Monitoring of Suspected Money Mule Accounts

केनरा बैंक
Canara Bank
A Government of India Undertaking
Together We Can

What is a Money Mule?

'Money mules' are individuals who, knowingly or unknowingly allow their bank accounts to be used to transfer money tied to illegal activities, such as fraud, drug trafficking or other financial crimes. "Money mules" can be used to launder the proceeds of fraud schemes (e.g., phishing and identity theft) by criminals who gain illegal access to deposit accounts by recruiting third parties to act as "money mules." In some cases, these third parties may be innocent while in others they may be having complicity with the criminals.

A 'money mule account' is a bank account used to move or launder illicit funds on behalf of criminals.

Let's break it down with a simple example: Imagine Mr. A has a savings account at his bank. One day, Mr. B, a fraudster, approaches Mr. A with a tempting offer—maybe some easy money for letting Mr. B use his account for a while. Mr. A, thinking there's no harm, agrees and gives his account details to Mr. B. Soon, transactions start flowing in and out of Mr. A's account, but they aren't his transactions. In reality, Mr. B is using Mr. A's account to transfer stolen or illegally obtained funds, attempting to disguise the money's origin and avoid detection. In this situation, Mr. A has become a money mule, acting as a go-between for Mr. B's illegal activities.

Consequences of Being A Money Mule

Being a money mule isn't just a minor mistake; it means becoming part of an organized crime operation. Even if you don't realize it, allowing someone else to use your account for illegal activities can lead to severe consequences, including legal penalties or police investigations which could result in imprisonment.

Legal consequences

Criminal charges
Prison sentences
Criminal record

Financial consequences

Bank account closures
Loss of personal funds
Credit damage
Fines and penalties

Personal consequences

Difficulty with financial services
Identity theft risk
Association with criminals

How do fraudsters operate?

Canara Bank
A Government of India Undertaking
Together We Can

Step 1: Fraudsters contact customers via emails, social media, phone calls, chat rooms, job websites or blogs, and convince them to receive money into their bank accounts, in exchange of attractive commissions.

Step 2: The fraudsters then transfer the illegal money into the money mule's account.

Step 3: The money mule is then directed to transfer the money to another money mule's account – starting a chain i.e., layering that ultimately results in the money getting transferred to the fraudster's account. Alternatively, the fraudster may withdraw cash from domestic or international ATM and hand it over to someone else.

Step 4: When such frauds are reported, the money mule becomes the target of police investigations for money laundering.

Important Steps to Protect Yourself from Money Mule:

कॆनरा बैंक
Canara Bank
A Government of India Undertaking
Together We Can

1. Keep Your Bank Account for Your Money Only
2. Never Share Your Bank Account Details
3. Don’t Rent /Sell Your Account
4. Stay Alert to Suspicious Emails
5. Verify Overseas Job Offers
6. Be Cautious of Too-Good-to-Be-True Offers
7. Report Suspicious Activity
8. Reporting portal (www.cybercrime.gov.in) or through National Cyber Crime Helpline – 1930

Note: The source of fund should always be verifiable. If the rationale for a transaction is unclear or unsupported, the recipient of the money is likely to face serious trouble with law enforcement.