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Fraud Report Statistics from the Data Book 2018

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The Federal Trade Commission (FTC) released the "Consumer Sentinel Network: Data Book 2018" in February 2019. The report was generated from consumer complaints to the FTC that were stored in Consumer Sentinel Network (Sentinel), along with reports that were filed by consumer-focused organizations and law enforcement agencies. The information stored in Sentinel is used by law enforcement to identify trends in fraud, theft and other scams. According to the FTC, "During 2018, Sentinel received nearly 3 million consumer reports, which the FTC has sorted into 29 top categories." The Data Book represents those nearly 3 million consumer reports and presents the data in graphical format to make the data more easily understood. The data sets that are represented in the report are available on the FTC's website for a more in-depth study of data.

The largest percentage of reports, 48% of the total (or 1.4 million reports), were due to fraud. Of those 1.4 million, 25% reported a financial loss totaling \$1.48 billion as a result of the fraud, and a median loss of \$375. Imposter scams were the most common category of fraud, with 535,000 reported and total losses of \$488 million. An imposter scam is when a perpetrator impersonates another person or a group that the victim trusts and then convinces the victim to give him money. Not all scams are successful, but one in five imposter scams resulted in financial loss, resulting in a median loss of \$500. Telephone and mobile services fraud and shop-at-home and catalog sales fraud round-out the top three most common fraud categories, with 165,000 and 143,000 reports, respectively.

Other interesting statistics presented in the Data Book 2018:

- The number of fraud reports in the \$1 - \$1,000 range were 266,000, with 80,000 of those losses being within the \$1 - \$100 range.
- Wire transfers were the payment method with the highest number of reports, 101,000, and highest dollar value of total loss, \$423 million.
- By far, the phone was the most common contact method, with 69% listing the phone, and also the most in total losses with \$429 million. The next most common method, and also second highest total losses, was website or other with 12%, and \$227 million in losses.

It is clear by reviewing the data that many of the frauds reported to Sentinel were relatively low-dollar value, but the number of reports and total reported losses are significant at the state and national level. It is also important to note that

while the dollar values are relatively low, for the individuals who filed the reports, the losses may have been personally significant or resulted in personal hardship. At Schneider Downs, we are committed to helping our communities, and bringing awareness to the trends in consumer fraud helps to serve that purpose. For more information on fraud prevention or detection, contact Tom Pratt at tpratt@schneiderdowns.com or Brian Webster at bwebster@schneiderdowns.com or any member of the Schneider Downs client service team.

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