

**U.S. DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
MONEY LAUNDERING, FORFEITURE AND BANK FRAUD UNIT**



MONEY MULE AWARENESS



To report fraudulent activity, contact your nearest FBI Field Office.

WHAT IS A MONEY MULE?

A money mule is someone who transfers illegally acquired money on behalf of or at the direction of another. Criminals recruit mules to move money electronically through bank accounts, move physical currency, or assist the movement of money through a variety of other methods. Once received, the mule will wire the money into a third party bank account; “cash out” the money received, possibly via several cashier’s checks; convert the money into a virtual currency; convert the money into a prepaid debit card; send the money through a money service business; or conduct a combination of these actions. Money mules are inherently dangerous, as they add layers to the money trail from a victim to a criminal actor.

MONEY MULE INDICATORS

You may be a money mule if....

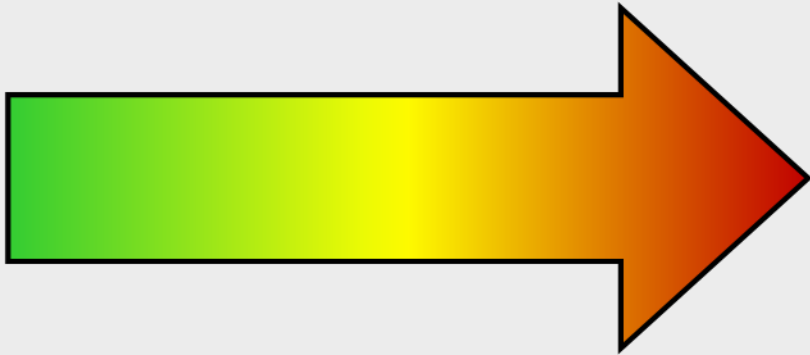
- ◆ You received an unsolicited email or contact over social media which promises easy money for little or no effort.
- ◆ The “employer” you communicate with uses web-based services such as (Gmail, Yahoo, Hotmail, Outlook, etc.).
- ◆ You are asked to open a bank account in your own name, or in the name of a company you form, to receive and transfer money.
- ◆ As an employee, you are asked to receive funds in your bank account and then "process" or "transfer" funds via: wire transfer, ACH, mail, or money service business such as Western Union or MoneyGram.
- ◆ You are told to keep a portion of the money you transfer.
- ◆ Your duties have no specific job description.
- ◆ Your online companion, whom you have never met in person, asks you to receive money and then forward these funds to one or more individuals you do not know.

Where are Money Mules Recruited?

- ◆ Online job websites
- ◆ Online dating websites
- ◆ Social networking websites
- ◆ Online classifieds
- ◆ Email Spam
- ◆ Darkweb Forums



THE MONEY MULE COMPLICITY SPECTRUM



**UNWITTING
OR
UNKNOWING**

WITTING

COMPLICIT

UNWITTING OR UNKNOWING

Individuals unaware they are part of a larger scheme.

- ◆ Often solicited via an online romance scheme or online job scheme.
- ◆ Asked to use their established personal bank account or open a new account in their true name to receive money from someone they have never met in person.
- ◆ May be told to keep a portion of the money they transferred.
- ◆ Motivation: Trust in the actual existence of their romance or job position.

THE MONEY MULE COMPLICITY SPECTRUM

WITTING

Individuals who choose to ignore obvious red flags or act willfully blind to their money movement activity.

