

Location, Location: Your Risk of Fraud Is Tied to Your Address



By Erika Morphy | Mar 2, 2015



A new data point is emerging about online fraud and cyber risk that is giving the business community pause. Apparently location matters when it comes to victimization.

Two security companies — Forter in Israel and EnigmaSoftware in the US — have found certain cities and states have higher numbers of fraud perpetuated on their residents. Forter also found certain states tend to have a higher number of residents that actually *commit* this fraud.

States to Avoid

The two companies used various methods to arrive at their conclusions. But essentially both evaluated a number of factors and data points while overlaying behavioral analytics on top to come to certain conclusions.

Here is what they found, starting with Forter, which released its data last week.

The 10 "safest" US states – that is, states where a resident is least likely to experience e-commerce fraud, are North Dakota, New Mexico, Rhode Island, the District of Columbia, Tennessee, Mississippi, New Hampshire, Connecticut, Maryland and Washington. States where residents are most likely to experience e-commerce fraud are West Virginia, Delaware, Minnesota, Arkansas, Nevada, Iowa, Utah, Texas, Oklahoma and Michigan.

Finally, [Forter](#) found that the states housing the most e-fraudsters themselves – that is, people who commit e-commerce fraud – are Texas, Nevada, Alaska, Michigan, Maine, California, Missouri, Florida, Colorado and New York.

Forter determined the latter list by determining where the fraudulent shipments or packages were sent. As for why these states are favored locations, the company can only speculate.

One obvious reason, it has said, is that these states are close to an international border and/or have a lot of space to hide warehouses of illegitimate goods.

Forget Florida?

Two months ago, [EnigmaSoftware](#) came out with its own analysis of which cities are safe and which are not.

It found residents in Tampa are the least safe. They experience computer infections (on a per capita rate) well above the national average: a whopping 561.8 percent higher in 2014, to be precise — the highest in the nation. Orlando's rate was 386.9 percent higher than the national average, followed by St. Louis at 369.4 percent higher than the national average.

EnigmaSoftware has its theories about the "why" behind these numbers.

Some of the reasons make sense. For example, areas where a greater than average volume of porn downloaded tend to be hit harder by malware. Also, certain regions of the country, such as the south, tend to experience more malware attacks.

But ultimately, said Patrick Morganelli, SVP of Technology at EnigmaSoftware, there is simply a lot security researchers still don;t know about online fraud. They are still struggling to understand the "why," especially when trying to determine why one city sees higher activity than the other. It could be something as quirky as the weather or a local large retailer that was hacked, he said.

We're open to speculation. Share your ideas in the comment section below.

 Title image by [\[AndreasS\]](#).

About the Author

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