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The Achilles heel of scammers

Cops: Syndicates rely on mule bank accounts, bought or rented for a fee, to operate

PETALING JAYA: Mule accounts used by criminals – often without the account holder's knowledge – are a key component in receiving and transferring money for illegal activities and serving as the life-line for scam syndicates.

This is why syndicates consistently target individuals, enticing them to rent or sell their bank accounts for a fee – often at a paltry sum in comparison to the substantial amounts the crooks rake in.

However, abetting syndicates carries significant repercussions. Beyond potential criminal charges, those aiding such groups may encounter additional complications, as their accounts could become implicated in scam investigations conducted by the police.

Bukit Aman Commercial Crime Investigation Department (CCID) director Comm Datuk Seri Ramli Mohamed Yoosuf said that individuals caught for lending, renting or selling their accounts will not only encounter legal repercussions but also risk having their

accounts impounded or frozen during a police investigation.

Furthermore, the account holder may be blacklisted by all banks in the country.

"They cannot open an account with any bank until the police clear them and notify Bank Negara to unfreeze their bank account. Without a bank account, they will face many difficulties, especially when they seek employment, as salaries are paid through banks.

"Moreover, they will be unable to make and receive payments online. We receive an average of four letters every day from mule bank account holders who seek our clearance or urge us to unfreeze their impounded bank accounts. They lament about how they are unable to open a new bank account due to the blacklisting – many for several years.

"They should have known that bank accounts are for personal use and are not to be lent, sold or rented out. We advise the public not to fall into this trap," he said.

He stressed that scam syndicates flourish by using mule bank accounts, relying on them to carry out their activities surreptitiously.

"When scammers use mule bank accounts to receive funds from victims, it is often the account holder who is the first to be tracked down by the authorities before the scammers.

"Without mule bank accounts, scam syndicates will crumble as they can no longer receive or move funds," he said.

Ramli said students in tertiary education who try to earn a quick buck are often the target of the syndicates which offer to "rent" their bank accounts for a fee.

He said the latest findings also show that the syndicates are turning to business bank accounts for money-laundering activities.

Ramli said apart from using inactive businesses without the knowledge of their owners or board of directors, scammers are also registering shell companies, at times with fake identities, to obtain mule bank accounts.

"Moving large funds with a personal bank account can raise suspicion. Hence, they are turning to bank accounts which are opened under companies. With multiple accounts, they can move a substantial sum they rake in from defrauding their victims to several different bank accounts in a short time to avoid detection by the authorities," Ramli told *The Star* yesterday.

He warned that those who assist scam syndicates to obtain mule bank accounts are considered an accessory and can be hauled up for investigations.

Ramli added that they can also be charged under Section 424 of the Penal Code for dishonestly or fraudulently receiving funds, an offence punishable with imprisonment for up to five years, a fine or both.

Ramli said the number of mule bank accounts frozen by the authorities in 2021 was 30,156 out of 53,300 accounts identified while 32,988 out of 55,005 accounts were frozen last year.

He said this year between January and last month, 41,747 were frozen out of 75,056 mule bank accounts that were identified.

Ramli said between 2021 and this year, police arrested 27,726 people for offences related to mule bank accounts.

However, the number of mule accounts has significantly decreased in the past year, a source said, attributing it to increased enforcement by authorities and more stringent scrutiny by financial institutions.

In April, the National Anti-Financial Crime Centre (NFCC) stated that the accessibility of mule bank accounts is a significant factor contributing to online criminal activities.

The NFCC added that 25,000 online cheating cases were recorded last year, involving losses of approximately RM850mil.

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