

(Article for the Jakarta Globe – 9 July 2012 issue)

MONEY WISE

INTERNET AND OTHER SCAMS – DON'T BE THE NEXT VICTIM

Great news – I can give up working! I checked my e-mails this morning and I have come into not one, but several fortunes.

Generous bankers

Several British and US banks have been under the spotlight in recent days as a result of traders allegedly manipulating interest rates for their own benefit. African bankers, on the other hand, seem far more generous; at least they try to share questionable gains with others.

For example, Mr. Salif Zongo, who claims to be manager of Audit & Accounts at the African Development Bank in Burkina Faso, has e-mailed me to say that one of his customers unfortunately died in a plane crash and no next of kin has appeared. Rather than have the money turned in to the Treasury he invited me to stand in as the next of kin. He would then transfer \$10,500,000 to my account of which I can keep 40% and return 60% to him. All I have to do now is contact him for more information.

Amazingly, I have had a similar e-mail from a Mr. Abdul Gogo, Bill & Exchange Manager of the Bank of Africa, also in Burkina Faso. He too has a client who died in a plane crash (apparently an occupational hazard for customers of West African banks). This must be genuine because he has provided a link to a BBC news website reporting the accident. Again I am offered the opportunity to keep 40% of several million dollars.

Big lottery wins

The chances of winning a top lottery prize are estimated at one in millions, but just looking through my Spam mailbox today I have won several including GBP1,263,584 in the London 2012 Olympic Committee prize draw. Strange, as I don't remember buying a ticket. I didn't buy one either for other lotteries where I have also been fortunate to win top prizes.

Why am I so lucky?

I am not, of course. Millions of these e-mails are churned out every day. The letters read nonsense for most of us, so why do these global criminals keep sending them out? The answer is simple; they still fool people into responding. What do victims stand to lose? With luck they may shell out just a couple of hundred dollars to cover 'transfer charges'. If they are foolish enough to provide bank account details and a sample of their signature they could find their accounts wiped out, with little chance of compensation or sympathy from their bank when it is discovered.

Beware of less obvious scams

You may receive an official-looking e-mail from your bank, even linked to a phony website that looks like the real thing. If the e-mail or link requests you to confirm your bank details or pin number you can guarantee you are at great risk if you provide them. Banks will never ask for information this way. This kind of scam is known as '*phishing*'.

Beware also of e-mails purporting to come from a genuine provider such as Yahoo seeking urgent confirmation of your account details and passwords. Armed with this information they can open your account, read all your e-mails and send out messages pretending to be you. They may e-mail everyone on your address list to say you are in distress somewhere and need cash urgently transferred to a specified Western Union office or other recipient. Sounds incredible but I know several people who have fallen into this trap. And the worst thing is that your friends and family are the ones who could lose money, unless they can check where you really are!

How should you respond to these scams?

In short you don't respond! Tempting as it may be to reply with an admonishment or abuse, by replying you are confirming to the sender that your e-mail address is a live one. It may then be sold to other lists and you can look forward to even more spam e-mails. There is just one way to handle Internet garbage – ***DELETE!***

Scams are not limited to the Internet

The ingenuity of those who seek ways to cheat knows no bounds. SMS scams were the rage in Jakarta a couple of years ago before people got wise. A big prize such as a car was bait, but first there was a transaction fee payable to a person who then disappeared as quickly as his mobile number.

Recently a major investment scam was exposed locally where people were induced to part with their money on the promise of doubling it within a few weeks. Hundreds reportedly got sucked into it and lost all their money. As a rule of thumb, the higher the indicated return, the higher the risk. This does not mean that all high return investments are suspect; many are sound if you can tolerate market risk or delayed access to funds. But if the returns look absurdly high don't risk your money.

The financial world is full of pitfalls. Where money is concerned you can never be too careful. Do your own due diligence and seek independent advice if you are unsure of a product or proposal. And take extra care when using the Internet.

If there is no article next Monday then maybe Mr. Zongo or Mr. Gogo have actually transferred vast sums of money to my account and I will be busy trying to explain to my bank manager how I came by the windfall.

Colin Bloodworth

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