

CREDIT CARD FRAUD/PHISHING



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I. What is Credit Card Fraud / Phishing?

Credit card fraud is the unauthorized and illegal use of a credit card to purchase property.

"Phishing" is a form of Internet fraud that aims to steal valuable information such as credit cards, social security numbers, user IDs and passwords by acting as a trustworthy person or business in an electronic communication.

For example: sending an e-mail to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

A fake website is created that is similar to that of a legitimate organization, typically a financial institution such as a bank or insurance company. An email is sent requesting that the recipient access the fake website (which will usually be a replica of a trusted site) and enter their personal details, including security access codes, credit cards numbers, social security numbers, user IDs and passwords.
Source: www.computerworld.com
www.techweb.com

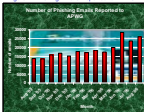
II. What Makes Credit Card Fraud / Phishing Fraudulent?

The "fraud" in credit card fraud is the obtaining/use of ones credit card/credit card number by others without their consent (typically through theft or guile), thereby fraudulently representing the true card/account holder in order to make unauthorized purchases.

In phishing schemes, the fraud is the misrepresentation of a legitimate company or service through creating a "dummy" website that mirrors the actual, legitimate website to further an illegal act (in this case credit card fraud). Furthermore, the e-mails or other media sent to the consumer is also a fraudulent representation of a company.

III. Credit Card Phishing Trends

Figure 1: Phishing Emails Reported to APWG



fraud data. As can be seen from Figure 1, in one year's time, the number of fraudulent phishing emails reported to the APWG nearly doubled, rising from a total of 13,776 fraudulent emails during Aug. 2005 to a total of 26,150 fraudulent emails reported during Aug. 2006.

Figure 2 graphically displays the number of new internet phishing sites reported to the APWG by month. The trends in new phishing sites reported is similar to the number of fraudulent emails displayed in Figure 1. In Aug. 2004 there were 727 phishing sites reported to APWG, which steadily rose to a high of 14,191 in Jul. 2006.

Figure 2: New Internet Phishing Sites Reported to APWG

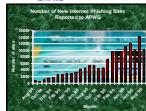


Figure 3 displays the top 10 countries from which reported phishing sites and emails originate from by percentage. The U.S.A. hosts the greatest percentage of phishing sites with 27.88% of all reported sites.

Figure 3: Top 10 Phishing Site Hosting Countries



*Data obtained from the Anti-Phishing Working Group (www.antiphishing.org)

IV. Is Credit Card Fraud Illegal?

Credit Card Fraud Is illegal in all 50 states.

Engaging in credit card fraud in Illinois is a misdemeanor for fraudulent purchases under \$250 and is a felony for purchases over \$250. If found guilty, a defendant can face a prison sentence of up to ten years and a \$10,000 fine.

In addition, credit card fraud violates the Federal Credit Card Fraud Act of 1984.

Source: <http://www.fraudcenter.com/criminalawdatabase>

Credit card fraud is a very serious crime and should be reported as soon as any suspicious activity takes place. Cardholders are not held responsible for fraudulent purchases on their account after reporting it to their creditor, and can only be held responsible for a maximum of \$50. The merchant victim can be held responsible for 100% of fraudulent purchases.

The Federal Trade Commission will investigate cases of fraud resulting in over \$2,000 in fraudulent purchases.

Source: http://en.wikipedia.org/wiki/Credit_card_fraud

VI. Acknowledgements

This poster has been created by students of SIU-Carbondale who are enrolled in AJ 461-White Collar Crime. In no way should this information be taken as legal advice.

If you believe that you have been a victim of credit card fraud you should contact one or more of the following agencies.

Better Business Bureau 314-645-3300

Illinois Attorney General 1-800-243-0607

Federal Trade Commission 1-877-382-4357

Your Local Police Department