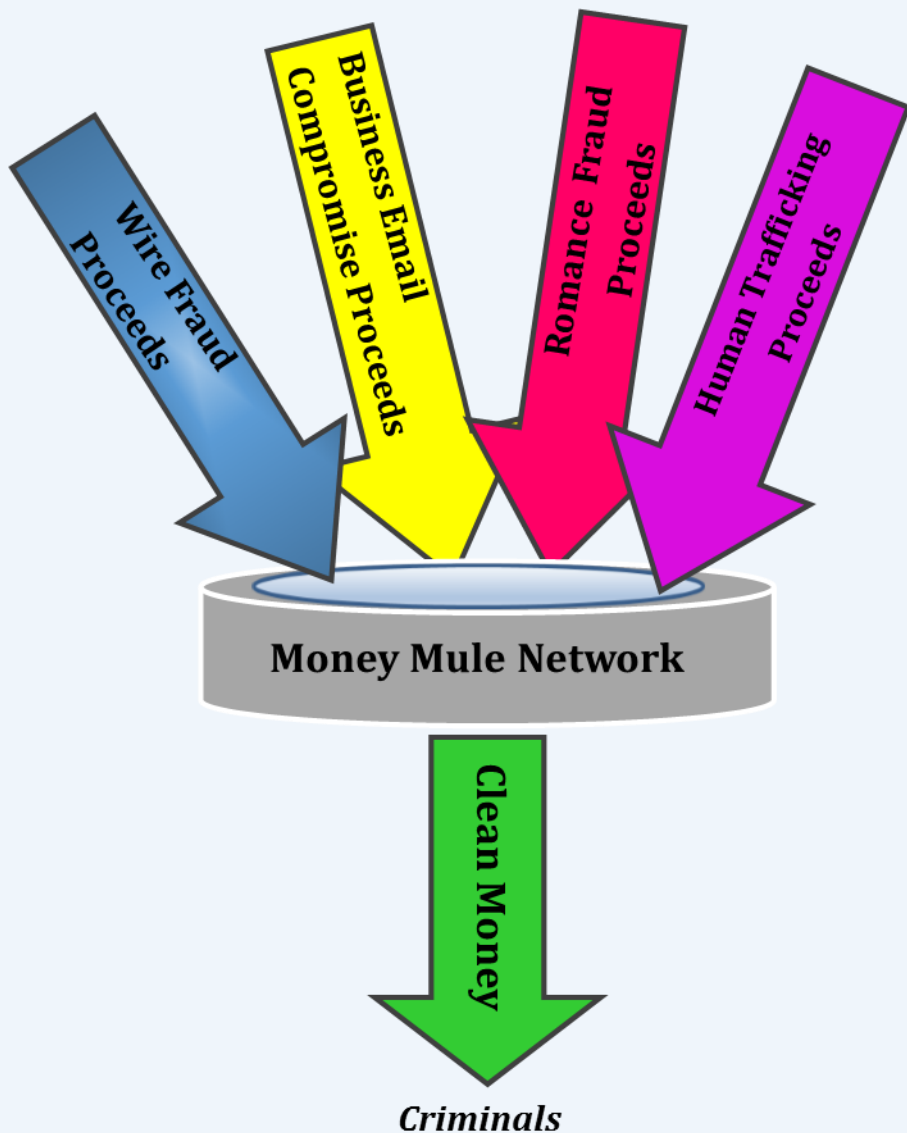
- ◆ They may have been warned by bank employees they were involved with fraudulent activity.
- ◆ They open accounts with multiple banks in their true name.
- ◆ They may have been unwitting at first but continue communication and participation.
- ◆ Motivation: Financial gain or an unwillingness to acknowledge their role.

COMPLICIT

Individuals aware of their role as a money mule and complicit in the larger criminal schemes.

- ◆ Serially open bank accounts to receive money from a variety of individuals/businesses for criminal reasons.
- ◆ Advertise their services as a money mule, to include what actions they offer and at what prices. This may also include a review and/or rating by other criminal actors on the money mule's speed and reliability.
- ◆ Travel, as directed, to different countries to open financial accounts or register companies.
- ◆ Operate funnel accounts to receive fraud proceeds from multiple lower level money mules.
- ◆ Recruit other money mules.
- ◆ Motivation: Financial gain or loyalty to a known criminal group.

MONEY MULES PLAY A VITAL ROLE



WHERE DOES THE MONEY COME FROM?

Criminals obtain money through various illegal acts. These criminals then need someone to move this money at their direction.

