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The Fiscal Ramifications of Fraud – New Trends and Dimensions

Abstract. *New fraud trends and dimensions have emerged due to the fast-paced evolution of the digital ecosystem, posing particular difficulties for stakeholders. This research examines new dimensions of fraud, specifically, whether financial losses from fraud are greater when it involves cryptocurrencies than traditional means like bank transfers and credit cards. This study aimed to investigate the financial effects and outcomes of fraud in these specific fields. In addition, the study evaluated influencer marketing and NFT (Non-Fungible Token) fraud trends. The study employed a quantitative design. The authors used descriptive statistics to check trends, while an ANOVA test was used to check whether there were mean differences. Only bank transfers registered a higher amount lost than cryptocurrency, according to descriptive statistics; the other payment methods – cash or cash advances, checks, credit cards, debit cards, gift cards or reload cards, money orders, payment apps, and wire transfers – all registered losses that were significantly lower than cryptocurrency's total loss. However, a posthoc test used after an ANOVA reveals no significant difference in the amount lost between cryptocurrency and the other payment methods. The investigation also showed that, between 2019 and 2021, the majority of Instagram mega-influencers with more than a million international followers used fraudulent practices to fictitiously increase their engagement and follower counts. Mega-fraudsters made up 66.77% of all influencers in 2020; by 2021, that percentage had fallen to about 62.87%. In 2021, fraud was committed by influencers to the tune of 49.23% on average. Between 2020 and 2021, there was also a rising trend in NFT fraud. Loss of stakeholder funds, the obliteration of revenue streams, and the erosion of confidence are a few consequences of new fraud tendencies. Preventive measures are needed, such as improved verification processes, open policies, and industry collaboration, to lessen these risks and ensure the influencer marketing ecosystem's long-term viability.*

Keywords: *fraud, cryptocurrencies, NFT fraud, influencer fraud, bank transfers, corruption.*

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Фіскальні наслідки шахрайства – нові тенденції та виміри

Анотація. *Завдяки швидкому розвитку цифрової екосистеми з'явилися нові тенденції та аспекти шахрайства, що створює особливі труднощі для зацікавлених сторін. Це дослідження оцінює чи є фінансові втрати від шахрайства з криптовалютами більшими, аніж втрати від шахрайства з традиційними платіжними засобами, такими як банківські перекази та кредитні картки. Мета статті – дослідити фінансові наслідки та результати шахрайства в цих сферах. Крім того, в дослідженні оцінено тенденції шахрайства в маркетингу впливових осіб і NFT (Невзаємозамінний токен). Дослідження має кількісний дизайн. Автори використовували описову статистику для перевірки тенденцій, тоді як тест ANOVA був використаний для*

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перевірки наявності середніх відмінностей. Згідно з описовою статистикою, лише щодо банківських переказів зареєстровано більші втрати, в порівнянні з криптовалютою; щодо інших способів оплати – готівка або готівкові аванси, чеки, кредитні картки, дебетові картки, подарункові картки або передплачені картки, грошові перекази, платіжні програми та банківські перекази – зареєстровано нижчі втрати, ніж загальні втрати від шахрайства з криптовалютою. Однак постфактум аналіз, використаний після дисперсійного аналізу, не виявив суттєвої різниці у втраченій сумі у випадку як крипто валюти, так й інших способів оплати. Розслідування також показало, що в період між 2019 і 2021 роками більшість мега-впливових людей в Instagram із понад мільйоном міжнародних підписників використовували шахрайські методи, щоб фіктивно збільшити кількість підписників. Мегашахраї становили 66,77% усіх інфлюенсерів у 2020 році; до 2021 року цей відсоток впав приблизно до 62,87%. У 2021 році інфлюенсери вчиняли шахрайство в середньому у 49,23%. Між 2020 і 2021 роками також спостерігалася тенденція до зростання шахрайства з NFT. Втрата коштів зацікавлених сторін, знищення потоків доходу та ерозія довіри – це лише деякі наслідки нових тенденцій шахрайства. Щоб зменшити ці ризики та забезпечити довгострокову життєздатність екосистеми впливового маркетингу, необхідні профілактичні заходи, такі як вдосконалені процеси перевірки, відкриті політики та галузева співпраця.

