

Consumer Education

First Party Fraud



CONSUMER EDUCATION

Communications Fraud Control Association
Version 1.0

First Party Fraud

Providing insights, knowledge and learning when it comes to fraud.



DEFINITION:

A type of fraud that is perpetrated by the individual whose identity is used to make a financed purchase or subscription with no intent to ever pay for the service or goods. The fraudster can be acting on behalf of an “aggregator” or “handler” who will pay them to commit the fraud and provide them with the service or merchandise or, acting on their own behalf, can also be performed to allow the individual to sell or ‘fence’ the merchandise to monetize their activity.

MOTIVATION:

Monetization. Wireless equipment that can be purchased with a low-down payment and resold for full value in other markets.

Prices vary depending on the destination, but the most common method is to finance the device with a minimal down payment to enable the largest profit possible.

ADVICE TO CONSUMERS:

Don’t let anyone tell you that you can get rich quick or lend their credit to other individuals.

SOLUTIONS:

N/A

Communications fraud is the use of telecommunications products or services with no intention of payment. Fraud negatively impacts everyone, including residential and commercial customers. The losses increase the communications carriers' operating costs. Although communications operators have increased measures to minimize fraud and reduce their losses, criminals continue to abuse communications networks and services. Therefore, communications operators tend to keep their actual loss figures and their plans for corrective measures confidential. Due to the sensitive nature of this topic, CFCA used a confidential opinion survey of global communications operators to support the global fraud loss study.

About CFCA

CFCA is a not-for-profit global educational association that is working to combat communications fraud. The mission of the CFCA is to be the premier international association for revenue assurance, loss prevention and fraud control through education and information. By promoting a close association among telecommunications fraud security personnel, CFCA serves as a forum and clearinghouse of information pertaining to the fraudulent use of communications services. For more information, visit CFCA at www.CFCA.org.

Correspondence should be sent to fraud@cfca.org

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