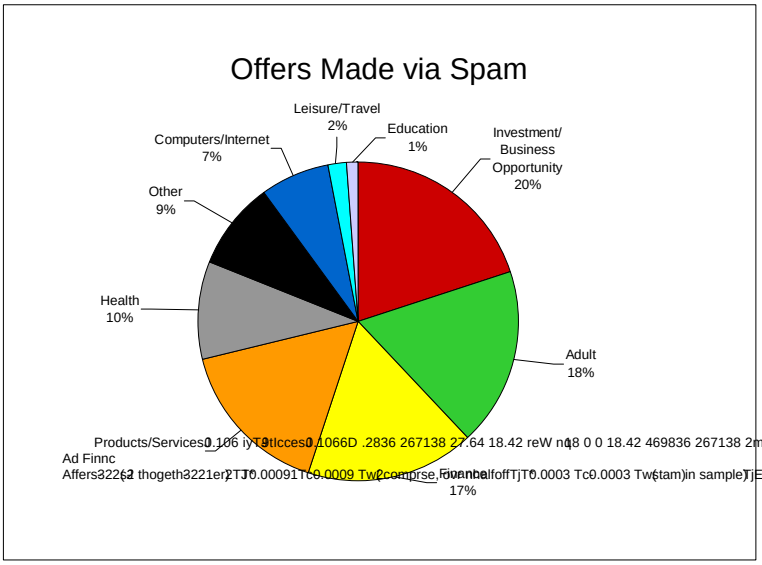
FALSE CLAIMS IN SPAM

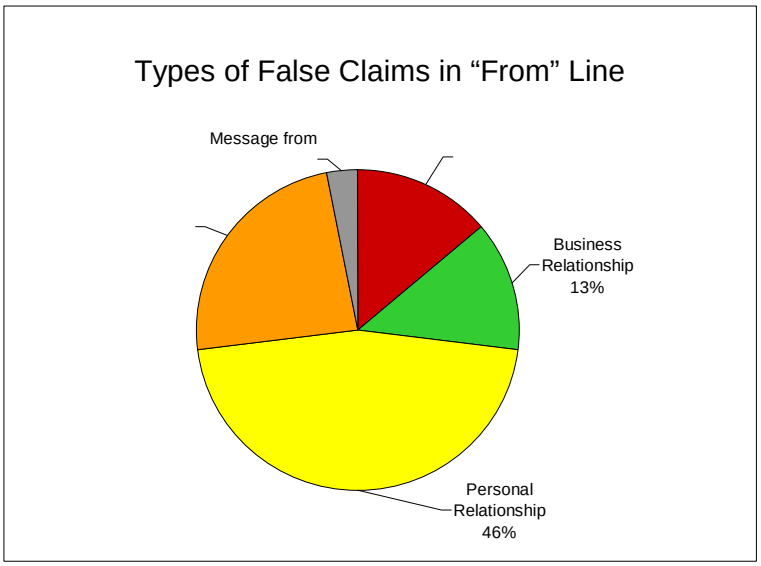
A report by the FTC's Division of Marketing Practices

April 30, 2003

[1] Studies by others have focused on the economic costs resulting from spam (

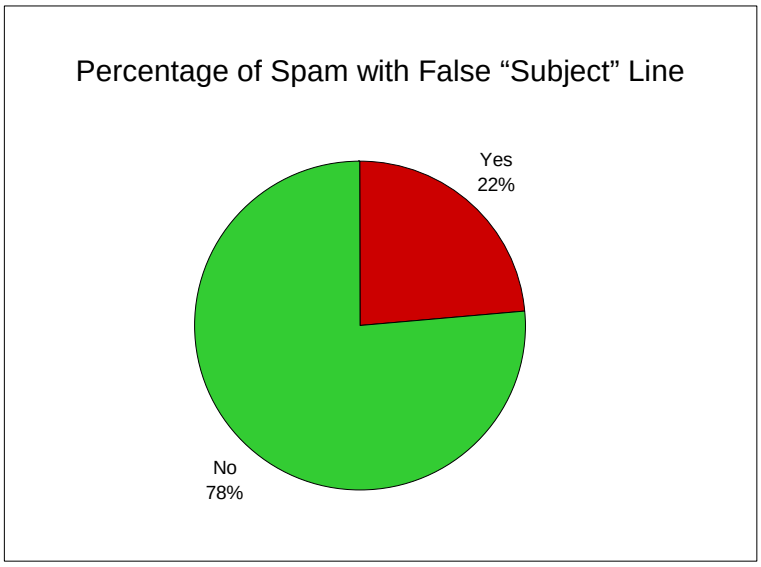
Investment/ Business Opportunity offers account for 20% of spam studied. The majority of these are work-at-home, franchise, chain letter, and other non-securities offers.




