

When lottery email scam turns into murder!

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A gang of five, who used to cheat people through lottery email, killed one of their own “aged 15-17 years”. The gang was using the girl's bank account for collecting money. How did the bank allow a minor girl to operate the account? Where were the KYC norms?

With banks becoming 'hyper active' in creating awareness about not to share bank account numbers and passwords with anyone, the criminal minds are, more often, found using 'lottery' route to dupe people. Unfortunately, the loss in such lottery scam messages is not limited to money alone. As the recent incident from Pune points out, these criminals even killed their own accomplice as she wanted to leave the gang.

According to a report from Mid-Day, on 7th May the police found body of 17-year old Rani Singh in a red suitcase abandoned at Talegaon railway station near Pune. Police arrested three people, Rahul Ravindra Barai, Ershan Ali Khureshi and Santosh Jugdar from Mumbai and after the probe found that they, including Rani belonged to a five member gang and were involved in cheating people. "Recently, Singh, the victim who was also a member of the gang, had told them that she planned to leave the group. Angry

with her for defecting, the trio killed her on the orders of the gang leader," the report says.

"The gang of five consisted of the three arrested conmen, the deceased woman, and an absconding accused — the gang leader — who is based in Bangalore. The gang had been cheating people on the pretext of giving them hefty amounts of money through lotteries. They had also created a bank account in Singh's name, in which they kept their ill-gotten wealth," the report says.

The last two points in this report are serious and need detailed probe by authorities, including the Reserve Bank of India (RBI). As per the cheating through lottery mails is concerned, the RBI as well as Income Tax department, time and again, keep warning people not to fall prey to such emails.

In media reports, the age of Rani is mentioned between 15 and 17 years and this is where it turns more dangerous. Although, there are no restrictions on opening bank account for a minor, the question in this case, is whether the know your customer (KYC) procedure was followed strictly by the bank while opening and monitoring the bank account of Rani Singh? Till recently, the RBI rules did not permit persons below 18 years to operate accounts and only the parent or guardian was entitled to sign cheques or withdrawal slips.

It has been seen in many cases that banks and financial institutions have not been very particular about strict

implementation of anti-money laundering (AML) and KYC. The regulator has also shown some leniency in this regard. KYC process in the banks mostly ends with collection of relevant document by the staff at the bank counter and transaction monitoring is assumed to be completed if a customer furnishes his PAN card, which is more of a tax compliance document.

Even the RBI's KYC framework mentions ensuring appropriate customer identification and monitoring transactions of a suspicious nature. The guidelines of RBI on KYC process states that banks should follow 'risk-based' approach of KYC process and classify customers into low, medium and high risk. So was this followed in the case of Rani Singh, who had a bank account opened in her name, but is now dead?

Coming back to the lottery mails, almost everyone who has an email account gets an email announcing a 'lottery (you have never heard of) won by you' or some 'rich and wealthy' but troubled individual wanting to move his/ her money to India.

There are plenty of cases where people (unfortunately) continue to believe in such messages and were later found duped. In one of the famous cases, a manager at State Bank of India (SBI) in Andhra Pradesh transferred Rs1.83 crore from his bank account to a Nigerian bank account after the email informed him that he had won Rs2.95 crore.

Last year in January, Delhi police arrested Franklin Idiumo, a Nigerian national, for allegedly cheating people of lakhs of rupees by making them believe that they have won a lottery from RBI. He was apprehended following investigations into complaints about cheating a woman of Rs22 lakh after falsely telling her that she had won a lottery of Rs1.7 crore. He along with his fellow nationals cheated people by creating a fake website of the RBI and sent text messages to people randomly wherein they stated that they have won a large sum of money in a lottery.

People who replied to their messages were asked to deposit a sum of money in an account number they told in exchange of a code that would enable them to facilitate the transfer of the said money in to their account. Further, they told them to deposit more money on one pretext or the other.

There have been some instances in India where Nigerian hackers befriended some locals and used the contact individual's bank account to siphon off the money sent by victims. But the case of Rani Singh tells us that the danger is looming large near our homes.

If you are a *Moneylife* reader, you will find plenty of 'red flags' in such message. Most important is the email ID, which may show the name of RBI or any other bank or financial institution, but definitely without the authentic domain, like rbi.gov.in. Second, even if one assumes that all else is true, why on the earth would the RBI offer money to an individual

like you? Third, the RBI does not operate, manage or control any lottery schemes or donate money just like that.

Here are some points to keep in mind while identifying fake or fraud messages. The scams are widespread, so governments and websites like www.truthorfiction.com, www.fraudwatchers.org or www.scambaits.com are giving special attention to this matter, to help potential victims and to catch scamsters. The website of the Nigerian Central Bank has a warning on the home page that says, "If it looks too good to be true, it usually is." The US Secret Service and the British National Criminal Intelligence Service undertake regular investigations and issue regular warnings to people.

And last but the most importantly, there are no free lunches. So if you do not want to dig deep into the emails, then as soon as you read the word 'lottery', delete the message. It may not only save your money, but also your life.