

MONEY MULE AWARENESS MODEL: CONTENT ANALYSIS OF MALAYSIA BANK MONEY MULE ALERTS

Salwa Zolkafilil^{1*}, Farah Aida Ahmad Nadzri², Ibtihaj Abdul Karim³, Azwanis Azemi⁴, Anwary Suhaily Rosly⁵ and Siti Norashikin Ishak⁶

^{1,2,3} Accounting Research Institute (ARI), Universiti Teknologi MARA, Shah Alam, Selangor, Malaysia

^{4,5,6} Institute of Professional Studies, Universiti Poly-Tech Malaysia (UPTM), Kuala Lumpur, Malaysia

*Corresponding author: salwazolkafilil@uitm.edu.my

ABSTRACT

Introduction/Main Objectives: The increasing number of money mule cases has shedding light on the evolving tactics used by criminals and the need for joint effort to combat these fraudulent activities. In response, the financial institution is encouraged to create awareness to the users on money mule as part of the crime prevention. **Background Problems:** Hence, this study aims to investigate the money mule scam awareness alerts done by the banks in Malaysia. **Novelty:** . This study conducts content analysis on the money mule scam alert of 19 banks that are listed in the Bursa Malaysia. Findings shows that the banks have done their part well in educating the users about money mule scam. **Research Methods:** There are five items covered in the money mule scam alert, which are the definition of money mule, punishment of the offence, warning signs of money mule scam, money mule modus operandi, and the reporting channel. However, the content of the money mule scam alert varies among the banks. **Finding/Results:** The findings of the study helps readers to understand the definition of money mule, techniques used by fraudsters and steps need to be taken if the victim realise to be part of the money mule scam. **Conclusion:** However, the study relies on the money mule alert scam of banks in Malaysia, which is unstandardised as compared to other developed country such as Singapore. Therefore, future study may conduct comparative study on money mule scam alerts conducted by banks in Malaysia and Indonesia.

ARTICLE INFO

Keywords:
Money Mule, Money Mule Scam Alert, Bank, Semakmule, Money Mule Reporting Channel

* Corresponding Author at Department of Management, Faculty of Economics and Business, Universitas Pekalongan, Jl. Sriwijaya No. 3 Kota Pekalongan, 51111, Indonesia
E-mail address: salwazolkafilil@uitm.edu.my (author#1), aidanadzri@uitm.edu.my (author#2), ibtihaj93@gmail.com (author#3), azwanis@uptm.edu.my (author#4), anwary@uptm.edu.my (author#5), norashikin_i@uptm.edu.my (author#6)

1. Introduction

Money mule remains a significant concern for the law enforcement agencies and financial institutions worldwide. The increasing number of money mule cases has shedding light on the evolving tactics used by criminals and the need for joint effort to combat these fraudulent activities. In response to the rising menace of money mule networks, the law enforcement agencies and financial institutions

intensified their efforts to collaborate and dismantle criminal operations. Joint takedown operations targeted money mule recruiters and facilitators, leading to arrests and the disruption of major money laundering networks. 2,469 money mules arrested in worldwide crackdown against money laundering and the law enforcement prevented EUR 17.5 million from being laundered by money mules in three-month action (Europol, 2022). However, the challenge remains.

A recent money mule case happened in Singapore where a family was sentenced to jail for their involvement in a money mule scheme. They Siti Aidah Abdullah, her son Riduan, and two daughters had handed over their bank accounts to strangers whom they met online in exchange for some money. The case started with love scam, whom they called “daddy”. The family managed to help launder around S\$1.6 million. In return, Aidah received S\$1,600 from the strangers, while her son Riduan Mohamad Awal, received around S\$600. Aidah was sentenced to 6 years' jail, Riduan to three months jail, and the daughters were sent to reformative training (Ali, 2023).

