

## Fraud prevention tips: How to protect yourself from becoming a money mule

Scammers often try to trick unsuspecting people into giving them access to personal bank accounts and other private information. The scammers will then use that access to commit financial crimes. Criminals often use online channels, including email and social media, to offer opportunities that may sound amazing, but in reality, they're using the offer as a way to get your information.

### What is a money mule?

A money mule is someone who moves stolen money from one bank account to another. They're recruited – often unknowingly – by criminals to move money generated from criminal activity.

Fraudsters approach their money mule victims in a variety of ways. Often, they'll get in touch with potential victims through social media or by email, mail or phone. The scammer will often offer something to the victim and request personal information in return.

These scams often look very appealing, which is why so many people fall for them. But behind the scenes, they're helping fraudsters commit serious crimes.

### Common money mule scams to watch out for

#### 1. Work-from-home scams

One common scam that relies on money mules is the work-from-home scam. As part of the scam, fraudsters post fake job postings on various websites, social media platforms and job ad sites.

Behind the scenes of work-from-home scams, criminal networks use your account to move the proceeds of crime. The money will move around in sophisticated rings to complicate the path, and eventually much of the funds are moved overseas, never to be recovered.

#### 2. Deposit scams

Criminals will post on social media and other websites recruiting people to make quick money in exchange for opening a bank account. The scammers will have a money mule set up an account to process transactions and will ask for access to that account using either a debit card or online banking login.

Behind the scenes of a deposit scam, criminals use the account you open to deposit stolen, forged or counterfeit cheques, hoping to then make withdrawals from the account before the cheque bounces. The scammers may ask you to make withdrawals at an ATM, bank branch, or send funds through e-transfer. You may find that your bank closes your accounts due to fraud. You may be banned from banking with that particular bank and could even be reported to the police.

### How can I avoid becoming a money mule?

1. **If it seems too good to be true, it probably is.** Use common sense when evaluating opportunities: if it seems like someone is offering you a big payout for very little work that should raise a red flag. The Competition Bureau of Canada offers some great [resources for avoiding falling victim to scams](#).

2. **Ask yourself: does this job really need to exist?** Legitimate companies have financial processes, business accounts, and professional bookkeeping. A real business would never need to use your personal bank accounts for their financial transactions. If a job posting requires the use of an account in your name, that's a big red flag.
3. **Don't do work typically reserved for a courier service.** Shipping companies and couriers are very good at moving packages, so why would a company need someone to add and remove labels, or re-ship a package? If it seems too easy (or strange) to be true, it's best to walk away from the opportunity.
4. **Never move funds before they clear.** Legitimate companies follow normal banking rules for cheque clearing. If a company tells you to move funds before they clear, that should signal to you that the opportunity you're presented with is probably a scam.

## The bottom line

Criminals rely on the appeal of big payouts and easy money to cloud their victim's judgement. If you receive an offer online, take the time to evaluate it before leaping at the opportunity. Never open a bank account for someone else and never give your banking details, credit card number or PIN to anyone.

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### Sources:

- Ontario Securities Commission
- Canadian Bankers Association
- Alberta Securities Commission
- Government of Canada Anti-Fraud Centre
- Government of Canada Finance Department: *Protection from frauds and scams*