

Mule Account Awareness

What is Mule Account?

In general, "Mule Account" refers to an account that is used to receive and transfer funds acquired illegally on behalf of others. In this respect, fraudster may approach victims (mule account holders) with lucrative offers in exchange for the victims to 'lend', 'share' or 'rent out' their bank accounts/ cards or help to facilitate the fraudster's request whether intentionally or unintentionally to receive or transfer fund illegally acquired from/to third parties. Victims can be prosecuted under the law if their account(s) are found to be involved in such illegal activities even if they are not directly involved or not having the knowledge of such illegal activities.

How does it work?

- Fraudster may contact potential victims via emails, chat rooms, websites or social media and persuade them to rent out their bank accounts/ cards or receive unknown fund in their bank accounts in exchange for a reward or other forms of consideration.
- Once the victims agree to rent out their accounts/ cards, fraudster will conduct unauthorised acts which amongst others, would include illegal activities or transactions using such mule accounts e.g. transfer illegal fund into the victims' bank accounts, perform multiple illegal fund transfers to different mule accounts, use the victims' cards to withdraw illegal funds or commit fraud using the mule accounts.
- Alternatively, fraudster may instruct victims to perform illegal fund transfer or ATM withdrawals on the fraudster's behalf without telling the victims that the whole process involved illegal activities.
- Mule account holder can be charged under Section 424 of the Penal Code for fraudulently concealing monies which carries a sentence of imprisonment up to five (5) years, or a fine, or both upon conviction even if such mule account holder is not directly involved in whatever their "renter" does.
- Upon detection of such illegal transactions as highlighted above, the Mule account holder's name will be placed under blacklist hence making it impossible for the account holder or any other parties who has access to the said account to perform any banking activities with other banks or parties.

How to prevent from Mule account scam?

- Do not accept lucrative job offers or rewards or purported investment scheme or any kinds of offer which seem to be extraordinarily promising ("too good to be true") that promise fast return or zero risk which requires you to disclose your personal banking details including your card and/or online banking login and password.
- Do not share your bank account details, i.e. Internet Banking User Name and/or Password, ATM Card, bank account number, types of accounts maintained with the bank, PIN Number or TAC to a third party
- Do not help anyone to receive or transfer fund from/to third parties. You could be violating the law if illegal activities or transactions are found and enforcement action may be taken against you
- Report scam/ fraud to the bank and law enforcement agency immediately if you think you might already be part of a mule account scam.