

Corruption Prevention Network Conference

Cyber Scams



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Today?

- What's happening?
- Anecdotal observation
 - A model of misbehavior?
- Technology and enforcement
 - Challenges
 - Operational risk factors
- Response
 - Solutions



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Latest Internet Stats

- 5 Million Oz Internet Subscribers
- Increase of 513,000 in 1 yr
- 98% new = household subscribers
- Broadband users have shrunk
- Less data being downloaded?
- Dial-up increased by 470,000 in 1 yr
- ISPs down to 554
- POPs down 14% to 1,687



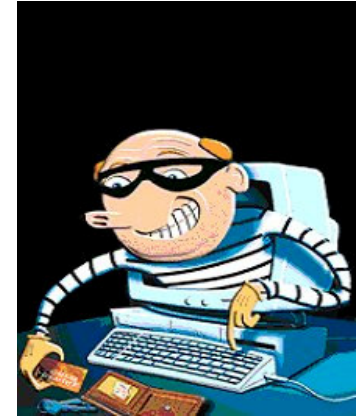
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Internet Activity Report. Australian Bureau of Statistics.

1st September 2003

ASIC Concerns

Stock Market Manipulation



Illegal Investment Schemes

Exotic Schemes

Unlicensed Advice

Lack of Disclosure

Fraudulent Scams



Share Hawking

False & Misleading Statements



New Scams?

- Going “phishing”?
- Duplicate web sites
- ?
- ?



