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Kristy Holtfreter
Florida State University, Consumer Fraud Institute

Michael D. Reisig
Florida State University, Consumer Fraud Institute

Thomas G. Blomberg
Florida State University, College of Criminology

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CONSUMER FRAUD VICTIMIZATION IN FLORIDA: AN EMPIRICAL STUDY

KRISTY HOLTFRETER*

MICHAEL D. REISIG**

THOMAS G. BLOMBERG***

I. INTRODUCTION

Defined in general legal terms, fraud refers to "[a] knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment."[1] More specifically, *consumer fraud* is a form of economic crime that "involves some form of communication between victim and offender," and includes "the deliberate deception of the victim with the promise of goods, services, or other benefits that are nonexistent, unnecessary, were never intended to be provided, or were grossly misrepresented."[2] This form of illegal activity is a serious problem in the United States. Recent estimates show that nearly one-half of American adults have been targeted for some form of consumer fraud. Approximately twenty-five million of those targeted by fraudsters, or, alternatively stated, 11.2% of the American adult population were

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* Assistant Professor in the College of Criminology & Criminal Justice and Director of the Consumer Fraud Institute at Florida State University (B.A., University of Washington; M.S. & Ph.D., Michigan State University). This research was supported with funding from State of Florida, Office of the Attorney General. The authors thank former Attorney General Robert A. Butterworth for his support. A prior version of this manuscript was presented at the Economic Crime in the 21st Century conference held at St. Thomas University School of Law, Miami Gardens, FL, in March 2006.

** Associate Professor of Criminology at Florida State University (Ph.D., Washington State University). Professor Reisig's interests include survey research, applied statistics, and victimization.

*** Sheldon L. Messinger Professor of Criminology and Dean of the College of Criminology & Criminal Justice at Florida State University (Ph.D., University of California at Berkeley).

1. Further, under common law, three elements are required to prove fraud: a material false statement made with intent to deceive, a victim's reliance on the statement, and damages. BLACK'S LAW DICTIONARY 292 (5th ed. 1979).

2. Richard M. Titus, *The Victimology of Fraud* (September 1999) (unpublished manuscript, on file with the Australian Institute of Criminology). For a broader definition of consumer fraud, see STEPHEN M. ROSOFF, HENRY N. PONTELL, & ROBERT H. TILLMAN, PROFIT WITHOUT HONOR: WHITE-COLLAR CRIME AND THE LOOTING OF AMERICA 48 (Frank Mortimer, Jr. ed., Pearson Prentice Hall 2004).

victimized in 2004.[3] In terms of financial loss, consumer fraud costs victims approximately 680 million dollars annually.[4] These alarming statistics underscore the need for a comprehensive understanding of consumer fraud victimization.

Toward this end, the research presented in this article addresses several important consumer fraud concerns. Section II, Consumer Fraud Victimization, begins with an overview of Federal and State of Florida Legislation pertaining to consumer fraud, including a discussion of the history of legal policy efforts. Previously conducted consumer fraud research, including types of consumer fraud, victim vulnerability, and victim reporting, are also reviewed in this section. Section III describes the sample and methodology of the inaugural (2004-2005) Florida Consumer Fraud Survey. An analysis of these data is presented in Section IV, which is followed by a discussion of the study's implications for future research and public policy in Section V.

II. CONSUMER FRAUD VICTIMIZATION

A. FEDERAL LEGISLATION

Although some of the more recent legislative efforts addressing consumer fraud have focused on technology,[5] the origins of rules protecting consumers and punishing offenders are rooted in ancient cultures.[6] In the United States, a number of societal changes associated with the rise of industry and mass production influenced early governmental intervention in the marketplace to protect consumers.[7]

The federal government's active involvement in consumer protection was initiated with the Federal Trade Commission Act, signed into law by

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3. KEITH ANDERSON, CONSUMER FRAUD IN THE UNITED STATES: AN FTC SURVEY (2004), *available at* www.ftc.gov/reports/consumerfraud/040805confraudrpt.pdf (last visited Apr. 1, 2006).

4. CONSUMER FRAUD AND IDENTITY THEFT COMPLAINT DATA JANUARY 2005-DECEMBER 2005 (Jan. 2006), *available at* www.consumer.gov/sentinel/pubs/top10Fraud2005.pdf (last visited Apr. 1, 2006).

5. Consolidated Appropriations Act, 2005, Pub. L. No. 108-447, 118 Stat. 2809 (2004) (establishing the National Do Not Call Registry to restrict unsolicited telemarketing activities).

6. One of the earliest known references to consumer protection law can be found in the *Theodosian Code* of 438 A.D., which stipulated dire corporal punishment for violators. For more complete discussion of early regulatory practices and their evolution over the last two millennia, see Kristy Holtfreter, Shanna VanSlyke & Thomas G. Blomberg, *Sociolegal Change in Consumer Fraud: From Victim-Offender Interactions to Global Networks*, CRIME, LAW & SOC. CHANGE (forthcoming June 2006).

7. *Id.*

President Woodrow Wilson in 1914.[8] This Act created the Federal Trade Commission ("FTC"), an independent agency of the United States government. The Bureaus of Consumer Protection, Competition, and Economics govern the FTC's work. The primary function of the FTC is to ensure that the nation's markets operate competitively by eliminating unfair or deceptive practices. This is accomplished through enforcement of federal antitrust and consumer protection laws by investigating complaints against individual companies initiated by consumers, businesses, congressional inquiries, or media reports. Although the FTC is responsible for civil enforcement of antitrust laws, the United States Department of Justice has jurisdiction to bring both civil and criminal action in antitrust matters.[9] Additionally, the FTC regularly conducts policy-relevant research on issues pertaining to the economy and consumers.[10] The FTC operates several regional offices which provide a variety of services, such as advising state and local officials. It is the states themselves, however, that are charged with enforcing their own provisions concerning consumer fraud. An overview of Florida's authority, responsibilities, and consumer protection efforts is presented in the next section.

B. FLORIDA LEGISLATION

In Florida, the enforcing authority for the state's Deceptive and Unfair Trade Practices Act (the "Act")[11] is the Office of the Attorney General ("OAG"). The legislation serves to protect individual consumers and legitimate businesses from a variety of illegal conduct in trade or commerce. Pursuant to the Act, the Attorney General investigates and files civil actions against persons who are alleged to have engaged in unfair methods of competition and unfair, unconscionable, or deceptive trade practices, including, but not limited to, pyramid schemes, misleading franchise or business opportunities, travel scams, fraudulent telemarketing, and false or misleading advertising.[12] Other legislation operates in concert with the Act to protect Florida consumers. This includes the 1987 Telephone Sales Act, and the 1993 Price-Gauging Act, passed after Hurricane Andrew. The latter was strengthened in response to Florida's

8. *See* 15 U.S.C. §§ 41-51.

9. A GUIDE TO THE FEDERAL TRADE COMMISSION (2006), *available at* http://www.ftc.gov/bcp/conline/pubs/general/guidetoftc.htm (last visited Apr. 1, 2006).

