



# Fall in Love – Go to Jail:

## BBB Report on How Some Romance Fraud Victims Become Money Mules

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## Introduction

Online dating sites **report** a surge in activity in the days before Valentine's Day, as many singles use technology to find a match. Behind many dating profiles lurk scammers who are ready to dupe users into believing they have found love. In reality, romance fraudsters want to steal their money or make them unwitting accomplices in fraud.

**In the past 36 months, Better Business Bureau (BBB) received 636 Scam Tracker reports related to romance fraud. In addition, BBB received nearly 7,500 complaints against online dating services,** in which some of the complainants alluded to fraudulent activities. BBB estimates there may be a million romance fraud victims in the U.S. alone. **Losses reported in the U.S. and Canada over three years totaled nearly \$1 billion. In 2018, romance fraud** was named one of BBB's 10 riskiest frauds.

In February 2018, BBB released **Online Romance Scams: A Better Business Bureau Study on How Scammers Use Impersonation, Blackmail and Trickery to Steal from Unsuspecting Daters.** The study describes the inner workings of how fraudsters target those looking for romance. It may take months for scammers to build trusting relationships with victims before asking for money, usually for an emergency or transportation. The study provides information to help potential targets and reputable dating services avoid this widespread and devastating fraud.

This follow-up report takes a deeper look into how some victims inadvertently become "money mules." It sheds light on who is behind this fraud and what efforts have been taken to combat it.

## What is a "money mule"?

Fraudsters need a method to get funds from victims without being discovered. In many cases, money first passes to "money mules," who then transfer it to the fraudsters, often outside of the country. Because law enforcement traditionally follows the money to locate fraudsters, this tactic makes it more difficult to find those responsible for fraud. Money mules often are unsuspecting romance fraud victims themselves who may end up in

serious legal trouble for their activities.

People who suspect that they are being used as money mules should contact a Postal Inspector or FBI agent right away. **Lisa Mayberry**, a Postal Inspection Service fraud team leader in Los Angeles, strongly encourages romance scam victims (or others who suspect that they are being used as mules) to reach out for help.

In most cases, there is no desire to take criminal action against unwitting participants who had no financial gain and who stop transferring money for crooks as soon as they realize the role they have been playing. Mayberry says the information they provide may help identify the actual crooks in these situations.

## How big is the problem?

**Terrill Caplan** of **Fraud Aid**, a fraud victim advocacy organization, has spent more than a decade working

with law enforcement, often helping romance fraud victims who have been used as money mules. He estimates that in **2018, 20 to 30 percent of romance victims were used as money mules.** These victims number in the thousands. He says most victims do not realize they are aiding in illegal activity. Generally, but not always, victims stop the conduct when they learn that it is illegal.

Money mules have become so widespread that in November 2018 the U.S. Department of Justice (DOJ) **announced a major initiative** to concentrate on this problem. Legal actions, including prosecutions, warning

letters and search warrants, were taken against more than 400 money mules across the country.

In December 2018, **Europol similarly announced a major effort** to combat the use of money mules, identifying more than 1,500 money mules and arrested 168 of them.

The DOJ initiative described how money mules can be used to assist in a variety of frauds, and specifically mentioned the use of romance fraud victims. These frauds include not only romance frauds, but also business email compromise fraud, fake check frauds, grandparent frauds, and stolen identity refund frauds that involve filing bogus tax returns. It is believed that the same gangs that commit these frauds also are involved in illegal drug trade and other serious crimes.





**Maria Exposto** of Sydney, Australia, met and fell in love online with “Captain Daniel Smith,” a man she thought was in the U.S. Army and who had asked her to marry him. In 2014, “Smith” asked her to go to Shanghai to file documents related to his retirement from the military so that they could be together. While in China, she was asked at the last minute to bring back a black backpack, which she believed contained some of his clothing.

On her way home to Australia, she changed planes in Kuala Lumpur, Malaysia. She voluntarily went through airport customs screening, where police found a secret lining sewn into the backpack that concealed 1.1 kilograms of crystal meth. Exposto was arrested and charged criminally. The penalty for this offense in Malaysia is a mandatory sentence of death by hanging.

