

Fraud Victims' Reaction and Crime Prevention in Nigeria: The Role of a Knowledge Economy

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Abstract—Fraud has been in existence throughout history. A combination of the social and economic factors such as age, gender, sex, income and marital status have been identified by many scholars to affect the perpetrators choice of victimization to a large extent. The impact of fraud on victims is very important as it is similar to the impact of other crimes on those affected. Victim's reaction to fraud differs; victims sometimes lose trust in their own judgment and also they lose trust in others, the victim feels a sense of betrayal especially if the perpetrator(s) is someone they know. Also due to fear of criticism, they sometimes hesitate to tell family members, friends or colleagues about their victimization. Fraud can destroy victims financial security, sometimes that of loved ones. However, not everyone has the same reaction, for some people, the reaction may even be delayed for some days, weeks or even months, recovering from fraud can be a difficult experience after a personal experience of this kind. This study investigates the factors that determine how fraud victims react in Covenant University Community of Ota, Ogun State, Nigeria. The snowball sampling technique was adopted to select 203 persons who have been defrauded in one form or the other. The survey questionnaire instrument of data collection was used to elicit responses from the respondents. Data were analysed with descriptive statistical tools. Findings show that age, sex, level of education, marital status and employment status have significant relationship with victim's willingness to report when defrauded. It is recommended that public enlightenment programmes be established to educate the masses on the positive outcome of reporting fraud by victims thereby building a knowledgeable economy to tackle fraud perpetration.

Keywords—*Fraud victims, Crime prevention, Covenant University*

I. INTRODUCTION

This kind of fraud is an after effect of modernization and globalization which has led to a higher rate of capitalism. There is need to therefore to locate a perpetual answer for the issue of internet fraud especially when one considers the measure of danger that online exchanges predict for the universe of business now and soon. Henceforth there is requirement for an unconstrained and able solution for misrepresentation related dangers to be interceded by means of the web. There have been diverse studies which have extreme endeavours on the foundations of association between the rising way of innovative business and exchange, human environment, the expansion of extortion and the aide suspicion rotating about the security of online dealings all inclusive.

One of such studies is Kovacich [1] which made individuals realize that exchange on a worldwide level has been increasing for a considerable length of time, and it is anticipated to continue ascending in a few ranges expanding exponentially and all the more rapidly before. Along these lines drawing from a conclusion from the discoveries of Forrester Research (2001) and putting Kovacich's study in the system of his discoveries, it was prior predicted that somewhere around 2001 and 2006, \$1 trillion worth of merchandise and administrations worldwide would be procured online and controlled by data set up concerning item and administrations

This anticipated result seems tremendous and its reality is evaluated to be helped by the web along these lines constantly raising anxiety about the level of monetary weight and hazard dispensable issues inborn in e-business field. Likewise it is plainly glaring that a decent number of countries would be commanded to glue to the web or web exchanging the assessed future when investigating the mode and level of online cost and the present extent of gaining merchandise and administrations around the world. This consciousness spots countries at a vantage purpose of dangers. For instance in the US, exchanging every now and again assumes the type of praise and check card while in Europe, while Asia and Africa cost and accepting of products and administrations happens utilizing bank or money exchanges and cash conveyance. While analyzing the after effect of this sort of instalment in relations to exchange everywhere throughout the world today, it might be compactly noticed that digital misrepresentation additionally appreciate more days of capacity if adequate moves are not made to catch its tide. Most scientists are of the conviction that extortion is on an increase both up in size and recurrence; it is hence difficult to know because of absence of satisfactory estimation.

