

Title: Cultural Due Diligence II – The Definitive Guide to the Psychology of Scams and How to Detect Them

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Hello, my name is Blanderson\\_Snooper, and I am a Superstonk addict.

<https://preview.redd.it/834z2kxrwa781.jpg?width=762&format=pjpg&auto=webp&s=423cd8177a02c2cba96cf11578dc8e8e6970d4d8>

My first post to Reddit was what I called a Cultural Due Diligence, [an attempt to demystify the tactics of shills and the psychology of financial terrorists]([https://www.reddit.com/r/Superstonk/comments/nhx7f2/gme\\_apes\\_a\\_cultural\\_due\\_diligence\\_prequel\\_to\\_the/](https://www.reddit.com/r/Superstonk/comments/nhx7f2/gme_apes_a_cultural_due_diligence_prequel_to_the/)) in order to help Apes through a rocky period in our history. I was inspired to write that post, along with [the original Wargame Theory]([https://www.reddit.com/r/Superstonk/comments/mvov2f/the\\_gme\\_wargame\\_a\\_new\\_theory\\_of\\_everything\\_my/](https://www.reddit.com/r/Superstonk/comments/mvov2f/the_gme_wargame_a_new_theory_of_everything_my/)), by the excellence of Apes, as well as the need to shift Ape consciousness from the manipulations of the OG sub into a diamond-handed cohort that could stand against all the world's media, shills, scammers, and financial institutions.

Almost a year on and we're doing pretty good, wouldn't you say?

<https://preview.redd.it/w4gxvrbtwa781.jpg?width=607&format=pjpg&auto=webp&s=77ca0e6046f79994d1014cbe42cb49cc6791f89b>

Our community is seven times larger than it was, and Apes have forged their own investment thesis through the dedication of our wrinklebrained DD researchers and authors. If you missed everything and everyone that led us here, check out [my guide to the first seven months of DD that forged our diamond hands]([https://www.reddit.com/r/Superstonk/comments/njwv6n/the\\_gme\\_masters\\_guide\\_a\\_dd\\_campaign\\_for\\_apes/](https://www.reddit.com/r/Superstonk/comments/njwv6n/the_gme_masters_guide_a_dd_campaign_for_apes/)). We wouldn't be here without them.

Lately, however, I've witnessed events that inspired me to once again offer a Cultural Due Diligence, this time a comprehensive look at the psychology of scams. Back in the spring [we discovered COINTELPRO]([https://www.reddit.com/r/Superstonk/comments/mulstf/cointelpro\\_techniques\\_for\\_dilution\\_misdirection/](https://www.reddit.com/r/Superstonk/comments/mulstf/cointelpro_techniques_for_dilution_misdirection/)), which gave us a method for recognizing and battling bad actors and their attacks on our community. However, the terms they gave us - shills, FUD, forum sliding, etc. - have become a little long in the tooth and/or corrupted over time. Scammers never stop adapting and co-opting our culture to their criminal ends, and so we must keep evolving and adapting our defenses as well.

By the end of this post, you will have a PhD in scam detection and defense.



**\*\*This post is scam-agnostic,\*\*** meaning it's not targeted at any of the scams currently being run against Apes. This is a distillation of information from the largest academic meta-study of actual scams and scam victims, first published in 2009 by Exeter University and the U.K. Office of Fair Trade. It is comprehensive, and **\*\*as our enemies' plays get more sophisticated, this will help our community keep pace\*\***.

Nothing here is cherry-picked, this is drawn from the most accurate and comprehensive view of the psychology of scamming ever produced. Any resemblance to real persons or current events is **\*just a function of those events and people likely being part of a scam\***, either as perpetrators or victims.

The 260-page study is available online ([PDF link](<https://ore.exeter.ac.uk/repository/bitstream/handle/10871/20958/OfficeOfFairTrading%202009.pdf;sequence=1>)) for anyone who wishes to fact-check, read

about the methodology, or read more on any of these topics. It's a fascinating document the whole way through.

This post is a toolkit to help you evaluate and recognize scammers who target you, whether One-to-One (shills in your DMs), One-to-Many (YouTubers and other social media scammers), or Many-to-Many (a full-on brigade of the sub).

This toolkit can also help you recognize \*the\* \*conditions in which a scam can be introduced\*, such as a flood of posts pushing heightened emotions and urgent action, a non-Ape "authority figure" being hyped, or someone promising you wealth "if you follow this one simple trick."

