

Financial Scams: The Hell Underneath The Heaven



A Booklet about Financial Scams issued by:
The Financial Intelligence Unit (FIU) of Central Bank of Sri Lanka



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CENTRAL BANK OF SRI LANKA

Financial Scams:

The Hell Underneath The Heaven

The Financial Intelligence Unit (FIU) of
Central Bank of Sri Lanka

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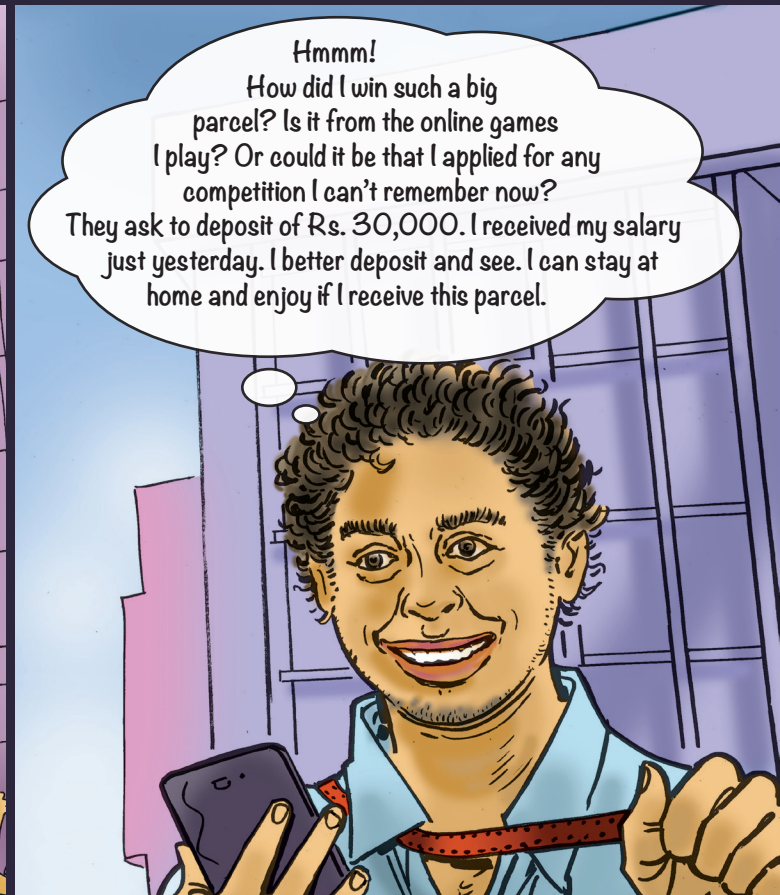
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PARCEL SCAM

Amal is 30 years old and working in a private company. He is an average-income earner living in a boarding home. One day Amal receives a text message on his phone.



Amal deposits Rs. 30,000 expecting to receive his parcel. He does not call or text to confirm with the sender because he is confident that he has really won a parcel.



Hmm!
Two weeks have passed. There is no sign of the parcel, and the phone number is not working. Have I been cheated? I should have checked before depositing cash.



SALIENT FEATURES OF A PARCEL SCAM

- 1. Receipt of a text message, voice call, or email informing you that you have won a valuable parcel of gold, jewelry, or cash. This message usually has grammatical mistakes and encloses images of the valuables enclosed in the parcel.
- 2. Request to deposit cash to claim the parcel as soon as possible.



LOTTERY SCAM

Ranga is 25 years old and working in a government institution. He is preparing for his wedding and receives an email from BMW USA saying that he has won a BMW one day

BMW WINNER

January 01, 2023, 10.13 a.m.

From : BMWannuallottery@gmail.com

To : ranga@gmail.com

Dear Lucky Winner,

We are happy to inform you that you have won a brand-new BMW of USD 1.5 MN from United States of America. For more details, please contact Mr. David our Sri Lankan agent on david@gmail.com.

Ranga is ecstatic because he is still not entitled to the vehicle loan. This is like a dream come true and he eagerly responds to David and receives the following replies.

BMW WINNER

January 01, 2023, 11.30 a.m.

