The Psychology of Scams

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The Daily Star, Tucson’s local newspaper, employs an investigative reporter whose work, all on its own, justifies the ever-increasing price of a subscription. His name is Tim Steller and he generally limits himself to local skullduggery. But he recently described a scam that has local ties but was perpetuated nationwide (Steller, 2020). It involved solicitation of funds for building a piece of the politically fraught wall between the U.S. and Mexico on a section of private land. In fairness, the funds actually paid for more than four miles of wall, but that cost only about half of the roughly $25 million that was raised. A large chunk of the remainder ended up in the pockets of the people who ran the fund, called We Build The Wall, even though they routinely assured donors that every penny would go toward wall construction, The whole scheme was made public upon the arrest of, among others, a prominent political figure, Steve Bannon, and a man with Tucson ties, Brian Kolfage, who is a decorated war hero who was very badly wounded in Iraq.

Steller had previously known about We Build The Wall worked because he had been the recipient of frequent solicitations. He described a recent message that warned of a potential ‘surge’ in immigrants when the pandemic lockdown was eased.[[1]](#footnote-1) The message said, in part, “That’s why We Build The Wall is raising $500,000 over the next 30 days to Stop the Surge, and we need your support today.” The suggestion, of course, is that the organization and its wall can save us all from the threat of inundation if we donate money so they can do their job.

As I read Steller’s article, it occurred to me that the underlying structure of a scam like this is fairly simple: threat/savior/instrument/price. In the this case, the threat is The Surge, the savior is the We Build The Wall organization, the instrument of salvation is the wall they will build, and the price of salvation is a donation. This is not much different from a legitimate transaction in which someone pays an agent to mitigate a perceived threat before it can cause harm—e.g., you pay your dentist to fill a cavity before it causes pain. What makes it a scam is the information the victims have: The Scammers may or may not know or care about the real magnitude of the threat but they present it as dire. They may or may not know or care about the potential efficacy of their own efforts at salvation and/or the efficacy of a wall as an instrument of salvation, but they present both as sure-fire solutions. What they do know and care about, however, is the money they will skim from the donations. The victims, on the other hand, know only what their preconceptions and the scammers tell them. If the scammers are credible, the victims willingly accept what they are told. Thus, because We Build The Wall was fronted by a prominent political figure and a celebrated war hero, victims assume the solicitation and the information in it is legitimate. They are distressed by the threat, accept the offered claims about the efficacy of the savior and the instrument, and they willingly pay the relatively modest price of salvation by making a donation.

After discussing We Build The Wall, Steller draws a parallel with the Trump’s 2016 election campaign: In both cases, the amplified fear was the general human distrust of Other and of displacement by immigrants. In the campaign’s case, there were explicit claims that immigrants are the source of crime and disease, and that immigration will undermine the culture and flood the job market with cheap labor. In both cases, a savior and the mechanism for salvation were offered. In the campaign’s case, Mr. Trump, was the savior and the border wall (paid for by Mexico) was the instrument of salvation. In both cases, the solicited contribution was donations and, in the campaign’s case, votes. What made both cases into scams was that there was (is) no credible evidence that a wall would have more than a minimal effect on illegal immigration, most of which takes place at or near established ports of entry rather than out in the desert.

Steller then turned to another example. The National Rifle Association, assured gun owners that the government would take away their ‘gun rights’ unless someone stopped it. The threat was the government, the savior was the NRA, the mechanism was lawsuits and political contributions, and the price was membership dues and donations. What made this a scam was the inflation of the government threat to any and all gun ownership and the large amounts of the organization’s money that were siphoned off to provide luxurious lives for the NRA’s executive officers, who are now under legal scrutiny.

Steller’s goal was to produce a topical article for the Sunday newspaper and stir up a little ‘good trouble’ while doing so. But his observations seem to me to extend far beyond his three examples. Some of us can remember Senator Eugene McCarthy and the wholesale purging of government and education of suspected communists, communist sympathizers, and supposedly blackmailable homosexuals. McCarthy and his followers presented the threat as a communist conspiracy to take over the government, abetted by ‘fellow travelers’ in higher education. The savior was the Senator and like-minded politicians and citizens. The mechanism was loyalty oaths and a purge of the bureaucracy and universities. The price was allowing the McCarthites virtually unlimited power. In the end, the threat proved minor, essentially nonexistent, and an exhausted public tired of McCarthy and his crusade. But the damage had been done. Countless lives were ruined and careers destroyed. Perhaps worse, the seeds of distrust in government and fear of what would later be christened ‘the deep state’ had been firmly planted. Unfortunately, it was just another in a long line of episodes in American history in which demagoguery and lies prevail until the scam is revealed and the country comes to its senses.

These scams are dramatic, but we have all become so accustomed to lesser scams that we scarcely give them a thought. If you are like me, you delete half your phone messages because they are scams.[[2]](#footnote-2) The current favorite claims that some amount of money will be withdrawn from my bank account (the threat) for some service or product that I supposedly ordered unless I call the phone number they caller supplies. I presume that if I were to call, I would be asked for my bank account number (price) so they (savior/instrument) can ‘clear up the misunderstanding’. Of course, were I to comply, my meager account would become even more meager. Another favorite claims that my “software license” will expire if I do not call them back and pay to renew it. I never do and it never does—whatever *it* is.

