

Research shows internet crime increasing in Florida, other states

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Ohio and Washington emerged as new hotspots for internet crime in 2019, though California continues to lead with the largest online fraud victim losses and number of victims, according to research from the Center for Forensic Accounting in Florida Atlantic University's College of Business.

California online victim losses increased 27 percent from 2018 to \$573.6 million in 2019. The number of victims in California increased by 2 percent to 50,000.

Florida ranked second in victim losses (\$293 million) and also posted the largest annual increase in both victim losses and number of victims over the past five years. The average loss per victim in the Sunshine State grew from \$4,700 in 2015 to \$10,800 in 2019, while the average victim loss jumped 46 percent from 2018.

When victim losses are adjusted for population, Ohio had the largest loss rate in 2019 at \$22.6 million per 1 million in population, rising sharply from \$8.4 million in 2018. Washington had the highest victim rate at 1,720 per 1 million in population.

Ohio and Washington replaced North Carolina and Virginia, which ranked among the top states in 2018.

The other top states in the latest [internet crime](#) report were New York and Texas. The report is based on statistics from the FBI, which collects data from victims reporting alleged internet crimes.

"Fraudsters are getting more efficient at going after where the money is," said Michael Crain, DBA, director of FAU's Center for Forensic Accounting. "There doesn't seem to be any mitigation of the growing trend of online crime. The first line of defense from online fraud is not a technology solution or even law enforcement; it's user awareness. From a policy perspective, governments and other institutions should get the word out more so that individuals and organizations are more sensitive to online threats."

Crimes such as extortion, government impersonation and spoofing became more noticeable last year for their increases in victim losses and number of victims, according to the report. Business email compromise/email account compromise (BEC/EAC) remains the top internet crime in 2019 with reported losses of \$1.8 billion, followed by confidence fraud/romance (\$475 million) and spoofing (\$300 million)

schemes.

Spoofing, the falsifying of email contact information to make it appear to have been originated by a trustworthy source, was the crime with the largest percentage increase in victim losses (330 percent) of the top states during 2019.

BEC/EAC, in which business or personal email accounts are hacked or spoofed to request wire transfers, accounted for 30 percent to 90 percent of all victim losses last year in the top states and has grown significantly since 2015.

In confidence fraud/romance, an online swindler pretends to be in a friendly, romantic or family relationship to win the trust of the victim to obtain money or possessions.

For online investment fraud, in which scammers often lure seniors with promises of high returns, California leads the top states with \$37.8 million in victim losses, but Florida's population-adjusted loss rate of \$1.1 million makes it the state where victims are likely to lose the most money.

A major problem is that most internet crime appears to originate outside the United States and the jurisdiction of U.S. authorities.

"Foreign sources of internet crimes on U.S. residents and businesses make it challenging for whether [internet crime](#) levels can be reduced as the public becomes more connected and dependent on the internet," the report states.

More information: FAU Internet Crime Research Reports are available online: business.fau.edu/internetcrime

Provided by Florida Atlantic University

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