Ключові слова: *шахрайство, криптовалюти, NFT шахрайство, шахрайство вчинене впливовими особами, банківські перекази, корупція.*

INTRODUCTION

Fraud is a widespread problem with broad ramifications for fiscal stability in various circumstances. The financial effects of fraud can be severe and harmful to everyone, including governmental entities, companies, and individuals (Karpoff, 2021). New fraud trends and dimensions have emerged due to the fast-paced evolution of the digital ecosystem, posing particular difficulties for stakeholders. With a focus on certain sectors like OnlyFans, NFTs, cryptocurrencies, YouTube, and influencer marketing, this exploratory study attempts to look into these growing trends and aspects to understand their impact on financial stability and offer ideas for mitigation and prevention measures.

Embezzlement, corruption, money laundering, and financial statement fraud are just a few of the illegal behaviours that fall under the umbrella of "fraud" in fiscal contexts (Xin et al., 2018). The integrity of financial systems is threatened by these fraudulent activities, which also erode public confidence and place a heavy financial burden on organizations, people, and society at large. Fraud can have serious repercussions, including financial losses, harm to one's reputation, and the instability of financial markets (Xin et al., 2018). Studying fraud in all manifestations is important because it helps safeguard fiscal stability and guarantee that economic systems operate effectively. Policymakers, law enforcement agencies, and regulators can better identify vulnerabilities, design efficient prevention and detection measures, and adopt strong enforcement strategies by comprehending the growing fraud landscape (Karpoff, 2021).

This study has two distinct goals. Its first goal is to investigate the fresh forms and trends of fraud that have appeared lately. The study will specifically look at the effects of fraud on platforms like YouTube, NFTs, OnlyFans, and influencer marketing. Due to the rising digitalization of contacts and transactions, fraud has developed in these emerging domains. The study will then assess whether their financial loss due to fraud committed using cryptocurrencies is higher than that of those committed using other methods like bank transfers and credit cards. Second, this study aims to examine the financial effects and consequences of fraud in these particular areas. The research attempts to illustrate the scope of the issue and its possible effects on fiscal stability by looking at the financial implications for people, corporations, and regulatory agencies. Understanding these effects is essential for creating targeted tactics and countermeasures to fraud.

An exploratory, multi-dimensional research strategy will be used to accomplish these goals. In order to get insights into the changing trends and dimensions of fraud in the chosen sectors, the study will combine literature evaluation, data analysis, and published statistics. This study aims to offer a thorough and nuanced knowledge of the financial effects of fraud by incorporating a wide range of sources and viewpoints. Researchers seek to add to the knowledge of fraud in fiscal contexts, especially in light of new patterns and features that have developed in recent years. This study's conclusions will help politicians, regulatory organizations, corporations, and individuals better comprehend fraud threats and adopt proactive tactics to protect economic stability. We can promote a more robust and safe economic environment by tackling the problems brought on by fraud in developing industries like YouTube, influencer marketing, NFTs, OnlyFans, and cryptocurrencies.

LITERATURE REVIEW

For a long time, fraud has been a major problem in the financial world, providing difficult problems for people, companies, and regulatory organizations. It is essential to look at both conventional types of fraud and emerging trends to properly comprehend their financial repercussions as fraudsters adapt to new technologies and opportunities for exploitation. This literature review summarises the body of research and scholarly conversation on the subject with an emphasis on conventional kinds of fraud and new trends like OnlyFans, YouTube, influencer marketing, NFTs, and cryptocurrencies.

Traditional Forms of Fraud

Since it takes many different forms, fraud has long been a problem for society and still poses a serious threat to the financial stability of many industries. This section covers the established types of fraud, their financial effects, and illustrations of conventional fraud schemes in many industries in detail.

Asset Misappropriation

Theft or improper use of an organization's resources for one's gain constitutes asset misappropriation. This type of fraud involves techniques like cash-skimming from sales, unauthorized withdrawals, and false invoicing, removal or sale of inventory items without authorization (Yusrianti et al., 2020). Fake checks, inflated expense accounts, or money transferred to personal accounts are examples of fraudulent disbursements. Asset theft can cause organizations to suffer immediate financial losses, including decreased profitability, diminished shareholder value, and, in extreme circumstances, bankruptcy (Yusrianti et al., 2020).