**When is a Scam a Scam?**

Every day, I receive a pile of solicitations in the mail from organizations claiming to do good works. Each of them calls upon my empathy (or guilt) to solicit funds (price) to mitigate some evil, injustice, or inequity (threat) that they (savior) are uniquely equipped (instrument) to remedy if I provide funding (price). Many of these solicitations are legitimate, but it is difficult to know because, by and large, the only information I have is provided by them. So, when is it a scam and when is it a reasonable call for help to right a real threat? And how can I tell the difference?

This is not an idle question; it suggests, what might be called the Victim’s Dilemma; when is a threat really a threat, when is a savior really a savior, when will the offered instrument of salvation really work, and when is the price too high? Clearly, the decision depends on obtaining information.

As I write this, the 2020 Democratic National Convention (DNC) has just concluded and the Republican convention (RNC) is underway. Let us assume that it is my conviction that one of these conventions is attempting to scam me, but which one? The Democrats identify the threat as enduring more of what we have endured for the past three and a half years if the other candidate is reelected. They offer their candidate as savior and a multitude of explicit policies as the instruments of salvation. Their price is my vote (and, they hope, a donation). The Republicans identify the threat as economic catastrophe and social unrest if the other candidate is elected and offer their candidate as savior and their economic and law-and-order policies as the instrument of salvation. Like the Democrats, their price is my vote (and donation).

Which of the two is virtuous, and therefore not really a scam, depends upon one’s political viewpoint. In my case, my narrative about the incumbent and his success to date makes me disinclined to want more of it, so I would not vote for him. I am, therefore, inclined to regard his party’s offer as a scam and his opponent’s offer as legitimate. (I have no illusions that my preferred candidate can actually deliver on all his promises; but I will settle for a few.)

**The Psychology**

Humans, like all creatures, have evolved to be hypersensitive to potential future harm, to threats. This is a strength in that it allows us to anticipate harm and ward it off before it happens. But it also makes us vulnerable to scams. As long as the threat presented by the scam is a coherent extension of our existing narrative about the past and present, we regard it as plausible and are likely to believe it.[[3]](#footnote-3) The more coherent, the more plausible the threat and the stronger our belief it will happen. The scammer’s art lies in presenting the threat in a way that makes it highly coherent with what we already believe, making it highly plausible and strongly believed. Indeed, the very appearance of knowledge about the threat in the scammer’s initial presentation implies that he or she has credibility as a savior; any additional credibility (prominence, heroism) merely makes things better. Then he or she must present a salvation that is equally coherent, plausible, and believable. The instrument of that salvation need not be detailed, merely reasonable.

The key is (1) to understand the victim’s existing narrative and to present the threat as a coherent extension of it; if the threat already is part of the victim’s narrative future, so much the better. (2) Then the savior’s credentials and the efficacy of his or her instrument of salvation must be established. This is reasonably easy if the victim has no information other than that presented by the scammer him/herself. (3) Finally, the price must be established; it can be left to the victim’s discretion or it may be suggested/demanded. In the latter case, it must be proportional to the degree of threat and the efficacy of the remedy.

Note that coherence is crucial. The whole story must hang together or the victim will remain unpersuaded. But, that, after all, is precisely what successful scammers excel at doing—telling a coherent, compelling story that justifies their request for payment. In this they are simply doing what anyone in sales does, they simply stretch the truth a bit more. *Caveat Emptor.*

**References**

Beach, L. R. (2019). The structure of conscious experience. Newcastle-upon-Tyne, UK: Cambridge Scholars.

Steller, T. (2020). Border-wall scam from Kolfage, Bannon utilized populism, alarmism for dollars. Tucson, AZ: Tucson Daily Star, August 23, Section B.

1. I have always found it interesting that the people who seem most fearful about illegal immigration at the southern border are the ones who live the furthest from it. Of course, ranchers find the mess left behind offensive and many are uneasy about strangers crossing their land, but for the most part there is no panicked alarm. Indeed, the most fuss, other than at the border itself as the border agents turn away would-be immigrants, is made by volunteer rescue groups who are harassed by those same agents for leaving food and water for immigrants in danger of dying of dehydration as they try to cross the Arizona desert or by those who search for and provide medical help for immigrants who cannot make it. Locally, at least in liberal Tucson, distress about the impact of the wall on wildlife and the environment (particularly when the San Pedro river floods during monsoon season) exceeds distress about having illegal immigrants in our midst. Of course, drugs are a whole different story. [↑](#footnote-ref-1)
2. There is considerable confusion about cons and scams. It seems to me that a con (short for confidence scheme) turns on promoting the victim’s greed and a scam turns on promoting his or her fear of loss. Surely, there is a fine line between greed for gain and fear of loss—one could fear not receiving the gain, which, from a TNT viewpoint, makes them much the same. TNT treats potential loss of opportunity as as threatening as any other expected danger. [↑](#footnote-ref-2)
3. The reader who is unfamiliar with the psychology of narrative thought is referred to Beach, (2010, 2019; Beach, Bissell, & Wise, 2016) as well as other essays on this web site, most of which describe it. [↑](#footnote-ref-3)