

2.6. Red Flags of Frauds

2.6.1 Red Flags Intro

“ Grabosky and Duffield

Red flags is the **anomaly, deviation from normality** that is, a *variation from predictable patterns of behavior or, simply, something that seems out of place.*

Red-flags are **translated in expert rules** and included in a rule engine.

- Should be *documented* to ease investigations.

2.6.2 Credit card fraud red flags

- A **small payment followed by a large payment immediately after**:
 - A fraudster might first check whether the card is still active before placing a bet.
- **Regular rather small payments**, which is a *technique to avoid getting noticed*.

2.6.3 Telecommunications-related red flags

- *Long-distance access* followed by *reverse call charges accepted from overseas*.
 - *High-volume usage over short periods* before disconnection.
 - *A large volume of calls where one call begins shortly after the termination of another*.
 - The *nonpayment of bills*.
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Next chapter: [Prepare the Data](#)