

# FINANCIAL CRIMINALS

Watch out for the tricks they use to manipulate the Internet

**Kenneth Rijock**

Financial Crime Consultant, World-Check

## **Due diligence researchers should remember that financial criminals use the Internet, too.**

Money laundering reporting officers and compliance officers who routinely access the Internet as a means of performing due diligence enquiries on new clients need to bear in mind that money launderers and other assorted financial criminals are also computer literate. Fraudsters and other financial criminals are often skilled in certain tricks of the trade, which may result in your staff passing a new account, who would have been declined had you known about their use in deceiving financial institutions.

First, when financial criminals find that some exceptionally negative information about their misdeeds has been posted to the Internet (whether through a news article, posting by victims, publishing of investigative story, etc), they often set about to practise 'damage control'. What is done is to post favourable information, either directly or by having other sources do so, and to seek multiple postings of their 'legitimate' business operations, social and charitable activities, and other Internet information containing their names. This often results in a large number of new websites being picked up by search engines on the first page or two of any search, by the one making enquiries, such as a compliance officer.

This is accomplished because most commonly-used search engines display the latest and

newest websites first, reasoning that users desire the most current information available, and that old web data may be stale, untrustworthy, or superseded by more updated Internet postings, blogs, websites, or news stories. What has been accomplished is a 'dilution' of the damaging information; it has been relegated to one of the back pages of an Internet search.

Many compliance officers, rushed to accomplish due diligence enquiries due to a large backlog of assignments, take a dangerous shortcut; they only look at the first one or two pages of their Internet search results. Generally, they reason that back pages are probably not relevant to the subject, which is usually correct, but in this case, somewhere at the tail end of the search is the important damaging article that was missed. The financial criminal was, therefore, able to hide the negative information behind the mass of positive websites he created, or were posted through his efforts. Remember, never take shortcuts in your Internet due diligence research, lest you make the mistake of not catching something important, located at the end of your search results.

Second, when performing Internet due diligence searches, remember that not everyone has a last name that is easily spelled or pronounced. Whilst criminals often use aliases and incorrect birth-dates, they also like to misspell their names on purpose, in order that law enforcement does not pick their previous

criminal activities, or even convictions. They do not correct the authorities when they misspell their names, either phonetically, using common spellings, or ignorance of foreign last names.

This can result in that misspelled name appearing in newspaper and magazine articles detailing criminal investigations, arrests, and convictions, as well as civil lawsuits, totally different than that of the prospective bank client whom you are checking.

Therefore, deliberately misspell the name of your search target whilst conducting Internet due diligence searches:

- Check all possible spellings of the last name in a metropolitan telephone book, and run them all.
- Check under shortened forms of the first names, nicknames and initials.
- Run a Google search of the name, and look at the top of the page; does Google suggest another spelling? Use that as well.
- If this is a foreign name peculiar to a certain country or area, check a regional search engine from that country.
- Was the name anglicised from another language?

In essence, check any possible name variation; you may be surprised at the results you obtain. ■