

Subex Telecom Fraud Alerts

April-June 2012

Mobile Money fraud costs an African operator billions

Ugandan police are investigating their first case of mobile money fraud which resulted in a loss of more than billions of shillings for the operator. They were notified immediately after the operators' internal money laundering system detected incidents of internal fraud.

Internal employees of the operator manipulated the mobile money suspense account -where cash from poorly executed transactions is kept - and stole up to Shs 15 billion. Sometimes subscriber's press wrong digits or enter wrong figures while trying to send money on the mobile money service. When this happens, the operator's system recognizes the transaction but does not complete it. So, while money is sent, it is usually not received. Such money is then kept in a suspense account. The operator's staff monitor's this money but the crafty ones made fictitious claims as to whom it belongs.

The operator was upgrading its mobile money system when the internal fraudsters took advantage of the loopholes. They also committed commission's fraud and diverted hefty sums for their own benefit.

Operators should note that mobile money fraud and internal fraud is on the rise. They are advised to have proper systems and policies in place to avoid such instances of internal and external fraud.

**Source: allAfrica, May 2012*

482 suspects busted in \$11.5 million transnational telecom fraud

Around 482 people suspected of being involved in a transnational telecom fraud were busted by law enforcement agencies from Chinese Mainland and Taiwan with the help from police in six countries. Of the suspects arrested, 177 were from the Chinese Mainland, 286 from Taiwan and the remaining 19 from Thailand and Myanmar. These culprits stole more than 73 million yuan (11.5 million U.S. dollars) by committing 510 cases of telecom fraud, all of which occurred in the Chinese mainland.

These fraudsters were spread throughout the Chinese mainland and Taiwan, as well as six other countries -- Thailand, Malaysia, Indonesia, Cambodia, Sri Lanka and Fiji -- and established money-laundering dens in Taiwan and Thailand.

According to the police, these fraudsters posed as police or procuratorate staff and called up individuals or companies and threatened to accuse them of money-laundering crimes. They then asked the victims to transfer money into the group's accounts and then told their accomplices in Taiwan and Thailand to withdraw the money from local ATMs.

Operators are advised to keep their customers informed of such instances so that they would be wary of fraudsters who pose as actual authorities.

**Source: English.news.cn, May 2012*

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