

***The Value of Online News:  
Addressing the Problem of Online Investment Fraud Crimes in Thailand***

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**Abstract**

Investment fraud is not a new type of crime, but the number of victims has increased during the Internet of Things era. This crime is recognized both nationally and internationally as a significant financial threat. Thailand too has grappled with this form of crime. This research investigates whether the mass media, which should cover news about online investment scams, effectively informs and warns the Thai public about these crimes. Specifically, this study examines the frequency of news coverage on investment fraud. The methodology involves web crawling the top 5 most accessed news agency websites to extract all reports about investment fraud. The findings indicate that the 'Khaosod' news agency was at the forefront of reporting on investment crime, while 'Matichon' reported the least. Thairat news agencies often covered such crimes from midnight to early morning, whereas other agencies primarily reported during the day. There was no clear correlation between the frequency of news reports on investment fraud and the monthly number of reported victims. Notably, while the highest number of cases were reported to the Thai police in February 2023, the most news articles were published in January 2023. In conclusion, there may be a negative correlation between the volume of news reports on investment fraud and the actual number of victims.

Keywords: Investment Fraud, News Value, Online News Report, Ponzi Schemes, Romance Scam

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## **1. Introduction**

Investment fraud has been classified as a national and transnational financial crime problem worldwide (Gee & Button, 2019). In terms of evidence, Kieffer and Mottola (2016) and Federal Bureau of Investigation (2021) revealed such problem in America. In 2021 alone, the reported number of victims stood at 92,371, with total losses amounting to \$1.7 Billion. Likewise, Deliema, Shadel, and Pak (2020) deeply explored the risky behaviors, mindsets and characteristic of investment fraud victims in America. Harvey, Kerr, Keeble and Nicholls (2014) highlighted the serious deception in Britain and in Japan (Kadoya et al., 2021).

Group-IB (2022) investigated fake investment schemes targeting European citizens. They explained the modus operandi of such crimes, which involves convincing victims to repeatedly transfer funds to fraudulent investment portals or bogus brokers. The Department of Financial Institutions in Washington State identifies common types of investment fraud, which can manifest in various forms. One such form is the Ponzi or Pyramid Scheme, named after the 1920s swindler Charles Ponzi. In this scheme, investors are promised returns derived from funds deposited by subsequent investors, resembling the structure of a pyramid. Scams can also involve real estate and cryptocurrency-related investments and may even take the form of romance baiting. In such schemes, scammers attempt to forge personal relationships with their victims, feigning love and intimacy. Over time, they subtly persuade their targets to invest.

Lev, Maha, and Topliceanu (2022) stated that estimating the number of financial fraud victims has become difficult. Meanwhile, data presented by the UNODC (United Nations Office on Drugs and Crime, 2022) revealed that 1 in 4 consumers in Southeast Asia fell victim to online scams in 2022. In light of these concerns, Lev et al. (2022) examined the motives and circumstances leading to individuals becoming victims, drawing from a sample of case studies in several developing countries. The results indicated that the majority of these victims sought to escape from poverty. Similarly, Thailand has faced this issue. There are likely many more victims who have been deceived. Thus, we aim to study whether the mass media, which is supposed to cover news about online investment scams, actually emphasizes and addresses this issue. This study attempts to answer the following research questions:

RQ 1) How do Thai news agencies report on online investment scam cases?

RQ 2) How does the frequency of news about investment fraud compare with the number of cases victims report to the Thai police?

## **2. Literature Review**

### **2.1 The Psychographics of Victimization of Investment Fraud in Thailand**

Lea et al. (2009) divided the victims into two groups. The first group includes motivational factors, such as the search for excitement in risk-taking, lack of self-control, and limited motivation for information processing. The second group encompasses cognitive factors, such as positive illusions, which manifest as an individual's tendency to perceive themselves in a favorable light, and social proof. In terms of gender, men tend to fall victim to foreign money fraud, network frauds, high-risk investments, and land investments more than women. Button et al. (2009) suggested that the degree of awareness regarding fraud can be categorized into four levels: 1) victims who are not even aware they have been scammed; 2) victims who are aware they have been scammed but choose not to report it to the authorities;

3) victims who are aware and choose to report to the authorities; and 4) victims who find it difficult to believe they were indeed scammed.

