

Telecom Fraud Alerts

October–December 2015

Report: For every \$3 spent on digital ads, fraud takes \$1

As digital spend continues to reach landmark highs - it hit \$27.5 billion for the first half of 2015 – so does ad fraud, which is now estimated to cost the industry about \$18.5 billion annually, according to a recent report. That means for every \$3 spent, \$1 is going to ad fraud.

Mobile, now accounts for 30% of all revenue generated by digital advertising, and mobile is also getting its share of ad fraud. There are different types of mobile ad fraud happening. In some cases, mobile traffic is being faked and in other cases, devices are being hijacked to fill ads in the background. Additionally, the rapid growth of programmatic ad buying and selling has dramatically ballooned the estimates for ad fraud since 2010. In short, more automation means more ad fraud, according to the report. Rampant ad fraud has led to 37% of advertisers saying they are willing to pay a premium of 11% or more for certified, human traffic, according to the report.

**Source: <http://adage.com/>*

7 Arrested for SIM Box fraud in Ghana

In line with efforts to clamp down on the operations of SIM box fraudsters, the Anti-Telecom Fraud Task Force of Ghana has arrested seven more persons for allegedly diverting international calls through SIM box machines mounted in their rooms. The operations of the two Syrians, a Pakistani and four Ghanaians in Tema and Accra, which were uncovered by the task force, are said to have resulted in a \$21,915,360 revenue loss to the state.

A total of 2,395 SIM cards were retrieved. Other items found by the police included pot SIM box machines, laptops, generating sets, mobile phones, Internet routers, a Motorola router and internal antennae.

**Source: <http://pulse.com.gh/>*

Ten detained for setting up illegal telecom base station for fraud scams

Shanghai police detained ten people using illegal base station for fraud and underground businesses in their latest crackdown. Police said the messages sent via illegal base station by the suspects are related to telecom fraud and fake certificate making. Starting October, police noticed an increasing incidence of telecom fraud committed with illegal base stations in the city. In Jiading District alone, more than 70 telecom fraud cases have been reported to police with an amount of over 500,000 yuan (US\$77,376) involved.

The victims told police that they received messages from some major bank's service number with a link of phishing sites, which were attached with Trojan horses. After they clicked the link and typed in their personal information such as bank account and password, their money in account was all transferred by the suspects.

An illegal base station, often consists of a laptop, a special battery connecting cars and antennas, can transmit signals that break the normal connections of cellphone users and their service provider. It's always used to send spam messages or in telecom scams. The source number of the messages can appear genuine to deceive those who receive them.

**Source: <http://www.shanghaidaily.com/>*

Kenyan officials swoop on SIM box fraudsters

The Communications Authority of Kenya has announced that one person has been arrested and nearly 6000 SIM cards seized in a raid on an illegal SIM box outfit in Nairobi.

Announcing the latest crackdown, CA Board said the raid followed a similar one in November. The police called in the Authority, whose officers confirmed that the activities involved illegal international call termination using SIM box devices in breach of the ICT sector law. Consequently, the police jointly with the officers of the Authority recovered four SIM box equipment with a combined capacity to hold 144 SIM cards that can simultaneously make calls. Also recovered, were a total of 5,827 SIM cards from the local mobile service providers. SIM boxing involves termination of international traffic using illegal routes. The perpetrators use what is known as SIM box, a device that holds stacks of SIM cards on one side and is connected to the Internet on the other side. Instead of international calls coming in through the traditional international gateways, these operators receive the calls through the internet and then using the SIM box, re-originate the calls through the stacks of SIM cards as if the calls are being originated by local customers.

**Source: <http://www.biztechafrika.com/>*

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