Another case in April 2023, where a lady, befriended two men online and entered into an arrangement with them for two of her bank accounts to receive cash, which are proceeds from scams. An officer had advised her to stop dealing with any unknown sources but was totally ignored. The Department of Justice said Lieu had opened 11 bank accounts at seven different financial institutions since 2017, which she allegedly used to transfer illegal funds on behalf of someone else. From July 2020 to February 2021, Lieu reportedly transferred over \$560,000 into various accounts including Coinbase, a cryptocurrency platform. The transactions continues and she managed to earn around \$4,600 from her offences, that led her to nine months' jail after she pleaded guilty to one count of dealing in the benefits of criminal conduct (Alkhatib, 2023). However, the trend of scam evolve inline with the technological advancements.

There are various ways used by the recruiters in recruiting money mules, such as romance scam, employment scam, and social media recruitment. Criminals exploited individuals seeking companionship through online dating platforms or social media. Once the trust is established, the fraudster then used the opportunity to convince the victims to receive and transfer funds on their behalf, claiming various reasons for needing assistance. The complexity of these scams made detection challenging, leading to a rise in successful money mule operations.

The period between 2020 and 2023 witnessed an evolution in money mule cases, with criminals adapting their tactics to exploit digitalization and the vulnerabilities arising from global events like the pandemic. The rise of social media as a recruitment tool and the surge in romance scams showcased the need for increased public awareness and vigilance. However, the collaborative efforts of law enforcement and financial institutions demonstrated that progress is being made in countering these criminal networks. Therefore, this study aims to investigate the money mule scam awareness alerts done by the banks in Malaysia. This study conducts content analysis on the money mule scam alert of 23 banks that are listed in the Bursa Malaysia. Findings from the study will benefit the financial institutions on the money mule alerts conducted by other institutions and it also provides an insight to the regulator in developing a good money mule alert scam that should be implemented by all financial institutions, especially in Malaysia.

2. Literature Review

Money Mule

The money from criminal activities is transferred through several channels, including money mules (Raza et al., 2020). Money mule refers to individuals who receive money into their personal bank account from a third party and then transfer it to another person in cash or other currencies in

exchange for a commission, often without being aware of the criminal origins of the money (Joshi & Pathak, 2023; Raza et al., 2020). Cybercriminal networks, for example, rely on money mules to cover up the money trail of their illegal activities, which allows them to sustain and continue their unlawful activities (Bekkers & Leukfeldt, 2023). Although some money mules are not the masterminds behind the crimes, they help the criminal activities by moving money around, which makes it difficult or limits the ability or authorities for law enforcement to track the criminal origins of the money (Rani et al., 2023a; Bekkers & Leukfeldt, 2023; Leukfeldt & Kleemans, 2019). Individuals who purposely become money mules and are involved in money transfer's crime take significant risks as they often receive very little in return as compared to the punishment that will be imposed if it is found guilty (Leukfeldt & Kleemans 2019).

Punishment of the Offence

Leukfeldt & Kleemans (2019) suggest that in order to stop people from becoming money mules, campaigns should be used to warn them. They need to know that they are helping a criminal network of innocent people. Money mules should understand that they might be blamed for the theft, even though they are being used by real criminals. Hence, they end up paying back the stolen money, even though they did not steal it for themselves (Leukfeldt & Kleemans 2019).

The legal effects of engaging in money mule activities differ from country to country. In Malaysia, the Anti-Money Laundering, Anti-Terrorist Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFPUAA 2001) is a legislation that was enacted in Malaysia with the purpose of establishing measures for money laundering and terrorist financing offences. Chethiyar et al. (2021), also mentioned under Section 4 of the Anti-Money Laundering Act (AMLA), that those who are found guilty of money laundering and financing terrorism face a maximum prison sentence of 15 years and a fine that is not less than five times the value of the unlawful proceeds or RM5 million ringgit, whichever is higher.

In the case when the money mule cannot be charge under AMLATFPUAA 2001, the offender may be charged under Section 424 of the Penal Code for fraudulently concealing monies and Section 29(1) of the Minor Offences Act 1955 for being in possession of stolen goods. Additionally, the financial institutions may also blacklist the mule account owners and prevent them from opening a new account in their institutions (Jayamanogaran, 2020). The revocation of the benefit to own a bank account will have negative consequences to the offender in the long term.