With all that out of the way, let's get to it.

## # Scamming Basics

A scam at its most simple requires a scammer and a victim. Successful scams rely on the scammer building a relationship with the victim, similar to how marketers, advertisers, and salespeople build relationships with clients and consumers.

Falling for a scam comes down to errors in decision-making, and scammers create situations (with their scam offers) that increase the likelihood of poor decision-making. They do this through a variety of techniques linked to the psychology of persuasion.

[Funny as it sounds, this is actually a successful scammer technique](<https://preview.redd.it/15xyi0lvwa781.jpg?width=607&format=pjpg&auto=webp&s=e24e719f6013e46aff05c93171eb9f9f5e7530d2>)

**\*\*The scammer provokes errors in judgment in the victim\*\*** by creating situations that increase the likelihood of poor decision-making, using well-refined techniques of psychological manipulation. They also use manipulation to avoid blame for as long as possible.

If you see someone saying things like "I'm not responsible for other people's decisions" or "I'm just trying to educate people, if they lose money that's on them," you can confidently know that this person is aiding and abetting scammers, whether intentional or not.

That's because **\*\*the scammer is responsible for creating an environment that promotes poor decision-making by exploiting known psychological triggers\*\***. The chain of responsibility begins there, not at the point the decision to follow the scammer's advice was made.

Additionally, as shown below, **\*\*scams are designed to encourage victims to blame themselves\*\***. This is another technique scammers use to avoid people "reading the fine print" and discovering the scam.

[Ignoring the fact that they created the poverty and desperation that led to the decision](<https://preview.redd.it/a1wb0pm1xa781.jpg?width=610&format=pjpg&auto=webp&s=6340f5c54ce7bece969fe3df9eb2dafa3e4cb6c4>)

The rest of this post talks about how they provoke such errors, the types of errors their messages are designed to provoke, and the characteristics of victims that open the door for psychological manipulation.



A note about the word "victim." While people who lose money to scammers *are* victims of psychological manipulation, the word does not have a negative connotation here. As the OFT explains:

>Victims of scams are often labelled as 'greedy' or 'gullible' and elicit the reaction, 'How on earth could anyone fall for that?' However, such labels are unhelpful and superficial generalizations that presume all of us are perfectly rational consumers, ignoring the fact that all of us are vulnerable to a persuasive approach at one time or another.

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>Additionally, up to 20% of people are particularly vulnerable to scams, but in general \*they are not poor decision-makers\*. In the words of the OFT, "they simply seem to be unduly open to persuasion, or perhaps unduly indiscriminating about who they allow to persuade them."

That means of Superstonk's 700,000 members, up to 140,000 of them will be particularly vulnerable. And victims are not only those who are financially fleeced, but also those who are tricked into supporting or spreading the scammer's manipulative messaging. The same psychological exploitation is occurring in both cases.

This is why it's important for Apes to watch out for one another, because the scams run here will copy and corrupt our community values to make the scam seem legitimate. \*\*This can rope innocent Apes into identification with the scammer rather than other victims.\*\*

>Either by modelling themselves on legitimate equivalents, or by copying earlier scams, scammers produce material that 'looks right'. This does mean that the public can learn about particular kinds of scam, and successfully avoid them, but that fact carries a vulnerability: \*\*a creative new scam message is likely to be disproportionately successful.\*\*

Earlier in the year we learned how to recognize and defend our community against the scams of the past. This post contains the tools to help us recognize scams that are designed and targeted specifically at the Ape culture that has developed here since. We will never stop attracting the attention of scammers, who will continue to develop and target us with new scam messages as long as we remain together.

As a community, we should support victims rather than mock them, and we should reject scam communications outright. As you'll see below, "just hearing them out" is to the advantage of the scammer, and enables even more victimization.

■

Luckily, by learning the principles below and rejecting known scammer communications and techniques, \*\*we can successfully identify and avoid them\*\* \*\*\*even if we don't understand the mechanics of the scam\*\*\*.