Professor Monica Whitty, a cyberpsychologist at the University of Melbourne, testified at Exposto’s trial that Exposto fit all the criteria of a romance fraud victim. She was acquitted, but the prosecution appealed and the verdict was reversed. She is still in jail and has been [sentenced to death](#).

## How do romance fraud victims become money mules?

While some people find love and companionship through dating websites, apps, Facebook or other social media platforms, many fall prey to fake profiles that look like attractive matches but are actually created by organized criminal gangs. The fraudsters reach out to victims and quickly attempt to change the medium of communication from the dating site to texts or personal email. Crooks may

spend months “grooming” or building a relationship with victims by sending daily texts expressing love, affection and support. This process is detailed in [Online Romance Scams: A Better Business Bureau Study on How Scammers Use Impersonation, Blackmail and Trickery to Steal from Unsuspecting Daters](#).

Inevitably, the fraudster claims that there has been an emergency and asks for money to help. By this point, victims often have fallen in love and like many people, will do almost anything for someone they love. It is extremely difficult to convince an online dating scam victim that the person they have become committed to is really a fraudster. A person who has been a romance fraud victim once is at serious risk of returning to online dating sites and [becoming a victim again](#).

The emotional distress caused by this process may result in damage that is more serious than the loss of money. Victims say they feel embarrassed and betrayed. Victims interviewed by BBB have reported that they seriously considered suicide. Australian law enforcement officials say they believe there are more romance fraud-related suicides than murders in Australia.

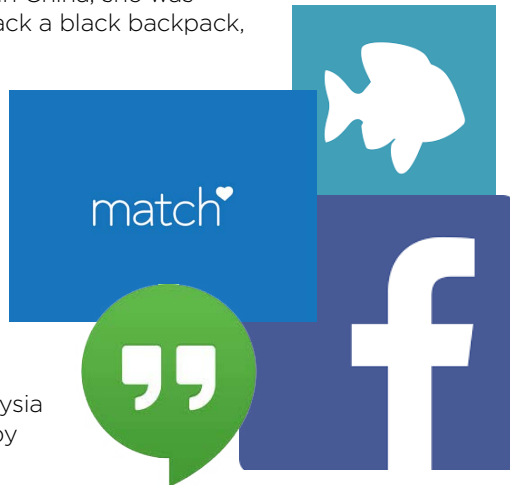
What if the online dating scam victim has no money or already has given all their money to the scammer? These victims may be used to launder money from other victims by acting as money mules who receive money or goods purchased with stolen credit cards and often re-send them out of the country. They effectively are aiding and abetting a variety of frauds, making it much harder for law enforcement to recognize the scope of the fraud or identify the real perpetrators.

Fraudsters who target women may claim to be involved in businesses overseas and request financial help to handle emergency “business issues” that might get in the way of the couple having a prosperous life together. These

scenarios make requests for help appear very believable to victims.

Fraudsters targeting male victims often claim to be a young student or teacher in another country who needs money for travel to the U.S. or other destinations.

According to experts interviewed by BBB, some victims may become willing accomplices and can get paid for taking part. Some do it to help recover from the financial straits they are left in from being defrauded themselves; some may have other motivations. Love, or the fear of losing a partner, also may motivate the victim. In addition, fraudsters may threaten to report victims who have assisted in illegal activity to law enforcers. It’s unlikely a fraudster will do this, but the threats may coerce these victims into continuing their involvement in the fraud.





## Why use money mules?

Romance fraud victims are almost perfect vehicles for money laundering. Since scammers build a trusting relationship with their victims and isolate them from others' advice, there is little risk that victims will steal the funds or goods they receive. When money is transferred from the money mule's account, it ends up somewhere outside of the investigator's jurisdiction, making it hard for local law enforcement to "follow the money." Moreover, unlike a co-conspirator or agent in the U.S., these victims are less likely to ask for pay to perform these services. And even if law enforcement locates and confronts the romance fraud victim about their money laundering efforts, the victim does not know the true identity and location of the person they are really dealing with and thus cannot reveal that information to law enforcement.

## Who is behind this?

According to cybersecurity expert **Lawrence Baldwin** of Mynetwatchman, **"At any given time there may be more than 25,000 romance scammers online with victims, with the vast majority of them coming from Lagos, Nigeria."** These fraudsters victimize people around the world.

