

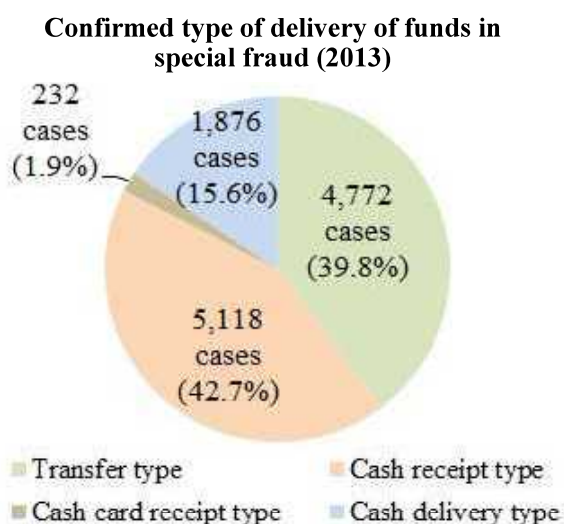
Topic IV: Initiatives for Eliminating Remittance Fraud and Other Special Fraud

The police are collaborating with relevant institutions and groups to implement various initiatives to eliminate special fraud.

Recently, nationwide, there have been numerous incidents of “Hey, it’s me” type of remittance call fraud cases and fraud carried out under the pretext of transactions, such as financial instruments. The total amount of loss incurred by special fraud in 2013 was a record high of approximately 48.95 billion yen. Given this serious situation, the police are implementing initiatives aimed at preventing and clearing increasing cases of special fraud so that citizens can live with a sense of security.

(1) Current Types of Fund Delivery

The forms that victims of special fraud deliver money to criminals are through “transfer type” where money is transferred to a savings account used by the perpetrator, “cash receipt type” where the perpetrator goes to a home or other location to directly receive the cash, “cash card receipt type,” and “cash delivery type” where cash is sent by means including delivery service. “Transfer type” cases comprised more than half of such special fraud until 2012, but initiatives taken in cooperation with financial institutions and other entities have been successful and the rate of “transfer type” cases has dropped. On the other hand, “cash receipt type” cases have increased. In 2013, the number of “cash receipt type” cases exceeded “transfer type” cases.



(2) Promoting Crackdown Activities in View of Damage Prevention and Recovery

In addition to crackdowns targeting criminal groups that carry out special fraud, the police are also developing the following types of initiatives

in response to the changing manner of delivery of funds.

I. Arrests of Criminals Employing “Cash Receipt Type” by Utilizing Tactics of Pretending to be Deceived

The police are implementing tactics of pretending to be deceived by asking persons who received phone calls from criminals and saw through the ruse to continue pretending to be deceived, and arresting the criminal when he or she shows up at the victim’s home or other places to receive the cash. In 2013, 780 criminals were arrested in 682 cases. Based on the same tactics, the police are also carrying out initiatives with the aim of disabling criminal tools by asking mobile phone service providers to confirm subscribers and requesting financial institutions to freeze accounts based on information obtained on mobile phones and savings accounts abused by criminals.

II. Damage Prevention and Recovery that Utilized Lists of Businesses Sent Fraudulently Gained Money

Lately, there are a growing number of incidents utilizing “cash delivery remittance” where criminal groups instruct victims to send cash to a designated commercial mail receiving agency or other places via means such as a delivery service. The police uploaded information such as addresses of commercial mail receiving agencies abused onto the National Police Agency website and are extensively calling on people to be alert. Post offices and delivery companies utilize the same list to discover packages containing fraudulently gained money and notify the police.

Column: Freezing bank accounts to prevent financial loss incurred by special fraud

The police immediately request that financial institutions freeze savings accounts abused in perpetration of special fraud to stop the outflow of fraudulently gained money, and prevent the accounts from being abused in another crime. Financial institutions utilize a List of Names of Holders of Frozen Accounts, and when a person on the list applies to open a new account, they refuse the transaction and provide information to the nearest police station. The police try to arrest suspects based on this information.



An example of a list confiscated by the police (personal information is blacked out)

(3) Promoting Preventive Actions through the Unified Efforts of the Government and the People
I. Promoting Public Relations and Awareness Activities

The police actively provide citizens with information about modus operandi of special fraud and warnings at various occasions to prevent them from falling victim. The police also promote publicity and awareness activities directly and individually to persons more prone to fall victim, such as senior citizens, by carrying out actions that include visiting individual homes. The police also boost social defiance of crime through actions such as giving guidance on crime prevention to local residents and corporations, warning citizens to prevent financial loss from special fraud, and encouraging citizens to actively participate in efforts to prevent financial loss so that family members and others can discourage victims from handing over money by doing exactly as a criminal instructs.

Column: Damage prevention by utilizing lists of names obtained through the investigative process

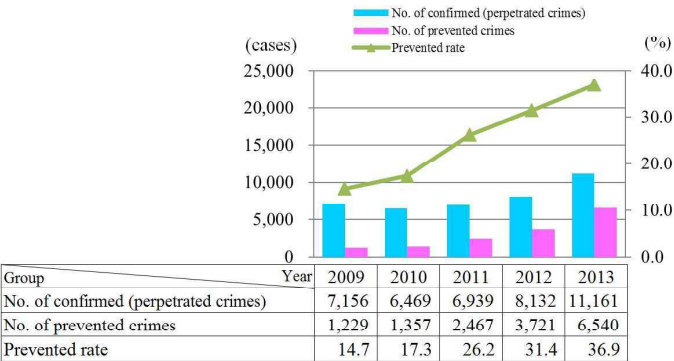
Criminal groups abuse lists of people who utilize mail-order services to repeatedly commit criminal acts. Lists of names confiscated by police in the investigative process are marked with personal information that criminals extracted from the people on the lists, such as “not at home,” “stockholder,” and “lives alone.”

The police visit the homes of the people on such lists or contact them by phone through an entrusted private call center to warn them and provide guidance on specific countermeasures.

II. Collaborating with Relevant Institutions and Groups

The majority of money fraudulently gained from special fraud is remitted or withdrawn by ATM or at the counter of a financial institution. Therefore, it is extremely important that employees of financial institutions communicate with customers to prevent financial loss. The police encourage communication by providing a checklist to show customers when communicating with them and through training conducted in collaboration with employees of financial institutions. As a result, the rate at which special fraud is being prevented is increasing each year. In 2013, the amount of financial loss that would have been incurred by special fraud had it not been prevented by communication from financial institution employees came to approximately 19.3 billion yen, but this is equivalent to approximately 40% of the actual amount that was remitted or sent in cash (total amount of financial loss).

Trends in the number of confirmed cases and prevented cases of special fraud (2009–2013)



Special fraud other than remittance fraud is not included in the numbers through 2010.

Column: Preventing financial loss in a variety of settings surrounding victims

Approximately 80% of financial loss that would have been incurred had it not been prevented through communication was saved by actions taken by financial institution employees, but it has also been prevented in a variety of other settings. There are also many instances where financial loss is prevented not only by communication from convenience store clerks, security guards, taxi drivers, and through the discovery and notification by delivery service providers of packages suspected to contain cash, but also by ordinary citizens who happen to be nearby a duped victim.

