



TYPOLGY REPORT: VISA DEBIT CARD SCAM

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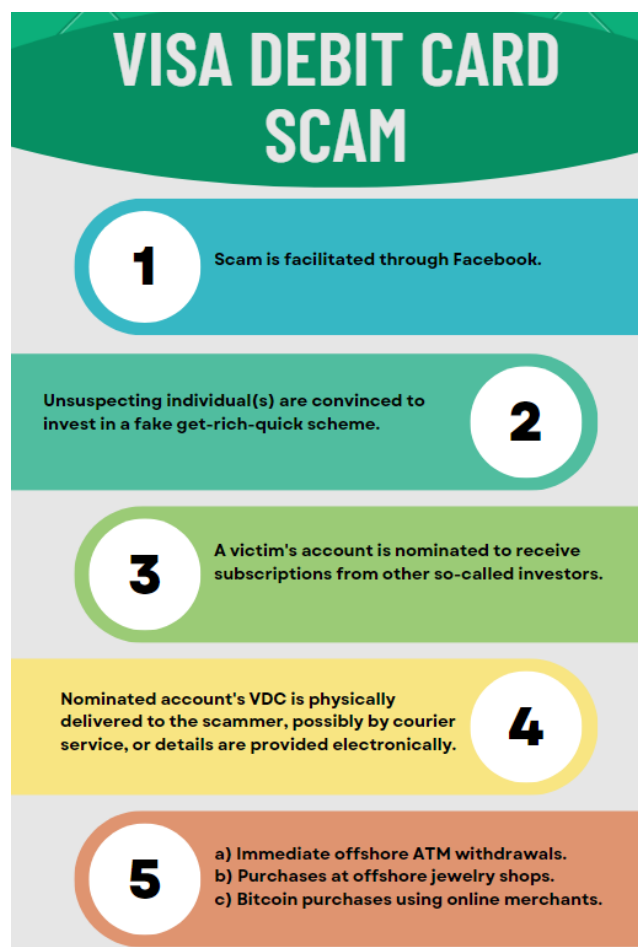
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Visa Debit Card Scam

WHAT IS IT?

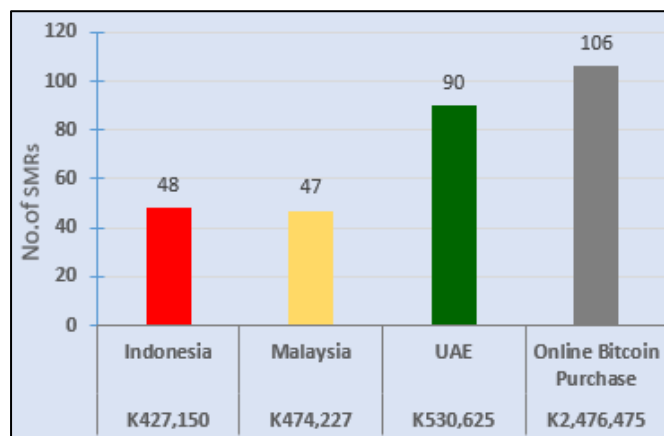
Visa Debit Card (VDC) scam is a type of investment fraud. VDC scam is facilitated through social media platforms, especially Facebook, where the scammer(s) convince unsuspecting individuals to invest in a fake get-rich-quick scheme. A victim's bank account is then nominated to receive further subscriptions from other so-called investors; meanwhile the physical card is either delivered to the scammer via courier service or details are electronically provided. Thereafter, immediate withdrawals are then conducted from offshore ATMs, and purchases are conducted at offshore jewellery shops, or bitcoin is purchased using online merchants.

The victims or remitters appear to be unsuspecting ordinary Papua New Guinean citizens whose characters demonstrate a high desire for quick buck. The transaction records indicate that funds are being remitted from various bank branches across PNG. The scammers on the other hand are foreign nationals who skilfully take advantage of the victims' naivety.



SMRs

Between December 2021 and July 2023, a total of 291 SMRs relating to VDC scam were reported to FASU with an accumulated value of K3.9 million. The transaction patterns indicate that the offshore VDC withdrawals are being conducted in Indonesia, Malaysia and the United Arab Emirates (UAE). A larger portion indicates funds being used to purchase bitcoin through online merchants.



Graph 1: VDC scam activities

Indicators of VDC Scam Activities

According to the SMRs the following red flags are indicative of VDC scam:

- Multiple deposits made into nominated customers' accounts by various individuals.
- Rapid cash withdrawals using customers' VDCs at ATMs in Indonesia, Malaysia and UAE.
- Transactions occurring simultaneously in PNG (via debit card) and offshore (via VDC).
- Confirmation within customers' account showing delivery payments made to courier service providers, possibly to deliver VDCs to offshore third parties.
- Transactions are inconsistent with customer profile.

Risk Patterns Identified

The following risk patterns were identified:

- 1. Promise of high returns with minimal risk** – in a real world, investments that offer high returns typically carry more risk. Thus, it is unrealistic and one must be sceptical if someone offers an investment with such high returns and low risk.
- 2. Unregistered investments** – before hastily pursuing any investment, it is important to confirm whether the concerned business is

registered with the appropriate company registry authorities to determine its legitimacy.

3. **Depositing funds to individual accounts** – all business transactions should be conducted through a genuine business account after verification of true business ownership and not to individual accounts.