

Fraudsters use a number of deceptive strategies to swindle individuals & financial institutions out of significant amounts of money.



E-MAIL COMPROMISE FRAUD

Consists of schemes where criminals compromise a victim's e-mail account and send fraudulent wire transfer instructions to Financial Institutions (FIs). 6

Business Email Compromise (BEC) can be linked to other types of criminal activity including romance, lottery, employment, and check scams. Victims of these scams may be used to unknowingly transfer fraudulent funds on behalf of the perpetrators. 4

ROMANCE SCAM

An individual believes they are in a relationship (family, friendly, or romantic) and are tricked into sending money, personal and financial information, or items of value to the perpetrator or to launder money or items to assist the perpetrator. 4

According to the FBI's Internet Crime Complaint Center (IC3), romance scams—also called confidence fraud—result in the highest amount of financial losses to victims when compared to other online crimes.



ALMOST

COMPLAINTS categorized as romance

scams/confidence fraud reported to IC3 in 2016



IN LOSSES associated with

those complaints



From what we can tell, these are usually criminal organizations, that work together. And once a victim becomes a victim, in that they send money, they are oftentimes placed on what is called a sucker list. And their names and identities are shared with other criminals. And they will be targeted for future recruitment. Special Agent Christine Beining, FBI



Victims are told that they have won a lottery or sweepstakes in a foreign drawing. To collect the winnings, victims are told they must first pay various taxes and fees.

Foreign lottery fraud is currently one of the most prevalent consumer frauds. 3







ongoing investigation into a transnational organized crime advance fee lottery scam fraud. This scam bilked at least 80

Operation Hard Copy is an

mostly elderly U.S. residents out of millions of dollars. During the 2015 trial of one

defendant, evidence showed how victims were targeted by the use of **lead lists**. Lead lists are often assembled

in the US and sold to lottery

scammers.

Lists included names, telephone numbers, and personal information of potential victims.





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Enclosed is your first check. Please cash the check, take \$300 out as your pay, and send the rest to the vendor for supplies.



An individual believes they are working a legitimate job, and

EMPLOYMENT SCAM

many times end up losing money or laundering money/items. 4

Scammers often target college students by



advertising phony job opportunities. The student employee receives counterfeit



into their personal checking account. The scammer then directs the student to

checks and is instructed to deposit the checks



and wire a portion to another individual.

⑤

withdraw the funds from their checking account



If an investment opportunity **seems**

There are **no quick ways** to get rich.

too good to be true, it probably is. Special Agent Ben Williamson, FBI

SCAM SURVEY In February 2017, Verafin conducted a survey of 741

Most

BSA & Fraud professionals.

more than a third of their deposit fraud losses were

40% SAID:

from scams.



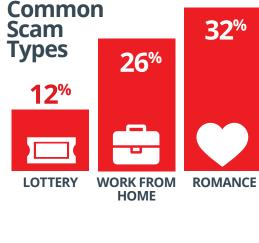
Most

Common

Scams are most frequently funded

63% SAID:

with a **fraudulent** check.



Scam **Tactics 13**% **MALWARE**





EMAIL WITH

Sources:

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