



May 2000

Office for Victims of Crime

# OVC Bulletin

Advocating for the Fair

Treatment of Crime Victims

## Message From The Director

For many years, the experiences of fraud and economic crime victims were not well understood by criminal justice professionals. The Office for Victims of Crime (OVC) recognized that economic crime victims had been largely neglected by many in the criminal justice system. OVC decided to increase service and support to this victim group.

The number of victims of fraud and economic crime is staggering. According to the National Institute of Justice, each year more than 24 million persons become victims of more than 38 million fraud and attempted fraud crimes. Sometimes called white-collar crime, fraud is widespread and growing. One conservative estimate indicates that fraud, in all its forms, cheats victims out of more than \$40 billion each year. Advancing technology has created more opportunities for fraud. Computer use leaves everyone vulnerable to fraud, including telemarketing fraud, identity theft, and health care scams.

Over time, professionals in the criminal justice system, including OVC, realized that victims of fraud and victims of violent crime have much in common and share similar needs. Each needs protection from further harm. Each needs information about rights, remedies, the criminal justice process, and legal advocacy. Each needs practical assistance and referrals to people and agencies for help with short- and long-term problems stemming from the crime, such as mental health counseling and financial help. Most importantly, each needs to see justice done and offenders held accountable.

Like violent crime victims, fraud and economic crime victims may suffer psychological and emotional harm and stress-related physical effects in addition to financial damage. Victims may lose their entire life savings and be devastated by the psychological and social impact. In fact, many economic crime victims describe their experience as a "psychological mugging." They feel robbed of their money, their security, their self-esteem, and their dignity. They have lost their faith and trust in a system they believed would protect them and their resources. Like victims of violent crime, economic

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## Victims of Fraud and Economic Crime

### Results and Recommendations From an OVC Focus Group Meeting

#### Meeting, Location, and Sponsors

On April 26, 1998, 15 participants invited by the Office for Victims of Crime (OVC) convened for a 1-day Fraud Victimization Focus Group meeting at the Hyatt Regency, Union Station, St. Louis, Missouri. OVC convened the meeting as part of the Economic Crime Summit: Exploring Solutions for the 21st Century, sponsored by the National White Collar Crime Center (NWCCC), the National Coalition for the Prevention of Economic Crime, the Mid-States Organized Crime Information Center, and the Bureau of Justice Assistance and OVC, both from the U.S. Department of Justice.

The focus group met immediately following the National Crime Victims' Rights Week as part of the National White Collar Crime Center's Annual Economic Crime Summit. The time and place were

selected to enhance public awareness and to expand the reach of victim support services to those exploited and devastated by economic crime.

#### Goals of the Focus Group Meeting

Prior to the April 1998 meeting, the meeting facilitator and OVC staff developed goals for the meeting, as listed below in no particular order:

- Identify the critical issues involved in victimization by fraud and economic crime.
- Identify and examine the unique problems and needs of fraud and economic crime victims.
- Identify current procedures, programs, and program components dealing with the impact needs of fraud and economic crime victims. Identify these as "promising practices" for providing effective services to victims.

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crime victims may spend years trying to recover from these crimes.

Recognizing the needs of economic crime victims, OVC and other components of the criminal justice system have made efforts to provide more services and resources to this traditionally underserved victim population. OVC's first step, in 1997, was to change the language of its funding guidelines to extend the reach of its Crime Victim Assistance Funds to provide services and support to economic crime victims through State programs. Further, OVC developed and made available Federal programs, model brochures and pamphlets, and demonstration projects designed for use by those helping fraud and economic crime victims. OVC offered these tools for replication nationwide, providing service and support to those assisting economic crime victims.

To ensure development of an effective and sensitive response to the concerns, needs, and issues of economic crime victims, OVC directed its Federal Crime Victims Division (FCVD) to focus special attention on this particular victim group. In April 1998, the Fraud Victimization Focus Group convened to study economic crime issues. This group raised questions and submitted findings that became the basis for the training ideas, promising practices, recommendations, and action plan presented in this bulletin. OVC applauds the fine efforts of this focus group and appreciates its vision and dedication. OVC believes nationwide application of measures based on these findings can help ensure the development and continuation of effective policies, programs, and services to assist economic crime victims.

**Kathryn M. Turman**  
Director  
Office for Victims of Crime

- Identify research needed in the area of fraud and economic crime victimization.
- Consider how the Federal Government can provide leadership and support for efforts to assist victims of fraud and economic crime.

- Reach consensus on 10 priorities concerning victims of fraud and economic crime.
- Formulate a plan of action for future activities by OVC concerning fraud and economic crime victimization.