10. Details on the FTC's most recent study are discussed in subsequent sections of this article.

11. FLA. STAT. § 501.201 (1973).

12. *See id.*

2004 record-setting hurricane season.[13] The Office of the Commissioner of Immigration, the forerunner to Florida's Department of Agriculture and Consumer Services, was created in 1868. The office's primary task was to promote agriculture and attract settlers to Florida. Over the next several decades, the Florida Legislature added additional responsibilities to the office in areas, such as inspection and regulation. In 1967, it was renamed the Department of Agriculture and Consumer Services ("DOACS"). Today, the DOACS is Florida's clearinghouse for consumer complaints.[14] Some of the many businesses regulated by the DOACS include charitable organizations, dance studios, Florida Do-Not-Call, game promotions, sweepstakes, health studios, motor vehicle repair, and telemarketing. Regardless of whether DOACS actually regulates a particular agency, it assists consumers by referring them to the proper federal, state, or county agency. Like the OAG, the DOACS has worked vigorously to promote Floridians' awareness about many forms of consumer fraud, and to educate the public on how to resolve consumer complaints. A brief summary of these efforts is provided in the following subsection.

1. Public Awareness and Education

Florida has an extensive history of actively informing its citizens about consumer fraud. The OAG and the DOACS have continuously increased public awareness through targeted media campaigns. Many of these campaigns focused on issues or demographics unique to Florida. One of the earliest efforts launched by the OAG was the Task Force on Crimes and the Elderly, created by the Legislature in 1989 and chaired by then-Attorney General Robert A. Butterworth.[15] Through exploratory survey research, the Task Force learned that seniors were frequent fraud targets, particularly through deceptive false advertising. Additional steps led to Butterworth's sponsorship of the "Seniors vs. Crime Project", which offers crime prevention seminars and law enforcement training. Seniors vs. Crime includes more than two thousand senior citizen volunteers, and continues to be funded by current Attorney General Charlie Crist.[16]

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13. *See* Press Release, Florida Senator Dave Aronberg, District 27, Crist Hails Senator Aronberg for Passing of Anti-Looting Bill (May 2, 2005), *available at* http://www.flsenate.gov. *See also* FLA. STAT. § 501.160 (2005).

14. Department of Agriculture and Consumer Services (2006), *available at* http://www.800helpfla.com/ (last visited Apr. 1, 2006).

15. Seniors vs. Crime Project, *available at* http://www.seniorsvscrime.com/resources/reports/2004annual.pdf (last visited Apr. 1, 2006).

16. *Id.*

The State of Florida has also been instrumental in informing its general population about consumer fraud. The OAG and the DOACS frequently issue press releases and consumer alerts about newly discovered forms of fraud, and both provide information to encourage consumer reporting of fraud attempts. To deter potential fraudsters, details on the punishments associated with a particular offense are often included.[17] Recognizing that natural disasters (e.g., hurricanes) may increase consumers' vulnerability to fraud, efforts to preempt related fraud (e.g., price-gauging) have been initiated through radio, television, print, and electronic media campaigns. The success of the price-gauging awareness efforts was put to the test during a recent hurricane season. In 2004, Florida was hit by four hurricanes within a six-week period. Following the first hurricane, the OAG received approximately 3,500 consumer complaints of price-gauging; complaints were reduced to six hundred after the fourth hurricane. State and national lawmakers have attributed the decrease to the combined success of public awareness and a harsher legal stance toward fraudsters. The efforts of the OAG and the DOACS are not restricted to hurricane season, however. All of the aforementioned media outlets are regularly used to educate Floridians. Still, the effectiveness of public awareness campaigns at informing Florida consumers about other types of consumer fraud is unknown.

C. UNDERSTANDING CONSUMER FRAUD VICTIMIZATION

Existing empirical knowledge about consumer fraud victimization stems from two distinct sources: (1) Research conducted or sponsored by consumer protection-based agencies, and (2) Social scientists at research universities. Research from both of these sources is discussed in the next section.

1. Types of Fraud Victimization

Taken together, the consumer protection and academic research indicate that there is no "typical" form of consumer fraud. Consistent claims have emerged across these studies, however, revealing some of the more prevalent consumer frauds in recent years. To date, the most comprehensive study of consumer fraud has been conducted by the FTC.[18] This survey, which consisted of 2,500 households nationwide, identified advance fee loans, buyer's club scams, credit card insurance and credit

17. Press Release, Commissioner Bronson's Price Gauging Video, *available at* http://www.800helpfla.com/price_gauging.html (last visited Apr. 1, 2006).

18. *See* ANDERSON, *supra* note 3.

repair, prize promotions, internet services fraud, and pyramid schemes as the most common types of fraudulent activities.[19] The FTC found that the majority of victims (33%) were first targeted through print media (e.g., mail, newspapers, magazine ads, catalogs, and posters), followed by telemarketing (16.8%) and the Internet (14%).[20] These findings were somewhat surprising given the widely-held belief that technology has increased opportunities for fraud.

The American Association of Retired Persons ("AARP") has long advocated for the interests of older citizens, and aggressively promoted legislation on their behalf. Accordingly, AARP commissioned several studies designed to address victimization of elderly consumers.[21] Like the FTC, much of AARP's endeavors have been based at the national level. Compared to the FTC, however, the surveys conducted by AARP have been more narrowly focused on specific types of consumer fraud believed to target the elderly. AARP found that respondents were frequently targeted for victimization during telemarketing calls. Additional AARP findings pertinent to the behaviors and characteristics of targets and victims are discussed below.

2. Types of Vulnerability

Although there have been attempts to develop socio-demographic profiles of fraud targets and victims, results have been largely inconclusive. Much like the idea that there is no "typical" incident of consumer fraud, it can be argued that there is no "typical" victim. There is consensus, however, that demographic characteristics reflect consumers' vulnerability. Criminologists have identified the concept of vulnerability as central to the understanding of victimization.[22] Studies commissioned by both the FTC and AARP have also sought to identify various forms of vulnerability among consumers that increase the likelihood of victimization. This area of research assumes that the risk of victimization is not uniform among consumers. Rather, the routine activities, behaviors, and life events of

19. *Id.*

20. *Id.*

21. *See* Jeff Langenderfer & Terence Shimp, *Consumer Vulnerability to Scams, Swindles, and Fraud: A New Theory of Visceral Influences on Persuasion*, 18 PSYCHOLOGY & MARKETING 763 (2001).

22. *See generally* EZZAT A. FATTAH & VINCENT F. SACCO, CRIME AND VICTIMIZATION OF OLDER PEOPLE 158 (Springer-Verlag 1989); *see also* Carlos Carcach et. al., *The Victimisation of Older Australians*, 212 AUSTRALIAN INSTIT. OF CRIMINOLOGY: TRENDS & ISSUES IN CRIMES & CRIMI. JUST. (2001).

some individuals are hypothesized to increase their vulnerability to victimization.[23]

Three distinct types of vulnerability have been identified in the literature: physical, financial, and social. The first type, physical vulnerability, is associated with the normal process of aging.[24] Growing older is often accompanied by a decline in physical and mental capabilities, and as a result, those who are perceived to be physically vulnerable have a greater chance of being identified as suitable targets for fraudsters. Additionally, cognitive deficits may also occur over time, resulting in a diminished capacity for older consumers to recognize potential frauds, or render them unable to effectively respond to victimization.[25]

While the research to date suggests that older consumers may indeed be vulnerable to targeting, their actual rate of fraud victimization has been lower than younger age groups.[26] In fact, the bulk of empirical studies have revealed that younger people are more likely to be victimized by consumer fraud.[27] It is possible that other aspects of consumer behavior may explain the positive relationship between age and targeting and the negative relationship between age and victimization. As a result, it is important to consider alternative types of vulnerability and the ways they are linked to age.