Money Mule Modus Operandi

The tactics used by criminal networks to recruit and exploit individuals as money mules are varied and constantly evolving. Internet usage and digitization creates new criminal opportunities and strengthens the offline criminals' modus operandi. In Indonesia Arifin et. al, (2021) reveal 55% of identity forgery and 53% of stolen identity happened from money mules which risk 175.4 million internet users. Therefore, money mules' recruitment nowadays become more easier as criminal can use social media such as Instagram, Facebook and WhatsApp to promote for their wrongdoing activities (Bekkers & Leukfeldt 2023 & Peterwaike & Udo 2021). Criminal networks use social media to communicate with other criminals and recruit new members and in turn, social media has a significant effect on how these networks are formed and increase numbers of money mule had joined them (Bekkers et al. , 2022).

Chethiyar et al. (2021) mentioned criminals frequently employ victims through job recruitment mechanisms by offering attractive job vacancy advertisements and tailored job packages. Usually, the money mule advertisement utilise a similar Web address of real company, with the email sentence

writing is not formal and awkward, spelling and grammatical problem. In addition the criminal use Web-based service like Yahoo!, Gmail and Hotmail (Joshi & Pathak 2023).

Chethiyar et al. ., (2021) also look on romance scams mechanism. The criminals using online dating website manipulate their victims for financial gain through the use of the deceptive appearance of romantic interest. Subsequently, the trustworthy connection turned into a money courier scheme, in which the target is persuaded into lending their personal bank account in order to facilitate the transfer of funds for various purposes, including business financing, emergency expenses, charitable contributions, and even more.

Leukfeldt & Kleemans (2019) mentioned the process of recruiting new money mules entails persuading individuals with the promise of financial compensation for minimal effort, specifically by encouraging them to provide the use of their bank accounts in exchange for a fee. Based on their study, from the 112 identified money mules, approximately 36% are currently enrolled in high school or university with part-time employment, while 5% have discontinued their education in favour of part-time work. Additionally, 31% are unemployed and reliant on welfare benefits, whereas 52% report being burdened by debt. This vulnerability is manipulated by recruiters, who exploit these circumstances to entice potential money mules with the promise of financial compensation for minimal participation, predominantly by utilizing their bank accounts in exchange for payment.

Another study by Vedamanikam & Chethiyar (2020) reveal one of popular tactics to attract individual into money mules is engaging higher education students who extensively use the internet and are immersed in social media, are particularly easily imposed to criminal network. Vedamanikam et al. (2022) mentioned criminal networks had been targeting students off-campus, providing them with monetary incentives in exchange for their participation in uncomplicated surveys. Consequently, there is a possibility that some students unintentionally facilitated the use of their bank accounts by these criminals. The trend of money mule recruitment method is evolving and making more challenging for the law enforcement agencies and financial institutions to detect the crime. Therefore, it is more important to create awareness among the public to ensure that they are able to identify the possibility to be involved in scam and at the same time take reasonable steps to safeguard themselves from becoming a victim or fraudster. Therefore, this study will explore the money mule scam alert conducted by financial institutions as part of its initiative to create the awareness for the public.

3. Research Methodology

This study conducted content analysis on the money mule scam alert of 19 banks that are listed in the Bursa Malaysia. There are 25 public listed financial institutions registered under the Central Bank of Malaysia, however, only 19 had included money mule scam alerts in their websites. The money mule scam alerts were reviewed to extract relevant information provided, since there is no proper guideline for the scam alerts. The findings are discussed based on the data gathered from the scam alert.

1. Findings and Discussion

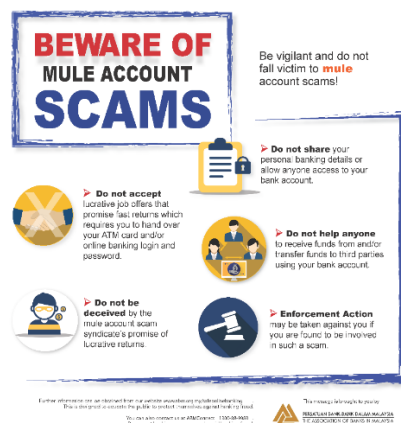
The findings shows that there are five themes derived from the content analysis. They are the definition of money mule, punishment of the offence, warning signs of money mule scam, money mule modus operandi, and the reporting channel. The findings are summarised in Table 1 below.