A large number of Nigerian fraudsters live and operate around the world in the U.S., Canada, South Africa, the United Kingdom, Malaysia, Thailand, and mainland China. Thus fraudsters involved in romance frauds may be operating from many locations around the world.

The same groups involved in romance scams also operate other frauds and crimes. This is organized crime on a worldwide scale and is widely known as West African Organized Crime. News reports contend that Nigerian groups such as **Black Axe are working alongside the mafia in Italy** to control prostitution, and **work done by Canadian law enforcement** demonstrates that members of this group are engaged in controlling and organizing fraud activities throughout the US and Canada. Black Axe, at least, is also believed to engage in physical violence. A **recent study** discusses the role of this organized crime in Business Email Compromise fraud.

In a **Journal of Cyber Criminology study**, Professor Whitty says a variety of motivations, rationalizations and opportunities come together to create a pathway for

people to become perpetrators of West African fraud.

Law enforcement sources say that Jamaican gangs involved in sweepstakes and lottery frauds also have begun running romance frauds and using victims to help launder money from victims. For more on that topic, read **[Sweepstakes, Lottery and Prize Scams: A Better Business Bureau study of how "winners" lose millions through an evolving fraud.](#)**

Fraudsters usually don't concentrate exclusively on one type of fraud. Nigerian criminal gangs, for instance, typically engage in a number of different frauds. The common

factor in the scams is the use of online dating victims to help with the fraud or launder the proceeds.

For example, in **"Operation Scams R Us,"** the U.S. Attorney's office in the Southern District of Mississippi **indicted 20 Nigerians** living in Nigeria, South Africa, the U.S., and Canada. The investigation began with a romance fraud, in which a victim had received a package that she was instructed to send along to South Africa. The defendants used romance fraud victims to help them execute counterfeit check frauds, to reship electronic goods purchased with stolen credit cards, and to send money on to Africa, and to assist with other frauds. Three Nigerians who had been extradited from South Africa were **sentenced** after a jury trial in Mississippi and received prison sentences of 115, 95 and 25 years.

## How do romance fraud victims help fraudsters?

There are a variety of ways romance fraud victims can unwittingly help fraudsters. They may print and send fraudulent mailings, which often contain counterfeit checks. They may pick up money at Western Union or MoneyGram and then send it on to another place. They may open bank accounts where other fraud victims deposit money. They may receive consumer electronics or other goods purchased with stolen credit cards, repackage them, and ship them out of the country. Or they may transport illegal goods.

## Drugs

Romance fraud victims regularly are used to transport drugs – and many have been imprisoned. In most cases, the victim was convinced by the scammer to travel with a suitcase or other item, which they did not know contained drugs.





Immigrations and Customs Enforcement (ICE) estimates that 144 elderly couriers have been conned into unwittingly carrying drugs overseas. More than 30 such people have been incarcerated.

In February 2016, the [Senate Aging Committee held hearings](#) on precisely this subject. [At least 11 Australians are reported in custody in China](#) for transporting drugs, many of them romance fraud victims. One man died in custody.

In August of 2017, [Denise Marie Woodrum](#) of Missouri [was arrested in Australia](#). Customs officials found more than a kilogram of cocaine in her high heels and makeup. She was involved in an internet romance but had never met her love interest in person. Prosecutors and the judge questioned her truthfulness, according to news accounts. In January 2018, she pleaded guilty to drug charges and was later sentenced to seven and a half years in prison.

Similarly, [Sharon Armstrong](#) of New Zealand was arrested in Buenos Aires in 2011 when police found more than 5 kilograms of cocaine hidden in her luggage. She claimed she thought she was carrying legal papers for a man she had met online. She was [sentenced to nearly five years in prison](#). She has helped set up a [website for money mule victims](#).

With the intervention of Senator Susan Collins, in June of 2016 the State Department was able to obtain the [release of a 77-year-old pastor](#) from Maine imprisoned in Spain. Joseph Martin was arrested there after picking up legal papers in South Africa on behalf of a woman he met online. He was arrested in Spain when it was found that he was carrying 1.4 kilograms of cocaine. He had been sentenced to six years in prison.

