



Safeguarding America through
Financial Investigations

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Cornerstone is U.S. Immigration and Customs Enforcement’s (ICE’s) comprehensive investigative initiative for fighting financial crime.

The Cornerstone Report is a quarterly bulletin highlighting key issues related to ICE financial, narcotics and public safety investigations.



U.S. Immigration and Customs Enforcement

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ICE Targets Jamaica-Based Telemarketing Scams



The Project JOLT Task Force is a partnership effort between ICE and the Jamaica Constabulary Force to combat telemarketing fraud originating from Jamaica. Task force members are pictured above following a JOLT operation.

In recent years, U.S. complaints about telemarketing fraud originating from Jamaica have skyrocketed. According to Jamaican law enforcement, local gangs employ telemarketing fraud tactics to raise capital, which is then used to facilitate the smuggling of weapons into Jamaica and narcotics to the United States.

In March 2009, ICE entered into an agreement with the Jamaica Constabulary Force (JCF) to form the Project JOLT (Jamaican Operations Linked to Telemarketing) Task Force. Project JOLT focuses on identifying, disrupting and dismantling organizations perpetrating Jamaican-based telemarketing fraud. A secondary Project JOLT objective is to recover the money fraudulently obtained by the telemarketers and repatriate the funds to the victims.

In the U.S., Project JOLT collaborates with private companies like Western Union, as well as with federal agencies such as the U.S. Department of Justice, the U.S. Federal Trade Commission, the U.S. Postal Inspection Service and the Federal Bureau of Investigation (FBI), in a united front



JCF officers working with Project JOLT approach a suspect residence to execute a search warrant in Montego Bay, Jamaica.

against telemarketing fraud.

Telemarketing Fraud

Telemarketing fraud has resulted in the loss of tens of millions of dollars, in many cases representing the victim’s entire life savings. When contacting victims, fraudulent telemarketers (referred to as “scammers”) regularly identify themselves as lawyers, government officials, law enforcement agents or lottery company officials.

In a typical fraud scenario, potential victims are led to believe they have won an international multimillion-



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dollar sweepstakes. The scammers then tell the victims that in order to receive their winnings, the victim will have to pay an advance fee. This fee is usually described as a tax, insurance payment or customs duty that must be paid to release the winnings. The victims are instructed to send the funds via mail, courier or wire transfer.

The winnings are invariably non-existent and the scammers make off with the funds paid by the victims. Most of these scammers are articulate and will often involve a variety



ICE Assistant Attaché Vance Callender and senior ICE representative Songura "Kini" Cole during a JOLT search warrant execution in Montego Bay, Jamaica.



The Project JOLT launch was announced with a press conference in Kingston, Jamaica, on May 20, 2009. In attendance were (left to right) JCF Commissioner of Police Hardley Lewin, ICE Office of International Affairs Operations Chief Scott Hatfield and U.S. Embassy Deputy Chief of Mission Jim Heg.

of partners to defraud the victim over the course of a period of time, a strategy that serves to increase the complexity of the matter and lends greater credibility to the scheme.

Scammers have been known to repeatedly bombard their victims with non-stop calls, even employing verbal abuse to coerce victims to comply. Intimidated, confused and exhausted, victims yield to the telemarketer's demands.

Some victims have reported threats made by the perpetrators against their lives or the lives of their family if the victim refuses to continue sending money. Victims may be told that any cooperation with law enforcement will result in death or injury to them or their family members, which can lead to these schemes going unreported.

Interception and investigation

Project JOLT investigations are generally initiated upon discovery of suspicious parcels or wire transfers coming from the United States to Jamaica, which are intercepted by law enforcement. Upon identifying a criminal violation, JOLT members begin the investigative process by



JCF Mobile Reserve Officers on the way to execute a JOLT search warrant in Montego Bay.

identifying co-conspirators, making arrests and seizing evidence. Victims and witnesses are identified and interviewed for evidence in Jamaican court proceedings, and ultimately, for evidence to be used in U.S. criminal proceedings. The detailed statements of victims and witnesses are essential for the successful prosecution of the perpetrators of these crimes and legal seizure and return of money to the victims.

Who are the victims of telemarketing fraud?

Accurate victimization rates are difficult to quantify, because many victims who lose money to telemarketing fraud do not contact authorities, for reasons that may include shame, embarrassment and the perception that "no one can help."

Geographic profiles: Potential victims have been identified from communities across the United States, ranging from large urban metropolises to small rural towns.

Age profiles: Perpetrators tend to victimize consumers of all ages, backgrounds and income level, but the elderly are disproportionately targeted. Perpetrators take advantage of the fact that many older people have cash reserves or other assets to spend on these deceptive offers. Older Americans may be especially susceptible to fraudulent offers for prize promotions, lottery clubs and charitable solicitations.

A 2003 survey conducted by AARP found that 90 percent of respondents reported awareness of consumer fraud, yet two-thirds said it was hard to spot fraud when it is happening. The survey also shows

that elderly victims find it difficult to terminate telephone conversations, even when they say they are not interested in continuing a conversation. They may be also reluctant to report for fear of losing financial independence should their families discover the fraud.