From : david@gmail.com

To : ranga@gmail.com

Dear Lucky Winner,

Thank you very much for your prompt response. We are in the process of shipping it. Please deposit LKR 120,000 as shipping charges to bank account no. xxx xxx.

January 06, 2023, 02.44 p.m.

Your BMW has arrived in Sri Lanka. It is waiting in Sri Lanka Customs for your clearance. Please deposit LKR. 100,000 as clearance charges.

January 08, 2023, 09.15 a.m.

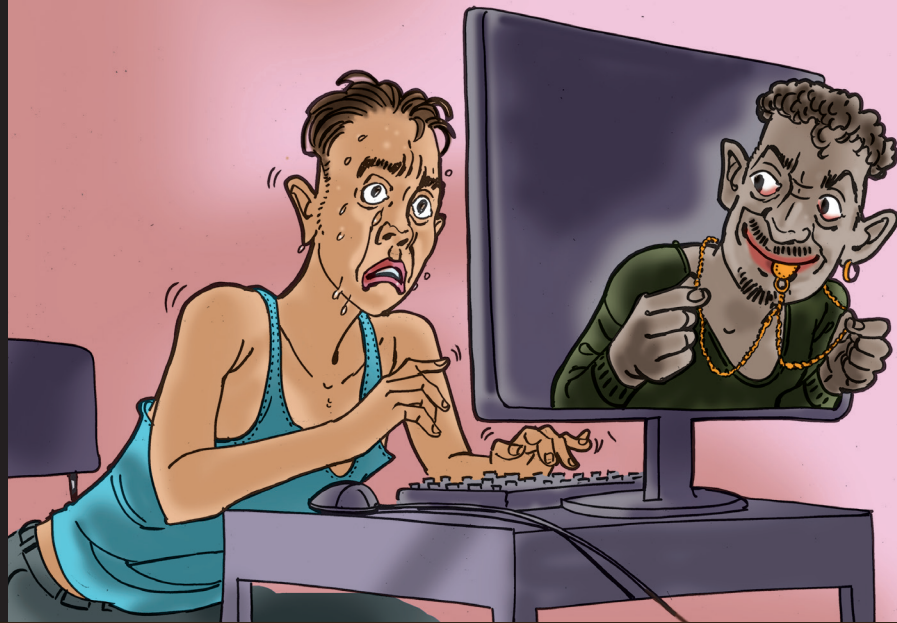
Your BMW has been cleared and waiting to be delivered to your doorstep. Please deposit LKR 50,000 as transport charges.



Ranga starts feeling suspicious. He has deposited closer to Rs. 300,000 now to receive the BMW. He emails his concern but there is no reply

SALIENT FEATURES OF A LOTTERY SCAM

1. Receipt of a text message, voice call, or email informing you that you have won a BMW or a lottery prize.
2. Request to deposit cash in several instances such as shipping charges, clearance charges, and transport charges.



EMPLOYMENT SCAM

Isuru and Sachini are 21 years old, brother and sister. It is Isuru's dream to go abroad for employment. Sachini recently lost her job due to the COVID-19 pandemic and is searching for an opportunity to work from home. Both apply for employment opportunities in newspapers and websites, and one day Sachini receives a call from an organization offering her a job.



Isuru and Sachini deposit 150,000 to secure the two job opportunities. But when they try to contact the employer, there is no response.



SALIENT FEATURES OF AN EMPLOYMENT SCAM

1. Offer employment opportunities too quickly and conveniently with an impressive salary.
2. Request to deposit cash to provide equipment such as laptops, Wi-Fi, and routers or to prepare and process documents for overseas employment.



ROMANCE SCAM

Indi is a 36-year-old wealthy lady living a luxurious life. She is active on social media and regularly posts about her life. Edward, an Englishman, befriends Indi on social media. Love blossoms and Edward expresses his wish to marry her. He plans to build a house by hiring Suraj, one of his Sri Lankan friends, as her contractor.

Edward! It is my wish too to have our own house. I will deposit Rs. 1 million tomorrow to Suraj's account to start the construction.

One week later...