A second type of vulnerability is financial vulnerability. Regardless of the type of consumer fraud committed, the primary form of harm or loss to victims is usually economic.[28] Accordingly, consumers' financial status and associated behaviors may influence fraud targeting, and may also increase the risk of victimization if targeted. For instance, being wealthy may make a consumer an attractive fraud target. Consumers with low or fixed incomes, the unemployed, or those who are otherwise financially insecure, may be more susceptible to certain schemes presented by

23. Lawrence E. Cohen & Marcus Felson, *Social Change and Crime Rate Trends: A Routine Activity Approach*, 44 AMER. SOC. R. 588 (1979).

24. Carcach, *supra* note 22.

25. Jinkook Lee & Horacio Soberon-Ferrer, *Consumer Vulnerability to Fraud: Influencing Factors*, 31 J. CONSUMER AFF. 70, 75 (1997).

26. In the FTC's 2004 study, those aged sixty-five and older comprised the smallest group of victims. *See* ANDERSON, *supra* note 3. In fact, those in the categories of twenty-five and thirty-four and thirty-five to forty-four were the most likely consumer fraud victims. *Id.*

27. Richard A. Titus, *Personal Fraud and Its Victims, in* CRIMES OF PRIVILEGE: READINGS IN WHITE-COLLAR CRIME 57 (Neal Shover & John Paul Wright eds., Oxford University Press 2001).

28. Linda Ganzini, Bentson McFarland & Joseph Bloom, *Victims of Fraud: Comparing Victims of White Collar and Violent Crime, in* CRIMES OF PRIVILEGE: READINGS IN WHITE-COLLAR CRIME 87 (Neal Shover & John P. Wright eds., Oxford University Press 2001).

fraudsters, such as "get rich quick" opportunities. Alternatively, those with lower incomes have less money to be taken by offenders, or to spend on activities outside the home, which might in turn decrease their victimization risk. Other indicators reflecting financial vulnerability include current unstable living situations, such as those that exist for those who rent their homes.

As acknowledged previously, some degree of victim cooperation or facilitation is often necessary for successful perpetration of some forms of consumer fraud.[29] The notion that financial vulnerability plays a role in facilitation has received some empirical support. The FTC and others have found that consumers who are willing to take financial risks may be targeted by fraudsters, and also more likely to be victimized.[30] Consumers who fail to budget their money, spend impulsively, or engage in other financially risky activities may increase their risk of fraud victimization.

Previous research has identified a number of factors that serve as important indicators of the third type of vulnerability – social vulnerability. In criminological research, variation in victimization patterns has generally been linked to changes in socially determined lifestyles and patterns of daily activities (e.g., vocational, family, and leisure activities).[31] These differences in consumer behavior may also contribute to the likelihood of fraud victimization. In addition to consumers' daily activities, indicators of their social status (e.g., various personal traits) can potentially influence their attractiveness as fraud targets, and may also contribute to successful victimization once targeted. For example, the less educated might be prime fraud targets, or may be unable to recognize a potential fraud. Empirical evidence indicates that racial and ethnic minorities, a similarly disadvantaged segment, are more likely to be victimized by consumer fraud.[32]

Consumers' routine use of the Internet represents one potential activity that may increase their exposure to fraud. Regardless of whether consumers actually make purchases online, the mere use of this technology may expose them to scams perpetrated through electronic mail or websites. Consumers who are aware of potential online frauds, or otherwise suspicious of making purchases online, may be more resistant to fraud attempts if targeted in this manner. Similar relationships might be expected

29. Titus, *supra* note 2.
30. ANDERSON, *supra* note 3.
31. MICHAEL J. HINDELANG, MICHAEL R. GOTTFREDSON & JAMES GAROFALO, VICTIMS OF PERSONAL CRIME (Ballinger Publishing Company 1978).
32. ANDERSON, *supra* note 3.

for consumer interactions that involve standard mail or telephone contacts. Apart from these activities routinely engaged in on an individual basis, exposure to fraud and victimization may be affected by consumers' personal relationships and socialization with others. Compared to their married counterparts, single consumers may socialize more, putting them at increased risk for targeting. Alternatively, socialization may have a protective effect on actual victimization in that participation in community activities and functions could increase awareness of consumer fraud.

3. Reporting Behavior

Available evidence on fraud victims' reporting behavior strongly suggests that most victims do not report their victimizations to official sources.[33] Explanations for this patterned failure to report have been based primarily on victims' demographic characteristics.

Women,[34] whites,[35] those with lower incomes,[36] and the more highly educated[37] have all reported victimization at a higher rate than their counterparts. Results from the FTC's 2004 study revealed that younger consumers are more likely to report, but other studies found just the opposite.[38] Similarly, there are findings suggesting that members of the higher socio-economic status report more than their less affluent counterparts, as well as conflicting evidence suggesting that the middle-and lower-middle class groups are more likely to report victimization.[39] Finally, there have also been mixed results regarding marital status.[40] Additional factors have been considered to supplement the demographic characteristics of reporters to explain why the vast majority of consumer fraud victims do not report. These include the dollar amount lost, as well

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33. *See* ANDERSON, *supra* note 3; Wayne E. Baker & Robert R. Faulkner, *Diffusion of Fraud: Intermediate Economic Crime and Investor Dynamics*, 41 CRIMINOLOGY 1601 (2003); Heath Copes, et al., *Reporting Behavior of Fraud Victim's and Black's Theory of Law: An Empirical Assessment,* 18 JUST. Q. 343 (2001); M. McGuire & Richard Edelhertz, *Consumer Abuse of Older Americans: Victimization and Remedial Action in Two Metropolitan Areas, in* WHITE-COLLAR CRIME: THEORY AND RESEARCH 266 (Gilbert Geis & Ezra Stotland, eds., Sage Publications 1980).

34. ANDERSON, *supra* note 3; RICHARD H. BLUM, DECEIVERS AND DECEIVED: OBSERVATIONS ON CONFIDENCE MEN AND THEIR VICTIMS, INFORMANTS, AND THEIR QUARRY, POLITICAL AND INDUSTRIAL SPIES, AND ORDINARY CITIZENS (1972)

35. BLUM, *supra* note 34; McGuire & Edelhertz, *supra* note 33.

36. BLUM, *supra* note 34.

37. Paul Jesilow, et. al., *Reporting Consumer and Major Fraud: A Survey of Complainants, in* WHITE-COLLAR CRIME RECONSIDERED (Northeastern University Press 1992).