Table 1. Summary of Money Mule Scam Alerts

Banks	Definition of money mule	Punishment of the offence	Warning Signs	Money Mule Modus Operandi	Reporting Channel
Maybank	/	/	/	/	/
Affin		/	/		
AlRajhi		/	/		
Alliance		/	/		/
Ambank	/	/	/		/
Bangkok		/	/		/
Bank Muamalat	/	/	/	/	/
Bank of America			/		
Bank of China	/	/	/	/	
BNP Paribas			/		/
CIMB	/	/	/	/	/
Hong Leong			/		
HSBC		/	/		
MBSB	/		/	/	
OCBC	/	/	/		/
Public	/	/	/		/
RHB	/		/	/	/
Standard Chartered	/		/	/	
United Overseas			/		/

Referring to Table 1, it can be seen that the type of information included in the money mule alert varies from one bank to another. There are also bank which did a minimum sharing, which is sharing of “Beware of Money Mule Scams” Poster in Figure 1, provided by the Association of Banks in Malaysia. The poster shared information on the warning signs. However, this information is minimal that might not be sufficient for the public to know ways to safeguard themselves from being involved in money mule.

Figure 1. Beware of Money Mule Scams Poster



There are also financial institutions that provided additional information in the alerts. Among all, CIMB, Bank Muamalat and Maybank provided all five categories of information in their website, while

the rest did not provided a comprehensive information. However, all banks managed to provide the warning signs that everyone should be aware of. With this information, the public will be able to know the situation that might put them in the red zone. The best warning signs is never reply or respond when you are asked for the bank information details and ATM cards. Also, do not help others to receive or transfer money, as you will be part of the money trail if the money is derived from illegal sources for money laundering purposes. However, the current information provided on the websites is insufficient to create awareness to the public. The government has provided few initittaiue such as "Semakmule" and "Whoscall" to help curb the increasing cases on scams in Malaysia. The introduction of the "Semakmule" app, website system launched in 2020 in Malaysia used to identify accounts used by scammers to avoid becoming victims (The Star, 2020). These platforms can also be used by the public in safeguarding themselves from being part of money mule.

4. Conclusion and Suggestion

This study concludes that the information provided currently is insufficient to create awareness for the public on money mule awareness. Further information as what provided by the three banks, Maybank, CIMB and Bank Mualamat should be followed. Since there are various ways of providing the money mule alert, this study recommends for information related to all five categories discussed in the study must be included when providing money mule scam alert in their respective website. This is important to help the public, especially Malaysia citizen to not fall into the trap set by the money mule recruiter and to not be involved in the money mule. Once a person is determine to be part of money mule, the bank will take fast action to report their suspicious transactions report to Bank Negara Malaysia. If he or she is found guilty, the person will no longer has the opportunity to open or own a bank account in the respective bank.

This will be an issue especially for our future graduates, who will be looking for work once they finishes their studies. One of the requirement for an employment will be to have a bank account, for the salaries to be paid. Not only that, they will face difficulties in applying for financial assistance, such as car loan. Hence, not having a bank account would also impose a difficulties for them in the future.

The findings of the study help readers to understand the definition of money mule, techniques used by fraudsters and steps need to be taken if the victim realise to be part of the money mule scam. However, the study relies on the money mule alert scam of banks in Malaysia, which is not standardised as compared to other developed country such as Singapore. Therefore, future study may conduct comparative study on money mule scam alerts conducted by banks in Malaysia and Indonesia.

Reference

- Ali, N. H. M. (2023, April 5). Jail for mother and son money mules who sold bank details used to launder nearly S\$1.6m in scam proceeds. TODAY. <https://www.todayonline.com/singapore/mother-son-money-mules-jail-sell-bank-details-scam-launder-2145271> [retrieved 11 November 2023].
- Alkhatib, S. (2023, April 13). Woman jailed for allowing her bank accounts to receive money from scammers. The Straits Times. Retrieved from <https://www.straitstimes.com/singapore/courts-crime/woman-jailed-for-allowing-her-bank-accounts-to-receive-money-from-scammers> [retrieved 11 November 2023].
- Arifin, R., Kambuno, J. A., Waspiyah, W., & Latifiani, D. (2021). Protecting the Consumer Rights in the Digital Economic Era: Future Challenges in Indonesia. *Jambura Law Review*, 3, 135-160.