Types of False Claims in “From” Line
Message from
Business Relationship 13%
Personal Relationship 46%

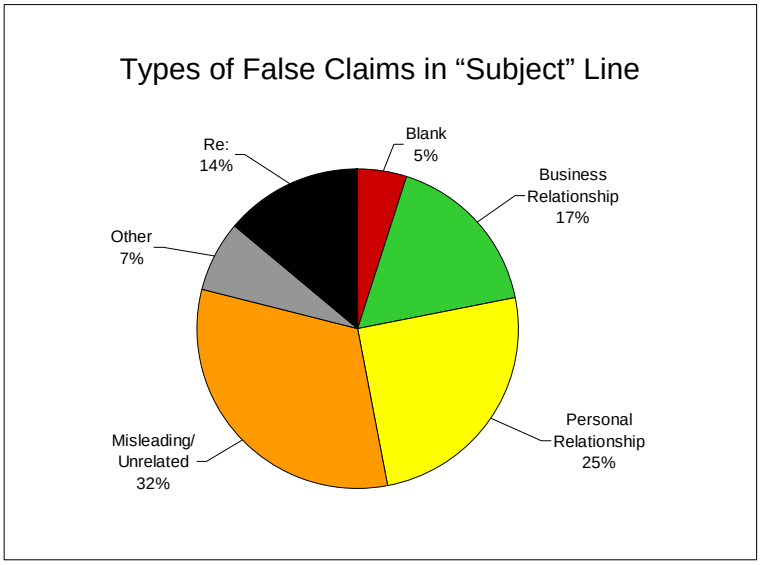
IV. FALSITY IN "SUBJECT" LINE

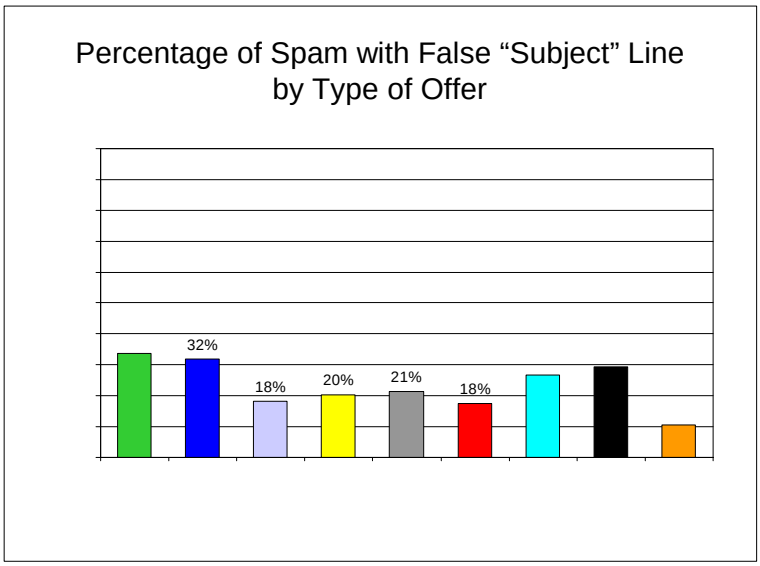
FTC staff examined the "Subject" line in each spam message in the