Poombundit and Yuadyong (2022) stated that online deception on social media in Thailand comprises two major factors: deception related to emotions, commonly known as romance scams, and financial deception. These types of deception can appear in mixed or hybrid forms. In terms of romance scams, most of the victims are women. (Tassanakulphan et al., 2020). Nildam et al. (2020) collected data on cheating methods, communication channels, and experiences of online fraud specifically targeting the elderly in a particular area: Chiang Rai Province, Thailand. Among these, online Ponzi schemes rank first, with victims reporting being enticed to invest. Similarly, Angkasit (2021) studied the factors influencing the decision to be involved with Ponzi scheme of Thai people. In the 2022 report by the Department of Special Investigation (DSI) from Udomsakpasin, significant data has indicated that online Ponzi schemes are the top-ranked official cases.

Eighty-five percent of the victims are familiar with Ponzi schemes, yet they decide to invest due to unrealistically high expectations of returns. Sixty-five percent of the victims notice that the money transfer destination is a company account, but this recognition does not guarantee their protection from deception. Only one in five victims report the scam, primarily because of concerns about their reputation and the fear of acquaintances finding out, leading many to decide against filing a report. More than 50 percent of the victims are persuaded to invest via social media channels. Additionally, 68 percent decide to invest based on solicitations from individuals they've never met in person, communicating only through messaging and phone calls. Once they realize they've been deceived, they can no longer contact these individuals. Seventy-one percent of the victims hold relatively good job positions and earn an average income of more than 40,000 baht per month or higher.

Kanthawong and Petmune (2020) studied the methods of Forex fraud and the factors that lead to individuals being victimized. One approach is where offenders entice victims by posing as specialists and inviting them to invest in Forex. Alternatively, they establish a seemingly legitimate identity to offer investments, using technology to create fake investment websites or applications that appear profitable.

This study emphasized the role of news as a leading force in helping to warn against such crimes, particularly issues arising from the advancement of digital media. Additionally, financial concerns can influence decision-making, leading individuals to mistakenly engage in online investment fraud.

## **2.2 The Concept of News Value**

In a broad context, throughout history, the sharing of news information has typically satisfied fundamental human desires for direction, connection, and security (Kovach and Rosenstiel, 2001; Stephens, 2014). In the pioneering work of Walter Lippmann (1922), the paper sought to explain why the media select certain events and news while rejecting others. Lippmann introduced terms such as 'sensationalism, proximity, relevance, unambiguity, and facticity' to describe what makes them newsworthy. Later, Al-Rawi, Al-Musalli, and Fakida (2021) highlighted that the well-known concept of news values research began with the work of Galtung and Ruge (1965). They employed a list of 12 main news factors to define news value. In their study, they used the term 'news factors,' and subsequent scholars in journalism and mass communication studies have used this term synonymously with 'news values'

(Yamthap, 2021). In terms of perception, the six factors are: 1) impact, 2) frequency, 3) threshold (absolute intensity, intensity increase), 4) unambiguity, 5) meaningfulness, and 6) unexpectedness. Another three factors related to the pragmatics of media coverage are: 7) consonance (predictability, demand), 8) continuity, and 9) composition. The last four factors are culture-related and refer to 10) elite notions, 11) elite people, 12) negativity. As the news industry evolved with the digital age, the relationship between news providers and consumers has shifted. News content and its values have expanded to include categories such as bad news, celebrity, timeliness, immediacy, human interest, proximity, conflict, scandals, suspense, and a news organization's agenda. Furthermore, the shareability and dramatization of news on social media and websites have become commonplace (Harcup & O'Neill, 2001; Garrison, 1990; Gibbs & Warhover, 2002; Shoemaker & Reese, 1996).

Brighton and Foy (2007) argued that to reflect the evolving news landscape of the 21st century—which includes new media platforms and a more engaged audience—it's essential to broaden the definition of news values. They proposed a set of "fresh news criteria" that align better with the digital era, characterized by the convergence of various media formats. These seven criteria for news values are:

- **Relevance** – The significance of an item to the viewer, listener, or reader.
- **Topicality** – Pertaining to whether it's new, current, and immediately relevant.
- **Composition** – How a news item fits with other items that accompany it.
- **Expectation** – Whether the consumer anticipates being informed about the topic.
- **Unusualness** – What differentiates it from other events that go unreported.
- **Worth** – Whether it justifies its appearance in the news.
- **External Influences** – Evaluating if a news item's content is genuine or influenced by external pressures, such as from a proprietor, advertiser, or politician (Brighton & Foy, 2007, pp. 26).