Corruption

Misusing authority for one's own advantage is known as corruption, which frequently involves bribery or theft. Examples include bribery, the misappropriation of funds entrusted to a person within an organization, the offering or accepting of money or favour to influence judgment or obtain an unfair advantage, and illicit payments obtained in exchange for favours (Karpoff, 2021). Corruption depletes public resources, skews market dynamics, stifles economic expansion, and erodes confidence in governmental agencies and public services.

Insurance Fraud

The term "insurance fraud" describes dishonest conduct carried out in order to receive benefits or reimbursements from insurance companies. Examples include:

- instigating accidents on purpose,
- fabricating injuries to make false insurance claims,
- submitting inflated claims for losses or damages, and
- giving false information or underreporting risks to reduce insurance costs.

Insurance fraud raises policyholders' rates, costs insurers more money, and puts pressure on the entire insurance system.

Identity Theft and Financial Fraud

In order to commit financial fraud, identity thieves steal people's personal information. Examples include unauthorized use of a person's credit card or card information for fraudulent purchases, shady emails or websites created to obtain a person's private information (phishing scams), and gaining unauthorized access to a person's bank accounts or online accounts for illegal purposes (account takeover) (DeLiema et al., 2021). Financial institutions, corporations, and people who are the victims of identity theft and financial fraud may suffer large losses in addition to having their credit reports harmed and their financial security jeopardized.

Emerging Trends in Fraud

Digital platforms and social media have grown significantly, opening up new opportunities for fraud, notably in niches like influencer marketing, NFT, and crypto currency. This section thoroughly examines fraudulent practices involving NFT, crypto currency, and influencer marketing, along with their financial ramifications and stakeholder effects.

Non-fungible tokens (NFTs) Fraud

NFTs (non-fungible tokens) are distinct digital tokens that stand in for "one of a kind" assets that can be traded on various exchanges. NFTs, which use blockchain technology and have gained popularity in recent years due to their ownership and authenticity features, have seen tremendous growth in demand. The development of non-fungible tokens (NFTs) has completely changed the landscape of digital assets by making it possible to hold and transfer one-of-a-kind digital objects (Flick, 2022). However, this brand-new area of the digital world has also given rise to dishonest business practices, which have serious ramifications for economic stability. According to Elliptic (2022), between 2017 and 2022, NFT-based platforms were used to launder over $8 million in criminal cash, or 0.02% of trading activity, from recognized sources. However, another $328.6 million (0.81%) comes from services that obfuscate data, like crypto mixers. This may include some money that came from illegal activity. Between July 2021 and July 2022, over $100 million worth of NFTs were officially reported as having been stolen through fraud, with offenders making an average of $300,000 each fraud. The largest month on record, July 2022, had over 4,600 NFTs stolen, showing that frauds have persisted despite the crypto currency down market. With slightly under $24 million, May 2022 saw the largest confirmed value of NFTs lost through fraud. However, as thefts are not usually officially recorded, the true figures are probably greater. State-sponsored exploits and authorized entities are an increasing threat to NFT-based services. The $540 million theft from Axie Infinity's Ronin Bridge by North Korea's Lazarus Group and the presence of NFTs by the US-approved Chatex crypto asset exchange have brought this home. NFTs have been bought with digital assets worth more than $160,000 that came from authorized sources (Elliptic, 2023).

Concern over fraudulent activity in the NFT industry is on the rise. These techniques consist of:

- Counterfeit NFTs: Fraudsters produce false NFTs by copying or emulating authentic works of art or digital assets, tricking customers into buying phoney or illegal NFTs (Flick, 2022). As a result, genuine NFTs lose some of their value and authenticity, and buyers may suffer significant financial losses.
- Misrepresentation of Ownership: To increase the price of an NFT and mislead potential purchasers, fraudsters may falsely claim possession of an NFT or misrepresent its rarity or value (Taherdoost, 2022). This manipulative technique has the potential to deceive investors and lead to artificially high prices for NFTs that do not actually possess the expected value.

- Fake Auctions and Sales: Scammers may stage phoney auctions or sales events for NFTs, manipulate bidding procedures, or use fictitious purchasers to raise prices by inflating demand. Genuine purchasers are duped by this fraudulent conduct, which also affects market dynamics and may cause price increases that are not warranted.
- Phishing and Malware Attacks: Fraudsters may use phishing tricks or spread malware to get illegal access to users' wallets and take their NFTs or digital assets. For NFT investors, this creates serious security risks and can potentially cause substantial financial losses.