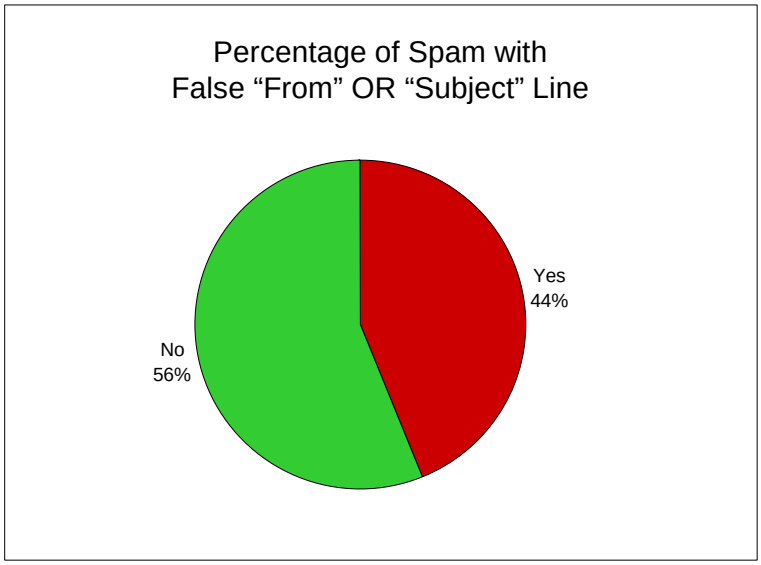


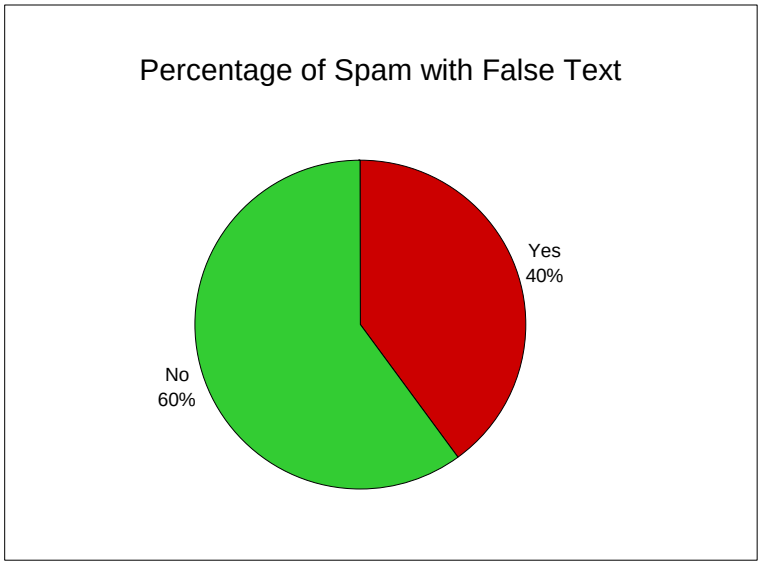
Twenty-two percent of spam analyzed contained false information in the "Subject" line.

Forty-two percent of spam containing misleading "Subject" lines misrepresented that the sender had a personal or business relationship with the recipient.

