

**ICMC 2023**  
**The 3<sup>rd</sup> International Conference on Management and Communication**

**MONEY MULE SCAMS: PATTERNS OF INVOLVEMENT AND  
AWARENESS CAMPAIGN**

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**Abstract**

From January until March 2020, there have been 2,330 reported incidents of online fraud. The moment a scammer manages to manipulate the victim's emotion and interest, it will be an open door for the scammer who will not have to endure a painstaking hacking and cracking scheme. Furthermore, scam activities are mostly conducted online through social media in line with the rapid development of e-banking services at present. This paper will discuss how people get involved and awareness campaign initiatives from mule account holders' perspective. The qualitative methodology has been used in this study. Overall, the awareness level of money mules is still low and the existing awareness and communication initiatives are not fully effective and can be refined further. Many people still do not know what money muling exactly is and some of them are under the impression that it is a legitimate activity. We recommend BNM to enhance the communication initiatives using social media, TV, radio, youtube and phone messages. In addition, BNM should also target public places such as government agencies, shopping malls, public transportation stations and hospitals. The content should be appropriate to the relevant demographics and personality traits, especially those with high risk of involvement in money mule activities. BNM should also cooperate with other relevant agencies to develop an integrated database on money mule cases in order to come up with better analysis and more effective mitigating or intervening actions.

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*Keywords:* At-Risk Behaviours, Cybercrime, Commercial Crime, Mule Account, Money Mules

## 1. Introduction

A money mule is a person who accept money from a third party in their bank account and then transfers it to some other person in form of cash or any other kind after obtaining his commission (Raza et al., 2020). Even if money mules are not directly involved in the crimes that generate the money (for instance in the forms of cybercrime, payment and online fraud, drugs, human trafficking, etc.), they are considered as accomplices, as they launder the proceeds of such crimes. Money mules help criminal syndicates remain anonymous while moving funds worldwide (EUROPOL-Public Awareness & Prevention Guides, 2019). With the massive growth in the information and communication technologies, there has been a boom in the mule scam account, particularly related to internet fraud. Many commercial banks suffered due to various types of scams. For instance, the "phishing attack" in which the 'phishers' forge web pages used by customers for online banking, hence, enable the customers to confidently share their personal financial information (usernames, passwords etc.). This would result in the information to be abused for unlawful and unauthorised transactions (Sisak, 2013) When Internet fraud is investigated the internet money mules are generally easily identified and any fraudulently obtained funds that may have been kept as the "commission" fees are recovered (Aston et al., 2009).

It does not matter whether the Internet money mule is fully aware of the crime being committed or is just an innocent agent. The criminals that recruit them do not care as the mules have served their purpose and pose no threat to the criminal enterprise. The victims of this mule accounts are from various groups namely the housewives, students, college students, self-employed, retirees and unemployed (Hashim & Abdul Rahman, 2020). As such, communication is very critical to enhance the awareness and educate the society on the mule account. Effective communication allows a bank to evoke a shared understanding of values between itself and its customers (Asif & Sargeant, 2000). Banks should therefore demonstrate their knowledge and competence regarding fraud prevention by communicating anti-fraud measures effectively, thereby creating a feeling of safety among customers (Rauyrueen & Miller, 2007).

## 2. Method

With the assistance from the BNM, PDRM, PPIM, and NGO, mule account holders were invited to participate in online and face-to-face interview sessions. During the sessions, the holders were presented with all the communication platforms used by Bank Negara Malaysia. They were given flexibility to express their views and experiences on each platform guided by the three main criteria: Interactivity, Social Presence and Functionality.

Other than mule account holders, online interviews were conducted with other stakeholders namely, NGO of Pertubuhan Kebajikan Amal Sejagat Malaysia and non-mule account holders. They provided professional evaluations and recommendations to improve the effectiveness of communication initiatives adopted by Bank Negara Malaysia.

In addition to the effectiveness of communication initiatives, all informants were given space to discuss related issues of mule accounts. It was not limited to behaviours of mule account holders, banking fraud prevention and detection, and potential policy strategy. Voluntary participation, informed consent and confidentiality were the key principles that were upheld and respected along this research process.

