

You've Got Mail! Be On Your Guard!

Introduction

An address is a collection of information, presented in a fixed format that is used to give the location of a residence, business, building, function or other structure.

Addresses are important as they:

- * Provide a means where a building can be easily located physically, especially in places where there are many streets and buildings.
- * Are the acceptable representation of evidence of an individual's or organization's location.
- * Are often used as parameters in the collection of census statistics as well as by businesses in the identification of their target market and for promotional purposes.



It is imperative for individuals and businesses to pay keen attention to their incoming and outgoing mail as well as the authenticity of clients' addresses to ensure that fraud is not being committed. With address fraud, perpetrators use inaccurate or fictitious addresses to gain money or some other benefit to which they are not entitled. Persons also commit address fraud to conceal their actual location from the Authorities and Regulators.

Physical Address vs. Mailing Address

A **physical address** is the actual location where a person or organization can be found. Physical addresses usually include the names of political boundaries, street names and numbers, landmarks and zip codes.

A **mailing address** is the address at which a person or business receives letters and packages. This can be different to the actual physical location of the residence or business. One (1) of the most popular mailing addresses is the **PO Box**. The Post Office Box is a lockable box that has a unique identification number and is located on the premises of a Post Office or other approved location.

PHYSICAL

MAILING

Proof of Address - What is Acceptable?

A proof of address verification document confirms where an individual lives or the location of a business. It should show the full name of the individual or business with the physical address.

Businesses should collect proof of address verification documents for all new clients at the first point of contact. **This includes Directors and Beneficial owners of Organizations. The physical address, not the mailing address, should be shown on the proof of address.** It is unnecessary to collect a new proof of address document every time an existing client comes to conduct new business. However, an appropriate Know Your Customer (KYC) system should be in place to ensure that a change in address would be captured, for example, on a form or checklist. If a client has changed their physical address, a new proof of address verification document should be collected.

A comprehensive review of clients' proof of address is an important anti fraud measure that helps to ensure the safety of clients and also protects the reputation of the organization in accordance with AML/CFT Regulations. This could be conducted at least every five (5) years to ensure that the address on the client's file is consistent with his/her physical address.

Proof of Address, at the time of acceptance or establishing the business relationship, should not exceed the following time periods.

| Proof of Address | Valid Period |
|-------------------------------------|--------------|
| Utility Bill | 3 months |
| Bank Statement | 3 months |
| Hire Purchase Statement | 3 months |
| Letter from University/School | 3 months |
| Job Letter | 3 months |
| Inland Revenue Property Tax Receipt | 6 months |

The following documents should be current at the time of acceptance or establishing the business relationship.

| Proof of Address | Valid Period |
|---------------------------|--------------|
| Lease Agreement | Current |
| Rental Property Contract | Current |
| Property Insurance Policy | Current |

Physical Address Mirroring

Mirroring

In this scam, perpetrators closely "mirror" the physical address of the target in order to obtain credit, loans, cash advances and goods and services under the victim's name. This technique is used to take advantage of weak or ineffective transaction review processes and weakened fraud detection systems.



HOW DOES IT WORK?

- Step 1: Identify a suitable location and target company or individual.
- Step 2: Obtain credit reports and other useful information on the target.
- Step 3: Rent office or residential space in the same building as the target.
- Step 4: Apply for credit, loans and purchase goods in the target's name.
- Step 5: Disappear with the proceeds and find the next target.

As shown in the example below, it is very easy to mistake the fraudulent address for the legitimate address. The successful completion of large fraudulent transactions can have a significant negative impact on any individual or business.

BE ON YOUR GUARD!

How would you know which of these is the legitimate business before you proceeded with the transaction?

XYZ Company
 1220 42nd Street SW
 Anytown, Florida
 54321

XYZ Company
 1220 42nd Street SW
 Suite 107
 Anytown, Florida
 54321

*See reverse side for the answer.

Topics Discussed:

- ⇒ Physical Address vs. Mailing Address
- ⇒ Proof of Address – What is Acceptable?
- ⇒ Physical Address Mirroring
- ⇒ Mail Fraud
- * Phony Inheritance Schemes
- * Advanced Fee Loans
- * Phony Job Opportunities
- * Investment Fraud
- ⇒ References

MAIL FRAUD is any illegal activity or scam perpetrated through the postal or private mail carrier services. Both businesses and individuals are at risk for mail fraud and should therefore ensure that they are cognizant of the various types of mail fraud.