38. ANDERSON, *supra* note 3.

39. BLUM, *supra* note 34; McGuire & Edelhertz, *supra* note 33.

40. BLUM, *supra* note 34; Copes et al., *supra* note 33.

as feelings of embarrassment or shame due to facilitation in the fraud.[41] Previous victimization experiences also appear to potentially increase the odds of reporting.[42] The paucity of official reports begs the question, why are consumers not reporting? One explanation is that victims who do report receive very little satisfaction.[43] Another potential explanation is that citizens more generally, and victims specifically, have little confidence in law enforcement's ability to respond to consumer fraud victimization. This is an important factor to consider, given that perceptions of police legitimacy influence victim reporting, and more generally, can affect public relations with the police and other agencies.[44]

The field of criminology has long suffered from data limitations associated with hidden or unknown incidents of crime. Such incomplete data have contributed to limited theoretical understanding, and has impeded public policy efforts aimed at reducing crime. Consumer fraud provides still another example of criminologists and public policy officials relying upon incomplete and partial indicators of the incidence of this particular crime. Clearly, strategies that both encourage and facilitate reporting of consumer fraud victimization will increase understanding and methods for reducing this ever-increasing crime.

4. Further Research

Taken together, the previous scholarly and consumer protection-oriented research has provided much in the way of systematic evidence regarding consumer fraud victimization. To date, the FTC study arguably remains the most comprehensive assessment. In spite of its strong points, the FTC findings are limited in that the survey was conducted with a national sample. As a result, extrapolating the results to Florida would have only limited value for research, consumer education, and public policy targeting Florida consumers. Several state-level characteristics make Florida unique. For example, compared to the national population, Florida's percentage of adults aged sixty-five and over is approximately thirty percent higher, while the percentage of Hispanic or Latino origin

41. Baker & Faulkner, *supra* note 33.

42. Marilyn Walsh & David Schram, *The Victims of White-Collar Crime: Accuser or Accused?*, *in* WHITE-COLLAR CRIME: THEORY AND RESEARCH 32 (Gilbert Geis & Ezra Stotland eds., Sage Publications 1980).

43. Of the small portion of victims who do actually complain to an official source, even smaller percentages report satisfaction with the outcome. *See* Jesilow, *supra* note 37.

44. *See* TOM TYLER & YUEN J. HUO, TRUST IN THE LAW: ENCOURAGING PUBLIC COOPERATION WITH THE POLICE AND COURTS (Sage Publications 2002).

citizens is twenty-six percent greater, respectively.[45] As discussed previously, price-gauging statutes and public awareness of this type of consumer fraud are tied to the geographic location and frequency of hurricanes in Florida. In sum, a detailed study of consumer fraud victimization in Florida is necessary. Empirical evidence can be used by legal authorities to develop and market fraud prevention strategies, and also disseminate knowledge about fraud reporting.

III. METHODS

A. SURVEY OF ADULT FLORIDIANS

This study uses telephone survey data from a random sample of adult Floridians conducted over a five-week period, from December 21, 2004 to January 25, 2005.[46] A total of one-thousand adults were interviewed using a two-stage modified Mitofsky-Waksberg procedure.[47] The response rate was forty-four percent.[48] A ten-call back rule was used before substitution for records of unknown eligibility. Call-screening devices are a concern to survey researchers.[49] The Data-Tel predictive dialer, which anticipates screening devices and indicates that a household is ineligible, was used in this study. This software passes calls that it deems as screened through the use of privacy blockers and screening services to an operator to determine the appropriate disposition code or action.

Several steps were taken to increase both response and completion rates. Refusals were re-contacted approximately ten days after the initial contact and again asked to complete the survey. Potential respondents who refused at this point were contacted at a later date by a supervisor and

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45. U.S. Census Bureau, Census of Population, Profiles of Demographic Characteristics (2000).

46. The survey was administered by a private research firm, The Research Network, located in Tallahassee, Florida. Interviews were carried out by trained interviewers who were closely monitored. To minimize interviewer error, ten percent of completed interviews were randomly selected, called back by supervisors, and asked verification questions.

47. This is a commonly-used procedure to generate telephone samples of households. *See* Roger Tourangeau, *Survey Research and Societal Change,* 55 ANNUAL REV. PSYCHOL. 775 (2004) (discussing technical details and strengths and weaknesses of this procedure).

48. The American Association for Public Opinion Research ("AAPOR") recommends that cases of "not eligible," such as disconnected numbers, businesses, and fax numbers, as well as numbers of "unknown eligibility," such as answering machines and busy signals, not be included in response rate calculations. *See, e.g.*, AAPOR, *Standard Definitions: Final Dispositions of Case Codes and Outcome Rates for Surveys* (2004).

49. *See generally,* Peter Tuckell & Harry O'Neill, *The Vanishing Respondent in Telephone Surveys*, 42 J. ADVERTISING RES. 26 (2002).

encouraged to participate. Of those beginning the survey, ninety-five percent completed the interview. This completion rate was substantially higher than the sixty percent average for national telephone interviews.[50] Not all respondents who completed the interview answered every question. Complete data were available for 926 adult respondents.[51]

In Table 1, the survey sample is compared to Florida population characteristics from the 2000 decennial census. The survey sample consists of a larger proportion of Floridians who are sixty-five years or older, have earned college degrees (e.g., bachelor's and graduate/professional degrees), and widowed when compared to 2000 census data. Note, too, that nonwhite Floridians, people between the ages of twenty and thirty-four, individuals who did not complete high school, and adults who have never married, are underrepresented in the survey sample. Despite these modest differences, the sample is reasonably representative of the populations from which it was drawn.

50. *See generally* HERBERT WEISBERG, JON KROSNICK & BRUCE BOWEN, AN INTRODUCTION TO SURVEY RESEARCH, POLLING, AND DATA *(Sage Publications* 1996).

51. Imputation of missing survey data was carried out using PRELIS version 2.30. This statistical software program substitutes a missing value for a specific case with a value from another case with a highly similar response pattern. This approach is more desirable when compared to either listwise or pairwise deletion. *See generally* Paul D. Allison, MISSING DATA (Sage Publications 2002) (discussing the statistical problems missing data pose and available remedies).

TABLE 1
Population & Sample Characteristics

	2000 Census	2004-05 Survey
Gender	%	%
Male	48.8	44.9
Female	51.2	55.1
Race		
White	78.0	82.5
Nonwhite	22.0	17.5
Age (in years)		
20 to 34	25.2	11.4
35 to 54	38.2	29.5
55 to 64	13.1	16.0
65 and over	23.6	43.0
Education		
Did not complete high school	20.1	8.4
Graduated from high school	28.7	30.5
Some college/vocational school	28.8	25.2
Graduated from college or more	22.4	35.9
Marital Status		
Never married	23.8	13.4
Married	54.3	58.2
Separated	2.4	2.1
Widowed	7.9	14.5
Divorced	11.6	11.8
Annual Household Income		
Over $100,000	10.4	10.5

B. Measuring Fraud Victimization

Consistent with prior research, the survey used a series of questions to determine whether survey respondents were victims of consumer fraud.[52] First, the participants were asked whether there was ever a time they felt they "were the subject of a consumer fraud attempt." Nearly twenty-eight percent of those sampled said they had been targeted in the past by fraudsters. Next, respondents were asked how long ago the fraud attempt took place; the four responses ranged from "during the past month" to "more than one year ago." Because of concern regarding respondents' ability to recall the details of their fraud victimization over an extended period of time, we select victimizations that occurred within twelve months of the interview. Approximately sixteen percent of adult Floridians reported being the targets of consumer fraud within this time period. Finally, respondents were asked whether the "consumer fraud attempt was successful." Fraud attempts were successful about twenty-five percent of the time, which corresponds to nearly four percent of the full sample. Put

52. Richard M. Titus, Fred Heinzelmann & John M. Boyle, *Victimization of Persons by Fraud*, 41 CRIME & DELINQUENCY 54 (Sage Publications 1995).

differently, roughly 537,224 Florida adults were victims of consumer fraud in 2004.