This post is formulated according to the researchers' conclusion that:

>There are reliable features of scams that are not to do with persuasion as such, but with the practical needs of the scammer. So people should \*\*be alert for communications that spend a lot of time telling you how to send (or spend) money, or persuading you to make contact.\*\*

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>Victims and near-victims report processing scam communications more thoroughly than non-victims, so persuading people to read scam materials might be counter-productive. Of course, if people get as far as the fine print, they may well recognize a scam as a 'bad buy'. But that is not what non-victims do: Rather, they discard scams virtually unread. \*\*The most effective education strategy may be to help potential victims recognize scams at a glance.\*\*

The trick to "recognizing scams at a glance" is knowing what to look for. The rest of this post gives you a definitive guide to recognizing scams, drawn from decades of academic research and analysis.

A lot of times people won't believe something is a scam unless there are proven victims, or the scammers have openly slipped up and revealed the scam. But this approach actually helps scammers, who control the information you see, and by the time they are prosecuted or found out (if they are), the money has already been lost (see: Madoff, Enron, the 2008 financial crisis, [online investment scams](<https://www.justice.gov/usao-ndga/pr/former-registered-broker-admits-involvement-options-trading-scheme>), etc.).

Additionally, as you will see below, **scammer manipulation encourages victims to stay silent rather than speaking up about their losses and experience**.

Instead, it's helpful to **look for the characteristics identified by researchers as tactics that scammers use to provoke errors in judgment**, and assume the presence of those things indicates a scam. This is how doctors diagnose their patients, and it works for scams too.

As you'll see below, these characteristics are common across all scam types, because the psychological triggers they induce are hard-wired, predictable, and exploitable. Ethical communicators simply do not use these manipulative tactics.

## # Four Techniques for Self-Defense

Before we break down the results of the study, here are four things you can do/understand to help you "recognize scams at a glance" according to the research:

1. If someone offers you an "easy money" scheme, **ask yourself what you could lose** rather than what you could gain.
2. If you don't understand an offer or think it might be a scam, it almost certainly is. **Your gut instinct is almost invariably right.**
3. **Realize that no one ever wins against a scammer.** The game is immutably rigged by information asymmetry and their network of fraud. The only winning option is not to play.
4. The most common and powerful **scams appeal to Trust and Authority**, and **offer huge rewards at little cost or risk.**



## # The Definitive Guide to Scam Language and Psychology

Let's start with some lists, which alone can serve you well as a shorthand for recognizing a scam being run against you.

### **Top 3 Words Use in Scams**

1. Money
2. Cash
3. Information

If someone is promising you they have **information** that will lead you to **money/cash**, that is the first sign of a scam.

<https://preview.redd.it/qk53ha7cxa781.jpg?width=496&format=pjpg&auto=webp&s=12bde5537d9da47b16426cdba35fb4fc67db4976>

### **Top 4 Concepts Present in Every Type of Scam**

1. Focus on the size of the winnings/benefit, minimize the amount needed to invest
2. Use words that activate a false sense of Authority and Trust
3. Induce you to make contact in another place/medium, and highlight contact methods
4. Focus on the payment methods you can use to collect the "big prize"

The next section explores these in more detail, but if you look at an offer and see these four concepts prevalent...

<https://preview.redd.it/iyx73oydxa781.jpg?width=610&format=pjpg&auto=webp&s=e324d8cbb28c1a470>

## # Top 4 Psychological Processes That Induce Errors of Judgment

1. Visceral Triggers
2. Appeals to Authority and Social Proof
3. Induction to Behavioral Commitment
4. Encourage Positive Illusions about the Victim's Competency and Control

### \*\*Visceral Triggers\*\*

Visceral triggers aim to reduce the depth at which people process a message by appealing to greed, anxiety, or desperation. They encourage heightened emotional states over rational evaluation, and focus on future states of fortune or regret to deflect attention from the present – the scam message itself.

As the OFT puts it, "They seek to reduce the depth at which people process a message, so victims grab at the superficially attractive even when a little careful thought would have exposed it as a scam."

The primary visceral triggers found in scams are:

- \* Persistent, bombarding communication
- \* References to very large winnings, either as a total or repeatedly over short periods
- \* Inducing belief that the scam is high value, low stakes
- \* Creating "phantom fixation": describing positive emotional experiences in the future when the recipient receives the windfall
- \* Referring to money worries or frustrations the intended victim may be suffering
- \* Inducing the "regret effect," referring to negative feelings intended victims would have if they did not respond
- \* Threatening the loss of a large sum that the victim does not actually have, and will 'lose' only in the sense of not gaining it

### \*\*Appeals to Authority and Social Proof\*\*

Authority is triggered by words aimed to increase subjective trust in the scam offer, for example, by referring to authorities or (falsely) establishing the authority of the scammer themselves.