Investors suffer severe financial consequences from fraud in the NFT industry. When the fraudulent character of the NFTs is uncovered, investors who inadvertently buy counterfeit or misrepresented NFTs may incur large financial losses (Taherdoost, 2022). This may lead to a direct loss of investment and probable problems with money recovery. In the NFT community, investing in fake NFTs can harm a person's credibility and reputation. Being linked to fraudulent activity can stifle future investment and partnership prospects because trust is essential to NFT transactions. Legal repercussions from investing in fake NFTs could include disagreements, lawsuits, or regulatory actions taken against investors. Regulation agencies may become aware of fraudulent activity in the NFT sector, which could result in an inquiry and possible penalties for non-compliance (Flick, 2022).

Influencer Fraud

Influencer marketing has emerged as a successful advertising tactic, although it is open to a number of unethical tricks. Influencers may purchase phoney likes, comments, and followers to boost their online profile artificially and entice brand collaborations. This dishonest approach dupes brands and advertisers into investing in relationships based on bogus numbers (Anand et al., 2019). Influencers may potentially mislead their followers by failing to properly declare sponsored posts, breaking advertising laws. This lack of openness weakens the trust between influencers, brands, and their audiences. Influencers who commit fraud may recommend inferior or illegal goods to their followers. Customers who buy these products based on false recommendations may suffer financial harm, hurting the reputation of reliable influencers and brands. Influencers who advertise goods or services they haven't actually used or benefited from may be engaging in dishonest affiliate marketing techniques (Stewart, 2019). This dishonest behaviour misleads their followers, and affiliate schemes are manipulated for private gain.

Because firms may inadvertently work with influencers who have overstated follower counts or use dishonest tactics, influencer fraud wastes advertising money. Additionally, it harms a brand's reputation when it is linked to phoney influencers or merchandise. In the long run, fraudulent activity could result in decreased engagement, fewer brand collaborations, and even financial losses because it erodes real influencers' confidence in their following (Anand et al.,2019). Consumers may become targets of dishonest affiliate marketing or product endorsement schemes, which could lead to financial losses or even physical harm from inferior or fake goods. Concerns concerning transparency, integrity in advertising, and adherence to advertising laws are raised by influencer fraud (Stewart, 2019). Regulatory organizations may need to strengthen their policies and enforcement to safeguard customers and ensure integrity in influencer marketing. In summary, these fraudulent acts damage stakeholders' finances, destruction of revenue sources, and erode trust. To reduce these dangers and guarantee the long-term viability of the influencer marketing ecosystem, preventive actions are required, such as improved verification processes, open policies, and industry collaboration (Stewart, 2019).

Crypto Fraud

The ecosystem surrounding cryptocurrencies has created a fascinating potential for financial development and innovation. However, it has also become a haven for many fraudulent enterprises. In the world of cryptocurrency, many different types of fraudulent activity exist. Fraudsters design dubious investment plans that guarantee profits or large returns. They depend on attracting new investors to maintain payouts, but eventually, they fail when those investments stop coming in. OneCoin and Bitconnect are two examples. Scammers offer Initial Coin Offering (ICO) for bogus enterprises or fabricate information about the project's capabilities to lure investors (Trozze et al., 2022). Through the ICO, they take the investors' money and then vanish, leaving worthless tokens behind. Fraudsters intentionally inflate the value of low-cap crypto currencies by buying in bulk, generating a buzz, and then dumping their holdings for a significant profit (Trozze et al., 2022). As a result, unwary investors suffer huge losses. Fraudsters use a variety of strategies, including malware, phishing emails, and phoney websites, to acquire illegal access to people's cryptocurrency wallets and exchange accounts. This allows them to steal money from the victims' wallets or compromise their personal data for additional fraud. Scammers imitate real sites by building fraudulent crypto currency exchanges and wallets. Unaware users invest money into these phoney platforms, only to have their valuables stolen from them or vanish altogether.