Hi Edward! Suraj asked for another Rs. 1 million. He sent me photographs of the house as well. I told him I wish to see the house and he promised to show it next week.

Three weeks later...

Hey! Suraj needs 1.5 million more to complete the house. He said he would take me for a house visit after completing the work.

One month later...

Edward!! Are you there?? Suraj is not answering my calls. I called him to ask when I can visit the house, but there was no response. And I have noticed you also don't reply to my messages like before ...

Both Suraj and Edward become unresponsive after Indi deposits cash. Indi is depressed after losing her money as well as her romance



SALIENT FEATURES OF A ROMANCE SCAM

1. A total stranger promises you love, romance, and a perfect life.
2. Involvement of a foreigner or a local living abroad so that he or she cannot meet you in person.
3. Request for cash to build a house, organize a wedding or migrate.

GOODS/SERVICES SCAM

Abhi is a 40-year-old musician. There is an upcoming musical show, and he is searching for a drum set. He sees an advertisement selling a drum set on a website.



Abhi visits the location shared by the seller. But he realizes it is a fake address and has been scammed



SALIENT FEATURES OF A GOODS/SERVICES SCAM

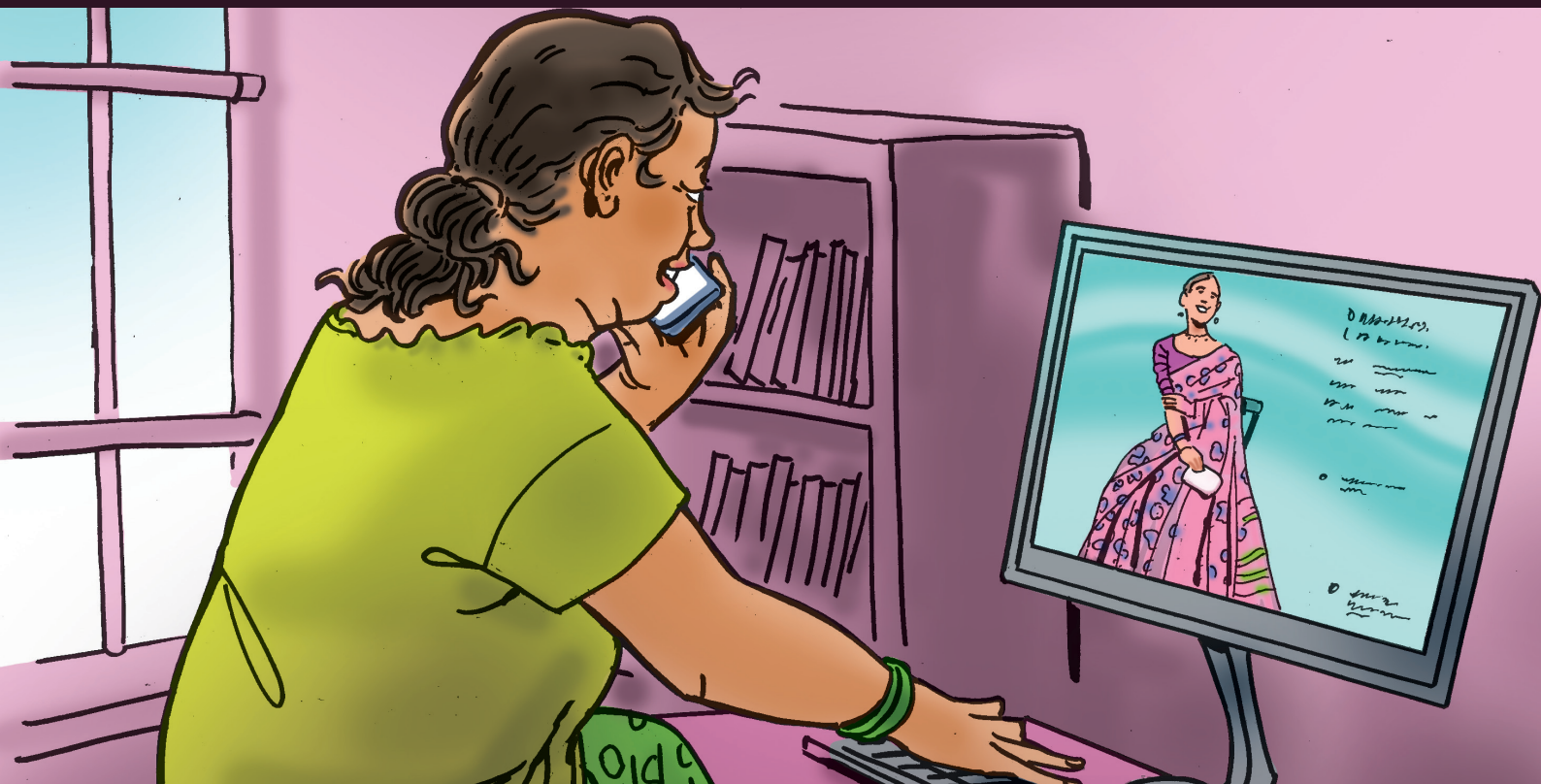
1. A good or service too-good-to-be-true available, for sale.
2. Request you make an urgent advance payment to secure the good or service.