Comparatively speaking, the survey reveals significantly less consumer fraud than has been reported previously in studies using national samples. For example, the FTC survey found that approximately eleven percent of participants reported being victims of consumer fraud in the past year. Similarly, Titus, Heinzelmann, and Boyle's 1991 national survey found that thirty-one percent of respondents reported having been the targets of fraud victimization during the prior year, and fifteen percent of the full sample reported being victimized.[53]

C. STATISTICAL PROCEDURES

In the analysis of the survey data presented below, bivariate statistical techniques are primarily used. Recall that this study attempts to explore whether a socio-demographic profile can be identified for both targets and victims of consumer fraud, and determine whether other factors, such as confidence in legal authorities, are strongly associated with background characteristics. To detect meaningful (or statistically significant) relationships between two variables, two statistical techniques commonly used in the social sciences are cross-tabulation analysis and chi-square tests.[54] The former simply allows the data analyst to assess the joint frequency distributions of two variables, and the latter indicates whether the observed relationship is statistically meaningful. Differences between groups for various outcomes, such as consumer fraud victimization, will be assessed using t-tests for independent samples.[55]

Although informative, bivariate techniques do not allow the statistician to account for the potential impact of other (or extraneous) variables that may influence the relationship between the two variables of interest. To address this concern, social scientists frequently use multivariate statistical models. The use of multivariate statistics in this study will be limited to the analysis of consumer fraud victimization. Because this variable is dichotomous (1 = consumer fraud victim, 0 =

53. *Id.*

54. For inferential statistics, such as chi-square tests, it is common practice to use $p < .05$ to determine whether relationships between two variables are statistically significant. *See* LARRY S. MILLER & JOHN T. WHITEHEAD, INTRODUCTION TO CRIMINAL JUSTICE RESEARCH AND STATISTICS (Anderson Publishing 1996); RONET BACHMAN & RAYMOND PATERNOSTER, STATISTICAL METHODS FOR CRIMINOLOGY AND CRIMINAL JUSTICE (McGraw Hill 1997).

55. A t-test is a test used to determine whether the differences between scores are meaningful or statistically trivial.

otherwise), logistic regression[56] is used to confirm the observed bivariate relationships.[57] To interpret the size of the relationships observed in the logistic regression context, odds-ratio[58] estimates are used.

1. Results: Targets of Fraud

The data analysis begins by looking at the characteristics of Floridians who reported being the targets of consumer fraud. Nationally, the FTC estimates that forty-six percent of American consumers are subjected annually to fraud attempts.[59] The evidence suggests much less attempted fraud activity in Florida: approximately sixteen percent of those interviewed reported that they had been targeted within the past year. The type of scams Floridians encountered varied. As shown in Figure 1, the most commonly reported form of attempted fraud involved "shopping" (or purchasing). Scams of this sort included fraudulent warranties, excessive billing, and deceptive product presentation. Two other findings in Figure 1 are worth noting.[60] First, only two percent of the sample was targeted by fraudsters attempting to perform unnecessary repairs on homes, attempting to charge more for home repairs than what the initial estimate stated, and charged homeowners for work that was not completed.[61] Given widespread concern regarding unethical business practices by building contractors following natural disasters in Florida, especially those who come in from other states in the aftermath of a hurricane, this seemingly low figure is reason for optimism. Second, the proportion of the sample reporting having been targeted for advance fee loans, which is well below one percent,[62] is unexpectedly low. Advance fee loan scams involve requiring consumers to pay a fee upfront in order to receive a loan or some form of credit. According to the FTC survey, this is one of the most common types of fraud nationwide, affecting approximately 4.5 million

56. Logistic regression is a statistical technique used to simultaneously estimate the effects of one or more variables on a dichotomous dependent variable.

57. For a fairly comprehensive discussion of the technical details associated with logistic regression equations, *see* DAVID W. HOSMER & STANLEY LEMESHOW, APPLIED LOGISTIC REGRESSION (John Wiley & Sons, 1989); SCOTT MENARD, APPLIED LOGISTICAL REGRESSION ANALYSIS (Sage Publications, 1995) (supplying a straightforward discussion concerning the proper use of logistic regression).

58. An odds-ratio indicates the increase (or decrease) in the odds of the outcome category of interest (i.e., consumer fraud victimization) when the independent variable increases by one unit.

59. ANDERSON, *supra* note 3.

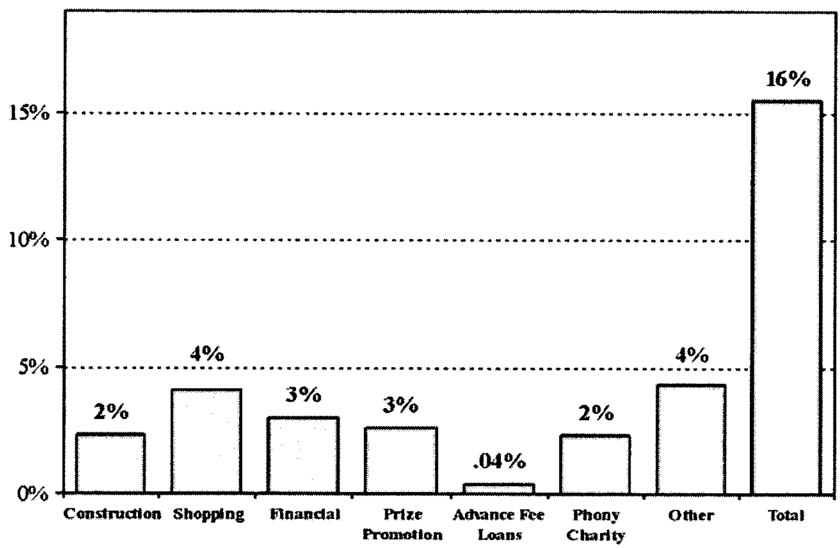
60. Some survey respondents reported being targeted for more than one type of fraud, which explains why the figure one arrives at when summing the percentages for the different categories exceeds sixteen percent.

61. *See infra*, Figure 1.

62. *See infra*, Figure 1.

consumers annually.[63] In sum, Floridians appear to be targeted for fraud during the course of routine financial activities. Like the FTC and others, the focus here is on consumers, so specific details about the offenders who targeted these study participants are not available. But it does seem reasonable to speculate that Florida-based statues and the public awareness campaigns associated with these proscriptions may have had a deterrent effect on fraudsters not observed at the national level.

FIGURE 1
Percent of Sample Targeted by Fraud Type



We also asked about the methods used to target respondents. Consumers were targeted for fraud through different media. A small portion (eight percent) of Floridians learned about the potential frauds by way of television and radio, which was identical to the number who reported print media, such as newspaper and magazine advertisements, to have been the source. Slightly fewer respondents said the source was a telemarketer (seven percent). More common sources included Internet and

63. ANDERSON, *supra* note 3.

email (twenty percent) and "other" sources, which include a store the individual visited and someone who came to the respondent's home.

Prior research indicates that consumer fraud attempts, at least demographically speaking, appear randomly distributed.[64] Put differently, the assortment of scams used by fraudsters target consumers from all walks of life. Whether this is the case in Florida is an open question, however. Table 2 addresses this question.

