



**THE CIVIL SERVANTS LITERACY LEVEL ON FINANCIAL SCAM:  
A CASE STUDY OF FINANCIAL SCAM AMONG  
YAYASAN SARAWAK KUCHING STAFF**

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## ABSTRACT

Monetary losses and trauma always be the consequences experienced by the victims of Financial Scam activities. Financial Scam is a serious problem everyone regardless the age, gender, position, career and title. All are exposed to this unethical act daily. In order to curb this act and prevent more monetary losses, enforcement agencies needs to educate the public effectively. Public members' literacy levels on Financial Scam need to be enhanced as it will be one of the weapon to combat this activity. The research is focused on the indentifying the literacy level of government agencies staff on Financial Scam by focusing on their knowledge and awareness level. Descriptive study using questionnaire was applied. 50 respondents from Yayasan Sarawak Kuching were selected for study after initial screening. So far not many researches have been done on this area and no study to date has comprehended the level of literacy on financial scam among the staff of Yayasan Sarawak Kuching. Findings have shown that more than half of the respondents know and aware of the scam activities surrounding them. Most of the respondents also know who the enforcement agencies are and also where to get the information on the scam activities. It was recommended that enforcement agencies to conduct awareness programs aggressively and also to supply as many as possible all the brochures, leaflets and information via various modes.

# CHAPTER 1

## INTRODUCTION

### 1.1. INTRODUCTION TO FINANCIAL SCAM

Fast and convenience are what most of us are looking for when comes to any services offered by either individual or an organization. Rapid development of Information Technology (IT) has improved most of the services significantly especially services offered by financial institutions. For instance, internet banking, mobile banking and phones-banking services offered by most of the banks worldwide. Financial institutions, from the most developed countries to the third world countries are offering these services to the customers for their conveniences. While most peoples are enjoying these conveniences, scammers or fraudsters are exploiting the situation using the sophisticated technology to conduct financial scam activities. According to PR Newswire 2013, financial fraud is a growing problem worldwide. In Canada, the Canadian Anti-Fraud Centre (CAFC) received almost 39,000 complaints of mass marketing fraud with reported losses of over \$53 million in 2012. Another 17,000 claims related to identity fraud/identity theft, and cost victims more than \$16 million. In many cases, victims are too embarrassed to report fraud or even tell their family and friends they've been scammed, making it easier for fraudsters to ensnare new victims.

Generally, a scam is an act of crime and an offence of civil laws. Financial scam can be defined as an intentional act of deception involving financial transactions for purpose of personal gain (Bank Negara Malaysia; [www.bnm.gov.my](http://www.bnm.gov.my)). It involved various types of financial schemes and inconsistent modus operandi to deceive people to involve or joint the scheme.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1.1. FINANCIAL SCAM

Financial scam also can be referred as financial fraud can be widely defined as an intentional act of deception involving financial transactions for purpose of personal gain. Fraud is a crime, and is also a civil law violation. Many fraud cases involve complicated financial transactions conducted by 'white collar criminals' such as business professionals with specialized knowledge and criminal intent (Bank Negara Malaysia; [www.bnm.gov.my](http://www.bnm.gov.my)).

Financial scam can be organized in various ways. The most popular methods of these crimes are Forgery Banknotes, Illegal deposit taking, Illegal investment schemes, Pyramid scheme, Illegal Foreign Currency trading, Lotto scam, Black Money and Phishing Email.

In UK for instance, Lotto scams are widespread with promises of huge winnings arriving via unsolicited e-mail or letters.

BBA 2010 has quoted that invariably the communication will purport to come from an overseas lottery and claim that the recipient has been allocated winning numbers. The recipient will be asked to contact the organisers and invited to send money in to assist in the administration for the release of the winnings. In the case of email anyone can be a victim. With letters, the criminals can be more specific and in many cases they will target the elderly. False certificates of winnings will be sent.

The victim may respond and after sending a fee to the fraudsters may have telephone contact seeking further money. In Malaysia currently, "Get-Rich-Quick" scheme" or Illegal Investment scheme is the most popular or most