People can experience a variety of financial repercussions as a result of cryptocurrency fraud. When they invest in shady schemes or become the target of hacking or phishing attempts, victims of cryptocurrency fraud frequently sustain large financial losses (Kerr et al., 2023). Because cryptocurrencies are anonymous and decentralized, these losses might be challenging to recoup from. Personal and sensitive data may be compromised due to phishing scams and data breaches in the crypto ecosystem. People are in danger of identity theft, additional financial fraud, or extortion attempts as a result. Being a victim of cryptocurrency fraud can damage a person's standing in the community. Being identified with fraudulent activity can prevent future investment opportunities or business relationships in cryptocurrency, where trust is crucial (Kerr et al., 2023). Businesses that engage in fraud may be subject to

legal action and regulatory scrutiny. There may be severe fines, penalties, or even closures for breaking securities laws, anti-money laundering rules, or consumer protection legislation. Businesses may suffer financial losses due to dishonest transactions, customer refunds, or legal costs of handling fraud cases (Trozze et al., 2022). Operational costs may increase if strong security measures and fraud prevention systems are implemented.

RESEARCH METHODOLOGY

This section briefly describes the methodology used in this study, including the research design, data collection procedures, data analysis strategies, and ethical issues.

Datasets

The datasets for NFT fraud and influencer marketing fraud were extracted from statista.com. Users can browse by industry or topic, search for specific datasets, and filter data using a variety of parameters at Statista.com. The platform makes extracting and using the information simple by offering it in various formats, such as tables, charts, graphs, and downloadable reports. A complete data platform, Statista.com equips users with insightful information and trustworthy statistics that help them make defensible decisions, assist research, and get an edge over competitors in their fields. The cryptocurrency fraud data was extracted from the Consumer Sentinel Network (CSN) database. In order to identify and look into fraudulent acts, the CSN makes consumer complaint data available to law enforcement organizations both domestically and internationally. It is a useful tool for monitoring trends, patterns, and new consumer fraud concerns, offering information that helps defend customers and stop fraudulent activity.

Statistical Analysis

To ascertain the frequency and incidence of new fraud tendencies, descriptive statistics will be used. It will be possible to gauge the prevalence of particular fraudulent actions by gathering information on the number of reported cases. This knowledge will make it easier to determine which new trends are the most important and pervasive. Descriptive statistics will provide insights into the magnitude of financial losses associated with emerging fraud trends. By calculating summary statistics such as the mean, median, and range of financial losses, the reader will understand the typical impact of these fraudulent activities. Additionally, percentiles and quartiles will help identify extreme or outlier cases with exceptionally high losses. An ANOVA test (Analysis of Variance) will be employed to determine whether there is a statistically significant difference in the financial losses between cryptocurrencies and other payment methods like credit cards, debit cards, Bank transfers or Payments, etc.

RESULTS

Descriptive Statistics

In this case, descriptive statistics will quantify the effects of rising fraud tendencies on different stakeholders. Researchers can evaluate the gravity and distribution of these consequences by looking at data on the financial losses endured by people, businesses, or industries. This aids in comprehending the wider effects of new fraud tendencies on the economy and society.

Table 1. **Descriptive Statistics for Cryptocurrency**

Descriptive Statistics			
		Number of Reports	Total dollar Loss in millions
N		3	3
Minimum		24738	129
Maximum		52978	1434
Mean		39034	771
Std. Deviation	Statistic	14123.29027	652.7534
Skewness	Statistic	-0.112	0.145
	Std. Error	1.225	1.225

Source: Authors' own research (2024).

Table 1 shows the descriptive statistics for cryptocurrency fraud in the US between 2020 and 2022. The mean number of fraud reports with cryptocurrency as the payment method was 39034(SD=14123), the minimum number was 24738, and the maximum number was 52978. The mean total dollar loss in millions from fraud with cryptocurrency as the payment method was 771(SD=652.75) million dollars; the minimum number was 129 million dollars, while the maximum number was one billion one hundred and thirty-four million dollars.