TABLE 2
Targeted Consumers' Sociodemographic Profile

	% Yes
Race/Ethnicity	
Non-Hispanic Whites	14.7
African Americans	14.4
Hispanics	17.8
Other	30.0
Number of Observations	*972*
Gender	
Male	18.9
Female	12.7
Number of Observations	*981*
Marital Status	
Single	14.3
Married	16.4
Number of Observations	*967*
Age (in years)	
18 - 24	11.5
25 - 34	20.0
35 - 44	16.2
45 - 54	16.2
55 - 64	21.3
65 & over	12.6
Number of Observations	*954*
Education	
Did not complete high school	11.3
Graduated from high school	13.4
Attended some college or technical/vocational school	14.9
Graduated from college or more	18.8
Number of Observations	*965*
Household Income	
Less than $20,000	12.0
$20,000 - $40,000	16.7
$40,001 - $60,000	16.9
$60,001 - $80,000	13.6
$80,001 - $100,000	16.2
Over $100,000	18.9
Number of Observations	*939*

64. *See* Table 2.

A cursory review of Table 2 appears to support previous research that a demographic profile of fraud targets is difficult to observe, but upon closer examination a few meaningful trends can be identified. First, differences between whites, blacks, and Hispanics are not statistically significant, but "other" minorities are targeted significantly more often than whites ($t = -2.29$, $p < .05$).[65] This group is rather small and consists of respondents from a number of different ethnic backgrounds, so it is difficult to glean much from this finding. But one explanation for this difference is that offenders perceive minority targets as to be socially vulnerable. A gender difference is observed: men report being targeted more often than women (Chi-Square = 7.06, $p < .01$).[66] Marital status and household income, however, do not appear to influence whether respondents are targeted. In general, neither does a respondent's age. But one difference between age groups is worth noting: respondents in the sixty-five and over age groups reported lower levels of targeting compared to the fifty-five to sixty-four age group ($t = -2.56$, $p > .05$).[67] Concerning education, a quick visual inspection seems to indicate that more highly educated respondents are disproportionately targeted, but none of the group differences achieve statistical significance. With just a few minor exceptions, data from the Florida consumer fraud survey are consistent with prior studies in that targets, generally speaking, come from all social groups.

2. Consumer Fraud Victims

As noted above, the extent of victimization among Floridians during the time period in question was well below what has been observed nationally. More specifically, about four percent of the sample in the Florida consumer fraud victimization survey reported being victimized,[68] but over eleven percent of a national sample reported similar forms of victimization over a one-year period in the FTC survey.[69] The take-away message is that the citizens of Florida are victimized by consumer fraud at a rate far beneath the national average. Although these cross-sectional data limit making any grand inferences for why this is so, we strongly suspect that governmental efforts to prevent fraud and punish offenders have had desirable effects.

65. *See* Table 2.
66. *See* Table 2.
67. *See* Table 2.
68. *See* Table 2.
69. *See* ANDERSON, *supra* note 3, at 28.

At the national level, losses from consumer fraud ranged from less than forty dollars to over forty thousand dollars; however, the majority of victims surveyed by the FTC reported dollar losses of $220 or less.[70] Additionally, the median dollar amount lost in the FTC's study was $220. Florida victims were asked, "[h]ow much money did you pay or lose as a result of the person or company who defrauded you?" Responses to the open-ended question were grouped into the following categories: "No Loss" (twenty-seven percent); "$1-$49 lost" (twenty-nine percent); "$50-$99 lost" (three percent); and "$100 or more lost" (forty-one percent). The median dollar amount lost by Florida consumer fraud victims was approximately thirty-seven dollars, which is considerably lower than the national median.

Table 3 provides a breakdown of consumer fraud victimization in Florida across different demographic groups. At first glance, it appears as though Hispanics are more frequently victimized by fraudsters relative to whites and African Americans. Such a finding would be consistent with extant research, but these variations in the data at hand are not statistically significant.[71] Similar to targeting, actual victimization also varies by gender (Chi-Square = 5.61, $p < .05$). Put differently, men report higher levels of victimization.[72] Differences by marital status and education, on the other hand, are considerably more modest. Variations across age groups emerge: seniors older than sixty-five years of age are far less likely to be the victims of consumer fraud in Florida relative to younger individuals between thirty-five and forty-four years of age ($t = 2.93$, $p < .01$)[73] and those in the forty-five to fifty-four group ($t = 2.23$, $p < .05$). Other differences across age groups in Table 3 are not statistically meaningful. Finally, the data show that respondents in the middle-income category (annual household income between $40,001 and $60,000) are more likely to be the victims of consumer fraud relative to respondents with annual household incomes less than $20,000 ($t = 2.05$, $p < .05$)[74] and those in the $20,000 to $40,000 income group ($t = 2.57$, $p < .05$).[75] In sum, the bivariate analysis featured in Table 3 shows that men, Floridians between the ages of 35 and 54 (relative to senior citizens), and middle-income citizens (compared to those with lower incomes), are

70. *Id.* at 38.

71. The FTC found that Hispanics' rate of victimization was higher than whites'. *See* ANDERSON, *supra* note 3, at 55.

72. *See infra* Table 3.

73. *Id.*

74. *Id.*

75. *Id.*

disproportionately the victims of consumer fraud. But the statistical procedures used in the above analysis do not account for the potential confounding effects of respondents' demographic characteristics, such as race and income. A more robust, multivariate statistical procedure is needed to confirm the findings regarding fraud victimization observed thus far.

TABLE 3
Consumer Fraud Victims' Sociodemographic Profile

	% Yes
Race/Ethnicity	
Non-Hispanic Whites	3.6
African Americans	1.1
Hispanics	5.5
Other	3.3
Number of Observations	*970*
Gender	
Male	5.3
Female	2.4
Number of Observations	*979*
Marital Status	
Single	2.7
Married	4.1
Number of Observations	*965*
Age (in years)	
18 - 24	3.8
25 - 34	5.3
35 - 44	7.1
45 - 54	5.2
55 - 64	2.6
65 & over	1.8
Number of Observations	*952*
Education	
Did not complete high school	2.5
Graduated from high school	3.1
Attended some college or technical/vocational school	2.6
Graduated from college or more	5.2
Number of Observations	*963*
Household Income	
Less than $20,000	2.1
$20,000 - $40,000	2.1
$40,001 - $60,000	7.2
$60,001 - $80,000	3.1
$80,001 - $100,000	4.1
Over $100,000	4.1
Number of Observations	*937*

As noted previously, logistic regression is used to investigate the effects of demographic characteristics on fraud victimization in a multivariate context. For comparative purposes, the variables are operationalized in a manner consistent with the FTC's analysis of fraud victimization and identical comparison groups are used.[76] The results are provided in Table 4. In terms of confirmation, many of the observed bivariate relationships persist. For example, the odds-ratio indicates that women are fifty-five percent less likely to be victims of consumer fraud relative to men. Similarly, Florida residents sixty-five years and older are nearly seventy-six percent less likely to be defrauded compared to younger residents between thirty-five and forty-four years of age. Finally, an income effect is observed: the odds of fraud victimization are about seventy percent lower for households with annual incomes between $20,000 and $40,000 relative to the reference group (households with incomes between $40,001 and $60,000). In summary, the data indicate that women, the elderly, and lower income folks are generally less likely to be the victims of consumer fraud in the State of Florida.