## Business Email Compromise Fraud

**One of the largest frauds operating today is business email compromise (BEC) fraud, also called CEO fraud and email account compromise (EAC).** The Federal Bureau of Investigations (FBI) [estimates](#) that more than \$12 billion has been lost to this type of fraud. "Between December 2016 and May 2018, there was a **136% increase** in identified global exposed losses," according to the FBI.

In this scam, fraudsters learn the email protocols and leadership of businesses or other organizations. Then the Chief Financial Officer (CFO) gets an email from someone posing as the Chief Executive Officer (CEO), requesting a bank-to-bank wire transfer to a different account than usual. This fraud increasingly targets real estate transactions, with emails instructing people to send the sale proceeds to a bank account controlled by the fraudster.

Often the money from these frauds goes into bank accounts of romance fraud victims. As the FBI put it:



*"Domestic money mules are frequently identified in connection with the BEC/EAC real estate trend. BEC/EAC actors often recruit money mules through confidence/romance scams. The BEC/EAC actor may groom a victim and then direct them to open accounts under the guise of sending or receiving funds as directed by the BEC/EAC actor. The accounts opened to facilitate this activity are typically used for a short period of time. Once the account is flagged by the financial institutions, it may be closed and the BEC/EAC actor will either direct the romance/scam victim to open a new account or move on to grooming a new victim."*

## Fake checks

Nigerian fraudsters regularly employ a suite of scams that involve fake checks. This type of fraud is detailed in a BBB study called [Don't Cash That Check: BBB Study Shows How Fake Check Scams Bait Consumers](#).

In these scams, victims deposit the fake check, believing it to be real. When the bank credits the money to their account they send some or all of the money on to a supposed third party, not realizing it is going back to a fraudster. All too often, the money is picked up from MoneyGram or Western Union by a romance fraud victim. In some cases, romance fraud victims also are enlisted to print and mail the fake checks for their love interest.

Sylvia Williams, an 80-year-old woman living in Florida, [recently was arrested](#) for receiving \$4,300 sent to her by a Michigan cleaning service that had been victimized by a fake check fraud. She collected the money for a Nigerian she had met online.



## Credit Card Reshippers

Stolen credit cards, easily available on the dark web, can be used to purchase goods online. Because online sellers are understandably cautious about sending goods out of the country, fraudsters use money mules to receive the goods and reship them. Romance fraud victims often are used to assist in this type of fraud.



**Olayinka Sunmola**, a Nigerian who was living in South Africa, was convicted of romance fraud in the Southern District of Illinois. He defrauded his victims of hundreds of thousands of dollars. But he may have made even more money from using stolen credit cards to buy laptops and iPads that he had shipped to his victims, who in turn sent them to him in South Africa, where he had a store selling these stolen goods. He had made at least \$1 million from the stolen credit cards buying electronic equipment. The indictment can be found [here](#).

Both the **U.S. Postal Inspection Service** and **FBI** have issued warnings about reshipping fraud, noting the involvement of romance fraud victims.

## Grandparent scams

In grandparent scams a senior citizen gets a call pretending to be a grandchild who has been in a car wreck, arrested, or involved in another type of emergency. Sometimes the caller goes as far as to pretend to have a broken nose, accounting for oddities in their voice, and pleads with the grandparent not to tell the parents. The caller asks for money for bail, legal fees or other purposes. Many seniors want to help, even if they are uncertain about the caller's identity, and follow through by sending money, often thousands of dollars, usually through Western Union or MoneyGram.

**Evidence** suggests that Nigerian fraud gangs are also involved in grandparent scams. In July 2018, a Nigerian man was sentenced in Texas for his part in fraud schemes and money laundering involving U.S. victims by scammers based in Canada, Nigeria, and the United States. According to the DOJ, **“The schemes included “grandson-in-jail” frauds over the phone targeting elderly victims; fake investment scams; business email compromise scams; Stolen Identity Refund Fraud (SIRF) tax filing scams; and, romance victims scams.”**

Romance fraud victims are likely to be involved in receiving and transferring funds received from seniors who believe they are helping a loved one in an emergency.



## Other Frauds

There are many other frauds that employ romance fraud money mules to launder funds. These include **rental frauds**, where victims see a house or apartment for rent online and send a deposit by Western Union or MoneyGram. The home is not actually for rent, and victims lose their money. An **NYU study** investigated these frauds and found that many of the perpetrators were from West Africa.