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Anecdotal observation

Illegal fundraising: 3 types of people

- Empower ed user
- Ent r epr eneur
- Criminal r ecidivist

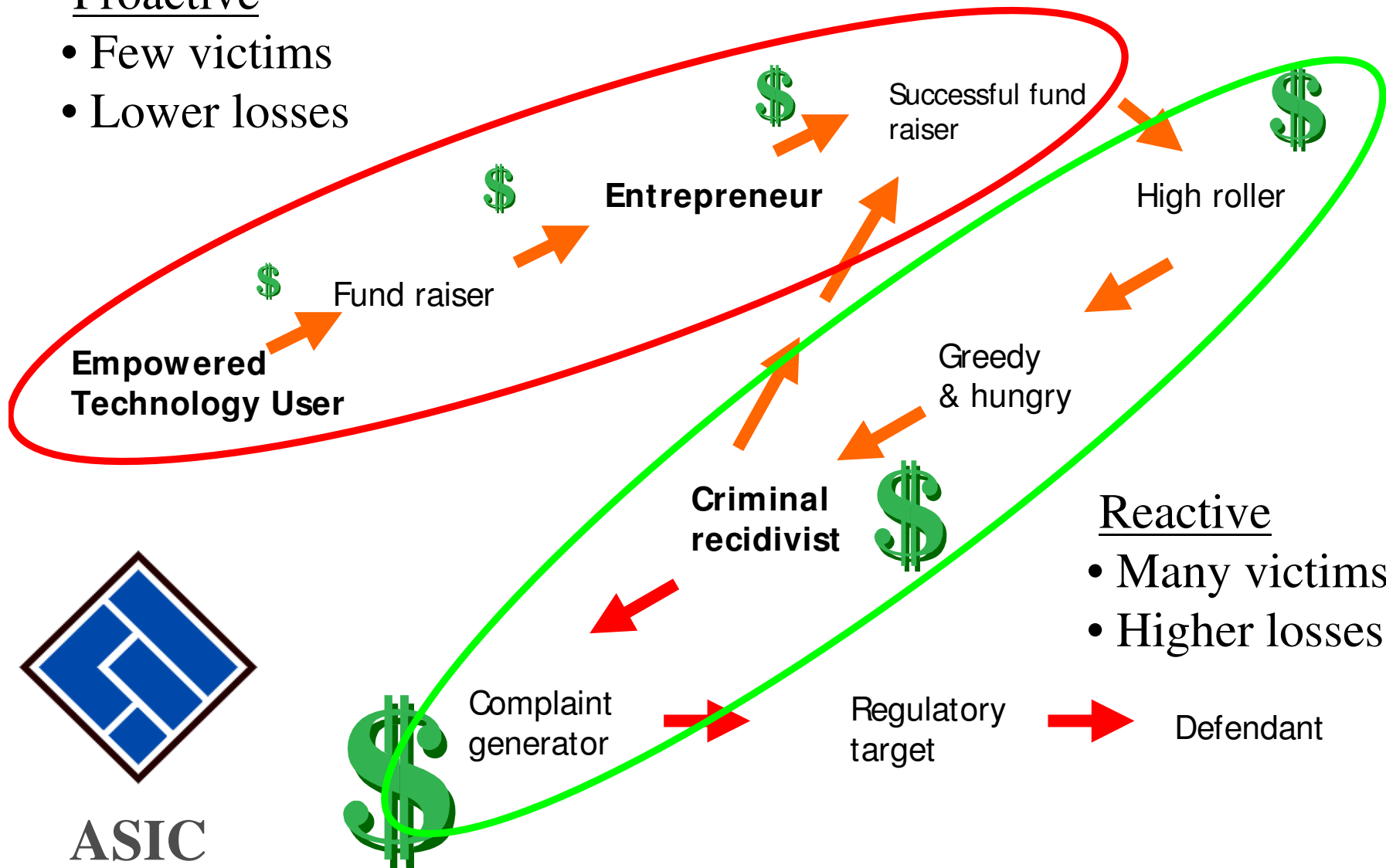


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Life cycle of a fraudster?

