

Money mules explained

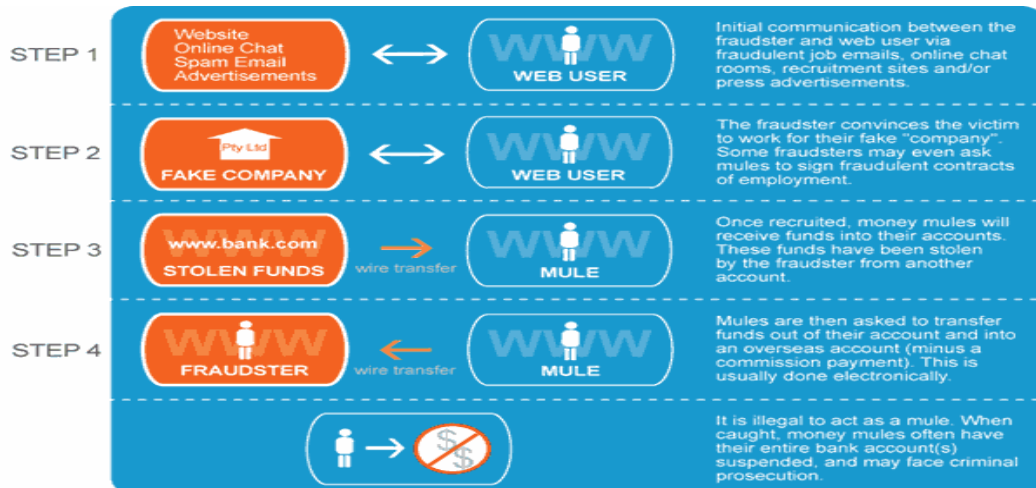
Have you ever been approached online with an offer to earn hundreds or thousands of dollars in commission simply by receiving money and remitting it to another bank account? Or have you been asked to help someone in financial difficulty by receiving funds and then returning some of the funds to another person or organisation? **These are scams!** A criminal is trying to recruit you as a money mule to transfer and disguise the money as proceeds of crime.

This fact sheet, compiled by the Australian Bankers' Association and the Australian High Tech Crime Centre, will help you recognise this scam and avoid becoming involved in illegal activity.

WHAT IS A MONEY MULE?

Money mules are the middlemen for criminals who have obtained funds by online fraud through phishing or hacking. The criminals need a mule to launder the funds obtained as a result of illegal activities. After being recruited by the fraudsters, money mules receive funds into their bank accounts and then they withdraw the money and send it to a designated account (domestic or offshore), using a wire transfer service, minus a commission payment.

MONEY MULE – HOW IT WORKS



(Source: AFP Australian High Tech Crime Centre)

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FACT SHEET

Australian law enforcement and the banks generally have seen two methods which criminals use to recruit unsuspecting innocent people in their illegal activities:

- 1) **Job scams** - fraudulent employment advertisements are posted online or emails are sent to random addresses promising quick commissions in return for receiving money and transferring it elsewhere. These are not legitimate jobs!!
- 2) **Romance scams** - vulnerable singles are asked to receive money and send it elsewhere duped by the promise of a relationship.

Criminals may use online chat rooms, social networking sites, post hoax websites, post fake advertisements and fake profiles to recruit mules and try to persuade people to take part in illegal activity. The AFP and ABA advise that you should ignore these online approaches and immediately delete suspicious emails.

EXAMPLE OF A JOB SCAM RECRUITING MULES VIA EMAIL

Below is an example of a scam email which is trying to recruit a mule through an employment offer.

From: alexis luong [<mailto:downsj@cableone.net>]

Sent: Tuesday, 5 February 2008 11:37 PM

To: [REDACTED]

Subject: start your career with us

Welcome to the Arcandor Service!

We are very glad that you wish to join our team, will be delighted to have you work with us. The position of Assistant provides support filling the transactions of our customers.

We deal exclusively with private clients- that have special requirements for high speed of receiving funds for their business.

This way we can offer a new kind of financial and banking service to our clients - and we would like you to work as an Assistant (part-time job 3-4 hours a day except holidays).

At first your work would be very basic, yet meticulous -you will make transfers for our clients to suit their needs. Our managers will assist you during the trial period and explain everything you will need to know.

We offer an extremely competitive graduated salary: for the first month you will receive up to \$2000 for your work the next month your salary will be increased if you do your work accurately and on time.

Now you are only one step away from successful career.