In addition, over the last several years, billions of dollars have been lost to **bogus tax returns**. Fraudsters engage in identity theft, and file bogus tax returns to get tax refunds. Sometimes the identities of victims are stolen using BEC tactics to ask an HR department to send along W-2 forms for groups of employees. The tax refunds in this stolen identity refund fraud may go into the bank accounts of romance fraud victims. The **IRS and DOJ have been working diligently on this issue.**

Finally, online dating scam victims could be used in **sweepstakes frauds**, either by sending “award notice” letters or by receiving money from other victims. There are variations to this type of fraud, but all require victims to send money, usually by Western Union or MoneyGram, before they can receive a nonexistent award.

## What is law enforcement doing?

### Prosecutions

The number of prosecutions of those involved in romance and other frauds has increased over the last several years. In addition to the Sunmola and Scams R Us prosecutions, several other recent cases involve romance fraud victims employed as money mules. Law enforcement may at times conclude, incorrectly, that an unwitting romance fraud victim is the actual perpetrator of a crime and arrest and charge them.

**Paul Gregory** of Oregon pleaded guilty to wire fraud and money laundering in January 2019. Gregory was a romance fraud victim who opened bank accounts, received money from other romance fraud victims and then sent the money out of the country. He was interviewed by federal agents in May 2017 and warned that he was assisting fraud. He continued, however, to open bank accounts and receive victim funds. **In the three months following the warning, he processed another \$200,000.** He faces a maximum sentence of 20 years in prison, a \$250,000 fine, restitution payments to victims and three years' supervised release.

**Audrey Elrod** of West Virginia was a romance fraud victim. After she had lost all her own money, “Duke McGregor” asked her to receive money on his behalf and send it along to his friend “Sinclair” in Nigeria. **She ultimately received and sent more than \$400,000 to Nigeria**, keeping only small sums for herself. She was arrested. While out on bail, she moved to North Carolina and continued to send money. She ultimately pleaded guilty and was sentenced to 52 months in prison in August 2014. A **Wired magazine article** details her plight. “Duke” and “Sinclair” were never found or prosecuted.

**Michael Neu** was arrested in Slidell, Louisiana and



charged with **267 counts of wire fraud and money laundering**. Neu, 67, was **allegedly a former romance fraud victim himself** but he became actively involved in receiving funds from other victims, keeping part of the money himself, and then sending the rest of the money to Nigeria. His case has not yet been resolved in court.

**Ronayerin K. Ogolor**, from Nigeria, was arrested at the Kansas City airport en route to Frankfurt, Germany. He was charged with romance fraud and BEC fraud. Victims were located in Alabama, Ohio, Washington, Arizona, Florida, Illinois, California and Italy with **losses of \$878,489**. He used romance fraud victims to collect the money from BEC victims and send it along.

**Henry N Asomani**, from Ghana, was indicted for romance fraud in Kansas City, with **13 victims losing \$5,075,569**. He also used his victims to launder money.

**Clement Onuama**, from Nigeria, was prosecuted in the Western District of Wisconsin. He was charged with both BEC fraud and romance fraud. He **pleaded guilty and was sentenced to 40 months in prison and ordered to pay \$410,000 in restitution to victims**. Again, romance fraud victims were used to launder money.

**Orefo Okeki** was charged as a co-conspirator of Onuama in Wisconsin. Okeki was charged with BEC fraud, romance fraud, identity theft, bank account takeovers, and credit card fraud. Romance fraud victims helped launder the money from his other frauds. He was **sentenced to 45 months in prison and ordered to pay \$582,956 in restitution**.

Beyond the work of law enforcement, nonprofits, news organizations, and others can help combat romance scams. BBB continues to educate consumers about this fraud. Greater consumer awareness of scams and frauds is key to fraud prevention.

## Warning Letters

It often is difficult for law enforcement to determine whether money mules know that they are laundering money from fraud victims. One obvious sign that they know, or at least should know, is if they keep part of the proceeds of the fraud and effectively are paid for their services.