There exist deficiencies of composing on the changing procedure that realized and managed the current digital extortion rehearse universally. Notwithstanding, there are some noteworthy commitments include Clough [2], and Montague [3]. While exhibiting the adjustment in the record of the beginning of extortion using the web, Clough (2010) clarifies that the thought about this different gathering of web wrongdoings emerged around the time that PCs turned out to be habitually utilized. As at the 1960s, there were reports of PC control, PC deficiency, PC surveillance and the illicit utilization of PC frameworks [4,2]. The need to go to digital related violations turned out to be all the more pressing inside

of the period spreading over the revelations of unlawful employments of the digital innovation as reported by McKnight [5] and which Clough [2] further buttressed by watching that the 70s saw coordinated consideration by partners to the difficulties of digital wrongdoing. In spite of the fact that Goodman and Brenner [6] had aptly enumerated the typologies of wrongdoing that swarmed the digital environment in the 70s, it was particularly seen by Clough that digital aberrance was limited to the robbery of telecom administrations and fake exchange of electronic assets. He laid accentuation that in consequent decades; the expanding systems administration of PCs and the multiplication of PCs changed PC wrongdoing and saw the presentation of particular PC wrongdoing laws which got to be another historic point. The worry of digital law in his perspective includes unapproved access and monetary related wrongdoing recently bolstered by the web innovation.

Likewise, Montague [3] contends that the year 1994 proclaimed the happening to e-trade and it matched with a period when the web developed in its backing for volumes of exchange going on universally. Somewhat further from this period likewise saw the invasions of various sorts of extortion which happened on a worldwide scale. The first to be seen was the utilization of well known names to confer extortion. This includes utilizing stolen MasterCard to execute business under the spread name of powerful individual in the general public. The rapture of the opening to the web offers likewise blinded clients from verifying the validity of the personalities of individual in cooperation. Cyber fraud in its outset focused on particular targets yet from that point transformed into illicit interruptions influencing sizeable sites. .

As indicated by the United Nations Development Program (UNDP) 2006 Human Development Report, somewhere around half and 70% of the industrialized nations populace had entry to the web in 2005. This indications that around 2% of web clients had been casualty of web based extortion every year. In 2005 the web based misrepresentation of these industrialized nations had achieved the predominance level comparable or over those of traditional property wrongdoings, for example, auto burglary or pick stashing. It is likely that pervasiveness rate of web based extortion had soared subsequent to both access to web and e-trade (the utilization of web for shopping) got to be regular in 2005.

Nations or urban communities with similarly high rates of exploitation by web based fakes are a blended gathering as far as web use. It contains both nations where web is most generally utilized (the USA and the UK) and nations that are mechanically less propelled (Bulgaria and Peru). As far as web use, areas with low exploitation rates have all the earmarks of being heterogeneous. For instance the utilization of web for business exchange is exceptionally normal in Iceland and Finland where web based misrepresentation is extremely uncommon. Because of the appearance of innovation, a lot of Nigerian adolescents have been included in digital extortion, through examines made it has been seen that these culprits make utilization of the digital bistro to lead this criminal demonstration. As indicated by the Nigerian Deposit Insurance Cooperation (NDIC) in 2011, 108 instances of online misrepresentation were recorded and in 2014, one of the sorts

of extortion that achieved an expansion in the normal/real misfortune in misrepresentation was because of online misrepresentation.

II. ATM (AUTOMATED TELLER MACHINE) FRAUD AND ITS PREVALENCE

Ogunsemore [7] describes ATM as a money allocator desired by clients because it entails the managing of an account without coming into contact with Bank Tellers (Cashiers). Consequently, the ATM executes the conventional assignment of bank clerks and other counter staff, it is electronically run and all things considered reaction to a solicitation by a client is done instantly. The current time has substituted the conventional budgetary instrument which is the paper and metal monetary instrument to plastic cash to assorted structures, for example, Mastercards, charge cards, expert cards and so on. The change to the utilization of these assortment of 'plastic cash' has achieved an expansion in the utilization of ATM worldwide.

Fraud done through the use of ATM points to misrepresentation through the use of an ATM card whereby the culprit makes utilization of the card to extort reserves from a users account making use of PIN based exchange at the ATM. For instance a culprit might get his casualties PIN and utilize it to pull back through the Automated Teller Machine (ATM) without the casualty learning about this. The general strategy utilized is to acquire an ATM card, by such the culprit takes the casualty's card. The latest strategy received is to trap the card inside of the ATM machine reader of cards with a gadget called Lebanese circle, all things considered when the client can't get his card and gets baffled in this manner leaving the machine, the culprit of the wrongdoing will get rid of the card and pull back money from the client's record.

