

# Money Mules and 2023 Scam Losses

#### Republic Bank of Chicago



#### Learn More





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# What is a Money Mule?



Money mules are individuals who transfer money acquired from fraud under the direction of others. Some are knowingly complicit in these schemes, while others are deceived into believing they are engaging in legitimate employment or business activities, thus inadvertently facilitating the activities of fraudsters.



# Avoid Being A Money Mule



Ask yourself these questions before exchanging money with someone:



Was the offer of earning money easy?

You received an unsolicited email or contact over social media, which promises easy money for little or no effort. You may be referred to as an "employee".



What do I do?



Was getting the job too easy?

You were hired without a formal interview process. You were onboarded through social media.



Why do I need to deposit money in my account or open a new account?

You have no written job description that defines your responsibilities and compensation. You don't have a pay schedule or rate.



Who am I sending the money to?

Your online "employer," whom you have never met in person, asks you to forward the funds you recieved to them or someone you do not know.



How much can I keep?

You are told to keep a portion of the money you transfer.

You are asked to deposit money in:

- 1. Your existing bank account,
- 2. A new account in your name or
- 3. A new account in the name of a company you form. Your "employer" may also request your ID and passcode so they can access the money directly.



How am I sending this money?

You are instructed to move the money through a service.

Legitimate payment methods are used by criminals to conduct illegal activities.

**Examples include:** 

- Money service businesses (e.g., Western Union, MoneyGram.)
- Bank services (e.g., wire transfer, ACH).
- Digital currency/Crypto
- Giftcards
- Peer-to-peer applications (e.g., PayPal, Venmo, Zelle



### Phone and Social Media Scams Led to Major Losses in 2023

- Phone calls: Highest losses per person reported at a median of \$1,480.
- Social media: Highest overall reported loss totaled \$1.4 billion.
- Email: 358,000 scam reports were filed in 2023.





01

Losses to investment scams grew  $2021 \longrightarrow \$1.7 \text{ billion}$   $2022 \longrightarrow \$3.8 \text{ billion}$   $2023 \longrightarrow \$4.6 \text{ billion}$ 

2021  $\rightarrow$  \$438 million  $2022 \longrightarrow$ \$666 million  $2023 \longrightarrow $752 \text{ million}$ 

## Losses to business imposters climbed

02

# Losses to FTC imposters soared

03

### Losses Reported by Military Consumers and Top Payment Losses 2023



#### **Reports by Military Consumers**

Imposters: Reports = 42,000 Losses = \$178 million

Investments: Percent with Loss = 81% Median Loss = \$7,000

#### **Top Payment Methods & Losses**

Bank Transfer or Payments: \$1.8 billion Cryptocurrency: \$1.4 billion Wire Transfer: \$343.7 million

### Fraud Report Losses

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- 2.6 million fraud reports
- \$10 billion reported lost

### 2022 2.5 million fraud reports \$9 billion reported lost

### STRONG AND TRUSTED



Serving Chicagoland since 1964, Republic Bank remains committed to serving the businesses and individuals in our communities. Our local roots run deep, and our strength and stability run even deeper. There's never been a better time to bank with a strong and trusted financial institution like Republic Bank of Chicago. Get connected with us today.