In terms of user engagement, the audience controls how they consume news. Nowadays, they often choose to access news from their own social media channels which link to stories presented by various news outlets. Larsson (2018) noted that popular news organizations use their respective social media platforms to disseminate their news content. However, social media users tend to prefer a 'lighter' interaction with online news content. Al-Rawi et al. (2021) investigated the major news topics most 'liked' by Instagram audiences and compared them with the topics most reported on by news organizations. The results suggest that the Instagram audience prefers to consume general news and human-interest stories in a positive manner, unlike traditional news organizations which tend to focus on politics and other topics. There have been various studies on news values in the digital age that have built upon Galtung and Ruge's list of concepts. These studies also draw from ideas previously identified by scholars, such as emotional reactions, reviews of audience news choices, and descriptions of consumers' interactions with online content (Muddiman & Stroud 2017; Weber, 2014). Yamthap (2021) proposed that the procedures for news gathering and the quality of both content and photos, as well as the use of online media platforms, should add value to news presentation. Harcup and O'Neill (2017), however, emphasized news value with the question, "who is selecting news, for whom, in what medium, and by what means?" (p.1483). In the context of globalization and digitalization, no single theory of news values can explain every aspect, especially given the varied contexts of each region and the characteristic shift towards interactive media in the form of user-generated content (Harcup & O'Neill, 2017).

## Methodology

This research employed web crawling from September 2022 to February 2023 to gather information related to the research questions. In essence, web scraping involves retrieving data from one or multiple websites, while web crawling focuses on locating and identifying URLs or links on the internet. Typically, web data extraction tasks require the integration of both crawling and scraping. The process begins with crawling to identify and obtain the URLs. Afterward, the HTML files are downloaded, and then scraping is used to extract the desired information from those files.

First, the research team searched for the top 5 news agencies on <http://truehits.net/>, a website statistics center in Thailand. The five most-visited news agencies were [thairat.co.th](http://thairat.co.th), [khaosod.co.th](http://khaosod.co.th), [mgronline.com](http://mgronline.com), [dailynews.co.th](http://dailynews.co.th), and [matichon.co.th](http://matichon.co.th), respectively. These agencies primarily publish in the Thai language, and their posts were analyzed over a 6-month period. For the scraping process, the keywords used were "investment scam" and "forex 3d." Next, we extracted all relevant information, including date, time, headline, and body of the news. Finally, the research team read all the news items and then categorized and grouped reports about investment scams. This extracted data can then be stored in a database or undergo further processing.

## 3. Findings

How are Thai news agencies reporting on online investment scam cases?

The top 5 news agencies are [Thairat.co.th](http://Thairat.co.th), [khaosod.co.th](http://khaosod.co.th), [mgronline.com](http://mgronline.com), [dailynews.co.th](http://dailynews.co.th), and [matichon.co.th](http://matichon.co.th). The results indicated that all five agencies adopt a fundamental approach to news reporting that encompasses the key elements of the 5W1H: Who, What, Where, When, Why, and How. Notably, when a particular event occurs, [dailynews.co.th](http://dailynews.co.th) tends to be the first online source to report on it, often providing comprehensive coverage within just one hour. For instance, on February 14, 2023, they reported: "The Department of Special Investigation (DSI) has issued a summons for 'Baitoei-DJ Man,' the defendants in the Forex-3D sharing case, to appear before the prosecutor's office."

[Dailynews](http://Dailynews) reported the event twice, first at 4:16 pm and then at 4:52 pm. [Mgronline](http://Mgronline) also covered it twice, initially at 4:31 pm and later at 5:28 pm. [Matichon](http://Matichon), on the other hand, was the last news outlet to report on this event, doing so at 8:57 pm. A distinctive feature of [Mgronline](http://Mgronline) is that it not only covers investment-related crimes but also provides warning news. For instance, on November 7, 2022, [Mgronline](http://Mgronline) reported that the Ministry of Digital Economy and Society (MDES) had proposed six urgent measures to combat online fraud, a report not found in the other four news agencies. On November 6, 2022, [Mgronline](http://Mgronline) issued a warning about the 'Romance Hybrid Scam' gang, who deceive individuals by feigning romantic interest and then encourage them to invest, revealing that victims lost a total of 861 million in just 8 months. However, [Dailynews](http://Dailynews) also reported this information. This overview illustrates how Thai news agencies covered online investment scam incidents from September 2022 to February 2023.