This study utilised NVivo 12 software to transcribe the raw data gathered from the interviews. The process of data analysis started by importing the registration of every participant into the software program. The researcher listened to all recordings and transcribed them verbatim. The transcription of each interview was constantly examined to ensure its accuracy and better understanding of the data. Each time the data is read, it gives the researcher a richer understanding and knowledge of the data at hand as well as guiding the model in which the coding arises.

### 3. Results

Semi-structured interviews have been conducted with informants that have experience in the mule account cases. The interview sessions were useful to uncover the true story behind the informant's experience, particularly their involvement in the mule account activities. Basically, the interview session addressed the informant background/profile and how they got involved with mule account activities/scams.

Eight informants have turned up for the interviews. After listening to their stories, apparently, it can be categorised as mule and non-mule. In this context, mule informants are those with accounts used to receive and transfer funds acquired illegally by other party(ies). Meanwhile, non-mule informants refer as the victims of the scam syndicate, whereby the scammers have the possibility to lead the victims into the mule account transactions. Details of the informants are shown in Table 1 below:

**Table 1.** The Informants

Informant	Gender	Race	Age	Occupation	Location	Case
1 (mule)	Male	Malay	46	Government	Kuala Lumpur	Borrowed money, gave card and pin number to money lender. Police case
2 (mule)	Male	Malay	36	Private Company	Kuala Lumpur	Borrowed money, gave card and pin number to money lender. Police case
3 (mule)	Male	Malay	28	Government	Negeri Sembilan	Borrowed friend his bank card and gave the pin number. As a reward, received rm300/ monthly. Police case.
4 (non mule)	Female	Malay	25	Private Company	Selangor	Involved in an online employment where she needs to purchase items through shopee and bank in money to an individual bank account (suspected mule). She did not get commissions and lost RM3,500.
5 (non mule)	Female	Malay	22	Private Company	Selangor	Want to borrow money from the Tik Tok Ads. Required to transfer money to an individual account (suspected mule) to process the loan
6 (mule)	Female	Malay	24	Private Company	Kelang, Selangor	Borrowed money, gave card and pin no to money lender. Police case money from money lender

7 (mule)	Female	Malay	26	Private Company	Selangor	Borrowed money, gave card and pin no to money lender. Police case Borrow money from money lender
8 (mule)	Male	Malay	32	Contractor	Kuala Lumpur	Borrowed his account to be used by the 3 <sup>rd</sup> party.

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### 3.1. The informant background/profile

Generally, the informants selected were derived from the pool of those who have lodged report on the mule account and sought advice from the Persatuan Pengguna Islam Malaysia (PPIM). All of the informants were Malay and in the range age of 22 to 46 years old. Most of them have received higher level education (certificate, diploma, master).

### 3.2. Involvement in the mule account activities/scams

When asked the informants how they were initially involved in the mule/scam case, the majority of the informants expressed that they are in a state of desperate and in great need of money. At this stage, they are willing to take any measures that are easy to obtain money and tend to overlook the consequences of their action. Based on the informants input, it is noticeable that mule activities started with these three main techniques:

#### 3.2.1. Borrowing money

The most common way that the informants have been exposed to the scammers was through applying for a loan from social media sources (tik tok & facebook).

As experienced by the Informant 1, he wanted to borrow 10K from a financial agency that seems to be licensed and legitimate. He gave his card and pin number in order to process the loan. However, a few weeks later, he was so shocked when the police came and charged him as the mule account holder.

Similar case happened to informant 2 and 6 as they shared:

Informant 2:

“Before proceeding with the application I first checked the company's license and it does exist in Shah Alam. I see that the company also has its own products. I continued to apply with a loan amount of 15k. They just need me to hand over my card and ATM card pin number”

Informant 6:

"About that time I didn't think long, I meant to find it, wanted to borrow money in a quick way, so I gave you all the details he asked for, IC front back, bank card he asked me to post for the RRRR pin number with Banking Online, because he said it was for his process”.

### **3.2.2. Helping friends/ relatives**

On the other perspective, there were also cases where informants have the noble intention to help friends and family members. As such, based on trust, they willingly gave their bank accounts to be used by the known parties. Unfortunately, these actions have trapped and led them to be the mule and been charged by the police as criminals.