All you need is to send an e-mail to: arcandorservice2@gmail.com

With phone numbers and times to reach you, and one of our representatives will contact you and answer all your questions.

Thank you in advance,

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FACT SHEET

*Helen Jones
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Arcandor Service*

Money mule adverts or offers can take a variety of forms and the criminals may even fake a website to add authenticity of the scam. Some of the adverts can direct you to websites which can infect your computer with viruses.

The fraudsters can use email to spam millions of addresses in the hope they will convince a person to respond to the offer. They prey on people who need to make extra cash quickly and easily, by working a few hours a week and only needing Internet access. The criminals may not immediately ask for your bank account details but that could be one of their targets as well as seeking a money transfer.

You should ask yourself the following questions about the so-called job offer:

- Why was no interview conducted for the job offer?
- Why weren't you asked for resume and other documents required for a job interview?
- Why would someone whom you have never met entrust you with money?
- Why the need to transfer money via Australia when the 'employer' (the fraudster) is sometimes located in another country for example Russia?

These circumstances are highly unusual and should raise suspicion.

ROMANCE SCAMS

Internet dating websites and chat rooms have increased in popularity over recent years with many singles finding it an ideal and convenient way to meet people.

Unfortunately banks are aware of criminals who find their victims by posing as singles, publishing fake profiles and prowling online chat rooms seeking to defraud vulnerable singles. In the cases seen by banks and police, the criminals cultivate their victims over weeks and months to gain their trust before reeling them in with requests for money or assistance. The request for money might be to help a sick relative or to pay for airfares to enable a meeting.

In one scam, the single female, located overseas, tells the single male that a friend is sending money so the male can on forward overseas to pay for airline tickets. The reason given is that there are problems getting money out of the country. The funds that are received are the proceeds of crime.

In another scam, the single female is approached by a single male who declares undying love very soon after contact and then seeks a money transfer for a sick relative. Both of these scams prey on the vulnerable but are trying to involve the victim in criminal activity.

Finally, be aware that scammers might be asking for personal information in order to commit identity theft. It is important to guard this personal information and be way if you are being asked for too many details about your financial status.

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BREAKING THE LAW

These funds, that the criminals need transferred, are often the proceeds of fraud and the persons who participate in these scams as the money mules are effectively laundering the proceeds of crime.

Although the offer may seem attractive, any commission payments are recovered as the proceeds of fraud and you could become involved in a police investigation. Banks and police advise that in some cases these criminals, which have used you as a mule, may have links to organised crime.

If you have received money in your bank account, transferred or attempted to transfer money overseas under these circumstances, please immediately contact your bank or financial institution and the nearest State or Territory police station. Depending on the situation, it is possible that people who agree to participate in such scams may be prosecuted.

Such transactions are unacceptable to banks and will usually result in the withdrawal of your banking facilities.

HOW CAN I AVOID BECOMING INVOLVED IN A MONEY MULE SCAM

If you are offered an opportunity of making easy money and the offer seems too good to be true, then it probably is!

Following the tips below can prevent involvement in criminal activity:

- Be cautious about unsolicited offers or opportunities offering you the chance of making easy money;
- Be wary of offers from people or companies overseas as it makes it harder to check if they are bona fide;
- Take steps to verify any company which makes you a job offer, for example, address, phone number, email address and website. You could check if it is a registered company in Australia;
- Never give your confidential banking details to anyone;
- Always guard your personal information and be suspicious if someone asks for a host of personal details soon after contact;
- Be wary of a person asking for financial assistance – never send money, particularly by wire transfer as these funds cannot be recovered by banks;
- Be cautious of someone asking for details of your financial status – do not provide the information.

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WHAT IF I HAVE REPLIED TO THIS SCAM OFFER?

If you have received money in your bank account, transferred or attempted to transfer money overseas, please immediately contact your bank or other financial institution. You could be at risk of having your identity stolen by these criminals and your bank account drained of savings.

Anyone who has disclosed their bank account details or received funds into their account for what they think is a money mule scam should contact their bank or financial institution immediately.

The ABA and AFP advise that you should ignore any scam offers.

HOW TO REPORT A SUSPICIOUS EMAIL

Scams can be reported to the Australian Consumer Fraud Task Force via 1300 302 502 or on www.scamwatch.gov.au

MORE INFORMATION

Other websites that may be of interest:

www.protectfinancialid.org.au

www.bankers.asn.au

www.ahtcc.gov.au

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Internet: www.bankers.asn.au www.ahtcc.gov.au

Phone: 02 8298 0417 Fax: 02 8298 0402



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