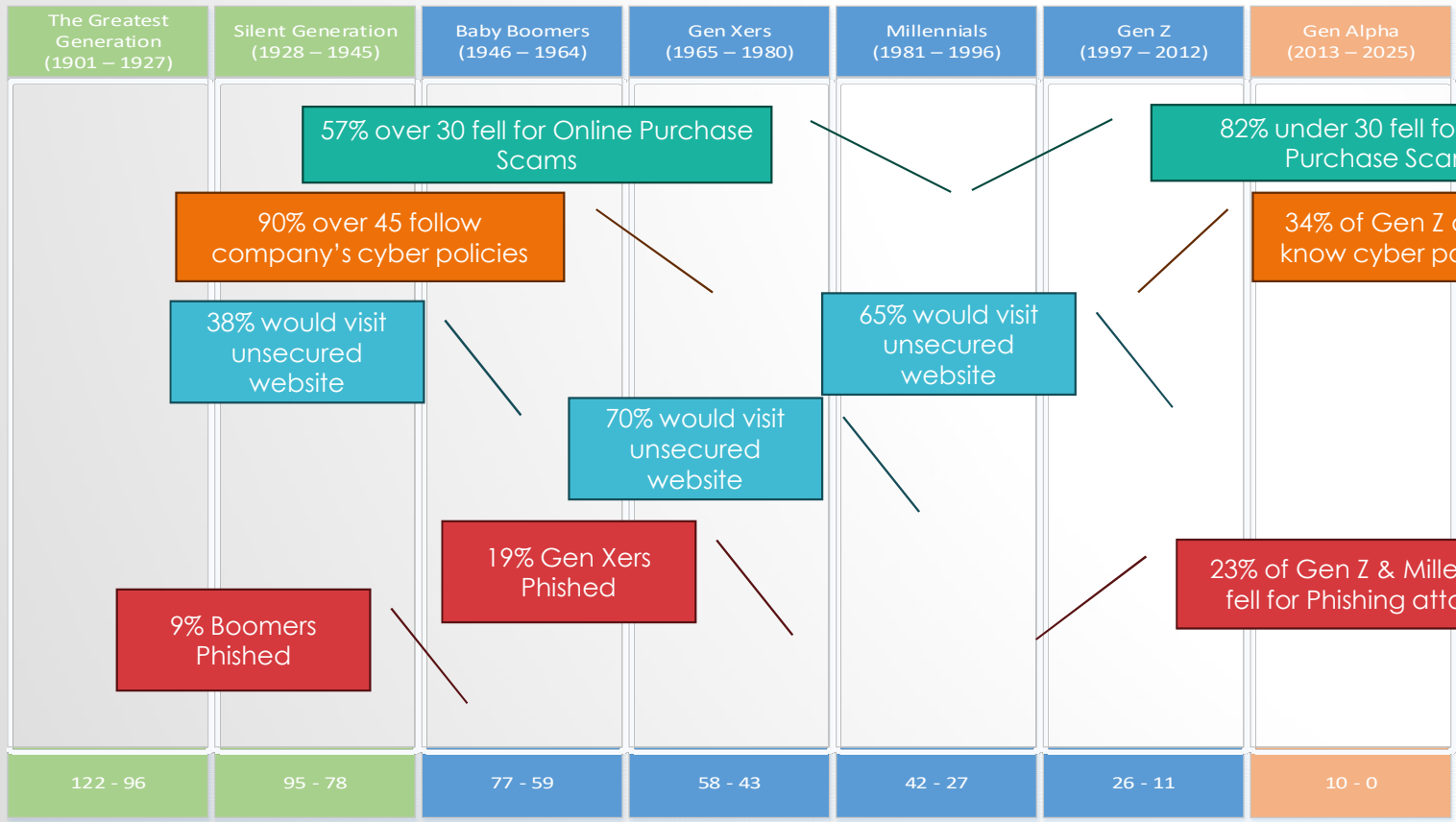
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Generation Names by Birth Year

