



Isle of Man
Financial Intelligence Unit
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Money Mule Typologies

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Introduction

'A typology is the study or systematic classification of types that have several characteristics or traits in common'¹.

The project undertaken by the Isle of Man Financial Intelligence Unit (FIU) to provide typologies to industry is part of the commitment made to fulfil international obligations under Financial Action Task Force (FATF) Recommendation 29 to identify money laundering and terrorist financing related threats and vulnerabilities and as part of its general powers to provide or assist with the provision of awareness training in relation to financial crime.

The following typologies are based on information received and analysed by the FIU and follow on from previously issued typologies to assist in highlighting areas and focus information the FIU is receiving relating to suspicions of financial crime.

To some, these typologies won't be new, however it is envisaged that they will ensure those operating in the Isle of Man's regulated industry have sufficient access to resources to identify this activity within our jurisdiction and will ultimately add value to the information submitted to the FIU.

Money Mules

Money Muling is a method of money laundering. Europol define a money mule as "a person who receives money from a third party in their bank account and transfers it to another one or takes it out in cash and gives it to someone else, obtaining a commission for it".²

Even if money mules are not directly involved in the crimes that generate the money (cybercrime, fraud, drugs, human trafficking) they are accomplices, as they launder the proceeds of these crimes.³

Money mules are often people who have knowingly, or in some cases, unknowingly been recruited by criminals or organised crime groups as money laundering intermediaries.⁴ There are instances where money mules are themselves victims of criminality or they intentionally seek to earn an income from providing accounts or services as a money mule.

¹ Egmont Strategic Analysis Training 2017

² <https://www.europol.europa.eu/activities-services/public-awareness-and-prevention-guides/money-muling>

³ <https://www.europol.europa.eu/activities-services/public-awareness-and-prevention-guides/money-muling>

⁴ <https://www.europol.europa.eu/crime-areas-and-trends/crime-areas/forgery-of-money-and-means-of-payment/money-muling>



Typology 1

A young vulnerable adult making cash deposits or receiving third party deposits into their own account. The account holder then makes same day electronic transfers or withdrawals to another third party. This conduct is not in keeping with previous use of the account.

Often payments can be referenced as 'loan', 'loan repayment', 'deposit' or 'car deposit' this list is not exhaustive and other payments may also be linked to drug supply therefore references may be more in keeping with drug related activities.

It may not be initially obvious that the individual is vulnerable, as they may be acting suspiciously. However this may be as a result of feeling pressured or nervous due to the demands from the criminal rather than being an equal member of the organised crime group.

Intelligence suggests that organised crime groups, or individual criminals, target teenagers to young adults who are more likely to be female. However criminals can target vulnerable adults and the elderly.

This is an example of how the proceeds of crime are filtered through a Manx resident's account to another individual on or off island. In this instance those involved in drug related activities have groomed a vulnerable person into laundering their proceeds of crime.

Likely Action –

The FIU may choose to disseminate this intelligence to the local authorities and/or to another FIU of the home country of the remitter or receiver of the payments.

Typology 2

A vulnerable adult with an Isle of Man based bank account may be receiving Paypal credits and making international payments to an individual, often located in countries such as West Africa as a result of a romance scams.

The vulnerable adult may make payments using online services such as Paypal and making payments at the Post Office. Funds can sometimes be refunded by Paypal.

Cash deposits can be made by the individual into their account, and the funds can often be money borrowed from family or friends, or the individual make take out a loan in order to afford the payments to the scammer.

The vulnerable adult may disclose to branch staff about the 'relationship' they are in or about the individual they are sending funds to.



This typology indicates a method by which funds can be deposited into a vulnerable adults account and then withdrawn or paid away. With recruitment being via a romance scam this can result in the individual being scammed for further funds they may or may not hold.

Likely Action –

The FIU may choose to disseminate this intelligence to the local authorities and may choose to disseminate to the country of where funds are being sent to if details are available. This may be of interest to another FIU or relevant authorities. It therefore assists the FIU with the prevention and detection of crime, and in particular financial crime (whether on island or elsewhere). Please note the FIU may liaise with the local authorities in respect of the vulnerability of the individual being used as a mule. This would inform the protection services of the authorities to help assist the vulnerable person as well as informing law enforcement agencies.

Typology 3

A Manx resident who would be considered low risk sets up a new savings account. A third party joins the account holder in the branch and has access to the account.

Funds from international payments, pension allowance or cash are deposited and are immediately fully withdrawn or transferred out to another party.

The branch staff may notice that the account holder acts very nervously and remorseful towards the third party. Comments from the account holder may arouse further suspicion that the proceeds of crime are being transferred through the account by the third party.

The third party may make comments during the application process such as “I don’t have an account”, “no banks will give me an account” or “I’m waiting for my card to arrive”. This may be indication that the funds flowing through the account are from the third party and give rise to reasonable suspicion.

Likely Action –

The FIU may choose to disseminate this intelligence to the local authorities and if payments are being made or received from different countries, disseminations may be made to that local FIU.



Typology 4

A Manx resident with an Isle of Man based bank account with a low amount of funds and in receipt of benefits comes into branch to exchange a large amount of Manx currency into UK currency.

Rationale such as going to the UK may be given.

These funds may be linked to drug trafficking between the island and the UK. Further suspicions may be raised if branch staff have local knowledge of activity that may further the suspicion.

Likely Action –

The FIU may choose to disseminate this intelligence to the local authorities.

Indicators

- Third parties appearing to control accounts;
- Cash deposits or third party credits immediately transferred to another third party;
- Suspicious activity in branch which may indicate coercion or control of a vulnerable person;
- Suspicious activity in branch, which may indicate illegal activity;
- Exchanging currency – in particular Manx/UK notes;
- References such as 'loan', 'car purchase' etc.;
- Transfers to or from challenger banks such as Revolut, Monzo, Sterling and Tide, which may be multicurrency.