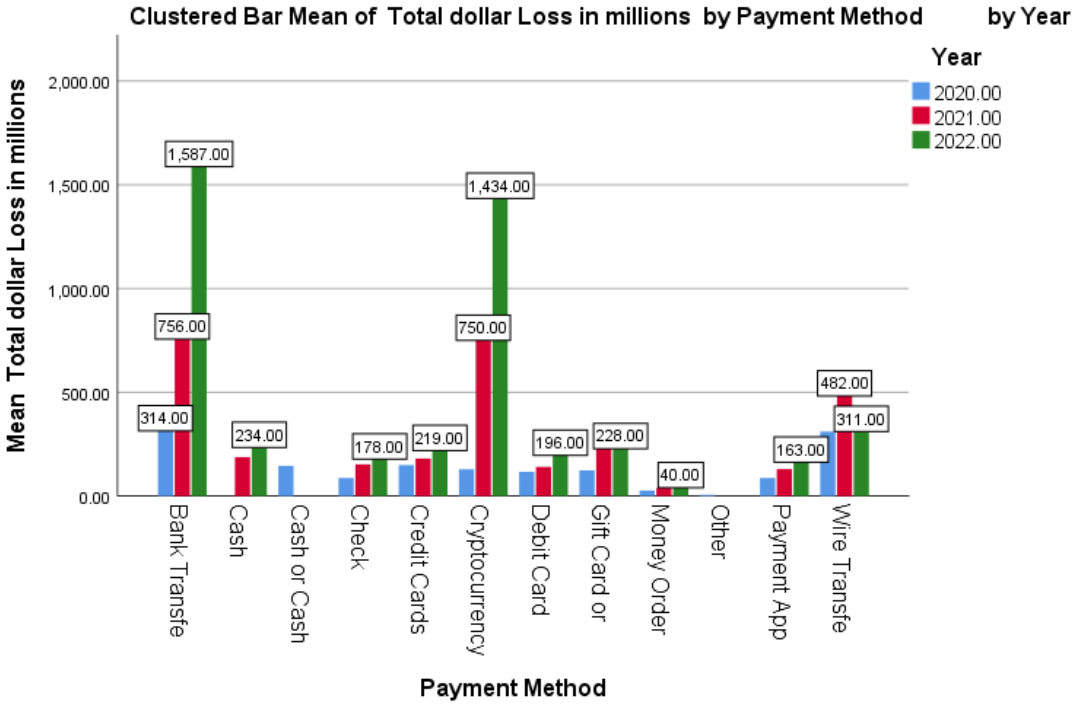

Figure 1. **Bar graph for fraud loss by payment method**

Source: Authors' own research (2024).

Figure 1 shows an increasing trend in the total dollar loss in millions from fraud involving cryptocurrency as the payment method between 2020 and 2022. In the same period, the total financial loss from cryptocurrency was higher than that lost through Cash or Cash Advance, checks, credit cards, debit cards, Gift Cards or Reload Cards, money orders, payment apps, and wire transfers; only bank transfers registered a higher amount lost than cryptocurrency.

Figure 2 shows a spike in the amount of money laundered in 2021 using NFTs in the United States for all quarters compared to 2020.

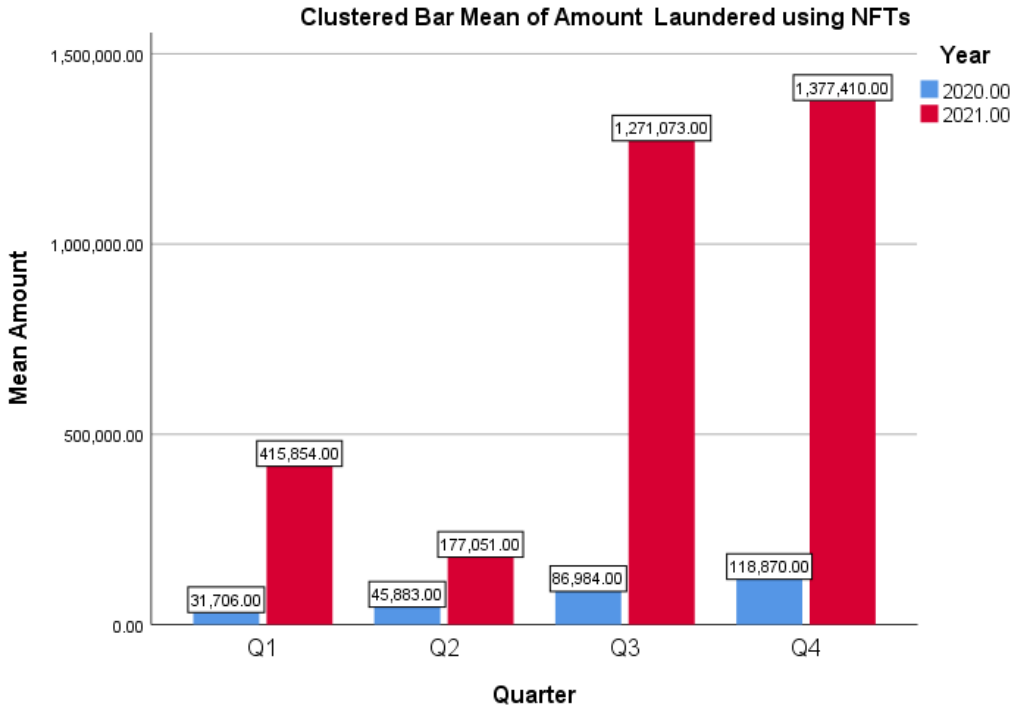

Figure 2. **Bar graph for mean amount laundered using NFTs**

Source: Authors' own research (2024).

