

THE OBSERVER



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Reporting Accurate and Objective Information Based on Facts, not Agenda-Setting Theories

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Scams, Schemes & Stocks

The Exploitation of Emotions

Part I

Break the silence! Share your knowledge with others. *Scammers are relying on the silence of the victim's to maintain the 'integrity' of their scams to steal victim's funds and/or identities.*

The many emotions experienced by the victim are elements for the criminal activity of a scam to promote silence. However, the victim (referred to as the "[pigeon](#)" by the confidence trickster) also should realize that a scam is a fraudulent business that involves:

- a network of people with designated duties. i.e. operating a Boiler Room of telemarketers to initiate contact and promote an idea, product or stock; initiates hype on internet chat forums; cons 'experts' to provide credibility via press or investor releases; often times never pays their bills and forces others to recover fees through litigation; [short-sells](#) stocks, engages in [wash-trading](#) and uses the [Pump and Dump](#) method which usually occurs over a one to two month period.
- illegal auditing practices and maintaining financial secrecy.
- has distributed funds in tax haven countries in off-shore accounts and has already initiated another scam to maintain the cash flow for the previous scam.

The globalization of [technology](#) assists the criminal element to exploit the vulnerabilities and emotions of individuals.

In 1997 a cyber investigative tool called the [Consumer Sentinel Network](#) began collecting fraud, financial transactions and identity complaint data supplied by the Federal Trade Commission and 125 organizations. This data is shared by law enforcement around the world. California, Florida, Texas and New York (in that order) have the most registered complaints.

Mass-marketing fraud schemes use multiple communication methods including the internet, mail, telephone and large audience meetings to initiate advance fee scams, bank/financial scams and investment opportunities. Work at home business opportunities, credit card interest reduction, internet auctions/sales, lottery/sweepstakes and romance schemes are also questionable. The obscurity of deception is the clever con.

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Tens of billions of dollars are estimated to be the financial loss resulting from mass marketing scams. Sometimes the victimization results in suicide. Unfortunately, there is no single report compiling financial losses within the U.S. or worldwide.

Warning: Some foreign-based [mass marketing fraud](#) schemes have resorted to kidnapping victims who have been persuaded to travel abroad.

The [National Do Not Call Registry Data Book](#) has 200 million active registrations. You can [register here](#) or you can call 1-888-382-1222 to register.

If your personal information has been compromised, the [Federal Trade Commission](#) advises that taking certain steps quickly can minimize the potential for the theft of your identity. Keep track of your financial transactions and credit card data by contacting:

[Equifax](#): 1-800-525-6285; P.O. Box 740241, Atlanta, GA 30374-0241

[Experian](#): 1-888-EXPERIAN (397-3742); P.O. Box 2002, Allen, TX 75013

[TransUnion](#): 1-800-680-7289; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834

To file a complaint about any type of Internet crime, you can [file an online complaint](#) with the [Internet Crime Complaint Center](#).

Report fraud activity and stop this victimization! Fraud is a crime!

Suggested Additional Reading:

US-Canada [Cross-Border Fraud Complaints 2010](#)

[Protecting Your Child's Personal Information at School](#)

CS/HB 5005 [Deregulation of Professions and Occupations](#)

The [Encyclopedia of Scams](#)

[Terminology](#) used in Scams