ONLINE SHOPPING & PAYMENT APP SCAM

Sathya is an 18-year-old girl engaged in online shopping frequently. She thoroughly enjoys it and places multiple orders per day. Initially Sathya uses popular websites for online shopping. With time, she starts placing orders with new online buyers and websites which offer top brand items at very low prices.



She introduces her mother Sudharma (55 years old) living separately to online shopping too. Similarly, Sudharma sees an offer to buy sarees at a low price and places an order. The next day, she receives a call from the seller informing her that there is an easy method to pay for orders and requests for her account number, personal details, and the One-Time-Password (OTP) received. Sudharma, gives it without a second thought



Several weeks later, Sudharma receives a call from the bank informing her that several customers have complained about her account. She rushes to the bank and realizes that her bank account had been linked to a payment application where other persons had operated it for various purposes including a few scams

At the same time, Sathya calls and complains Sudharma that her recent orders to buy fancy items were not yet delivered



SALIENT FEATURES OF AN ONLINE SHOPPING AND PAYMENT APP SCAM

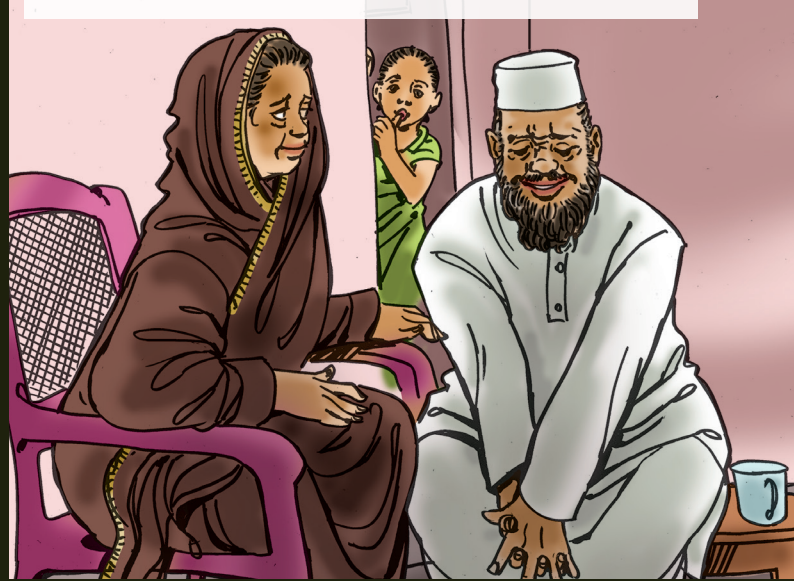
1. Offering branded items at very low prices.
2. Relatively new online stores based overseas with limited information about the business and its credibility.
3. Payments are requested in methods that are difficult to trace and reverse such as cryptocurrencies.
4. Request for confidential financial details such as OTP/PIN (Personal Identification Number).