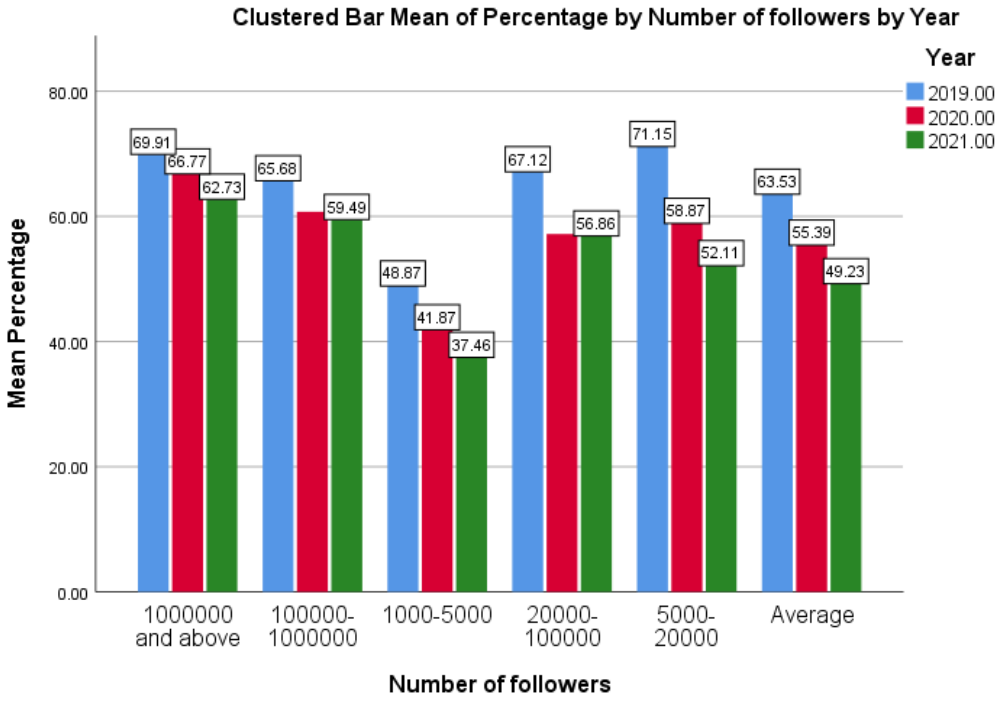

Figure 3. **Influencers involved in fraud worldwide from 2019 to 2021 on Instagram**
Source: Authors' own research (2024).

Figure 3 reveals that between 2019 and 2021, the majority of Instagram mega-influencers with more than a million followers worldwide engaged in fraudulent actions to artificially inflate their engagement and follower counts. In 2020, 66.77% of all influencers were mega-fraudsters; by 2021, that number had dropped to around 62.87%. In 2021, there were, on average, 49.23% of influencers who were involved in fraud.

Analysis of Variance (ANOVA)

An analysis of variance was then employed to determine if there is a significant difference in the amount of money lost to fraud between cryptocurrency and other methods of payment.

Table 2. **Descriptive Statistics by Payment Method**

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Bank Transfer	3	885.67	646.33	373.16	-719.91	2491.24	314.00	1587.00
Cash or Cash Advance	3	189.33	44.02	25.41	79.99	298.67	146.00	234.00
Check	3	139.33	47.01	27.14	22.54	256.12	87.00	178.00
Credit Cards	3	183.00	35.04	20.23	95.95	270.05	149.00	219.00
Cryptocurrency	3	771.00	652.75	376.87	-850.53	2392.53	129.00	1434.00
Debit Card	3	151.00	40.63	23.46	50.06	251.94	117.00	196.00
Gift Card or Reload Card	3	195.00	61.54	35.53	42.13	347.87	124.00	233.00
Money Order	3	35.00	7.81	4.51	15.60	54.40	26.00	40.00
Other	1	6.00					6.00	6.00
Payment App	3	126.67	38.11	22.00	32.00	221.34	87.00	163.00
Wire Transfer	3	368.00	98.73	57.00	122.75	613.25	311.00	482.00
Total	31	294.77	368.85	66.25	159.48	430.07	6.00	1587.00

Source: Data Processed by the Authors (2024).