Common Criminal Activities:

◆ **Internet-enabled Frauds:**

- Business Email Compromise
- Online Job Scam
- Work From Home Scam
- Romance Scam
- Mystery Shopper Scam
- Advance Fee Scheme
- Reshipping Scam
- Grandparent Scam
- Lottery Scam
- IRS or Law Enforcement Impersonation Scam
- Technical Support Scam
- Credit Card Fraud

◆ **Drug Trafficking**

◆ **Human Trafficking**

More details about the above mentioned scams can be found on our website: **www.FBI.gov**

POTENTIAL CONSEQUENCE FOR MONEY MULES

Money mules help criminals launder their proceeds derived from criminal activities, by adding layers of recipients to the money trail. These layers complicate and negatively impact the FBI's ability to accurately trace the money from a specific victim to a criminal actor.

If you are a money mule you could be charged as part of the criminal money laundering conspiracy and potentially face the following consequences:

- ◆ **Prosecution and incarceration:** Money mules may be prosecuted by law enforcement for participating in criminal activities and sentenced to jail time.
- ◆ **Compromised personal identifiable information:** Money mules' own personally identifiable information may be stolen by the very criminals they are working for and used for other criminal activities.
- ◆ **Personal liability:** Money mules may be held personally liable for repaying the money lost by victims.
- ◆ **Negative impact on credit:** Money mule activities may result in negative credit ratings.
- ◆ **Inability to open bank accounts:** Money mule activities may result in banks refusing to open bank accounts in the future.

FEDERAL VIOLATIONS AND PENALTIES

Possible Criminal Charges:

- ◆ **Mail Fraud | 18 USC § 1341**
Maximum 20 years imprisonment and/or \$250,000 Fine. If a financial institution is affected - maximum \$1M fine or 30 years imprisonment or both
- ◆ **Wire Fraud | 18 USC § 1343**
Maximum 20 years imprisonment. If a financial institution is affected - maximum \$1 M fine or 30 years imprisonment or both
- ◆ **Bank Fraud | 18 USC § 1344**
Maximum \$1M fine or 30 years imprisonment or both
- ◆ **Money Laundering | 18 USC § 1956**
Maximum \$500,000 or maximum 20 years imprisonment or both
- ◆ **Transactional Money Laundering | 18 USC § 1957**
Maximum \$250,000 or maximum 10 years imprisonment or both
- ◆ **Prohibition of Unlicensed Money Transmitting Businesses | 18 USC § 1960**
Maximum 5 years imprisonment
- ◆ **Aggravated Identity Theft | 18 USC § 1028A**
Imprisonment of 2 years, in addition to other punishments

MONEY MULES ARE VITAL TO CRIMINALS

If You are a Money Mule...

1. **Stop!** communication with any suspected criminals
2. **Stop!** transferring money or any other items of value
3. **Maintain** any receipts, contact information and relevant communications (emails, chats, text messages)
4. **Notify Law Enforcement**

Who is at Risk?

- | | |
|-----------------------------|-------------------------------------|
| 1. College students | 6. Those looking for a job |
| 2. Those new to the country | 7. Those looking for a relationship |
| 3. Small business owners | 8. Those with memory loss |
| 4. Elderly individuals | 9. Anyone... Anywhere |
| 5. Recent retirees | |