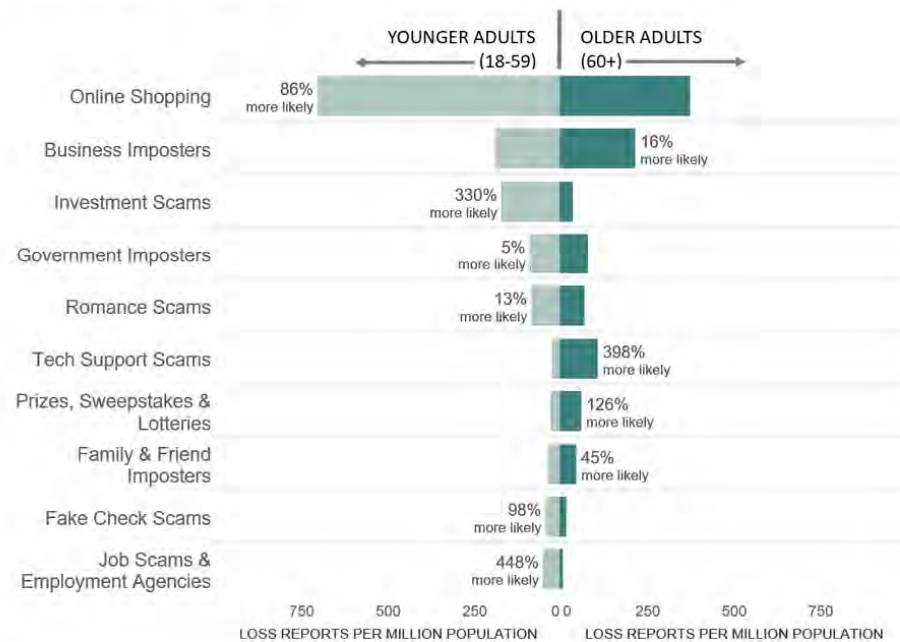


~~Older = Victim~~
Everyone = Victim

EFFECTIVE SCAMS VARY BY AGE

2021 LOSS REPORTS BY AGE AND FRAUD TYPE

Losses to some types of fraud are more likely to be reported by younger adults, while others are more likely to be reported by older adults.



Figures are normalized using U.S. Census Bureau data for population by age. See U.S. Census Bureau, Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States (June 2020). Reports categorized as unspecified and reports provided by IC3 are excluded.

- Gen Xers, Millennials, and Gen Z young adults were 34% more likely than older adults to report losing money to fraud
- Median loss much higher for older adults
 - \$1,500 for those 80 and over
 - \$800 for people 70-79
 - \$500 for people 18-59
- Older adults more likely to report failed scams



ANATOMY OF A HACK



Motivation

- Financial
- Social
- Political
- Nationalist
- Terrorism
- Personal

INDICATORS OF COMPROMISE

- Change in Computer Performance
 - Slow performance
 - High CPU usage
 - Unusual hard drive activity
 - Unexpected crashes
 - Unusual network activity
- Change in Settings
 - Browser settings
 - Disabled security software
 - Firewall settings
- Change in Behaviors or Software
 - Unexpected computer activity
 - Unexpected email behavior
 - Unwanted pop-ups
 - New or unfamiliar programs
 - Unauthorized access or account activity
 - Disappearing files

QUESTIONS?

Mahalo
TRUST  **ALOHA**

CYBER HAWAII

ABOUT CYBERHAWAII

CyberHawaii is an information sharing and analysis non-profit organization committed to developing and enhancing Hawaii's cybersecurity capabilities

- CyberHawaii is committed to a whole community approach that will help to:
 - Mitigate cyber risks for all community members
 - Develop educational and workforce pathways for students
 - Augment cyber services being delivered by government agencies, commercial entities, research organizations and Community Based Organizations
 - Inform local decision makers about cyber security risks and solutions
- Founded 2016
- Part of CyberUSA network

