

Subex Telecom Fraud Alerts

July 2010

Vietnam police bust telephone scam

Vietnam police arrested 32 people from Taiwan and 12 from mainland China for suspected involvement in a telephone scam. The fraudsters were arrested for swindling more than 10 million Taiwan dollars (312,500 US). The fraudsters allegedly made random phone calls posing as telecom officials, police officers and prosecutors, urging people to wire money to specified accounts, by providing convincing arguments that it would be safer there.

The police joined forces with Chinese and Thai authorities to bust the operations of Taiwanese fraud rings which have recently relocated to Vietnam. Police estimate that more than 100 Taiwanese entered Vietnam since last year to engage in phone scams mostly targeting Taiwanese and Chinese nationals.

**Source: My shinchew.com, July 2010*

Major operator in Italy being investigated for false SIM card registrations

A major operator in Italy is being probed by prosecutors to find whether the operator manipulated the market by issuing thousands of false pre-paid SIM cards in 2006-2008. Investigations revealed that about 37,000 SIM cards were fraudulently activated, using fictitious names or names of deceased people. Around 30 people are under investigation for computer fraud, including some operator employees and dealers in the north-east of the country. Prosecutors are investigating whether the alleged fraud could have had an impact on the company's accounts and share value up to 2007.

According to the police statement, the telecom giant's management in the three years from 2005-2007 didn't put in place the necessary controls to avoid illegal practices. Investigators are of the opinion that the operator's aggressive commercial practices in the three years from 2005 to 2007, aimed at winning clients against competitors, was probably "the main cause" behind the alleged fraud. However, they confirmed that the new management has introduced stricter controls, taking disciplinary actions against some employees and restructuring the dealers' network.

This is a new blow for Italy's former monopoly, which is also facing a recently opened investigation by the country's antitrust authority on whether it was abusing its dominant position in the nation's telecommunications market.

Operators are advised to implement strict controls so as to avoid such instances of internal fraud.

**Source: The Wall Street Journal, July 2010*

2 Indians arrested for internal fraud

Two employees of a major telecom operator in India were arrested for the theft of recharge coupons from the operator's office. The Rs 1.43-crore (0.3 million USD) theft came to light when the assistant general manager, lodged a complaint with the police and reported the theft of 26 CDs containing 1.3 lakh EPIN series from the sales department. Even though the accused had cashed more than Rs 1 crore worth of EPINs from the CDs, the police managed to recover Rs 5.6 lakh of cash and gold ornaments worth Rs 3.2 lakh from them. The prime accused was a telecom officer with the operator, while his accomplice ran an operator franchise. The fraudsters stole the CDs containing the EPIN numbers, and later converted the data into recharge coupons. The recharge cards were sold through wholesalers and retailers. The police said that the theft happened between November 2009 and May 2010.

**Source: Deccan Chronicle, June 2010*

Australians warned against 'World Cup' text message scam

Australians have been warned of fraudsters who are trying to make money from the World Cup hype by sending text messages claiming the recipient has just won millions of dollars in a lottery. The so called "FIFA World Cup" text, invites recipients to claim prizes of more than 5 million dollars by contacting an overseas email address or mobile phone number. Consumers who respond to the text are asked for their email address and are sent a form requesting personal financial information before they can claim their alleged winnings.

The fraudsters are trying to trick naïve consumers into revealing their personal and financial details, thereby exposing them to fraud and identity theft.

Operators are advised to warn their customers and urge them to protect themselves against such fraud.

**Source: Thaindian News, June 2010*

For all previous fraud alerts click on the following link: <http://www.subexworld.com/fraud-alerts.html>