How do the findings in Table 4 compare to the FTC analysis? Consistent with the FTC findings, the current analysis shows that education and marital status have no measurable effect on the likelihood of consumer fraud victimization. However, differences between the two studies are apparent. First, the FTC reports that racial and ethnic minorities are at higher risk of fraud victimization relative to non-Hispanic whites nationwide.[77] The FTC did not observe gender or age effects. Finally, the FTC reported differences between household incomes. In contrast to the results reported in Table 4, the FTC found that those with incomes ranging between $20,000 and $40,000 were at greater risk.[78] In short, differences between the two studies emerge, which serves to underscore the limitations associated with generalizing from national samples to specific states, especially the State of Florida.

76. ANDERSON, *supra* note 3, at 60.
77. *Id.* at 58.
78. *Id.* at 60.

TABLE 4
Consumer Fraud Victimization: A Multivariate Model

	b	SE	Sig.
Race/Ethnicity (Compared to Non-Hispanic Whites)			
African Americans	-1.36	1.06	.20
Hispanics	.01	.54	.99
Other	-.46	1.10	.67
Gender (Compared to Men)			
Female	-.80	.37	.03
Marital Status (Compared to Married)			
Single	-.30	.42	.48
Age (Compared to 35 - 44)			
18 - 24	-.18	.90	.84
25 - 34	.02	.67	.98
45 - 54	-.34	.52	.51
55 - 64	-1.19	.64	.06
65 & over	-1.41	.55	.01
Education (Compared to High School Graduate)			
Did not complete high school	.09	.86	.91
Attended some college or technical/vocational school	-.29	.54	.59
Graduated from college or more	.37	.50	.46
Household Income (Compared to $40,001 - $60,000)			
Less than $20,000	-.97	.73	.18
$20,000 - $40,000	-1.22	.56	.03
$60,001 - $80,000	-.95	.51	.06
$80,001 - $100,000	-1.13	.69	.10
Over $100,000	-1.07	.64	.09
Number of Observations		926	
Model Chi-Square Value		28.04	
Coefficient of Multiple Determination (Nagelkerke R^2)		.11	

The multivariate model in Table 4 explains only eleven percent of the variance associated with consumer fraud victimization. Although this level is far from trivial, by social science standards, it is modest and suggests that additional variables should be considered for inclusion in future studies. Stated differently, studies of fraud victimization must move beyond assessing the effects of demographic characteristics and include variables derived from criminological theories to better understand and explain fraud risk.

D. COMPLAINTS AND CONFIDENCE

Survey participants who reported recent consumer fraud victimization were asked what actions, if any, were taken to resolve the incident.

Approximately twenty-eight percent of victims took no action. This figure is nearly identical to national estimates provided by the FTC.[79] Figure 2 provides the breakdown for the different actions taken by fraud victims in Florida. Consistent with prior research, the possible actions taken by complainants were grouped into four broad categories: complained to official source (e.g., Better Business Bureau or a federal agency); complained to seller or manufacturer (e.g., asked for a refund); complained to bank or credit card company, and "other," which meant consulting an attorney or other professional.[80]

Complaining behavior among consumer fraud victims in Florida differs from what has been observed nationally. For example, Floridians more often complain to official sources (nineteen percent) when compared to the FTC national sample (eight percent);[81] are less likely to complain to the seller or manufacturer (nineteen percent for Floridians, fifty-four percent in FTC study), and victims in Florida are more likely to complain to their bank or credit card company (thirty-one percent versus nineteen percent).[82] Social scientists hypothesize victims' decisions to report incidents to police are shaped by a number of factors, but one determinant that has recently received considerable attention is perceived legitimacy.[83] Simply put, victims who perceive legal authorities as legitimate are more likely to make their victimizations known to officials. Proxy measures regularly used to tap into perceived legitimacy in survey research include items asking respondents about how much confidence they have in legal authorities. How much confidence do Floridians have in legal authorities to handle consumer fraud victimization?

79. ANDERSON, *supra* note 3, at 80.
80. *Id.*
81. ANDERSON, *supra* note 3, at 80.
82. *Id.*
83. *See generally* TYLER, *supra* note 44.

TABLE 2
Targeted Consumers' Sociodemographic Profile

	% Yes
Race/Ethnicity	
Non-Hispanic Whites	14.7
African Americans	14.4
Hispanics	17.8
Other	30.0
Number of Observations	*972*
Gender	
Male	18.9
Female	12.7
Number of Observations	*981*
Marital Status	
Single	14.3
Married	16.4
Number of Observations	*967*
Age (in years)	
18 - 24	11.5
25 - 34	20.0
35 - 44	16.2
45 - 54	16.2
55 - 64	21.3
65 & over	12.6
Number of Observations	*954*
Education	
Did not complete high school	11.3
Graduated from high school	13.4
Attended some college or technical/vocational school	14.9
Graduated from college or more	18.8
Number of Observations	*965*
Household Income	
Less than $20,000	12.0
$20,000 - $40,000	16.7
$40,001 - $60,000	16.9
$60,001 - $80,000	13.6
$80,001 - $100,000	16.2
Over $100,000	18.9
Number of Observations	*939*

All survey respondents were asked, "[h]ow much confidence do you have in the ability of law enforcement authorities to respond to victimization by consumer fraud?" The possible responses in the proportion of the sample that answered accordingly are as follows: "a great deal" (twenty-one percent), "quite a bit" (twenty-six percent), "not very much" (thirty-nine percent), and "none at all" (fourteen percent). In order to more efficiently investigate confidence in legal authorities in a bivariate context, the four-category response to this survey item was collapsed whereby "a great deal" and "quite a bit" were coded "confident," and "not very much," and "none at all" were treated as respondents with less confidence. Levels of confidence across different social groups are presented in Table 5.

TABLE 5
Consumer Confidence in the Ability of Law Enforcement to Respond to Fraud Victimization

	% Confident
Race/Ethnicity	
Non-Hispanic Whites	47.1
African Americans	45.6
Hispanics	56.7
Other	53.3
Number of Observations	*981*
Gender	
Male	44.5
Female	50.1
Number of Observations	*990*
Marital Status	
Single	49.8
Married	46.5
Number of Observations	*976*
Age (in years)	
18 - 24	55.8
25 - 34	45.9
35 - 44	40.0
45 - 54	40.3
55 - 64	46.2
65 & over	52.7
Number of Observations	*968*
Education	
Did not complete high school	61.0
Graduated from high school	54.3
Attended some college or technical/vocational school	43.9
Graduated from college or more	43.2
Number of Observations	*975*
Household Income	
Less than $20,000	58.3
$20,000 - $40,000	46.0
$40,001 - $60,000	45.6
$60,001 - $80,000	47.1
$80,001 - $100,000	46.1
Over $100,000	39.6
Number of Observations	*953*

Confidence levels did vary across age, education, and income. With regard to age (Chi-Square = 12.03, $p < .05$), most noteworthy are the levels of confidence expressed by the oldest age group, which are significantly higher than those reported by respondents between the ages of thirty-five and forty-four ($t = 2.40$, $p < .05$), and forty-five and fifty-four ($t = 2.73$, $p < .01$). Individuals in the youngest age group also reported comparatively high levels of confidence. Respondents with different levels of formal education also expressed varying levels of confidence (Chi-Square = 14.42, $p < .01$). Specifically, participants who did not complete high school report higher levels of confidence compared to those who attended some college ($t = 2.77$, $p < .01$) and those who graduated from college ($t = 2.91$, $p < .01$). Respondents with annual household incomes below 20,000 dollars expressed significantly higher levels of confidence compared to nearly every other income groups ($p < .05$).

