



Republic of Namibia

Financial Intelligence Centre

P.O.BOX 2882, Windhoek
Tel: + 264 61 2835100, Fax +264 61 2835259

Web address: www.fic.na
E-mail address: helpdesk@fic.na

MONEY TRANSFER SCAMS

ISSUED: APRIL 2020

1. Background

Money transfer plays a significant role in providing traditional remittance solutions around the globe. Generally, money transfer refers to the act of transferring money from one place to another place. It can mean moving money electronically or physically from a specified account or person to another specified account or person.¹ Such services may be provided by companies such as Western Union and MoneyGram in Namibia. MoneyGram services are available in places such as pharmacies, supermarkets and small local businesses amongst others, which makes it very convenient, affordable and reliable to consumers.

The Financial Intelligence Centre (FIC) has observed a worrying increase in scams linked to money transfers. The FIC has a duty to enhance public awareness regarding known fraudulent schemes that the public could be exposed to. It is against this background that the FIC presents this communication.

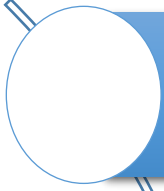
2. How do these scams operate?

Money transfers may be useful when sending funds to someone you know and trust, but they may not always be useful when sending to unknown persons. Con artists around the world are using sophisticated methods to scam members of the public through money transfers. Perpetrators may not always want to leave a paper trail whenever they steal money from someone for tracing purposes.

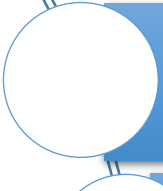
Scammers may often request for money to be sent by money transfer, as this means they will receive it much easier and faster. Criminals also know that once funds are sent, it is difficult for the sender to cancel or reverse the transaction once it has been processed. Victims living overseas are often targeted as this makes it challenging to trace the scammer or do anything about the crime. There are several different formulas that scammers often use to persuade consumers to part with their hard-earned money. Below are some common methods that are used by the scammers²:

¹ <https://thelawdictionary.org/money-transfer/>

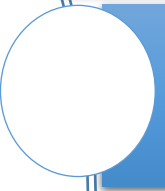
² <http://corporate.moneygram.com/compliance-1/fraud-prevention-1/common-consumer-scams-2>



Overpayment scam - the fraudster may send the victim a transfer that appears to be valid as payment for a service or product. Typically, the total amount sent may exceed what the victim expects to receive, and the fraudster may request the victim to send the excess funds back using a money transfer.

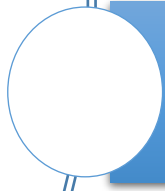


You may receive an email informing you that you have won a lottery or a cash prize. Scammers may request you to transfer funds to cover the processing fees or tax for the winnings. After sending the money transfer, you may never receive your prize;



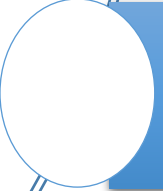
Buying online - if you are buying something online and the seller says you must use a money transfer to pay, it is a sign that you might not get the item or a refund.

Tip: Tell the seller you want to use a legitimate money transfer, credit card or other means of payment in your favor. If the seller could not accept such payment, find another seller;




Newspaper advert - have you ever found something for sale in the classifieds section or any type of newspaper? Did they ask you to pay for the item through a MoneyGram money transfer?

Tip: This could be a scam, do not use a money transfer to purchase an item from a stranger. It is not safe to use a money transfer service when trying to purchase an item;



Tax scam - victim may be contacted by someone claiming to be from a governmental agency claiming that you owed tax, and it must be paid immediately to avoid arrest, suspension or other threats. The victim can be instructed to send a money transfer to pay such tax. Government agencies will never demand immediate payment or call about taxes without first having mailed you a bill; and



Charity scam - the victim may be contacted by email or phone by someone requesting for a donation to be sent via money transfers to help victims of a current event, such as a disaster or emergency (COVID-19, flood or drought). Legitimate charity organizations will never request for donations to be sent to an individual through a money transfer service.

3. How can I protect myself?



Use a reputable and secure money transfer service. While most of the time your money transfer provider is not the problem, it is always advisable to choose a service has implemented reliable security measures;



Consider transferring or delaying payment: Scammers may often request you to transfer by a certain date in order to take advantage of what they have offered you. If you do not meet their deadline and they contact you again saying the deadline has been extended, you may be dealing with scammers;



If you feel you have to send money to someone you have never met, try to avoid sending large sums all at once;



If possible, avoid sending money to someone you have never met in person;



Unfortunately, it could be tough to get your money back after falling victim to a money transfer scam. If you authorised the payment, you must take measures to protect yourself and be cautious before making a money transfer; and



If you think you have been involved in money laundering you should stop sending or transferring money to the individuals involved and report such incident immediately.

REMEMBER

An offer to transfer money for someone is likely to be a scam and could lead to you aiding money laundering for the fraudster. No matter which company you choose to send your money with, you could be vulnerable to con artists. There is typically no way that you can reverse a transaction once it has been processed. Hence, scammers often prefer money transfers, because the money moves fast, and once it is gone the chances of recovering it are slim.

To help minimize this risk, if you suspect that you could be a victim of a money transfer scam, report such suspicions immediately to the FIC or the nearest police station.