Proactive

- Few victims
- Lower losses



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Reactive

- Many victims
- Higher losses

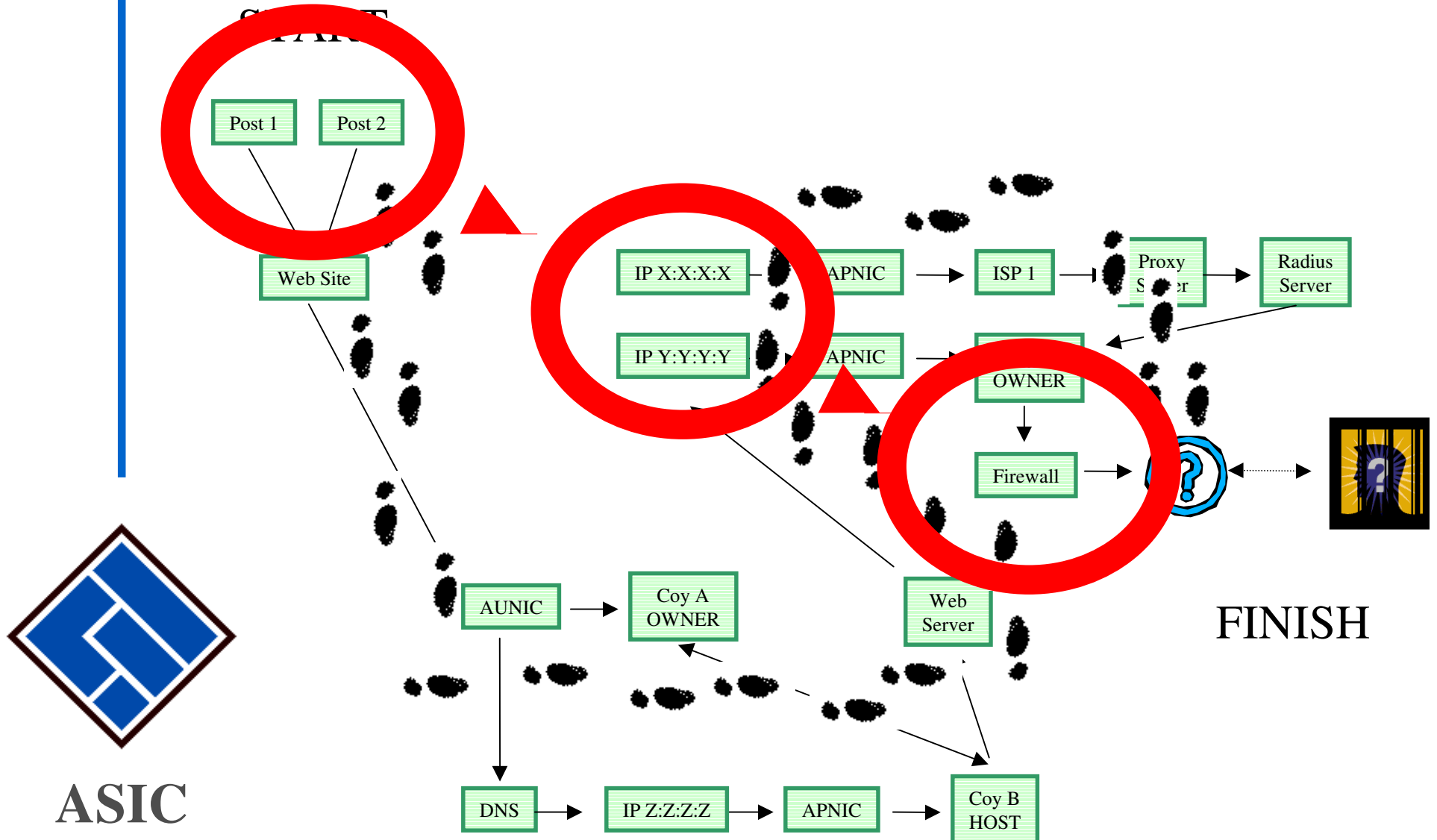
Challenges posed by technology

- The borderless & Global nature
- Affordability & Accessibility
- Anonymity
- Speed, Immediacy & Volume
- Lack of collateral information



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Operational Risk Factors



Operational Risk Factors

- Public owned infrastructure
- Integrity of public registers
- Reliance on others to keep records
- Access to technical expertise



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Law Enforcement Response

- Environment Hardening

- Consumer awareness raising & education
- The adoption of risk management strategies
- The development of ICT security response
- IT Sec Skills development
- Use of Digital Authentication

- Bolstering Capabilities

- Updating powers
- Skills development
- International agreements
- Improving intelligence
- Developing new Tools



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Developing new tools

- Internet Media Monitoring

“The total amount of public material to be scanned for such targeted monitoring amounts to some 50 or so Gigabytes per day worldwide. “

RGEC Report - Research and Technical Advice
Volume 3 - Dec 1999



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ASIC Surf days

- 20 people
- 'Surfing' for 4 hrs each
- 1000+ web pages viewed
- 100 suspect pages
- 10 possible contraventions
- 2 likely enforcement outcomes



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SCAMSEEK

Australia's largest Language Technology research project



- **Internet Document Classification System**

- \$1M Research Budget
- Linguists identify distinctive features
- Machine learning strategies for deep analysis
- Named entity recognition
- Web Spider (24/7)

- **Partners**

- CMCRC; ASIC; Sydney Uni; Macquarie Uni
- Project Director, Prof Jon Patrick

- **Interim results: October 2003**



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SCAMSEEK

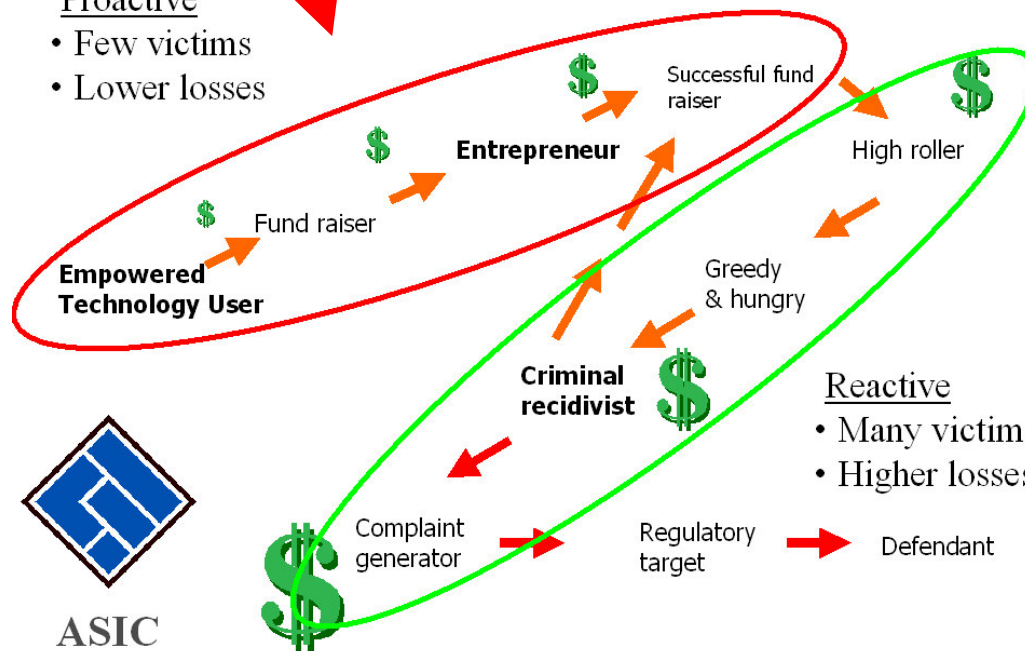
Australia's largest Language Technology research project



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Questions?



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