## Ten Priorities for Helping Fraud and Economic Crime Victims

Through comprehensive discussion of the issues and the impact of fraud and economic crime on victims, focus group members generated 10 priorities for helping these victims. The Federal Government can lead this effort by:

- **Increasing awareness of the emotional impact** of fraud and economic crime on victims. **Increasing sensitivity, knowledge, and capacity** of criminal justice personnel and victim advocates regarding victims of fraud and economic crime and the major concerns facing them, including restitution and financial remedies. **Passing legislation** to increase victims' standing in the criminal justice process.
- **Increasing accountability** of criminal justice personnel and victim advocates toward victims of fraud and economic crime.
- **Developing fraud and economic crime victimization training programs** for criminal justice system professionals, including law enforcement officers; prosecutors; judges; corrections, probation, and parole officers; and victim services personnel. **Teaching criminal justice professionals their proper**

**roles** in helping victims at State, Federal, and local levels.

- **Developing effective national media campaigns** on fraud and economic crime victimization.
- **Identifying or creating victim services** that can be adapted or improved **for older victims** of fraud and economic crime. Recognizing that victim service providers are often financially, technologically, and geographically disadvantaged to deal effectively with the myriad concerns of older victims.
- **Identifying or creating networks** within all cultural and language groups to provide assistance with **outreach and public awareness efforts**.
- **Developing victim support groups** that provide emotional support, practical guidance, and information.
- **Researching victims' needs** and using that information to **develop effective policies**.
- **Recognizing and responding to the needs of identity theft victims** and providing remedies for those needs.
- Acknowledging the **role of the financial industry** in protecting victims from further victimization.

## Participants Suggest Ways the Federal Government Can Lead and Support

Focus group participants suggested the following ways the Federal Government can lead and support efforts to help victims of fraud and economic crime:

- Take a leadership role in education and prevention.
- Establish fellowships and internships within Federal agencies to encourage discussions and to emphasize fraud and economic crime issues.
- Sponsor a national symposium, possibly using OVC funds, to discuss victimization issues surrounding fraud, economic crime, and identity theft.
- Develop a national clearinghouse for resources and information.
- Develop a national advertising campaign similar to that of the National Crime Prevention Council. Sponsor media support.
- Promote educational campaigns within public schools about fraud victimization and identity theft.
- Promote interagency, multidisciplinary efforts and initiatives to cross-train professionals involved in fraud and economic crime victim issues.
- Provide assistance, resources, and new technology to manage cases involving large numbers of crime victims.
- Use the Victims of Crime Act (VOCA) to mandate services and to develop more victim assistance programs aimed at fraud and economic crime victims.
- Mandate Federal Deposit Insurance Corporation (FDIC) institutions to educate customers and increase public awareness about fraud and identity theft victimization.
- Convene a White House conference on economic crime to maximize attention on these issues from both the public and private sectors.

- Encourage and facilitate corporate collaborative initiatives such as public/private ventures regarding fraud and economic crime issues.

## Participants Suggest a Plan of Action

Focus group participants regarded this OVC-hosted gathering as the “first step” in addressing the complex and varied needs of fraud and economic crime victims. After the conclusion of the focus group meeting, participants suggested the following plan of action as the “next steps” to be taken:

- Convene a national symposium on fraud, economic crime, and white-collar crime victimization, inviting as many stakeholders as possible to participate.
- Ensure funding for the national symposium project by using VOCA Federal funds administered by OVC.
- Invite input and encourage responses from consumer affairs groups.
- During National Crime Victims’ Rights Week or during the symposium, publicly recognize the judges and probation officers who were most successful in enforcing restitution for fraud and economic crime victims.

## OVC’s Response to the Plan of Action

In response to the plan of action proposed by the focus group participants, OVC has done or will do the following:

- Work with the Deputy Attorney General’s working group on victims

of crime to address allocution, restitution, and potential new areas of VOCA funding for fraud victims services.

- Encourage replication of the best practices from OVC-funded Federal demonstration programs on asset identification and the restitution recovery process.
- Cosponsor a variety of national conferences, including the National Organization for Victim Assistance (NOVA) and NWCCC’s Economic Crime Summit panels that present general sessions, workshops, and dialogue about fraud and economic crime victim issues.
- Develop pamphlets, brochures, handbooks, guidebooks, and a video about fraud and economic crime. Distribute the materials widely to law enforcement officers and criminal justice personnel, victims, victim service providers, and the public.
- Alert VOCA administrators about changes in the program guidelines for VOCA victim assistance that allow use of victim assistance funds for services such as mental health counseling and recovery of restitution for fraud victims at State and local levels.
- Conduct workshops and develop fact sheets on fraud and economic crime victim issues.
- Submit information about fraud and economic crime victim issues to the Office for Victims of Crime Resource Center (OVCRC) for inclusion on the fraud victim issues page of the National Criminal Justice Reference Service (NCJRS) Web site.