How does the frequency of news about investment fraud compare with the number of cases victims report to Thai police?

In terms of the frequency of news articles related to investment fraud and how it aligns with the number of cases reported to the Thai police by victims, Table 1 shows the Thai police records of the number of cases and the monetary value of the losses.

Table 1: Thai police records of the number of cases and the monetary value of the losses

Month	Number of cases	The monetary value of the loss	Submitted already	The monetary value of the loss
September 2022	175	3,306,326.98 USD	90	1,917,789.14 USD
October 2022	187	4,350,497.55 USD	52	1,622,143.18 USD
November 2022	230	4,134,411.67 USD	141	3,417,574.70 USD
December 2022	234	5,097,487.08 USD	143	3,332,051.06 USD
January 2023	233	4,450,026.86 USD	38	570,271.12 USD
February 2023	260	4,246,612.31 USD	114	2,705,689.12 USD

Source: Royal Thai Police (2023)

To understand how news agencies prioritize news about investment fraud in terms of frequency, we compared it with the cases victims reported to the Thai police. The results indicate that the Khaosod news agency ranked first in reporting on investment crime, while Matichon reported the least. Thairat news agencies typically reported such crimes from midnight to early morning, whereas other news agencies reported during daytime hours. There isn't a direct correlation between the frequency of news reports about investment fraud and the monthly number of victim reports. Although the most cases were reported to Thai police in February 2023, the highest number of news articles was published in January 2023. In conclusion, there might be a negative correlation between the volume of investment fraud news reported and the number of victims.

Table 2: Number of news reporting about investment fraud

Month	News Agencies				
	Thairat	Khaosod	Mgronline	Dailynews	Matichon
September 2022	10	23	19	12	10
October 2022	5	7	11	8	5
November 2022	10	9	7	6	3
December 2022	4	13	9	7	4
January 2023	33	22	19	10	4
February 2023	3	9	12	13	2

The correlation between the extent of news coverage and the incidence of investment fraud cases was particularly noticeable in January 2023. In that month, 88 news articles were published, while only 38 cases were officially reported to the Thai Royal Police. Conversely, in February 2023, there was a notable surge in reported cases, reaching 114, but the number of news reports remained low at just 39.

The number of reports from these five news agencies could indicate their concern or the importance they attribute to investment fraud in Thailand. However, the subject also aligns with established news values. According to Galtung and Ruge (1965), the topic of investment fraud in Thailand exhibits news values, particularly in its impact and the frequency of its

reporting. Concerning impact, the issue has had profound effects on the Thai population. A particularly tragic incident involved a 15-year-old who took their own life after being defrauded. News agencies extensively covered this event: Thairat published nine headlines, Khaosod eight, Mgronline six, DailyNews three, and Matichon two. Additionally, investment fraud in Thailand is consistent with Brighton and Foy's 2007 framework, which updated news values for the modern media landscape. Their definition emphasizes relevance and significance to the reader, as well as topicality—ensuring content is new, current, and pertinent.

#### **4. Conclusion**

This research suggests a potential need for more focused attention and awareness in news reporting on investment fraud crimes in Thailand. As the Internet of Things era emerges, investment fraud has become a pressing issue, impacting individuals and the nation alike. Data for this study was gathered through web crawling of the top 5 news agency websites in Thailand. Specific information regarding investment fraud was extracted, and a content analysis method was applied. Findings showed that while some news agencies, like "Khaosod," actively report on these crimes, others, such as "Matichon," might enhance their coverage. The observed lack of correlation between news reporting frequency and the number of reported victims suggests that a deeper investigation into the underlying factors is warranted. In conclusion, news agencies might need to focus more on investment fraud crimes, and Thais should be better informed and more cautious about such scams. We hope our study can guide authorities responsible for combatting online financial fraud, especially regarding the significance of news produced by the mass media about this crime.

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