Phony Inheritance Schemes

Bogus companies send notifications saying that there is an unclaimed inheritance waiting for the target. The target is then asked to pay a small mailing fee \$20-\$30 for the inheritance report. All targets receive the same information so it is high unlikely that the target is the actual heir. Be sure to check the credentials of the company before sending any funds.

Advanced Fee Loans

Perpetrators offer targets a guaranteed loan for a small fee paid in advance. They claim to be able to obtain financing from a reputable lending institution. Of course, this is not the case. Ensure that this is a legitimate institution before entering into any form of negotiation for any loan and be certain that you understand all the terms and conditions before signing any documents.



Phony Job Opportunities

These are advertisements that make "too good to be true" claims about job opportunities. They misrepresent wages and the actual number of positions available. The target must always pay a fee to receive more information.

Be aware of job opportunities that:

- * Guarantee job placement
- * Claim that no experience or skills necessary
- * Offer overseas employment
- * Offer attractive compensation

Investment Fraud

Fraudulent investment promoters/businesses try to get targets to invest in securities or other commodities with the promise of a huge return on investment.

You may be dealing with fraud if you answer "Yes" to these questions:

- * Does the person make it sound as if you cannot lose?
- * Are you promised an unusually high rate of return?
- * Are you being pressured to make a decision because units are selling fast?

Proof of Address Essentials

| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| W | B | C | L | S | W | N | S | L | K | G | U | N | G | O | U | J | A | L | L |
| P | U | I | R | J | U | G | F | A | J | D | U | O | P | B | M | W | D | E | L |
| H | H | F | F | J | B | R | X | K | W | Q | A | O | L | Z | U | L | D | A | I |
| P | O | Y | T | N | E | M | E | T | A | T | S | K | N | A | B | W | R | S | B |
| U | R | L | S | S | T | S | V | H | G | T | O | Q | C | K | Q | Y | E | E | Y |
| N | H | O | U | I | G | T | Q | J | O | B | L | E | T | T | E | R | S | A | T |
| R | Z | I | P | V | C | P | S | F | M | P | Z | Q | O | W | Q | I | S | G | I |
| S | E | Y | B | E | K | A | F | Y | G | G | S | I | H | A | F | B | X | R | L |
| C | L | T | D | R | R | I | L | C | V | B | R | C | A | W | I | C | I | E | I |
| J | T | C | T | Q | C | T | S | D | Z | M | D | I | F | J | X | B | E | E | T |
| P | R | O | P | E | R | T | Y | T | A | X | R | E | C | E | I | P | T | M | U |
| I | S | W | B | K | L | M | V | I | A | G | U | H | S | B | V | Y | Q | E | Q |
| C | K | O | R | M | A | L | Y | Z | N | A | U | K | U | D | X | X | X | N | C |
| L | X | H | F | I | E | L | O | I | V | S | A | P | Z | Y | N | R | Y | T | R |
| X | E | W | L | T | F | V | R | O | M | U | U | Z | D | X | R | U | M | U | K |
| B | P | I | X | W | J | O | X | U | H | E | R | R | L | B | C | C | Z | F | R |
| S | N | I | P | G | R | U | X | V | T | C | Z | P | A | E | X | G | S | H | G |
| G | M | N | J | R | T | X | Q | H | J | E | S | Z | G | N | D | G | R | J | E |
| F | S | V | I | M | K | D | D | F | S | C | O | Z | L | Z | C | Z | U | Z | O |
| V | V | M | D | P | M | S | H | W | P | Y | H | A | Y | Q | E | E | Z | O | J |

- ADDRESS
- BANK STATEMENT
- JOB LETTER
- LEASE AGREEMENT
- MAILING
- MIRRORING
- PHYSICAL
- POST OFFICE BOX
- PROPERTY INSURANCE
- PROPERTY TAX RECEIPT
- SCHOOL LETTER
- UTILITY BILL



REFERENCES

- US Inspection Service: Guide to Preventing Mail Fraud
- Physical Address Mirroring: A New Twist

Be On Your Guard Answer:
Collect proper Proof of Address
verification document. (eg. Utility Bill)

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