As claimed by Informant 3:

"Actually a friend came to see me....he asked for my bank account. He intended to borrow my bank card because his ATM card had been damaged. He said he only borrowed a snap. I gave my card....emmmm I didn't suspect anything considering I did know my friend"

### **3.2.3. Lucrative job offers**

One of the non mule informants has been offered a flexible and work from home scheme job from a company that seems to be a genuine and registered company. Her task was to purchase items online as instructed and transfer money into an unknown account. After making a few transactions, she felt suspicious because unable to claim her money, unable to contact the company salesperson and finally lodged a police report.

### **3.2.4. Semi-structured interviews: views of NGOs' representatives**

Furthermore, Interviews were also conducted with two experts from the Pertubuhan Kebajikan Amal Sejagat Malaysia. The experts have more than 20 years of experience dealing with mule account issues. The question asked to the experts is related to the suggestions that need to be made by Bank Negara Malaysia to prevent problems related to mule accounts. Based on the interviews, the researchers have identified three actions to be taken by BNM which are:

### **3.3. The awareness campaign should be more aggressive**

This awareness campaign needs to be more aggressive by BNM as Malaysians lack awareness of the importance of protecting their personal information. Awareness campaigns should also be carried out with NGOs. Besides that, awareness campaigns can also focus on students in schools in preparation for their future after school completion. Campaigns also can be carried out by giving face-to-face talks or conducting discussions in small groups among students. The medium platform for the campaign is offline medium—face-to-face talk in front of the target group, especially students in the school, form four and form five.

### **3.4. Enhance the enforcement**

The enforcement enhancement should also be increased from time to time, either from the bank or the authorities, such as the PDRM, BNM and Malaysian Communications and Multimedia Commission (MCMC). BNM and PDRM should work together to combat the activities of scammers. This is because the movement of withdrawing money and in and out of money can be detected. Therefore, the PDRM

should be able to continue to catch the actual scammer. In addition, BNM should issue guidelines that customers are also not encouraged to open more than two bank accounts. This is because it is thought to be able to control the account owner to be the target of scammers to be scammed. If the client still needs a bank account of more than two, there should be supporting documents acceptable to the institution.

### **3.5. Banks should disclose more information to customers/ and be more cautious**

For new bank card applicants, the bank should provide clear information to the applicant so that they know the danger of handing over the card along with their number pin to someone else. Once the new applicant has successfully opened a bank account, the bank should allocate some time to explain to new customers what they can and cannot do on their bank account. Providing awareness from the beginning to the account holders will give them a clear picture of their responsibility not to disclose their account information to others.

The second section in this paper focuses on the second objective of the study which is the communication initiatives undertaken to combat mule account activities. This section begins with the findings collected from the 201 respondents and is followed by the findings generated from the in-depth interviews. This section describes awareness among the public and the effectiveness of communication initiatives taken by BNM to disseminate crucial information about mule account activities to the public.

## **4. Conclusion**

Overall, the awareness level of money mules is still low and the existing awareness and communication initiatives are not fully effective and can be refined further. Many people still do not know what money muling exactly is and some of them are under the impression that it is a legitimate activity.

We recommend BNM to enhance the communication initiatives using social media, TV, radio, youtube and phone messages. In addition, BNM should also target public places such as government agencies, shopping malls, public transportation stations and hospitals. The content should be appropriate to the relevant demographics and personality traits, especially those with high risk of involvement in money mule activities. BNM should also cooperate with other relevant agencies to develop an integrated database on money mule cases in order to come up with better analysis and more effective mitigating or intervening actions.

## **5. Limitation**

For the interviews, the mule participants may not fully reveal the details relating to their mule account involvement because they believed that they did not do anything wrong in terms of transactions that they were involved in. Furthermore, some of them may not fully trust the researchers because of the unforeseen legal implications of disclosing personal information. Data gathered from the mule participants are purely from their own perspectives. To address the limitation, experienced activists were also included and interviewed to generate a comprehensive understanding of mule account issues.

## Acknowledgments

This research was supported by Bank Negara Malaysia through a research grant (SO Code: 21005). We would like to thank our research participants and their respective organizations. We also thank RIMC UUM and Universiti Utara Malaysia for their continuous support in money mules research.

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