IMPERSONATION/IDENTITY THEFT

Mohammed is a 62-year-old pensioner living with his wife Fathima, a housewife. Their only source of income is Mohammed's pension, and the rising inflation has adversely affected them. One day a person named Lal approaches Mohammed while he is shopping in Pettah.

Hello! I am Lal. Hope you can remember me. You came to my shop to buy some vegetables last week. I have a small proposal and I wish to share it with you because I can see that you are a genuine person. I can promise you Rs. 10,000 if you open a bank account and handover me all documents you receive from the bank...

Mohammed thinks about this proposal and decides that it is a good opportunity since he does not have enough money to pay his loan installment. Fathima also agrees with the proposal and Mohammed opens the bank account and handovers the documents including the debit card to Lal. Lal asks for Mohammed's NIC to sort out the documents and returns it on the same day.



After two months.....

Fathima! It is 10 o'clock in the night and there is someone knocking on the door. Who can it be?

Oh! It's the police. What! No. It cannot be. I never did any scam, nor did I cheat on anyone. Yes. My name is Mohammed, but I swear I did not steal anything. NO! It can't be true....



SALIENT FEATURES OF IMPERSONATION/IDENTITY THEFT

1. A total stranger asking for your personal information such as the NIC, bank account details, debit cards, credit cards in exchange for benefits.
2. The above personal details could either be stolen or taken with consent.



CRYPTOCURRENCY SCAM

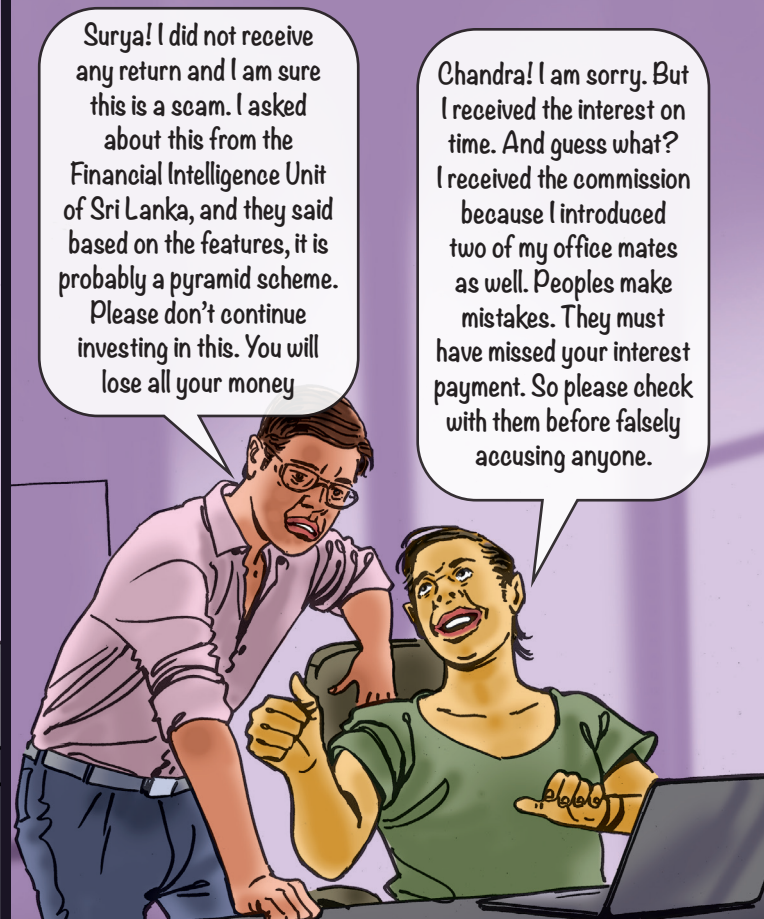
Surya and Chandra are 28 years old and best friends. Both are fascinated by technology and see an opening on the internet for cryptocurrency investments.



Chandra! This is a great opportunity to make more money within a short time. If we invest Rs. 25,000, we can make it Rs. 30,000 after one month with interest.

Yes Surya! And if we introduce two more investors, we can earn another Rs. 5,000 and the best part is that all earnings are in cryptocurrency.