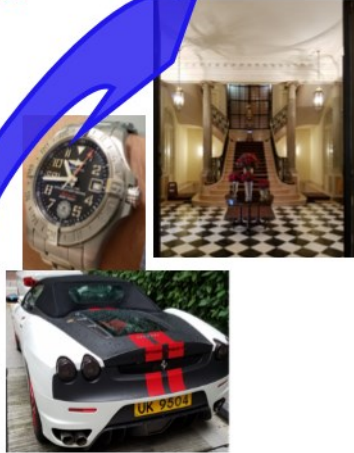
HOW TO PROTECT YOURSELF

- ◆ A legitimate company will not ask to use your own bank account to transfer their money. Do not accept any job offers asking you to do this.
- ◆ Be wary when an employer asks you to form a company in order to open up a new bank account.
- ◆ Never give your financial details to someone you do not know and trust, especially if you met them online.
- ◆ Be wary when job advertisements are poorly written with grammatical errors and spelling mistakes.
- ◆ Be suspicious when the boyfriend/girlfriend you met on a dating website wants to use your bank account for receiving and forwarding money.
- ◆ Conduct online searches to verify and corroborate any questionable information provided to you.
- ◆ Ask the employer, “Can you send a copy of the license/permit to conduct business in my county & state?”

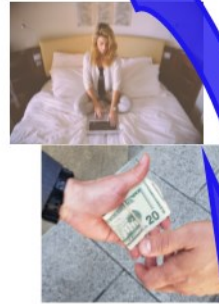


MONEY MULES IN THE MONEY LAUNDERING CYCLE

3. Integration



1. Placement



2. Layering

ROLE IN THE MONEY LAUNDERING CYCLE

Money mules serve as the “**placement**” and/or “**layering**” aspects of the Money Laundering Cycle and allow “true” criminals to distance themselves from the victim (source of funds).

Money mules often do not realize **they could be moving money tied to human trafficking** or other nefarious crimes.

MONEY MULES IN THE MONEY LAUNDERING CYCLE

ROLE IN THE MONEY LAUNDERING CYCLE

Placement - The movement of funds to a money mule, often by wire transfer deposit into the money mule's bank account

- In this phase, a victim or a criminal provides money to the money mule to move, based on the criminal's instruction.
- Some money mules never touch a computer.

Layering - Money is moved from the initial money mule account to other money mule accounts or other criminals involved in the scheme.

- In this phase, funds are moved among money mules and criminals and possibly split into multiple transactions or converted into additional forms of value. These might include: wire transfers, cashier's checks, virtual currency, or physical cash.

Integration - The movement of laundered money back into the financial system.

The pursuit of Money Launderers is an FBI priority!

Money mules are used to **facilitate the movement of criminal proceeds** – whether from a fraud, such as a Business Email Compromise or other crime - the **mules are the commonality**.

The money moved by money mules belongs to the victims - it does not belong to the criminals, nor the banks, nor the money mules.

The role of a Money Mule is often very straightforward – with **very little “cyber” expertise required**.



Why Do Criminals Use Money Mules?

- 1. Speed** - Criminals believe they can direct the movement of victim funds through money mules, faster than law enforcement can keep track. This is not always true.
- 2. Low Cost** - *If* the money mule takes a percentage of money, this is victim money which never actually belonged to the criminal.
- 3. Low Risk** - Each money mule adds one more level of distance between the victim and criminal actors.
- 4. Evolution of Crime** - Criminals adapt their behaviors as necessary, based on the evolution of law enforcement and financial sector practices.

RESOURCES

**ADDRESSES FOR ALL
FBI FIELD OFFICES CAN BE LOCATED AT:**

<https://www.fbi.gov/contact-us>

**PLEASE REPORT SUSPICIOUS ACTIVITY TO:
FBI INTERNET CRIMES COMPLAINT CENTER (IC3)**

<https://www.ic3.gov>

**ADDITIONAL RESOURCES CAN BE FOUND ON THE
FOLLOWING WEBSITES:**

FEDERAL BUREAU OF INVESTIGATION (FBI)

<https://www.fbi.gov>

FEDERAL TRADE COMMISSION

<https://www.consumer.ftc.gov>

EUROPOL'S EUROPEAN MONEY MULE ACTION

<https://www.europol.europa.eu>



MONEY LAUNDERING, FORFEITURE AND
BANK FRAUD UNIT
CRIMINAL INVESTIGATIVE DIVISION
FEDERAL BUREAU OF INVESTIGATION
935 PENNSYLVANIA AVENUE, NW
WASHINGTON, DC 20535
(202) 324-3000

July 2019