Social proof triggers seek to reduce cognitive processing by assuring intended victims that "better" people have already evaluated and validated the scammer's claims. "Better" here could mean more knowledgeable, more well-liked or having higher status, more experienced, more professional, more successful...just \*more\* than you. The "proof" provided discourages deeper analysis of the offer being made, and offers the possibility of new friendships and status by proxy.

The primary authority and social proof triggers found in scams are:

- \* The high quality of the scam communications themselves
- \* Mimicking the style of legitimate communications
- \* Personalized touches that induce emotions of familiarity
- \* Pretending that others have already responded to the scam offer
- \* Inducing belief in (false) testimonials by associates who claim to have profited from the scam
- \* Appealing to recognized authorities (without their knowledge or consent), or diminishing the authority of others

### \*\*Induction to Behavioral Commitment\*\*

Scammers ask their potential victims to make small steps of compliance to draw them in.

Think about the beginning of Squid Game, where a character is drawn into the larger scheme after first agreeing to play an innocent game. Had the scammer started out with “hey, do you want to play children’s games and become a millionaire?,” the victim likely would have turned him down, recognizing it as a con.

This is the most commonly found trigger across all scam communications, and in many ways is the most powerful since it contains both the emotional manipulation *\*and\** the practical advice on how to enter the scam (the scammer teaches you how to pay for the promised windfall).

This is why people who are not particularly vulnerable to scams simply disregard them after “recognizing them at a glance.” Engagement opens the door to manipulation, and *\*\*even small steps activate psychological triggers that deepen the relationship between scammer and victim\*\**, which allows scammers to provoke decision-making errors.

The primary behavioral commitment triggers found in scams are:

- \* Encouraging intended victims to initiate contact on their own
- \* Requesting that intended victims merely seek information from the scammer, information that will form the basis of the scammer’s profit
- \* Activating the “sunk cost effect,” the idea that an initial investment of time or money would be wasted if further investments are not made
- \* Referring to payment modalities, or how to pay for the riches that await

#### *\*\*Encourage Positive Illusions about the Victim’s Competency and Control\*\**

This one is the most insidious, and the most counter-intuitive particularly for a research-oriented community. What’s the problem with a little education? Well, according to decades of research, it makes people *\*more\** susceptible to scams, not less. The OFT says:

>“Scam victims often have better than average background knowledge in the area of the scam content. This especially applies to those with some knowledge of investments. *\*\*Such knowledge can increase rather than decrease the risk of becoming a victim.\*\**”

Scammers need you to *\*feel\** a little educated because that opens you up to further manipulation. Asking you to “just hear them out” or invoking “freedom of speech” is an induction to behavioral commitment as well.

The other way scammers activate these triggers is by promising that you (or they) have more control over the outcomes of specific actions than you really do. Not only that, but activating the well-known psychological phenomenon known as *\*positivity bias\** means that,

>Victims may fall for scam messages because they overestimate their abilities to detect fraud, they overestimate the probability of positive outcomes associated with the scam response, or they overestimate their control over the whole situation.

Scam messages are designed to provoke these positive illusions of self.

The primary positive illusion triggers found in scams are:

- \* Suggest that they have inside information that can enable you to “beat the house”

- \* Claim that there are other bogus tipsters out there, but that their offer is somehow genuine
- \* Encourage the belief that victims are more in control of their environment than they really are
- \* The use of fake testimonials
- \* Imply that by responding to the scam you are better than those who don't

In a scam that targets entire communities, these illusions connect back to the notion of social proof and behavioral inducement, since a scammer and his associates can "reward" the victim's erroneous decisions with promises of friendship, exclusive access, ego boosting, and status. On the opposite side, they can threaten the victim with the loss of those things should the victim begin to question the scam or examine it too closely.



The OFA concludes its research with the following:

>Persuasive techniques used by scammers seem to be calculated to induce known categories of error.

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>Different kinds of scam do exploit different error tendencies to some extent, but the similarities between scams in their content and persuasive techniques are more striking than their differences.

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>From a motivational perspective, the most important findings are that people respond to scams because they (a) they feel that the scam is an unusually good offer, (b) cues in the scam content trigger positive emotions with a future reference point, and (c) they are less able than others to regulate and control emotions such as greed and excitement.