- Through OVCRC, establish and maintain a national toll-free telephone hotline that users can call to request information and products (printed and video material) about fraud and economic crime victims.
- Sponsor and conduct a Health Care Fraud Victimization Focus Group and summarize the proceedings in a published report.
- Incorporate fraud victimization issues into the text of the 1999 National Victim Assistance Academy.
- Collaborate with the National Institute of Justice on focused research in the area of fraud and economic crime victimization and the harm suffered by these victims.
- Recognize through the annual Attorney General's Crime Victims Fund Award those Federal personnel who made outstanding efforts on behalf of fraud and economic crime victims.
- Elicit and review public comments on the existing VOCA guidelines for both victim compensation and assistance. Determine what changes are necessary to address fraud victims' needs. Determine the allowable use of VOCA funding to do so.

## Conclusion

The important work by members of the Fraud Victimization Focus Group provided OVC and the field valuable information and insights that will help promote policies, programs, and services beneficial to fraud and economic crime victims. OVC will continue its efforts and maintain its

leadership role in addressing the complex needs of this group and other underserved victims.

## For Further Information

For additional information about the Victims of Fraud and Economic Crime focus group meeting, contact

### Office for Victims of Crime

810 Seventh Street NW, Eighth Floor  
Washington, DC 20531  
Telephone: 202-307-5983  
Fax: 202-514-6383  
Web site: [www.ojp.usdoj.gov/ovc/](http://www.ojp.usdoj.gov/ovc/)

For more information and publications about victims of fraud and economic crime, please contact

### Office for Victims of Crime Resource Center (OVCRC)

Telephone: 1-800-627-6872  
Web site: [www.ncjrs.org](http://www.ncjrs.org)

## Relevant Publications

### *VOCA Victim Assistance Guidelines*

These guidelines, revised April 1997 and published in the *Federal Register*, allow State VOCA grantees to fund program services that assist victims of financial exploitation and fraud. To obtain a copy, visit the OVC Web site at [www.ojp.usdoj.gov/ovc/](http://www.ojp.usdoj.gov/ovc/). Click on *State Compensation & Assistance*. Click on *Guidelines*.

To obtain a list of current VOCA-funded victim assistance programs, visit the OVC Web site at [www.ojp.usdoj.gov/ovc/](http://www.ojp.usdoj.gov/ovc/). Click on *Help for Victims*. Click on *State by State*.

### *Information for Victims and Witnesses Who Report Fraud Crimes* BC 000599

This generic Federal law enforcement pamphlet provides answers to frequently asked questions about financial fraud and includes assistance contact information.

### *Roles, Rights, and Responsibilities — A Handbook for Fraud Victims Participating in the Federal Criminal Justice System* NCJ 172830

This handbook is for victims who are participating in a Federal criminal prosecution.

### *Victims of Fraud: Beyond Financial Loss* NCJ 170593

This 20-minute educational video focuses on the emotional and financial impact of fraud crimes, emphasizing fraud victims' needs for access to the criminal justice system.

### *Providing Services to Victims of Fraud: Resources for Victim/Witness Coordinators* NCJ 170594

This guide includes strategies, sample letters, forms, and useful assistance information intended to help victim/witness coordinators enhance and expand victim services.

### *Victimization of Persons by Fraud* NCJ 153727

National Institute of Justice Reprint. Reprinted from *Crime & Delinquency*, Vol. 41, No.1, January 1995, Sage Publications, Inc., pp. 54-72.

This research paper focuses on the victimization of persons by personal fraud. It also addresses the reactions of victims and official agencies to the victimization experience and the implications for research and public education.

This abstract is available at this time in paperback form from NCJRS by calling 1-800-851-3420, or you may visit the Web site at [www.ncjrs.org](http://www.ncjrs.org).

### **Telemarketing Fraud Prevention, Public Awareness, and Training Activities** FS 000214

OVC Fact Sheet, August 1998.

This fact sheet describes four innovative projects funded by OVC that are designed to prevent and intervene in telemarketing fraud schemes that target elderly citizens.

## Online Resources

As more Americans work and play online, the number of computer fraud-related incidents has increased. In addition to computer fraud, fraud against the elderly and identity fraud are also rising. Fortunately, there are a number of resources available to victims of fraud, as well as resources that help prevent fraud. The following Web sites contain valuable information on how victims can protect themselves from various forms of fraud.

