

94 – December 2007

Anatomy of Christmas Fraud

Christmas should simply be a period of festivities, renewal, celebration and charity, but it has also become ideal for fraudsters 'on duty'. This is because the atmosphere and state of spirit that involves the Catholic population worldwide, makes people sensitive to emotional issues and, therefore, makes them susceptible to all kinds of psychological fraud.

According to some psychologists and international specialists, psychological factors associated to creative techniques, become powerful weapons in the hands of swindlers, enabling, besides the normal cons, infinity of new seasonal cons motivated by the favourable atmosphere:

- **Reciprocity.** Based on the theory that if someone does something for you, you feel obliged to do something for them. Thus, fraudsters will present themselves as helpful and caring so that victims will feel they owe them a favour.
- **Scarcity.** Based on the lack of time to make a sustained decision, making use of a speech based on the potential loss of an opportunity, prize or benefit by a certain time.
- **Authority.** Based on ingenuity and on the victim not being prepared to deal with under pressure situations where they seem to be speaking to an authority, superior or representative of public entities after they have been given some sort of authority.
- **Fixation.** Based on the technique of distracting the victim and making him/her focus their attention on an irresistible prize, making him/her unable to make a balanced decision because he/she is fixed on the winning potential.
- **Similarity and Affinity.** Based on the technique of studying and collecting information on the victims even before approaching them for the first time, seeking to demonstrate proximity, intimacy and thus, increasing the chances of establishing friendship or some kind of affinity, much more effective than a relationship that is merely formal.
- **Social Proof.** Based on the argument that many people are already receiving the benefits offered. In many cases, the fraudster uses fictitious data that suggest the proof of advantages offered, making the victim wish what other people have already wished and have supposedly obtained success.
- **Inheritance of Credibility.** Based on a mixed technique in which the fraudster first approaches a credible person from where the con is going to take place, without in fact conning him, but making him believe – sometimes using false information – that he is honest. After some interaction, the fraudster chooses victims and uses the credible individual as a reference to convince them.

- **Authenticity by Association.** Based on the approach that mixes authentic and reliable information with false information making the victim believe, voluntarily or involuntarily, in the credibility of them all. It is an illusionist technique that, if it is well performed, like magicians do, it makes the victim believe in what he/she sees even though he/she, evidently, has the sensation that it is just a farce.
- **Homeopathic Belief.** Based on the strategy of gaining the trust of the victim through stages until the final blow. The fraudster approaches the victim with a low impact proposal that makes the victim despise the risk or lower his/her defences in view of the low potential extension of damage. Once he/she has overcome this stage without any losses, the victim starts believing in the fraudster and is more susceptible of falling into the second trap, this time, with a lot more impact.
- **Golden Handcuff.** Based on the strategy of involving the victim little by little without each con representing high risk, without spending a lot of money, time or favours. After a few stages without any damage, even though there is suspicion on approach, he/she wonders whether or not to abandon the cycle and lose the resources invested, or continue risking and obtaining the benefits promised if it is genuine.

As you can see, there are many techniques and methods to persuade victim, and this Christmas, it won't be any different. That is why, despite the importance of festivities and the humanitarian feeling brought about by this time of year, stay alert and don't become a victim of the false Father Christmas. Be careful with electronic Christmas cards, their links and promises. Be aware of e-mails from friends supposedly distant who suddenly try and get in touch with you. Be careful with fantastic promotions that require immediate action so that you won't miss out on any of them. Be aware of false threats of credit and debit card cancellation, the closing of your bank account or debit notices that announce the failure of your Christmas shopping. Also, be careful with e-mails of electronic purchase receipts that try and get mixed in with true ones. Everyone knows it is Christmas, but there is a limit for charity. Merry Christmas! Source: www.fraudes.org

Marcos Sêmola is Director of Risk Information Operations at Atos Origin, in London, CISM, BS7799 Lead Auditor, PCI Qualified Security Assessor; Member and founder of the Institute of Information Security Professionals of London. MBA in Applied Technology, Professor at FGV with specialisation in Negotiation and Strategy by London School, Bachelor in Computer Science, author of books on information security management, governance and competitive intelligence. Visit www.semola.com.br or contact marcos@semola.com.br

N.B.: This article expresses exclusively the personal opinion of the author, and does not represent necessarily the opinion of the company mentioned.