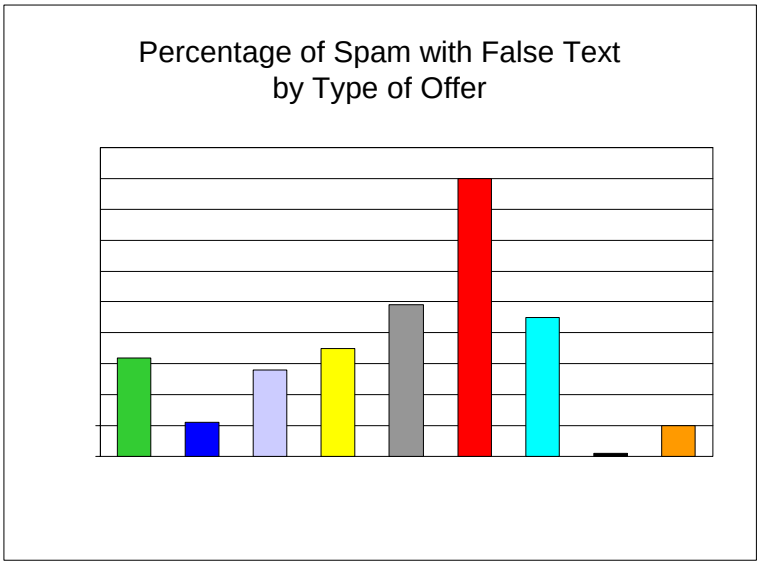





Percentage of Spam with
False “From” OR “Subject” Line
Yes
44%
No
56%

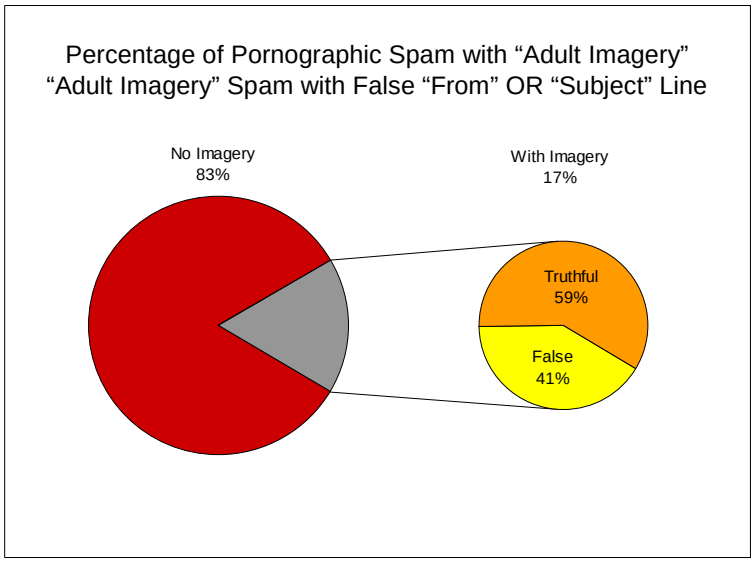


Forty percent of spam studied contained signs of falsity in the body of the message.



Seventeen percent of pornographic offers in the spam analyzed by FTC staff contained "adult imagery." Over 40% of these pornographic spam messages contained false statements in their "From" or "Subject" lines, making it more likely that recipients would open the messages without knowing that pornographic images will appear.

Seventeen percent of spam advertising pornographic websites included "adult images" in the body of the message.



XI. METHODOLOGY

For this study, FTC staff analyzed UCE from three sources – the UCE Database (approximately 450 sample messages), the Harvest Database (approximately 450 sample messages), and spam received in official FTC inboxes (approximately 100 sample messages). The UCE Database and Harvest Database samples were drawn from messages received during the last six months of 2002. The UCE messages were collected for this study using random selection protocols established by the FTC Bureau of Economics. To enable future internal analysis of spam not blocked by the FTC's internal computer systems, the data sample was supplemented with 100 pieces of randomly-selected UCE received by FTC employees during March 2003.

Forty-one percent of spam containing "adult imagery" contained false information in their "From" or "Subject" lines.

The UCE Database contains spam forwarded to the Commission by members of the public. Consumers currently contribute about 130,000 messages per day to the UCE Database, and a total of 11,184,139 messages were forwarded to the FTC's UCE Database during the time period from which the study's sample was drawn. The volume of messages in the UCE Database makes it likely that this data source provides a fairly representative look at the

types of messages that many consumers receive. Nonetheless, the email in the database may be skewed because contributors are likely to be knowledgeable about spam or have a dismal view of UCE.

The Harvest Database consists of 3,651 messages received by FTC undercover email accounts that were established as part of its email harvesting study. As part of the Harvest study, the FTC and its law enforcement partners established 250 email accounts and posted these email addresses to 175 different locations on the Internet. Specific email addresses were posted on newsgroups, message boards, chat rooms, instant messaging services, email service directories, web pages, domain name "whois" information, online resume services, and online dating services. FTC staff then tracked email received by each of the 250 email accounts.

While spam contained in the Harvest Database does not suffer from the same potential "contributor" biases as the UCE Database, it may not be fairly representative of the range of spam offers that consumers receive. The database contains messages sent by marketers who use harvesting programs to obtain email addresses. Many marketers eschew using harvesting programs and obtain email address lists in other fashions.

The internal FTC spam database may suffer from the same potential biases as the UCE Database. Commission staff voluntarily contributed the spam they received in their FTC inboxes for analyses. Contributors may be those employees most annoyed with spam. Moreover, the FTC employs email filtering mechanisms that likely affect the representativeness of this sample.

To overcome the potential biases in each of these data sets, the data was combined into a single database. The study's results provide a snapshot of approximately 1,000 pieces of spam drawn from a variety of sources available to FTC staff. It is unknown whether a random sample of all spam sent in the

thirds of the messages. Furthermore, this study found that the use of the "adv" (advertising) label by senders of spam was almost non-existent. Finally, the study found that 41% of spam depicting nudity contained indicators of falsity in their "From" or "Subject" lines.

Future studies should be designed to identify changes in the types of offers being made through spam and the frequency of signs of falsity appearing in the "From" lines, "Subject" lines, and content of UCE.