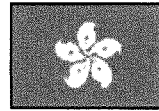


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Legco ITB Panel (Attn. Clerk to ITB Panel Administrator) by email

The more I read there is every indication that criminals are breaking through cyber networks, telephone systems and government controls. Consequently, the bad elements have the upper hand and government is failing in protecting the public resulting in great financial loss and personal stress.

Question to: Chairman Legco ITB Panel

Is this Panel confident that the SARG cyber & telephone controls are well in place and ahead of criminals in Hong Kong? If not what is the Administration doing to readjust the balance and how and when?

Example See please recent article below:

17:52 GMT, Friday, 8 January 2010

Net scams profit from desperate jobseekers

By Marc Cieslak Reporter, BBC Click

Caroline Coats was a victim of cyber crime before setting up her website

The methods to defraud people online have been evolving since e-mail became the 21st Century's preferred method of communication.

Unsolicited e-mails announcing a lottery win or phishing correspondence asking for banking details have become common. But as net users become savvy, **scams are also becoming more sophisticated, for instance by seeking to exploit unemployed people during the economic downturn.**

Unsolicited e-mails offering the chance of high-paid employment in fields such as financial services aim to gather people's personal information which could lead to identity theft.

However, once someone replies to these e-mails, the likelihood of gainful employment is very slim indeed.

'Too good to be true'

Caroline Coats, from scam advice website Cyberfraud.org.uk said the main fraudulent scheme at the moment is mystery shopper positions.

"The idea is it tells you about quite a lucrative job that you could be doing, maybe earning in excess of £100 a day, but you have to pay a sign up fee," she said.

You will actually face criminal prosecution and potential imprisonment for acting as a mule

Serious Organised Crime Agency

"It doesn't sound quite too good to be true and that is what gets people to pay £34 to sign up".

When the net user has signed up, the fraudsters pocket their cash and disappear into the digital ether.

There are many variations of this employment scam, and similar ones have existed since the times when physical mail was the main method used by fraudsters.

Recruitment scams

Financial fraud can have particularly devastating consequences for its victims – one example is the money mule scam which turns unwitting users into money launderers for criminal gangs.

The process begins when a user applies for a job via a legitimate-looking recruitment website which is actually fake.

Andy Auld, head of intelligence for the Serious Organised Crime Agency (Soca), said there had been a recent rise in such online banking crime.

"It's one thing to gain access to an account but it's very difficult to actually transfer funds to the country of origin of the attack," he explained.

Scams once attempted with letters have now moved to the internet

"Fraudsters need people in the UK to receive criminal transfers into bank accounts under their control, and this is where mule recruitment operations come in," he added.

He said the fake job adverts on websites are professionally crafted and usually for admin and services positions such as financial controllers.

"People get duped into applying for jobs that appear genuine and involve the forwarding of funds on behalf of e-commerce operations.

"It doesn't matter if you don't realise you are committing an offence," said Mr Auld.

"In certain aggravating circumstances you will actually face criminal prosecution and potential imprisonment for acting as a mule."

Identity theft

He added that bank account details, date of birth and e-mail addresses are valuable pieces of information to fraudsters – unwittingly sending these to criminals is tantamount to being recruited as a money launderer.

Ms Coats set up her advice website after falling victim to a money mule scam which resulted in her losing £14,500 and being arrested.

All charges were dropped when it became clear she was victim rather than perpetrator of the scam.

However, with the loss of funds there is also an ongoing risk of identity theft.

"Somebody in the world could have a passport in your name, opened a bank account in your name, and they can also register an address," Ms Coats said.

Brian Coak