



Selling Snake Oil *at LIGHT SPEED*

Protect yourself from the new breed of "Snake Oil Salesmen" when buying online.

By Christopher Dwyer

Selling Snake Oil At Light speed

How to commit eCommerce fraud

By Christopher Dwyer

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*This book is dedicated to
my partner Benita
and my three girls,
Jade, Jasmine and Ashleigh.*

Also special thanks to Mark for his open heart.

HO !.

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1. Introduction

Fraud is not new, although the current media would have you believe otherwise. Remember the "Snake-oil Salesman", traveling from town to town, selling his magical oil that would cure almost any ailment. This salesman was on the constant lookout for people who were sick, poor or lonely. He made his fortune selling this oil to unsuspecting and desperate people. They were sick and he exploited their desperate cry for help. Before they realized that the product they purchased did not help them, the salesman had traveled to another town and was gone - forever.

And remember "The Sting", the great 1973 movie starring a young Robert Redford, where an unsuspecting gambler is defrauded out of his winnings. I often recall this timely quote from the movie

*Floyd: Doyle, I **know** I gave him **four** threes. He had to make a switch. We can't let him get away with that.*

Doyle Lonnegan:

What was I supposed to do - call him for cheating better than me, in front of the others?

It showed that deception can be successfully performed even when so-called experts are involved.

Then along came the Internet which gave people all over the world unprecedented access to others. The ability to email from country to country and have the message arrive within moments of its creation revolutionised communication. No longer did people need to wait weeks for a response to a mailed letter - they got instant feedback to their email. The proliferation of websites too has changed the way the world does business. A person can shop for most things, not just from their local area, but from the entire globe.

Sites like Amazon.com allow readers to browse a catalog that is far larger than any bookstore in their town. Amazon.com gives readers the chance to see what other readers with the same areas of interest are reading,

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This is not available to such a huge scale in ANY bookstore in the world - only an online bookstore.

Likewise, wine websites now teach their customers about the differences between Chardonnay and Chablis, Rose and Merlot - all from their “always open” website. Furthermore, many small vineyards are creating one larger website, with an extensive product range previously only available to large liquor store. Looking at BarSac (<http://www.barsac.com.au>) we find a site that takes the wine from the vineyard and sells it to the customer.

We are one of the first companies in Australia to venture into the high-volume premium, unlabelled wine market. We specialise in wine direct from the winery, which cuts out the "middle-man" and provides the customer with exceptional value for their investment (*Barsac.com.au website*)

On the Barsac site, a customer can browse the wine site, learn what wine is best with fish, make a suitable purchase and have the wine delivered. All of this with no contact to any salesperson at the retail outlet.

The internet is a powerful place.

However, because a criminal is only as good as the last scam, it did not take long for the "Snake-oil Salesman" to start traveling via the Internet. And why not !

They could sit in their "bunker", 24 hours each day, in whatever country they choose and send their sales pitch to not one town, not one country, but the entire world. The ease and low cost of email has given them an incredibly powerful sales tool. No longer did they need to risk meeting an old customer face-to-face and having to explain their actions. No longer did they need to visit one small town at a time, hiding in their car and "laying low". No longer did they need to stand before their customer and convince them of the merits of the snake oil. Nor do they have to send letters, faxes or phone calls, paying high transmissions costs. eMail is free !

Due to the relative anonymity of the web, and lack of co-operation between law enforcement agencies, these people are very hard to find.

Recently, governments around the world have introduced anti-spam laws. Spammers can face fines of up to \$1 million USD per day for continuing offences.

However, these enhancements to the global anti-spam laws will do nothing to stop the way these people work. It is often the case that only the honest people will adhere to the new laws. Law breakers - those who have the intention of stealing money, are not going to abide by any anti-spamming law. They do not even abide by any criminal or civil law. They will continue to send unsolicited email to any address they can find, hoping that one of those people are **sick, poor or lonely**. Or perhaps all three.

The role of the dog.

In 1993, Peter Steiner penned the cartoon in The New Yorker "On the Internet, nobody knows you're a dog." (You can see this cartoon by visiting <http://www.unc.edu/depts/jomc/academics/dri/idog.html>).

It is true, that no matter what level of communication you have with another party over the internet, you have no idea as to the person's true identity. How do you honestly know that the person writing this book is not a 9 year old child?