One approach the Justice Department has developed is to interview money mules in person and give them a **Money Mule Warning Letter**. DOJ has developed a model letter that can be used for this purpose. This procedure is explained in an article in the **December 2018 issue of the Justice Departments Journal of Federal Law and Practice**, page 95. If victims continue to transmit funds after being warned, they can be prosecuted. The warning letter can help show that they were knowingly engaging in fraud and aid in efforts to prosecute them.

The **Postal Inspection Service also can issue warning letters** and obtain administrative cease-and-desist orders when mail is involved.

## What can you do to protect yourself?

**The best way to avoid becoming a money mule is to simply not fall for a romance fraud at the outset.**

- Don't rush into an online relationship. Talk to family and friends about your dating choices.
- Analyze dating profiles. Look for repeated phrases and misspellings or misuse of words. Do an internet search of their name and profile picture.

**Recognize red flags for romance fraud, such as when the romantic interest requests that you:**

- open a bank account or give access to an existing account
- receive packages and reship them to another location.
- pick up funds at Western Union or MoneyGram and forward them somewhere else.
- keep your relationship a secret.

**If you are concerned that you or someone you know may be assisting in illegal conduct, contact law enforcement. Doing so may well stop other victims from losing money and more.**

- If you suspect you may be involved with a fraud as a money mule, the **FBI** and **U.S. Postal Inspectors** encourage you to immediately contact them to provide information that may help identify the actual crooks in the fraud. Contact both agencies to refer you to counselors for help.
- The **FTC** has **tips and a short video** on how to avoid becoming a romance fraud victim.
- The **FBI offers a Money Mule Awareness Booklet** with information about how to protect yourself from become a money mule.
- **Scamsurvivors.com** offers romance fraud victims free online help from experts and a **tool** to help you be able to spot romance fraudsters.
- **Fraudaid.com** also offers help to fraud victims who have been or are about to be arrested.
- **BBB's in-depth investigative study on romance scams** provides useful background on this type of fraud and how to avoid it.
- **Cybercrime Support Network** lists resources for romance fraud victims.
- **Legitimate online dating services** want to keep fraudsters off their sites. If the scam was initiated there, report it to them.

## Where to file complaints about romance fraud and online dating scams

**Better Business Bureau Scam Tracker:** This heat map shows scams reported in your community or anywhere in North America.

**The Federal Trade Commission (FTC)** or call **877-FTC-help:** The FTC database of fraud complaints is available on line to more than 3000 law enforcement



agencies. Because it contains a great deal of personal information on fraud victims it is not available to the general public. It can be searched fairly easily by law enforcement officials and may well locate several victims defrauded by the same person.

**Internet Crime Complaint Center (IC3):** The FBI's IC3 takes law enforcement complaints about romance fraud.

**FraudSupport.org:** This group collaborates with law enforcement and cybercrime support organizations to guide and support cybercrime victims through the reporting and recovering efforts, and then to provide information and resources on how to protect against future incidents.

**Senate Aging Committee Fraud Hotline:** Anyone with information about suspected romance or online dating fraud aimed at seniors can contact investigators at **1-855-303-9470** or through its website.

**Western Union:** Victims who have sent money through Western Union should complain directly to them at **1-800-448-1492**.

**MoneyGram:** Victims who have sent money through MoneyGram should notify them directly at **1-800-926-9400**.

**Canadian Anti-Fraud Center:** Canadians can call **1-888-495-8501**. If there is a Canadian connection, victims in the U.S. can also call this number toll-free.

## Recommendations

- It is important to warn people about romance frauds before they get invested in an online relationship. Alert them that the loss of their money is not the end of the matter because fraudsters may try to enlist them as money mules.
- Romance fraud victims often need counseling to help them overcome the trauma of this fraud. More victim support groups like those in Los Angeles and Ventura, California, would be helpful.
- More warnings to money mules may help alert romance fraud victims that they are engaged in assisting frauds and encourage them to stop.
- More prosecutions of romance fraudsters would help deter romance fraud.
- Change existing restrictions to let banks share information with law enforcement, regulators and other financial institutions about possible money mule accounts.
- Increase cooperation and sharing of information between law enforcement officials in different jurisdictions working on the same cases.
- More training and cooperation is needed internationally to recognize and combat romance fraud.

*By Steve Baker, International Investigations Specialist, BBB. For other BBB fraud studies [click here](#).*