The friends invest. However, only Surya receives the return after one month.



Surya! I did not receive any return and I am sure this is a scam. I asked about this from the Financial Intelligence Unit of Sri Lanka, and they said based on the features, it is probably a pyramid scheme. Please don't continue investing in this. You will lose all your money

Chandra! I am sorry. But I received the interest on time. And guess what? I received the commission because I introduced two of my office mates as well. Peoples make mistakes. They must have missed your interest payment. So please check with them before falsely accusing anyone.

Chandra tries advising his friend against investing all his earnings in this investment. But Surya does not listen to him. However, after one year, Surya stops receiving monthly interest. When he tries to contact his agent, the numbers are unresponsive. Later he gets to know from news that creators of a well-established pyramid scheme have left the country with all investments...



SALIENT FEATURES OF A CRYPTOCURRENCY SCAM

1. Could occur as a typical scam where the initial investment is lost.
2. It could also be a pyramid scheme where an unbearable loss happens after a long time.

DOS AND DON'TS

DOS

- Always authenticate credentials before making payments.
- Share personal details securely only with known parties.
- Be cautious when dealing with suspicious or unknown emails, messages, hyperlinks, pop-up windows, etc.
- Share and seek help from your family, elders, close friends, and authorities in any doubtful financial situation.
- Equip yourself with financial knowledge about Apps, OTPs, QR codes, debit/credit cards etc.
- Be updated with the latest positive and negative trends in the financial world.

DON'TS

- Do not disclose personal financial information such as bank account details, debit/credit card details, and One-Time-Passwords (OTPs) to unknown parties.
- Do not handover personal documents such as the NIC, debit/credit cards, bank passbooks etc. to strangers.
- Do not make payments to unseen people or buy unseen products without prior verification.
- Do not share too much personal information on social media.
- Do not click/open unknown/suspicious links and emails.
- Do not operate alone and recklessly.

There ain't no such thing as a free lunch.

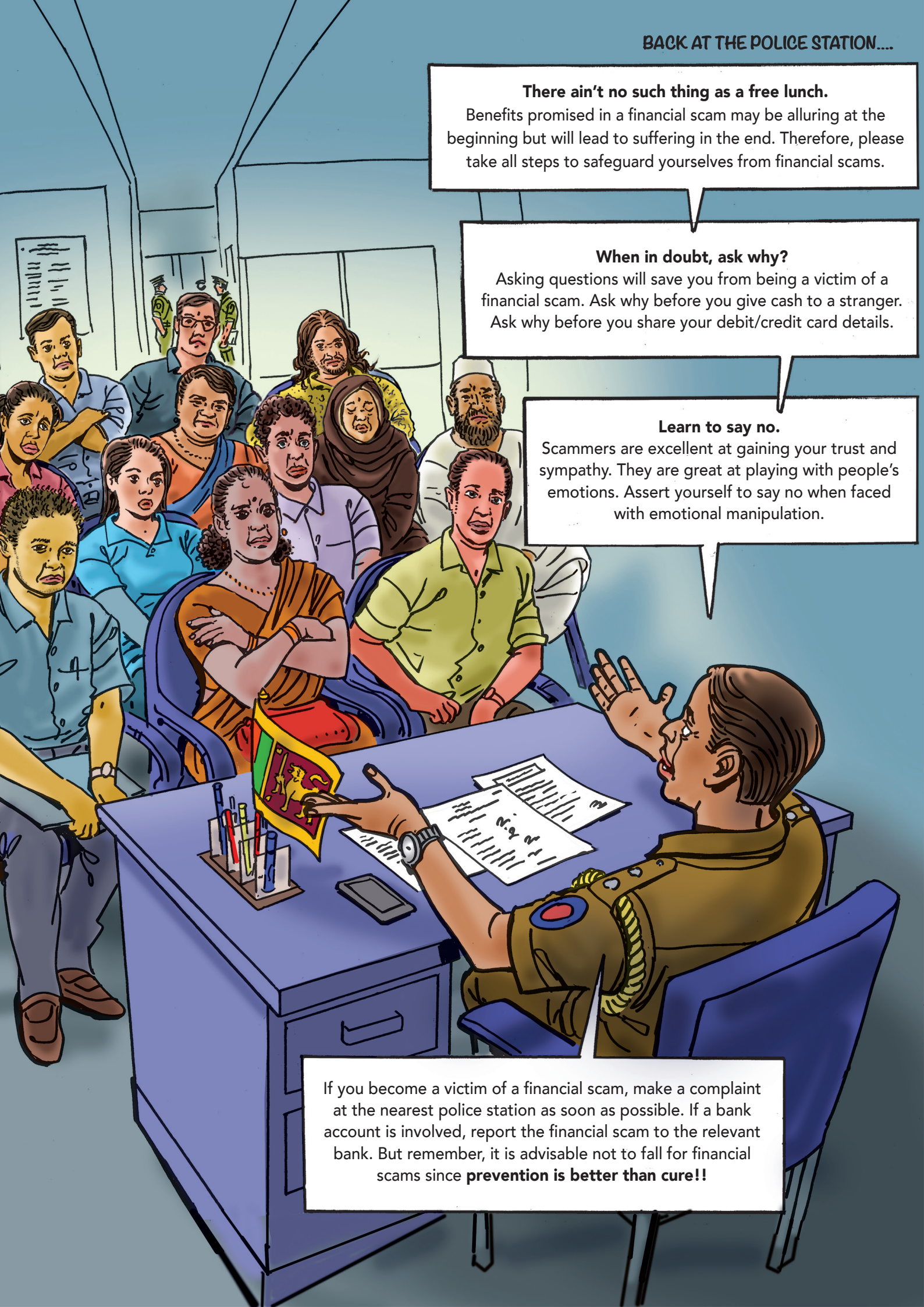
Benefits promised in a financial scam may be alluring at the beginning but will lead to suffering in the end. Therefore, please take all steps to safeguard yourselves from financial scams.