The utilization of ATM has been seen as protected as well as helpful, this advantage of security and comfort has however has come along with a noteworthy weaknesses which is the false demonstration surrendered to by culprits through the use of these 'plastic cash'. The installment of bills, for example, power, school expenses, telephone charges, protection premium, voyaging charges and even petrol bills has made the utilization of ATM cards more crucial in the saving money framework on the loose. The expanding utilization of ATMs in Nigerian banks expanded from 6.3% in 2005 to 83% in 2006, in 2007 the utilization of ATMs was 289% and in 2008, 95% (Inter-switch Reports 2008). The bring up in the measure of clients utilizing ATM additionally increased the inclination to deceitful practices by the ATMs misrepresentation culprits.

Obiano [8] faulted the hazard of ATM cheats for aimless issue of ATM card without respect to the client's education level. For him, one of the incessant reasons of misrepresentation is because of the remissness of clients with their cards and stick numbers and additionally their response to spontaneous email and instant messages to offer their card points of interest. It is clear, therefore, that the present upsurge and evil activity of Automated Teller Machine (ATM) fraudster is debilitating electronic installment framework in the managing an account division of the country with the utilizations undermining gigantic dumping of the cards if the unwholesome demonstration is not abridged. As per DCDS

Ibrahim Shazali, of the bank of misrepresentation of EFCC, online exchange in Nigeria somewhere around 2012 and 2014 represents that real misfortune from ATM expanded from N55million to N2.7billion in 2014.

The ATM maker NCR Corp in the United States alert that ATM skimming episodes are on a rise. From the notice ready which NCR issued in July 23rd, ATMs of assorted types and model have seen increments in skimming assaults as of late. NCR says that this caution was issued because of the ascent in ATM skimming occurrences in the wake of getting different reports from managing account foundations about ATM bargains. This ready notes that numerous skimming episodes likewise includes putting set up little cameras near the ATMs PIN cushion to catch the PIN as they are entered for the withdrawal of money. As indicated by Owen Wild skimming has turned into the number one type of assault on ATMs for a long time. He additionally expresses that following the accurate figures for occurrences of ATM skimming is muddled; most makes base patterns on information they get from bank and credit union clients.

Indeed, even with the risk set up by these fraudsters, the banks are not giving their everything to reduce this occurrence when contrasted proportionately and the exertion put in by the fraudsters to swindle clients, as the innovation of ATM continues creating there will likewise be as good as ever courses for these culprits to do their demonstrations.

III. FINDINGS

- a. Most respondents were female
- b. Most respondents were between ages 15-20 years
- c. Most respondents were in their final year
- d. ATM fraud was the most frequent platform through which the respondents were victimized.
- e. Most respondents did not report their victimization.
- f. Most respondents did not report because they were confused on who to report to.
- g. Respondents who reported did that to colleagues as against a law enforcement agency.
- h. Most respondents reported many days later
- i. Most of those who reported to the law enforcement agencies, they mentioned that their cases were not attended to because their report was considered trivial.

- j. Among those whose cases were attended to by the law enforcement agencies, they reported that they recovered their losses.
- k. Most of those who did not report mentioned that it was because they were embarrassed and blamed themselves for the victimization.
- l. Most of the respondents revealed that their victimization affected their emotional stability.
- m. Some others mentioned health challenges as arising from the victimization.
- n. Financial crisis was also mentioned by some of the victims.

IV. CONCLUSION AND RECOMMENDATION

It is clear from this study that fraud reporting can help regain losses and inform the law enforcement agencies on the best approach to prevent crime in society. It is therefore recommended that victims report crime as soon as possible to the appropriate authority for necessary actions to be taken. In the same vein, it is important that law enforcement agencies be well monitored to ensure that they provide the necessary to victims when the need arise. Finally, there is need for intensive public enlightenment programmes to be organized across different mass media to train and motivate the public on the importance and process of reporting fraud when victimized by fraudsters.

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