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>From a cognitive perspective the most important psychological processes are (a) overconfidence in a specific topic (because victims feel they have experience and background knowledge in this specific area) and (b) the difference between the financial input and the potential output of the scam (size of prize relative to payment required).

#### # Example Scam, annotated: The Violin Scam

The Violin Scam is one in which the mark gives the con artist real money for a worthless item in anticipation of a much larger return in the near future (Visceral Trigger). The trick to this scam is to trick the mark into believing he knows the "real" value of the item (Positive Illusions) and can thus take advantage of the seller's ignorance (Positive Illusions).

A typical scenario goes like this: One of a pair of con artists (Social Proof), posing as a retired violinist (Authority), leaves his precious violin (Visceral Trigger) as collateral against some small debt while he goes and fetches the cash. While he's gone, the other con man presents himself to the mark as an instrument dealer (Authority), business card (Authority) and everything. He wants to have a look at the violin he saw in passing and as soon as it's produced, he's delighted — as he thought, it's an original Stradivarius (Authority)! It's worth hundreds of thousands of dollars (Visceral Trigger)! He must have it, but he has a plane to catch and can't wait for the old man to return (Visceral Trigger) — Dear sir, would you please give him my business card? (Induction to Behavioral Commitment)

Now the mark's greed (Visceral Trigger) comes in. He offers the old man a thousand dollars for his violin — the old man clearly has no idea of its actual value, but loves it like a family member. The price goes up and up (Induction to Behavioral Commitment), and eventually the con artist gives in, selling his beloved violin for ten thousand dollars.

He walks out with the money, and the new owner waits a bit, then calls the number on the card (Behavioral Commitment). It's a false number, of course, and any professional will immediately recognize that the violin is worth perhaps fifty dollars, and the old man and the "dealer" meet up to split the take and get another cheap violin.

[(non-annotated source)](<https://tvtropes.org/pmwiki/pmwiki.php/Main/ViolinScam>))

Notice how all Four Techniques for Self-Defense would have helped the victim “recognize the scam at a glance.”

**\*\*Ask yourself what you could lose rather than what you could gain.\*\*** Greed/financial desperation is a visceral trigger that clouds judgment. Focusing on the gain allows the need for urgent action to override cognitive processing.

**\*\*Your gut instinct is almost invariably right.\*\*** Easy money opportunities don’t exist, especially when someone offers you a “system” (commonly occurring word in scams) that can beat the house with little effort and investment.

**\*\*Information asymmetry and their network of fraud make winning impossible.\*\*** If you cannot validate the information someone gives you, the “proof” they offer only occurs after you have paid the money, and/or that info is only being validated by other strangers (or anonymous internet accounts), then a scam is certain.

**\*\*The most common and powerful scams appeal to Trust and Authority, and offer huge rewards at little cost or risk.\*\*** The annotations above demonstrate how to determine if something is a scam by matching the words and situations up to the research, in the same way that a doctor initially diagnoses an ailment by matching visible symptoms to medical research. The OFT report represents the most cutting-edge research into the visible symptoms of a scam.

## # Conclusion

I bought in to GME initially *\*because\** the skills on reddit and MSM were running scams on the early Ape community, while the Ape thesis was not built on scammer techniques at all. Had I arrived and seen people pushing get rich quick schemes and “easy money” investment plays, I may have written it off as well. **\*\*Thank goodness Apes were busy being excellent to one another and researching instead!\*\***

The Ape culture defined by...

- \* Publicly peer-reviewed DD
- \* Apes Together Strong
- \* Be excellent to one another
- \* Buy and Hold
- \* No urgent action
- \* No leaders or heroes
- \* No monetized influencers

...created an environment that promoted *\*good\** decision-making and kept scammers at bay. It was the literal opposite of what they need to work.

Thus, **\*\*it is no surprise that scammers working among us today have systematically dismantled, corrupted, and attacked those principles.\*\***

[We never used to ask this. The idea is now being normalized here daily.](<https://preview.redd.it/4cdct7jlxa781.jpg?width=605&format=pjpg&auto=webp&s=5b1ead511c94895dc7709d8cea8c516c4a7a3cad>)

**\*\*I'm not here for it.\*\***

Next time on To Catch a Scammer, we'll examine The Big Lie and other techniques of propaganda.

Until then. ■■■■■■■■■■

Love,



Blanderson