When in doubt, ask why?

Asking questions will save you from being a victim of a financial scam. Ask why before you give cash to a stranger. Ask why before you share your debit/credit card details.

Learn to say no.

Scammers are excellent at gaining your trust and sympathy. They are great at playing with people's emotions. Assert yourself to say no when faced with emotional manipulation.



If you become a victim of a financial scam, make a complaint at the nearest police station as soon as possible. If a bank account is involved, report the financial scam to the relevant bank. But remember, it is advisable not to fall for financial scams since **prevention is better than cure!!**

Message from the Financial Intelligence Unit of Sri Lanka

We, at the Financial Intelligence Unit, are committed to ensuring the safety and security of your finances. In recent times, we have observed a surge in various financial scams that have serious impacts on individuals and their families. It is our duty to make aware of these scams and equip you with the knowledge to protect yourselves from falling victims to such scams.

Before committing your hard-earned money, take a moment to reconsider your investment decisions. It's important to thoroughly investigate the legitimacy of these schemes before proceeding.

General tips to protect yourself:

1. **Stay Informed:** Keep yourself informed about common scams and their characteristics. Knowledge is your best defense.
2. **Verify: Verify: Verify:** Always verify the legitimacy of offers, products, or services before taking any action or making payments.
3. **Protect Personal Information:** Never share personal or financial information with unknown individuals or entities. Legitimate organizations will not ask for this information unsolicited.
4. **Use Secure Payment Methods:** Stick to secure and reputable payment methods when making transactions online. Avoid wire transfer or prepaid cards for unknown transactions.
5. **Trust your Instincts:** If something feels too good to be true or raise suspicions, trust your instincts, and investigate further.
6. **Report Suspicious Activity:** If you encounter a potential scam or are a victim of one, report it to the appropriate authorities, such as the FIU and Local Police
7. **Educate Others:** Share this information with your friends and family to ensure they are also aware and protected.

Your financial security is of utmost importance to us. By staying vigilant and informed, you can protect yourself and your loved ones from falling victim to financial scams. If you have any concern or need assistance, please do not hesitate to reach out to the FIU or Local Police Station for information.

Together, we can build a safer and more secure financial environment for all.

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