Although a visual inspection of Table 5 might suggest Hispanics and other racial and ethnic minorities express more confidence in legal authorities to handle fraud victimization relative to white and blacks, it should be noted these differences are not statistically significant. Gender differences and variation across marital status failed to achieve statistical significance as well.

Another variable that could influence levels of confidence, which is not featured in Table 5, is recent consumer fraud victimization. The experience of victimization has a significant negative impact on confidence levels (Chi-Square = 5.49, $p < .05$). Stated differently, nearly forty-nine percent of non-victims reported they had either "a great deal" or "quite a bit" of confidence that legal authorities would effectively respond to instances of fraud, but levels of confidence were considerably lower for recent victims (twenty-nine percent). Previous research suggests that fraud victimization is often accompanied by feelings of self-blame and shame, which may also play a role in victims' levels of confidence in legal authorities. Future researchers should measure consumer confidence at multiple points in time to determine whether negative perceptions diminish over time following victimization.

CONCLUSION

This article has addressed several areas of consumer fraud, including pertinent legislation and prior research, and presented findings from the recently administered Florida Consumer Fraud Survey. It was documented that the Federal government's first major move into consumer protection occurred in the early twentieth century with the establishment of the Federal Trade Commission ("FTC"). Among the multiple functions performed by the FTC is to conduct policy-related research such as the

2004 FTC survey of 2,500 households across the nation concerning their consumer fraud experiences. At the time, this was the most comprehensive consumer fraud survey ever completed. The Florida-specific results reported here confirm that because the FTC survey was based upon a national sample, its results may not prove applicable to individual states.

In an effort to determine if there are national and state differences in consumer fraud, the Florida survey findings were compared to the FTC survey findings. In sum, several salient differences between the two surveys were identified. First, in terms of the incidence of consumer fraud, the FTC reported that almost half or forty-six percent of their survey respondents had been subject to some type of consumer fraud attempt,[84] while only sixteen percent of the Florida survey respondents reported being targeted by consumer fraud attempts.

Second, the FTC found that the most common form of consumer fraud was advance loan fees, while Florida consumers reported that it was during the course of routine or everyday "shopping" or purchasing in which they were most often subjected to fraudulent warranties, excessive billing or deceptive product presentations.

Third, the FTC and other prior studies indicate that consumer fraud does not generally discriminate among consumers, but rather practices equal opportunity to victimize all consumers. For the most part, this was true in Florida as well. Some key differences in Florida emerged, which included a difference between the experiences of whites and "other" minorities, men being targeted more than women, and those older than sixty-five being less frequently targeted than those aged fifty-five to sixty-four.[85]

Fourth, in terms of actual consumer fraud victimization, the FTC found that 11.2% of its national sample was victimized over a one-year period while the Florida survey found only four percent of those interviewed were actually victimized during the one-year period the survey covered.[86]

Finally, in terms of victim characteristics, the FTC found that racial and ethnic minorities are at a higher risk than whites, as were those with incomes ranging from $20,000 and $40,000. Comparatively, our results showed that women, the elderly, and lower income individuals were less likely to be victims of consumer fraud in Florida.

84. ANDERSON, *supra* note 3, at 26.
85. ANDERSON, *supra* note 3, at ES-6.
86. *Id.* at ES-2.

The comparisons between the national and Florida consumer fraud findings suggest that national and state consumer fraud trends can indeed be different. The potential implication stemming from such differences is that individual states would be very well served by conducting state-specific consumer fraud surveys to inform and guide their respective planning and design of targeted consumer fraud prevention and enforcement policies and practices. To illustrate, it is commonly assumed that Florida residents are disproportionately subjected to national disaster-related fraud, related to hurricanes and associated home and business damage and repairs scams. Because of informative and sustained media coverage of hurricane related consumer fraud, however, Florida citizens are well informed and are generally able to recognize and avoid these sorts of national disaster related scams. Nonetheless, given the Florida survey results, it is clear that the state's residents would benefit from more public awareness of the potential for fraud associated with their more routine everyday activities like shopping.

Criminology and criminal justice has long suffered from reliance upon incomplete and often misleading data. Overall, the prior consumer fraud literature has been based upon national data, and as demonstrated in this article, these national data do not necessarily capture state specific incidence patterns and differences. Consequently, if consumer fraud knowledge and associated prevention and criminal justice control efforts are to maximize their potential effectiveness, it is necessary to conduct state specific surveys. These state surveys would seek to identify levels of consumer awareness and knowledge and direct experiences with consumer fraud and whether they have reported these victimization experiences. From such state specific survey data, better understanding and specific and targeted prevention and control policies can be developed to assist all citizens on how best to avoid or deal with consumer fraud. It is important to acknowledge that consumer fraud data are not timeless, but rather can and often do change in relation to different economical and technological changes that, in turn, present new fraud scam opportunities and potential victims. As a result, states should regularly survey consumers on their fraud experiences, similar to the annual collection and reporting of other official crime data. Further, these consumer fraud surveys should include measurement of the consumers' views on how various fraud related media coverage and known program interventions influenced or changed their consumer related behavior. It will be essential to recognize the general value in connecting criminological research with criminal justice prevention and control policies and practices.

The study of consumer fraud victimization needs to move beyond the simple exploration of demographic characteristics. Future pursuits should be theoretically driven. Michael R. Gottfredson and Travis Hirschi's (1990) general theory, which contends that offenders' low-self control coupled with opportunity produces crime, is one potentially useful theoretical framework.[87] Researchers have recently applied the theory to the study of victimization, suggesting that those with low-self control engage in behaviors that put them at greater risk for violent victimization.[88] Similarly, consumers who involve themselves in financially risky activities, such as responding to email solicitations, might increase their chances of becoming fraud victims. It may also prove useful to adopt approaches arguing that differences in risks of victimization are associated with individuals' routine activities and lifestyles.[89] Accordingly, theoretically-informed studies of the day-to-day behaviors and customs of consumers would elaborate on our understanding of fraud victimization. Further research addressing these relationships will not only contribute to criminological theory, but will also assist in the development of consumer fraud prevention and control practices thereby ensuring the best outcomes for policy success.

87. *See generally* MICHAEL R. GOTTFREDSON & TRAVIS HIRSCHI, A GENERAL THEORY OF CRIME (Stanford University Press 1990).

88. *See* Eric A. Stewart, Kirk W. Elifson & Claire E. Sterk, *Integrating the General Theory of Crime into an Explanation of Violent Victimization Among Female Offenders* 21 JUST. Q. 159 (2004).

89. *See* Christopher J. Schreck & Bonnie S. Fisher, *Specifying the Influence of Family and Peers on Violent Victimization: Extending Routine Activities and Lifestyles Theories*, 19 J. INTERPERSONAL VIOLENCE 1021 (2004).