

Money mules. A growing trend in money laundering

Banks are using biometrics (fingerprint identification) to verify account holders. Although this brings greater security to minimise identity theft and impersonation, it has created a loophole and fraudsters are taking advantage of this kind of fraud.



©Andriy Popov [123rf.com](https://www.123rf.com)

“People on street corners are recruited as money mules with the promise of quick payments for the use of their banking account,” says Manie van Schalkwyk executive director of the Southern African Fraud Prevention Service (SAFPS).

A money mule is somebody who is used by another person knowingly or unknowingly. They will usually be recruited by someone who does not have their own bank account, or who wishes to make a transaction invisible. This comes with the promise of a quick monetary reward.

Money muling has grown to such an extent that SAFPS has opened a new category of fraud due to the increasing number of bank accounts that have been abused by third parties in this manner.

While this may seem like quick money, it is not. Van Schalkwyk urges consumers in the strongest terms not to fall for this scam.

“The danger for the consumer is that they are complicit in a criminal act and will be getting themselves involved with a

fraudster. It might look like easy money, but the victim has no idea what the money is being used for and it is often for illegal gains and even human trafficking.”

While recruiting is sometimes at street level in South Africa, in other parts of the world much of it is happening in cyber space.

Global scams

The Australian Banking Association Inc reports that, “Australian law enforcement and the banks generally have seen two methods which criminals use to recruit unsuspecting innocent people in their illegal activities.”

These are scams where fraudulent employment advertisements are posted online. Another method is emails that are sent to random addresses where you may be the recipient. This type of scam/email promises quick commissions in return for using the consumer’s bank account for receiving money and transferring it elsewhere on behalf of the fraudster.

The other method is romance scams. This is where vulnerable singles are targeted and asked to receive money and send it to a third party, taken in by the promise of a relationship. Criminals trawl online chat rooms, social networking sites, post hoax websites, or fake advertisements and fake profiles.

No easy money

Van Schalkwyk urges members of the public to be vigilant about random offers of quick money in shopping centres and other public places as well as online offers of jobs that promise easy money.

“There is nothing ‘easy’ about this money,” Van Schalkwyk says. “When you allow the use of your banking account as the middleman for third party banking you are in breach of your contract of account with the bank, and will be on record as a money mule. You could be looking at a criminal record for life, and worse be party to the devastating crime of human trafficking.

“However, the good news is we are working closely with all the banks to ensure maximum security and awareness to make sure we take control of this growing fraud epidemic.”

For more, visit: <https://www.bizcommunity.com>