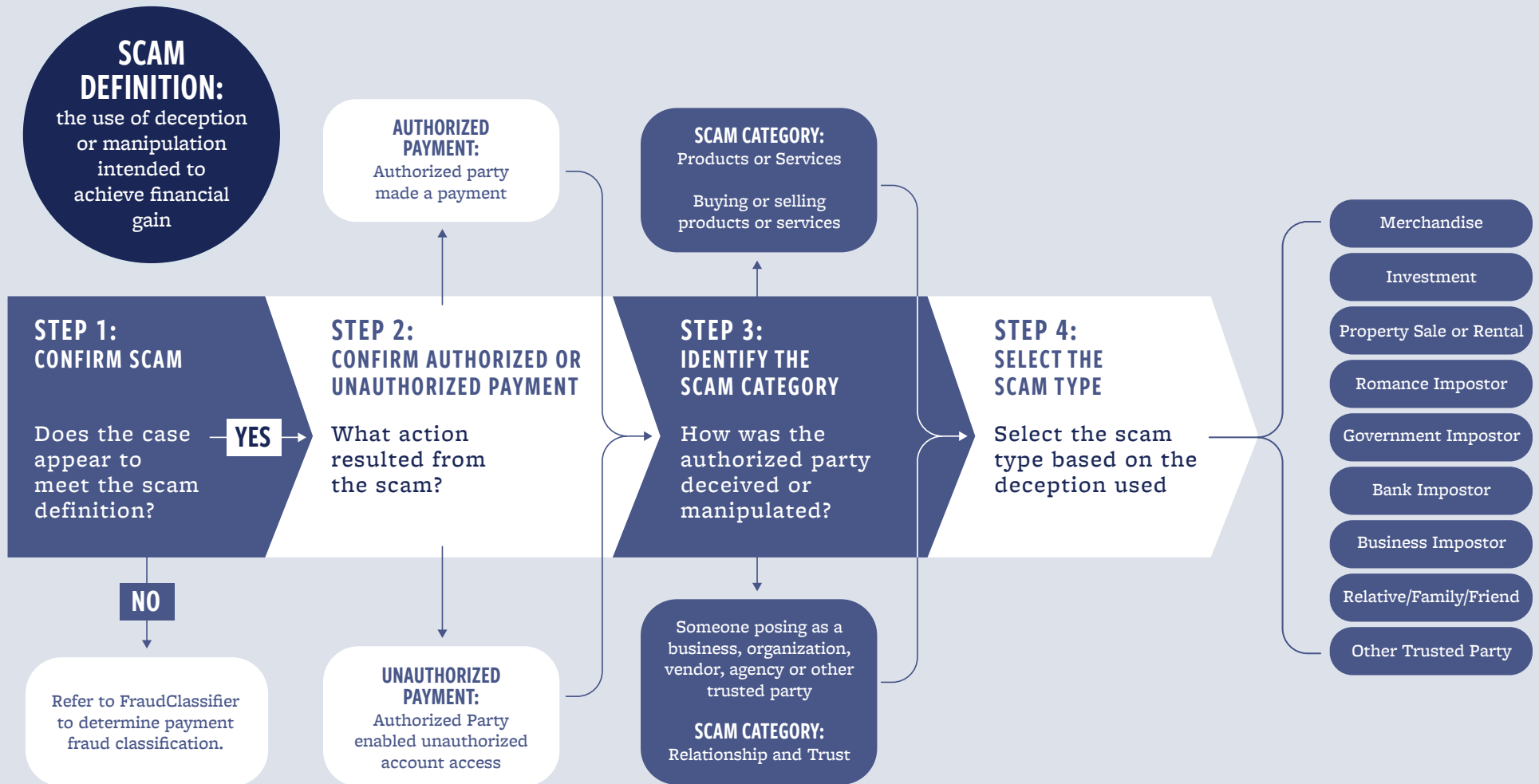# SCAM CLASSIFIER

The ScamClassifer℠ model supports consistent and detailed classification, reporting, analysis and identification of trends in scams. It uses a series of questions to differentiate and classify scams by categories and types, and provides a view of the full impact of scams by including cases that resulted in authorized payments, as well as unauthorized payments from account access. The model also can be used to capture attempted scams.

SCAM DEFINITION: the use of deception or manipulation intended to achieve financial gain

AUTHORIZED PAYMENT: Authorized party made a payment

SCAM CATEGORY: Products or Services — Buying or selling products or services

STEP 1: CONFIRM SCAM
Does the case appear to meet the scam definition?

YES

NO → Refer to FraudClassifier to determine payment fraud classification.

STEP 2: CONFIRM AUTHORIZED OR UNAUTHORIZED PAYMENT
What action resulted from the scam?

