

SA, US officials crack financial fraud scam

Eleven people were arrested in Pretoria on Tuesday on charges relating to an international financial fraud scam.



A DCIS special agent investigates cyber crime.
(Image: Jplozai, via Wikimedia Commons)

The individuals were among 20 individuals who were arrested in South Africa, Canada, California, Georgia, Indiana, New York, South Carolina and Wisconsin on charges stemming from cyber and mass marketing fraud schemes.

The eleven people were arrested during a joint operation between the US Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI), SAPS Directorate for Priority Crime Investigation, South Africa's Crime Intelligence, Interpol, the South Africa Tactical response Team and the Department of Home Affairs.

HSI special agents had followed a financial fraud scam to Sunnyside in Pretoria, according to a statement by the police and US Department of Homeland Security on Wednesday.

The individuals are allegedly linked to a West African transnational organised crime enterprise, involving numerous complex financial fraud schemes over the internet. The mass marketing fraud includes romance scams, reshipping scams, fraudulent check scams, work-at-home scams, along with bank, financial and credit card account takeovers.

The investigation was initiated by HSI special agents in October 2011, after US law enforcement was contacted by a female victim in Mississippi, who was victimised in a sweetheart scam. The victim received a suspicious package in the mail requesting her to reship the merchandise to an address in Pretoria. The investigation later revealed that the merchandise was purchased using stolen personal identity information and fraudulent credit card information of persons in the US.

Investigators have so far identified hundreds of victims to this scam in the US. This has resulted in the loss of millions of US Dollars.

This syndicate went for some years purchasing shipping labels from the US Postal Service, Federal Express, United Parcel Service and DHL with fraudulent credit card information of stolen identities. Once the merchandise reached South Africa,

the suspects advertised it for sale on the internet.

An eight-count federal indictment filed in the United States charging 18 individuals with wire fraud, bank fraud, access device fraud, mail fraud, aggravated identity theft, theft of government funds and money laundering.

The US District Court for the Southern District of Mississippi was granted arrest warrants for 12 individuals residing in South Africa and search warrants for associated properties in Pretoria. The suspects are linked to the global scam and are believed to have enriched themselves with illegally obtained funds.

During the operation, investigators seized computers, laptops, cell phones, notebooks and documents. The items will be surrendered to HIS for further investigation.

According to the police, the suspects will appear in the Pretoria Magistrates Court on charges of fraud and theft, before being extradited to the US to face prosecution in the Southern District of Mississippi.

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