



Mule account holders actually taken for a ride

PETALING JAYA: So-called “friends” suggesting a quick way to obtain cash by lending your bank cards or accounts to unknown individuals might be tempting you to become accomplices of scam syndicates.

According to cybersecurity expert Fong Choong Fook, founder and CEO of LGMS, syndicates frequently employ such tactics to coax victims into willingly surrendering their accounts for use as mule accounts.

He said a common tactic employed by scammers is enlisting students to introduce this scheme and persuade their peers to get on board.

“The students will be promised by their ‘friends’ that they could get a few hundred ringgit by not doing anything,” he told *The Star* yesterday.

A mule account is a temporary bank account used by criminals to receive and transfer stolen money, according to Universiti Tunku Abdul Rahman (UTAR) Centre for Media and Communication Research chairman Dr Sharon Wilson.

Wilson said the “funds”, acquired illegally from scams or hacking, are subsequently deposited into the victims’ bank accounts, with a small token offered in exchange for their participation.

The reported sum is as low as RM500 per bank card.

“Think of it as a hidden pit stop along the crime highway, where money gets disguised before reaching its final destination.

“Criminals or scammers usually lure unwitting victims into lending their accounts, and victims are paid a commission or rental for the use of their accounts.

“The victim, unaware of the

“Individuals who unwittingly participate can face legal repercussions and damage their own financial standing.”

Dr Sharon Wilson

illegal activity, might then be instructed to transfer the money elsewhere or withdraw it in cash and deliver it to someone,” she said.

Wilson said cybercriminals often target those in financial hardship.

“They may use emotional manipulation, intimidation or promises of friendship to gain trust and persuade them to participate in the scheme.

“In some cases, individuals may be pressured by friends, family or online communities to participate in mule account activity. This pressure can be amplified through social media platforms or online forums,” she added.

Wilson said mule accounts help syndicates launder money that could be used to fund illegal activities, like drug trafficking or cyberattacks.

They also make it harder for law enforcement to track the real criminals and recover the money.

“Individuals who unwittingly participate can face legal repercussions and damage their own financial standing,” Wilson added.

Based on an initial study conducted

by her team this year involving 1,200 Malaysians, most victims were complacent when lending their bank accounts for a small sum, despite the obvious risks and sensitivity of the information involved.

Criminologist Raymon Ram said the target demographics for the crime are often the elderly, who are particularly vulnerable due to their potential lack of familiarity with the latest digital banking technologies and scamming tactics.

“Individuals in financial distress or those desperate for cash, including victims of Ah Long or illegal moneylenders, are prime targets, as these individuals are often burdened with unmanageable debts. They may be easily swayed by the promise of quick financial solutions that appear as a way out of their financial woes.

“Young adults, including students, are also targeted for their clean financial history and their relative inexperience in identifying financial fraud.

“The unemployed or underemployed might be lured by the prospect of easy money, making them susceptible to such scams,” he added.

Raymon emphasised that raising public awareness and education about these scams and how to recognise them are critical, including encouraging the use of the SemakMule Portal to identify accounts used by scammers.

“Implementing more stringent verification processes and ongoing monitoring by banks can help identify potential mule accounts. Enhanced collaboration between financial institutions and law enforcement is necessary to identify and act against such accounts,” he said.

What is a mule account?

A bank account that receives and transfers funds acquired illegally on behalf of others, sometimes without the knowledge of the account holder.



How it works

- 1 Scammers will contact potential victims via email or social media.
- 2 They will then pursue victims, promising rewards in exchange for using the victims’ bank accounts or ATM cards.
- 3 Scammers will then transfer illegal money into the victims’ bank accounts which at this point become mule accounts.
- 4 Victims are then instructed to transfer the money into another mule account.
- 5 When fraud is detected, the mule account holder will become the target of the authorities and investigation. The scammer vanishes without a trace.



Risks of being a mule account holder

- Fined, jailed for 5 years or both (Section 424 of the Penal Code)
- Blacklisted by banks and other financial institutions
- Unable to open other financial accounts in the future

Red Flags to watch out for to avoid becoming a money mule

- High-value transaction values
- Overly-lucrative offers
- Deposits or withdrawals are from or to overseas bank accounts
- Require extremely sensitive bank account details (Login ID, password, PIN number, etc)

Types of money mule scams

Job scams

- Account holders are promised a lucrative job offer that requires the sharing of their bank details to either perform their duties or receive monetary rewards.

Romance scams

- Account holders are romantically enticed into allowing scammers to use their bank accounts with the promise of romance.

Investment scams

- Account holders are offered monetary rewards in exchange for allowing scammers to use their bank account for their ‘business transactions’.

Impersonation scams

- Pretending to be either famous people or people in need, scammers pursue account holders to allow them to use their bank accounts with the promise of returning the favour in the future.



Source: Maybank2u, unit21 and Interpol International

TheStargraphics