- Bekkers, L. M. J., & Leukfeldt, E. R. (2023). Recruiting money mules on instagram: a qualitative examination of the online involvement mechanisms of cybercrime. *Deviant Behavior*, 44(4), 603-619.
- Bekkers, L. M., Moneva, A., & Leukfeldt, E. R. (2022). Understanding cybercrime involvement: a quasi-experiment on engagement with money mule recruitment ads on Instagram. *Journal of Experimental Criminology*, 1-20.
- Chethiyar, S. D. M., Vedamanikam, M., & Sameem, M. A. M. (2021). Losing The War Against Money Mule Recruitment: Persuasive Technique in Romance Scam. *Ilkogretim Online*, 20(3), 2569-2585.
- Europol. (2022, December 5). 2 469 money mules arrested in worldwide crackdown against money laundering. <https://www.europol.europa.eu/media-press/newsroom/news/2-469-money-mules-arrested-in-worldwide-crackdown-against-money-laundering> [retrieved 11 November 2023].
- Jayamanogaran, T. (2020, July 6). Bukit Aman: It is an offence to 'rent out' your bank accounts, scammers use them to launder illegal funds. *Malay Mail*. <https://www.malaymail.com/news/malaysia/2020/07/16/bukit-aman-it-is-an-offence-to-rent-out-your-bank-accounts-scammers-use-the/1884928> [retrieved 11 November 2023].
- Joshi, N., & Pathak, A. (2023). Unveiling The Veil: Understanding Money Laundering and Its Impact on Ordinary Individuals. *International Journal of Management, Public Policy and Research*, 2(2), 6–11.
- Leukfeldt, R., & Kleemans, E. E. (2019). Cybercrime, money mules and situational crime prevention: Recruitment, motives and involvement mechanisms. In *Criminal networks and law enforcement* (pp. 75-89). Routledge.
- Peterwaik, E., & Udo, N. (2021). A systematic literature review on criminological research on the history of cybercrime focusing on type of crime and geographic origin of the perpetrators: Literature review on criminological research on the history of cybercrime.
- Rani, M. I. A., Zolkafilil, S. Z. S., Nadzri, F. A. A., Naz, S. N. F. S. M., & Azemi, A. (2023). Exploring Money Mule Recruitment: An Initiative in Combating Money Laundering. *International Journal of Business and Economy*, 5(1), 10-18.
- Rani, M. I. A., Zolkafilil, S., & Nazri, S. N. F. S. M. (2023). The Trends and Challenges of Money Mule Investigation by Malaysian Enforcement Agency. *International Journal of Business and Technopreneurship*, 13(1), 37-50.
- Raza, M. S., Zhan, Q., & Rubab, S. (2020). Role of money mules in money laundering and financial crimes a discussion through case studies. *Journal of Financial Crime*, 27(3), 911-931.
- Rosli, M. S. Z., Shakir, N. I. A. A., Ilyas, I. Y., Bakar, M. H., Mohideen, R. S., & Zakaria, M. H. A. M. (2022). The level of awareness towards money mules in Malaysia. *e-Journal of Media and Society (e-JOMS)*, 5(1), 73-90.
- Vedamanikam, M., & Chethiyar, S. D. M. (2020). Money mule recruitment among university students in Malaysia: Awareness perspective. *Pupil: International Journal of Teaching, Education and Learning*, 4(1), 19-37.
- Vedamanikam, M., Chethiyar, S. D., & Awan, S. M. (2022). Job acceptance in money mule recruitment: theoretical view on the rewards. *Pakistan Journal of Psychological Research*, 37(1), 111-117.
- Zolkepli, F. (2020, October 7). Use "Semak Mule" app, website to identify accounts used by scammers. *The Star*. <https://www.thestar.com.my/news/nation/2020/10/07/use-039semak-mule039-app-website-to-identify-accounts-used-by-scammers> [retrieved 11 November 2023].