

Internet fraud essay



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Philip A. Agre says that, “ Computer networks have a tremendous capacity... to bring people together by extending the already diverse and complex ties that people have among themselves. ” The Internet technology connects almost everyone, but it also has its complications. This paper focuses on one main problem Internet users may encounter. It is limited through certain books, dictionaries, and internet sources that are accessible. The writer used books for facts and figures, dictionaries for descriptive purposes, and credible online sources such as the United States Department of Justice website.

During the late 1970s and early 1980s there were only a few and small communities using the Internet. Less than a million people were in the “ online world”. Today, the Internet has become a very significant part of life for most people, especially in industrialized countries. There are now over 50 million people online. All kinds of information are available through the Internet at less cost or no cost at all. The Internet provides facts and ideas that are useful for the society, but the Internet is also a tool for fraud.

The Internet “ is a system of linked computer networks, worldwide in scope that facilitates data communication services such as remote login, file transfer, electronic mail, and news group. The Internet is a ways of connecting existing computer networks that greatly extends the reach of each participating system”. Anyone can search the Internet through search engines and websites. A search engine is a program wherein you can just type in the keyword of the subject matter and you will get a list of websites having the information you need.

Yahoo and Google are examples of a search engines. On the other hand, a website is a “ group of related HTML documents and associated files, scripts, and databases” that is presented through text, images, buttons and links. Through these Internet applications anyone can use the Internet with ease. The Internet has become a very significant part of life for most people in advanced countries. All kinds of information and resources are made available at no cost by the Internet. The Internet provides facts and ideas that are useful for our society.

It enables people to gather information for all sorts of uses. There are many types of data available through the Internet. It ranges from every idea known to man, ranging from academic aid and assistance, government laws and services, trade fairs and conferences, market information, new ideas and technical support. One often used application of the Internet is the e-mail, truncated from the word electronic mail. Anyone can be able to compose, send, forward, store, and receive messages over the Internet, provided an e-mail account.

E-mail is fast and reliable, making people communicate faster and with convenience. E-mail enables people from all parts of the globe send mails through the Internet. The Internet is a great way to meet up with different communities of similar interest and discuss common issues. Individuals and groups all over the world have gotten together on the Internet to explore mutual interests. McDorman says that, “ environmental and political causes, entertainment, pets, sports, leisure activities, the arts, and the sciences are just some of the popular topics updated on the Internet. The Internet aids for the construction, sharing and evaluation of ideas. The Internet is a very

effective way to buy and sell products all over the world. It is for that reason why business companies have moved into the Internet. The Internet serves as an excellent tool for the business industry or e-commerce, allowing them to effortlessly and inexpensively advertise their product. The business industry relies on communication between individuals who are physically remote from one another.

Participating in a person to audience meeting can be time consuming and expensive, but through the Internet, individuals and companies are able to communicate with a large audience without spending lots of time, effort, and money. “ Fraud is the act of obtaining title to property through deception or trickery constitutes the crime of criminal fraud”. Unfortunately, fraud schemes happen in the Internet. It is for the fact that almost all sectors of the industrialized world use the Internet; there will be groups of individuals who would take advantage of this new market to steal from the populace.

This is the problem of Internet Fraud. According to United States Department of Justice, the term “ Internet fraud” generally refers to any type of fraud scheme that uses one or more online services – such as chat rooms, e-mail, message boards, or Websites – to present fraudulent solicitations to prospective victims, to conduct fraudulent transactions, or to transmit the proceeds of fraud to financial institutions or to others connected with the scheme. Internet fraud is a problem that has become very widespread in recent years. Internet fraud was first monitored by the Internet Fraud Watch organization in 1996.

The Fraud Watch has stated that each year after its inception internet fraud has increased. In 1998, the Securities and Exchange Commission established the Office of Internet Enforcement to fight online securities fraud which was another sign of how large the problem is becoming. Internet fraud is committed in several ways. The FBI and police agencies worldwide have assigned people to combat this instance of fraud; according to figures from the FBI, U. S. companies' losses due to Internet fraud in 2003 surpassed US\$500 million. In some cases, fictitious merchants advertise goods for very low prices and never deliver.

However, that type of fraud is small compared to criminals using stolen credit card information to buy products and services. Fraud criminals are likely to prefer small but valuable products, such as: jewelry, watches, cellular phones, cameras, and laptops. These items are usually merchandise that can be sold easily and has a broad range of appeal to the populace. Internet fraud has constantly developed different techniques of deceiving people. In some cases, a photograph of the product is sent in place of the real product. Most of the time, products are never sent to the customer after the bill is charged to their credit card accounts.

Internet fraud victims are left to pay the charges to their credit card companies. In general, the same types of fraud schemes that have victimized consumers for many years before the creation of the Internet are now appearing online, sometimes with particular modifications that are unique to Internet technology. With the massive growth of the Internet, and e-commerce in particular, online criminals try to present fraudulent schemes

in ways that look, as much as possible, like the products and services that legitimate business companies offer.

In the process, they not only cause harm to consumers and investors, but also weaken consumer assurance in legitimate business companies and the Internet. First of the most popular Internet fraud schemes is Identity fraud. Identity fraud is use of a person's name, social security number or other personal identifying records. Once equipped with these records the thief can open accounts and shelf up huge debts for products and services. These criminals also open up various accounts ranging from cell phones to bank accounts.

Once these accounts are recognized, they don't pay the bill and also write bad checks on that account. One easy way for criminals to obtain these data is through " SPAM" e-mails. SPAM e-mails promise benefits requiring certain identifying records. Identity fraud is mainly done through the use of stolen credit card information. Credit card information can be obtained in many ways, the simplest being copying information from retailers. There have been many cases of crackers obtaining huge quantities of credit card information from companies' databases.

In such case, the employees companies who handle millions of customers are selling credit card information to criminals. Despite the claims of the credit card industry and various merchants, using credit cards for online purchases can be insecure and carry a certain risk. Even so called " secure transactions" are not fully secure, since the information needs to be decrypted to plain text in order to process it. This is one of the points where

credit card information is typically stolen. Second of the most popular Internet fraud schemes are Purchase Scams.