Table 2 shows the descriptive statistics for the amount lost by different payment methods. The mean total loss in millions from fraud with cryptocurrency as the payment method was 771(SD=652.75) million dollars; the minimum number was 129 million dollars, while the maximum number was one billion for a hundred and thirty-four million dollars.

Table 3. **ANOVA Results**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2263566.533	9	251507.393	2.905	0.023
Within Groups	1731806.667	20	86590.333		
Total	3995373.200	29			

Source: Data Processed by the Authors (2024).

A one-way ANOVA employed revealed that there was a statistically significant difference in the mean amount of money lost between the different types of payment involved (F (9, 20) = 2.905, p = 0.023). A posthoc test revealed that there was no significant difference between the mean amounts of money lost when cryptocurrency is the means of payment and the other means of payment (p>0.05).

DISCUSSION

The analysis revealed an increasing trend in the total dollar loss in millions from fraud involving cryptocurrency as the payment method between 2020 and 2022. This is consistent with Kerr et al. (2023), who established that there is an increasing trend in the fraud cases associated with cryptocurrency; this is explained by the fact that cryptocurrencies give their users a certain amount of anonymity, making it challenging to track transactions and identify people who are engaged in fraudulent operations. Because of the anonymity offered by cryptocurrencies, fraudsters are drawn to them since they may use them to carry out illegal actions without being discovered. Transactions involving cryptocurrencies are frequently irreversible, which means that once a transaction is complete, it cannot be readily undone or challenged. Due to this characteristic, it is appealing to scammers who can trick people or businesses by promising goods or services in exchange for cryptocurrency before disappearing without completing the transaction.

The analysis also revealed a significant increase in NFT fraud between 2020 and 2021. This is largely because the NFT market operates in a comparatively uncontrolled area, with few regulations and standards (Taherdoost, 2022). Due to a lack of regulation, it is simpler for scammers to influence the market, produce fake NFTs, or carry out other fraudulent activities without suffering immediate repercussions. Blockchain technology's characteristics, which are frequently utilized to authenticate and track NFT transactions, might give the impression of transparency (Elliptic, 2023). However, fraudsters can still modify or obfuscate the fundamental facts of ownership, provenance, and validity. It is difficult for buyers to confirm the legitimacy of the NFTs they are buying because of this lack of transparency.

The analysis also revealed no significant difference between the mean amounts of money lost when cryptocurrency is the means of payment and the other means of payment. This implies that fraudsters probably do not prefer cryptocurrencies over other means of payment.

CONCLUSION

This study assessed whether the financial loss from fraud committed using cryptocurrencies is higher than those committed using other methods like bank transfers and credit cards. Second, this study examined fraud's financial effects and consequences in these areas. The study also assessed the trends in fraud involving NFTs and influencer marketing. Descriptive statistics revealed that the total financial loss from cryptocurrency was higher than that lost through Cash or Cash Advance, checks, credit cards, debit cards, Gift Card or Reload Card, money orders, payment apps and wire transfers; only bank transfers registered a higher amount lost than cryptocurrency, though a post-hoc test employed after ANOVA shows that there is no significant difference in the amount lost between cryptocurrency and the other means of payment. The analysis also revealed that between 2019 and 2021, most Instagram mega-influencers with more than a million followers worldwide engaged in fraudulent actions to artificially inflate their engagement and follower counts. In 2020, 66.77% of all influencers were mega-fraudsters; by 2021, that number had dropped to around 62.87%. In 2021, there were, on average, 49.23% of influencers who were involved in fraud. There was also an increasing trend in the NFT fraud between 2020 and 2021. Some ramifications of new fraud trends include losing stakeholders' finances, destroying revenue sources, and eroding trust. Preventive actions are required, such as improved verification processes, open policies, and industry collaboration to reduce these dangers and guarantee the long-term viability of the influencer marketing ecosystem.

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