

11

Chapter

Commercial Crime

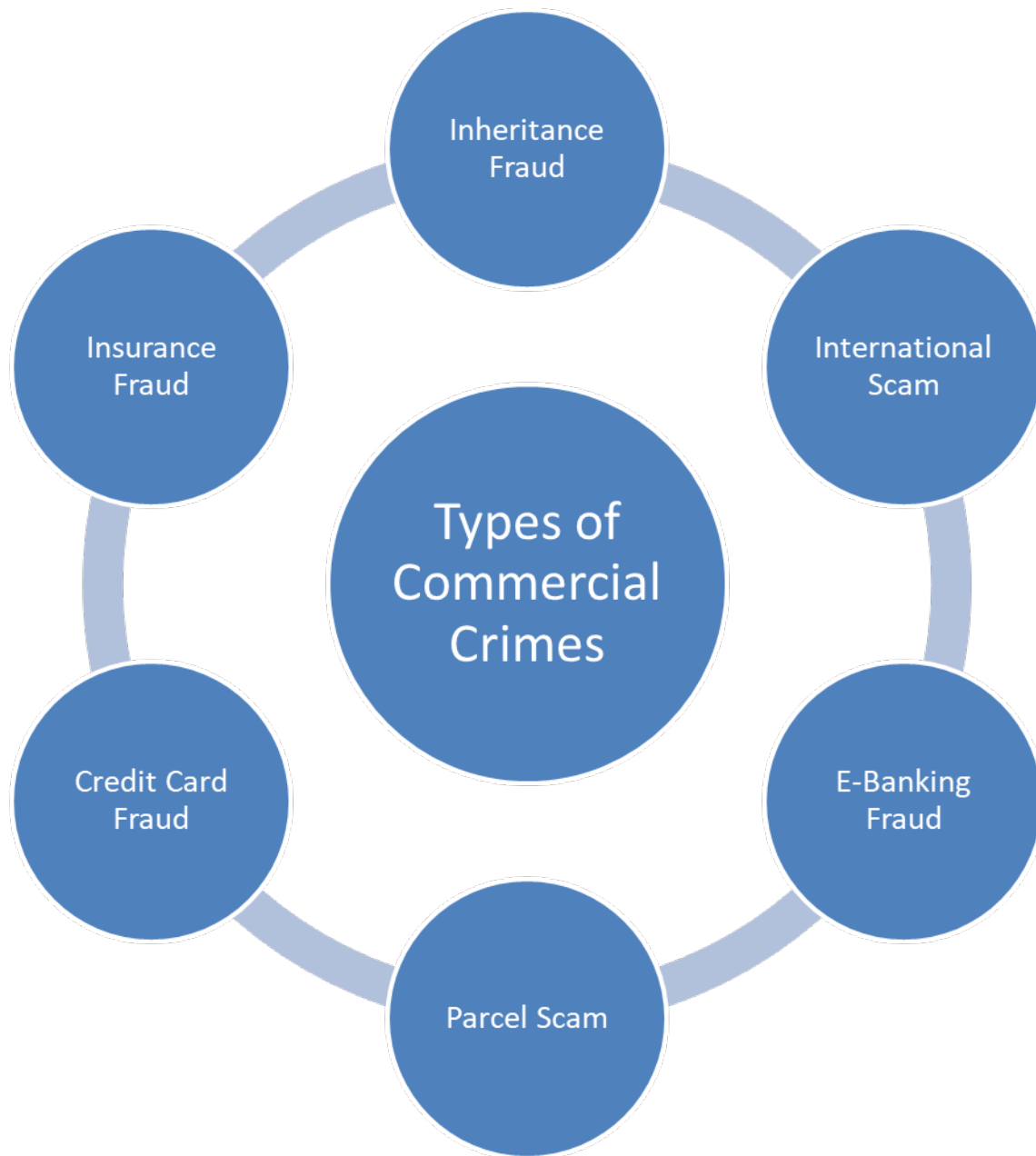
Introduction to Business
DBB 1213

Instructor Lecture PowerPoints



What is Commercial Crime?

