

HOMELAND SECURITY INVESTIGATIONS CORNERSTONE



ISSUE #3
JULY 2020

HSI FINANCIAL INVESTIGATIONS OUTREACH INITIATIVE

UPDATES ON PPP FRAUD AND HOW IT RELATES TO OTHER CRIMINAL ACTIVITY

TYOLOGIES AND INDICATORS RELATED TO CARE CREDIT FRAUD SCAMS

- § Use of a bank's credit products to charge for non-existent customer services.
- § Use of an individual's PII without their knowledge to charge for these non-existent services, including the use of PII that is stolen, slightly altered, or completely synthetic.
- § Use of an individual's PII as an owner or executive manager of an account or for loan applications without his or her knowledge. The same individuals have false activity, such as employers or debt companies, listed on credit reports.
- § Fraudulent funds being quickly withdrawn in the form of cash, cashier's checks or business checks, including using Automated Teller Machines (ATMs).
- § Business locations being set-up with just enough equipment and office furniture to look legitimate to inspectors or the same equipment and office furniture being staged at multiple locations.

RED FLAGS

- ✘ Fraudulent charges on customer's credit card or other statement not initiated or authorized by them.
- ✘ Bank inspections of businesses where the number of locations or location set-up is not consistent or adequate for the line of business.
- ✘ Customer complaints of charges or entries on credit reports or statements, including employers and debt companies with whom they have no real economic association.
- ✘ Rapid withdrawal of recently deposited funds not normal in the course of business, especially by cash, cashier's check, or through ATMs.
- ✘ Failure to pay debt or credit accounts as agreed, especially where the business has received direct cash payments for the debt incurred.
- ✘ Open source queries or state corporation commission records show discrepancies in names of company officers or locations, including unverifiable or non-existent information for companies or insufficient information on companies that are newly formed.
- ✘ Newly formed companies or newly opened accounts, especially ones with COVID in the name of the business or marketing materials as well as ones created for medical services, where the parties do not have a license to practice medicine or the license to practice has been revoked.



200+

DESIGNATED HSI
CORNERSTONE
REPRESENTATIVES
ACROSS ALL HSI
FIELD OFFICES

DID YOU KNOW?

HSI SPECIAL AGENTS ARE AVAILABLE TO PROVIDE TRAINING AND SHARE RED FLAG INDICATORS, CRIMINAL TYPOLOGIES, AND METHODS WITH BUSINESSES AND INDUSTRIES THAT MANAGE THE VERY SYSTEMS THAT TERRORISTS AND CRIMINAL ORGANIZATIONS SEEK TO EXPLOIT



CONTACT
CORNERSTONE@
ICE.DHS.GOV TO
REQUEST A
CORNERSTONE
PRESENTATION



BE ON THE LOOKOUT FOR ISSUE #4 | MID-JULY 2020
NEWLY IDENTIFIED TYPOLOGIES AND INDICATORS OF FRAUD



U.S. Immigration
and Customs
Enforcement

PPP FRAUD AND OTHER CRIMINAL ACTIVITY: HUMAN TRAFFICKING

- \$ Multiple fictitious business names for same massage parlor location.
- \$ Business is not registered with the state or has an expired business registry on file and is operating under different unregistered business names.
- \$ The registered address for business operations does not match the physical storefront location.
- \$ Business may provide health and beauty services but does not list massage therapy as a service although they maintain a massage therapy license on file with state of record.
- \$ Business customers are predominantly male subjects and online reviews (Google, Yelp, etc.) reflect poor services from female customers.
- \$ Business employees may use fraudulent PII to open financial accounts for transfers to owner accounts.

RED FLAGS

- ✗ Customer’s credit card may have double-charge for entry fee and secondary service charge not associated to massage service.
- ✗ Deposits of cash into business or owner personal accounts that are immediately withdrawn.
- ✗ Structured deposits of cash by employees into business owner account.
- ✗ Frequent payments to online escort services and/or commercial sex sites for advertising.
- ✗ Transactions in large amounts that are not associated with massage parlors, spas, or nail salons and are inconsistent with business activities.
- ✗ Cash deposits and withdrawals, including the use of an ATM, in cities or states where the business owner and/or financial account owner does not reside or conduct business.
- ✗ Business owner, or employees, involved in gaming chip structuring and/or no-play activity at various casino or gaming institutions for laundering massage business funds.
- ✗ Money service business (MSB) transactions cascading through multiple providers (Western Union, MoneyGram, etc.) of same amount from same sender who is affiliated with illicit massage business (IMB).

DID YOU KNOW?

HSI HAS IDENTIFIED A CROSSOVER BETWEEN CERTAIN COMPANIES THAT ARE SUSPECTED OF COMMITTING PPP FRAUD AND ARE ALSO SUSPECTED OF COMMITTING HUMAN TRAFFICKING VIOLATIONS.



Human Trafficking



Financial Crimes

**DO YOU HAVE RECOMMENDATIONS FOR CONTENT? ARE WE MISSING SOMETHING?
PLEASE SEND YOUR SUGGESTIONS TO CORNERSTONE@ICE.DHS.GOV**

ASK YOU CORNERSTONE REPRESENTATIVE ABOUT MAJOR HSI FINANCIAL INVESTIGATIONS & INITIATIVES

- Trade Based Money Laundering
- Illicit Digital Economy Program
- Cyber-enabled Fraud
- International Corruption Program
- Money Service Business Coalition



- Third Party Money Laundering Program
- Elder Fraud & International Mass Marketing
- Illicit Trade Finance Investigations
- Illicit Finance & Proceeds of Crime Unit