

Economic Crime

In 1997, the total estimated arrests (based on all reporting agencies and estimates for unreported areas) included: 414,600 arrests for fraud; 120,100 arrests for forgery and counterfeiting; 17,400 arrests for embezzlement; and 155,300 arrests for buying, receiving, and possessing stolen property. (*Federal Bureau of Investigation. (released November 22, 1998). Crime in the United States, Uniform Crime Reports, 1997, p. 222. Washington, DC: U.S. Department of Justice.*)

As of 1997, a total of 8,512 cases of financial institution fraud were being investigated by the U.S. Department of Justice. Of these, 3,859 involved reported losses of \$100,000 or more. (*Bureau of Justice Statistics, U.S. Department of Justice. (1998). Sourcebook of Criminal Justice Statistics 1997. Washington DC: US Government Printing Office.*)

Overall, the top five telemarketing scams reported to the National Fraud Information Center (established in 1992 by the nonprofit National Consumers League) in 1997 were: (1) prizes/sweepstakes; (2) advance fee loans; (3) work-at-home plans; (4) pay-per-call services; and (5) slamming (consumers tricked into switching their phone service to another carrier without their knowledge or consent). (*National Fraud Information Center. (1998). Washington, DC: National Consumers League.*)

The results of a nationwide study of fraud conducted by the National Institute of Justice found that 58 percent of survey respondents reported having experienced a fraud victimization or an attempted fraud victimization. (*Titus, R., Heinzelmann, F., & Boyle, J. (1995, August). "The Anatomy of Fraud: Report of a Nationwide Survey." National Institute of Justice Journal. Washington, DC: National Institute of Justice, U.S. Department of Justice.*)

Projected losses to telemarketing and direct personal marketing fraud schemes alone figure to be more than \$40 billion annually. (*Ibid.*)

It is estimated that as little as 15 percent of fraud victims report cases of fraud to the police or other law enforcement agencies. (*Ibid.*)

According to the latest survey by the American Bankers Association, check fraud accounts for losses of at least \$815 million a year, or more than 12 times the \$65 million taken in bank robberies annually. (*San Jose Mercury News, Wednesday, January 2, 1996.*)

Contradictory to common belief, older people are less likely to be victims of fraud than younger people. Older people are, however, more likely to report economic crimes than their younger counterparts. (*Titus, R., Heinzelmann, F., & Boyle, J. (1995, January). "Victimization of Persons by Fraud." Crime and Delinquency, 41:1:58. Washington, DC: National Institute of Justice, U.S. Department of Justice.*)

Of successful fraud attempts, respondents to a study conducted by the National Institute of Justice indicated that of those respondents who fell prey to a fraud scheme, 85 percent lost money or property; 20 percent suffered financial or personal credit problems; 14 percent suffered health or emotional problems directly related to their victimization; and 14 percent of fraud victims lost time from work. (*Ibid, p. 54*)

Note: OVC makes no representation concerning the accuracy of data from non-Department of Justice sources.