- Commercial crime covers crime such as fraud which is deceiving a person or company to get goods and money through forgery.
- It is caused by greed, common criminality and uncertainty about employment.



Inheritance Fraud

- The suspect will inform the victim that the latter has been identified as the heir to an inheritance from someone who has died.
- The fortune is usually overseas.
- Several supporting documents from government departments, such as the Ministry of Justice, court, Central Bank of Malaysia, are included to convince the victim.
- The victim, whether a Malaysian or foreigner, is told to have a so-called grandfather or relative who used to be in Malaysia and is a wealthy benefactor who left no heirs upon their death.
- In such cases, the suspects will charge a fee to handle the transfer of the inheritance to the victim.
- However, the fact remains that the alleged fortune does not exist.

International Scam

- Commercial and Internet scams are common and they are often initiated from outside Malaysia. A particular region may prefer a certain type of scam more than others.
- Another regional trend that has been observed tells us that Taiwanese syndicates will often use a technique called 'ID spoofing' for their scams.
- They will impersonate bank officers, call the victims and inform them about their outstanding credit card debts.

E-Banking Fraud

- Most e-banking fraud cases are due to the negligence of the customer who disclose their personal identification numbers (PIN) and passwords to a third party.
- In most cases, the victim receives an SMS alleging that the victim has won a cash prize.
- To claim the price, the victim is instructed to open an Internet banking account and follow instructions given by a stranger.

Parcel Scam

- Victims of parcel scam cases will normally get to know the suspects through social networks.
- The suspect will then convince the victim that they've fallen in love with the victim and intend to send a parcel to the victim as proof of their love.
- Once the parcel is sent, the victim will be contacted by someone claiming to be a customs officer or courier company, and informed about the parcel's arrival.
- The victim is then ordered to pay tax or insurance because the package has been found to contain undeclared funds or valuable items.



Credit Card Fraud

- As Malaysia develops fast into major financial and tourist centre, it increasingly becomes vulnerable to credit card fraud.
- In the last few years, the banking industry in Malaysia has suffered huge losses to credit cards fraudsters because of wire-tapping devices.
- Fraudsters even modified digital voice recorders or MP3 players to tap telephone lines.



Insurance Fraud

The main offence involving fraud is cheating. However CCID (Commercial Crime Investigation Department) also investigates offences under forgery and criminal breach of trust. Insurance fraud means the fraud happened within the insurance industry. It can be divided into three main categories:

- Fraud by an insider – Fraud by underwriters, agents or senior staff in the insurance company etc.
- Fraud by a policy holder – Policy holder makes a false claim, colludes with workshop owners etc.
- Fraud by a third party – Syndicates use the policy holder to cheat the insurer or buy an insurance policy using another person's name with the intention to cheat insurer etc

Prevention for commercial crimes

Avoid love on the Internet at all costs

- Avoid an Internet relationship is the easiest way to avoid the risk of being cheated.

Prove their love

- If someone you met on the Internet proposes marriage to you in a short period of time, test their commitment and sincerity by asking them to meet up first and see if they're willing. This way, you don't have to fork out a penny to prove they are not scammers.

Don't share your personal info

- Don't give your personal info or background to someone you just met online as it can be exploited by criminals.

Understand how the Internet works

- You must know and understand in advance the nature of the Internet because we don't know who's really communicating with us, especially in this virtual world.

Make sure you're tech-savvy

- You have to know how to pick the websites to communicate on and you must always be cautious about risks on the Internet. You should always test someone you met through the Internet to find out if they are using a real or fake identity.

Don't fall for the sweet talk

- On the Internet, don't be easily fooled by romantic lines and sweet talk that come too easily. They serve to blind us and deceive us more easily.