- *Resource for Consumer Information From the Federal Government*  
U.S. Consumer Gateway  
[www.consumer.gov/](http://www.consumer.gov/)
- *Facts for Consumers from the Federal Trade Commission: Art Fraud*

Advertising Law Internet Site  
[www.webcom.com/~lewrose/brochures/art.html](http://www.webcom.com/~lewrose/brochures/art.html)

- *Fraud Victimization—The Extent, the Targets, the Effects*  
National Institute of Justice  
[www.ncjrs.org/pdffiles/frau.pdf](http://www.ncjrs.org/pdffiles/frau.pdf)
- *The Mail Fraud and False Representation Statutes*  
U.S. Postal Inspection Service  
[www.usps.gov/websites/department/inspect/statutes.htm](http://www.usps.gov/websites/department/inspect/statutes.htm)
- *Inspection Service Information about Consumer Fraud*  
U.S. Postal Inspection Service  
[www.usps.gov/websites/department/inspect/consmenu.htm](http://www.usps.gov/websites/department/inspect/consmenu.htm)
- *Consumer Education Resource Lists*  
National Institute for Consumer Education  
[www.emich.edu/public/coe/nice/fraud.html](http://www.emich.edu/public/coe/nice/fraud.html)
- American Association for Retired Persons (AARP)  
[www.aarp.org/](http://www.aarp.org/)
- The U.S. Government's Central Web Site for Information About Identity Theft  
[www.consumer.gov/idtheft/](http://www.consumer.gov/idtheft/)
- Commodity Futures Trading Commission  
[www.cftc.gov/](http://www.cftc.gov/)
- Consumer Credit Counseling Service  
[www.cccssdic.org/](http://www.cccssdic.org/)
- Federal Trade Commission  
[www.ftc.gov/](http://www.ftc.gov/)
- Legal Services Corporation  
[www.lsc.gov/index2.htm](http://www.lsc.gov/index2.htm)
- National Futures Association  
[www.nfa.futures.org/](http://www.nfa.futures.org/)
- National Fraud Information Center  
[www.fraud.org/](http://www.fraud.org/)

- National Insurance Crime Bureau  
[www.nicb.org/](http://www.nicb.org/)
- Privacy Rights Clearinghouse  
[www.privacyrights.org/](http://www.privacyrights.org/)
- Scam Alerts and Information  
[www.nsi.org/Tips/scams.html](http://www.nsi.org/Tips/scams.html)
- U.S. Securities and Exchange Commission  
[www.sec.gov/](http://www.sec.gov/)
- National White Collar Crime Center  
[www.iir.com/nwccc/](http://www.iir.com/nwccc/)
- National Criminal Justice Reference Service  
[www.ncjrs.org/](http://www.ncjrs.org/)

If you need more information or have questions concerning fraud or fraud publications, please call the Office for Victims of Crime Resource Center toll free at 1-800-627-6872 or visit the OVC Web site at [www.ojp.usdoj.gov/ovc/](http://www.ojp.usdoj.gov/ovc/).

## Focus Group Participants

OVC thanks the following participants who attended the Victims of Fraud and Economic Crime focus group meeting and contributed their experience, information, and support. The assembly at the focus group meeting included citizens who had been victims of fraud and economic crime in addition to professionals from both the criminal justice and victim services fields.

**Trudy Gregorie** (Meeting Facilitator), Director, Victim Services, National Center for Victims of Crime

**Kelly Brodie**, Deputy Director, Iowa Department of Justice, Crime Victim Assistance Division

**Michael Courville**, Representative, International Association of Chiefs of Police

**Debbie Deem**, Victim/Witness Coordinator, U.S. Attorney's Office for the Central District of California

**Laura Federline** (Focus Group Coordinator), Program Specialist, Federal Crime Victims Division, Office for Victims of Crime, U.S. Department of Justice

**Mari Frank**, President, Mari J. Frank and Associates

**Robert Jacobs**, Chief Probation Officer, U.S. District Court, Probation Department, Northern District of Florida

**Sharon Knope**, Victim/Witness Coordinator, U.S. Attorney's Office for the Western District of New York

**Jane Kusic** (Conference Coordinator), Program Specialist, National White Collar Crime Center

**Steve Mehlman**, Consumer Representative, AARP, Southeast Region

**Rhonda Mims, J.D.**, Senior Attorney, American Prosecutors Research Institute

**Marty Plone, D.V.M.**, Del Valle Hospital

**Marie Shadden** (Contractor), Associate III, Community Research Associates

**Marta Sotomayor, Ph.D.**, Executive Director, National Hispanic Council on Aging

**Richard Titus, Ph.D.**, Program Manager, National Institute of Justice, U.S. Department of Justice

The opinions, findings, conclusions, or recommendations expressed in this document are those of the authors and do not necessarily represent the official position or policies of the U.S. Department of Justice.

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