STEP 3: IDENTIFY THE SCAM CATEGORY
How was the authorized party deceived or manipulated?

STEP 4: SELECT THE SCAM TYPE
Select the scam type based on the deception used

UNAUTHORIZED PAYMENT: Authorized Party enabled unauthorized account access

Someone posing as a business, organization, vendor, agency or other trusted party
SCAM CATEGORY: Relationship and Trust

- Merchandise
- Investment
- Property Sale or Rental
- Romance Impostor
- Government Impostor
- Bank Impostor
- Business Impostor
- Relative/Family/Friend
- Other Trusted Party

EXAMPLES OF STEPS AND RESULTS:
Scam ▶ Authorized Payment ▶ Relationship and Trust ▶ Bank Impostor
Scam ▶ Unauthorized Payment ▶ Products and Services ▶ Merchandise

KEY TERMS AND DEFINITIONS

Authorized Payment

A payment entered or requested by a legitimate account owner or user from the owner's account.

Unauthorized Payment

A payment entered or requested by a third party who has no legitimate right to move money from another entity's account.

SCAM CATEGORIES AND DEFINITIONS

Products or Services

A situation involving a transfer of funds in exchange for a product or service, irrespective of the nature of the relationship between the two parties, in which the receiver of the funds does not deliver the product or service or delivers a grossly inferior product or service than the one advertised or promised.

Relationship and Trust

A situation involving a transfer of funds to a trusted party, or an impostor acting as a trusted or authoritative party, where there is no expectation or promise of merchandise in exchange for the transferred funds. The seemingly trustworthy party can be an existing or emerging relationship or a party pretending to be an authority or reputable company.

SCAM TYPES DEFINITIONS AND EXAMPLES

Merchandise Scam

Purchase of merchandise that is never delivered or is substantially different from the advertised description or quality.

Scam examples: Online purchase scams, puppy and pet scams, and sales of fake sports or concert tickets, counterfeit prescription drugs or fake anti-aging remedies.

Investment Scam

An investment in a financial asset with expectation of a high return rate based on false promises.

Scam examples: Investments in fake business opportunities, fake cryptocurrency purchases or buying precious metals that do not exist.

Property Sale or Rental Scam

The purchase or rental of a home, apartment, or property that was fictitious, was not made available, or was not rightfully owned by the offering party or agent.

Scam examples: Making a down payment for a new home purchase or rental that is not for sale/rent by the real owners. Paying for a fake rental property offered online.

Romance Impostor Scam

The use of a fictitious online identity to establish a trusted relationship (romance or friendship) with another person with the intent to request money by using a false situation to create a sense of urgency.

Scam examples: Travel expenses requested for a visit to further the relationship, money requested for medical bills, car or home repairs, family emergencies or to access restricted funds.

Government Impostor Scam

A person poses as an employee of a government agency, law enforcement, or a trusted authority like a court representative to deceive an authorized party to make a payment or provide sensitive information often based on the potential for negative consequences like arrest, financial penalties or reputational harm.

Scam examples: IRS back taxes, arrest warrant issued, agency penalties or fines, government refund offers, Medicare/benefits coverage offers.

Bank Impostor Scam

A person poses as a legitimate financial institution, bank department or bank representative to deceive individuals or businesses into revealing confidential banking information or as a bank impostor, instructing a customer to make a payment to protect the customer's money.

Scam examples: Posing as a fraud department, bank security department or bank customer service representative to request funds be moved to a secure account, request login credentials or obtain a one-time passcode from an account holder.

Business Impostor Scam

A type of deception where an individual poses as a legitimate business, company or brand to deceive a victim into making payments or providing sensitive information.

Scam examples: Tech support, business email compromise (BEC), lottery/prizes, employment offer, utility bill payment offer, student loan forgiveness, adoption scam, advanced fee scam, fake healthcare offers, prepaid funeral expenses, CEO/treasurer impostor, mortgage/title company down payment or closing costs, fake invoice payment scam, airline/travel offer scam, shipping/delivery company scam.

Relative/Family/Friend Scam

A person poses as a family member or someone representing a family member who contacts a relative to request money to help the family member based on a false situation or emergency.

Scam examples: Grandparent scam, fake kidnapping, fake travel issues or accidents, fake arrests.

Other Trusted Party Scam

A person poses as a specific role to engage another person to request money based on a false expectation.

Scam examples: Charity/disaster relief impostor scams, babysitter scam (posing as a potential customer).

Additional information about the connections between the ScamClassifier and FraudClassifier models can be found on FedPaymentsImprovement.org.

Learn more about the ScamClassifier model at FedPaymentsImprovement.org

SCAM CLASSIFIER