Other effects: Victimization is not limited to financial loss. Telemarketing fraud is often emotionally devastating to individuals, and the stress and pain of victimization may manifest itself as depression, isolation, the deterioration of physical and mental health, and even suicidal thoughts and actions.

Jamaican criminal organizations and their methods

Fraudulent telemarketing has become a lucrative source of income for criminal organizations in Jamaica. A “lead list” (a list of potential victims with their addresses and phone numbers) can be purchased

by brokers for \$5 to \$7 per page. These lists can be 10-15 pages long and list hundreds of potential victims. Each name on the list represents a potential ill-gotten profit of tens of thousands of dollars.

Violence related to telemarketing scams has grown exponentially in Jamaica, with gangs and criminal organizations exchanging gunfire over the lead lists and access to them, according to Jamaican law enforcement. Some of this violence is spilling over into other countries, such as Costa Rica.

An emerging method employed by scammers is to hire callers from the United States, either to fly to Jamaica to make the calls or to do so from within their communities in the United States. When a potential victim hears a caller with an American accent, they may be more likely to believe the call is legitimate and may more willingly send their money.

An additional method the scammers have been using to thwart the efforts of JOLT investigators is to contact the victims and falsely iden-

tify themselves as law enforcement (usually posing as a representative of the FBI or the Department of Homeland Security) and tell the victim they have been scammed. They then instruct the victim to send them all of their wire receipts and records of monetary transactions, so that the “agency” can collect the evidence for investigation. They further instruct the victim not to speak to anyone else other than the “agent” with whom they are currently speaking. When this ruse is successful, the victim has unwittingly disposed of key evidence of the criminal activity, leaving nothing for legitimate law enforcement to use to track down and arrest the scammer. This tactic makes conducting JOLT investigations particularly challenging, as the victim either doesn’t believe the JOLT agent on the phone or becomes confused and flustered, and often discontinues any contact with legitimate law enforcement.

Project JOLT: Results and statistics

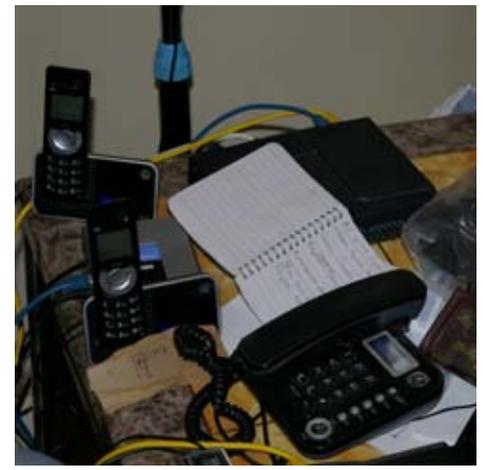
Since the inception of the operation



Five Jamaican nationals under arrest following a Project JOLT enforcement operation.



The “lead lists” pictured above were seized during a Project JOLT enforcement operation. These lists of potential U.S. scam victims often sell for \$5 to \$7 per page.



In the above photo from a telemarketing fraud site targeted by Project JOLT, multiple phones are hooked up to an Internet router to facilitate inexpensive calls into the U.S.



ICE Targets Jamaica-Based Telemarketing Scams – Continued

(from March 2009 through January 31, 2010), Project JOLT investigations have resulted in 87 arrests, 10 indictments and five convictions. In addition, these investigations have resulted in the seizure of over \$770,000 in assets (\$664,269 in cash and monetary instruments) and the repatriation of over \$251,800 to victims.

Case study: JOLT investigation leads to arrests in Colorado

In April 2009, the Steamboat Springs Police Services Department (Colo.) initiated an investigation into a group of Jamaican nationals living in Steamboat Springs who were found to be fraudulently soliciting elderly individuals, leading them to believe that they had won a lottery based out of Jamaica. The victims were instructed to pay monies that would allegedly be used to secure their winnings. The lottery never existed and the majority of funds sent to the scammers were wire transferred back to Jamaica.



Members of the Project JOLT task force arrest a suspect in an enforcement operation in Montego Bay, Jamaica. The case was connected to an ongoing ICE telemarketing fraud investigation in Colorado.

As the investigation began to identify victims from all over the United States, the police department approached ICE, the U.S. Postal Service and the FBI to assist with their investigation. Four Jamaican nationals were identified as orchestrating this scheme and defrauding victims of an estimated \$500,000. In a subsequent search of one suspect's residence, investigators found lists of victims' names and addresses, computers, money order receipts and cell phones. All of these items are commonly used in telemarketing fraud operations.

ICE agents with the JOLT Task Force used information obtained from the search warrants to identify and arrest two additional suspects in Jamaica for their involvement in the fraud scheme. Both had traveled extensively between Jamaica and the United States and were in the process of building homes using funds believed to be acquired from U.S. victims.

As a result of this investigation, six individuals were arrested. The four U.S. defendants entered into a plea arrangement in which they pled to mail fraud charges. They each received one year in federal prison and were ordered to pay restitution. The two suspects in Jamaica are awaiting prosecution.

Protecting against fraud

The Federal Trade Commission is the primary consumer protection agency in the U.S. and is the clearing-house for complaints ranging from advertising and sale of most products to regulating credit reporting agencies, debt collectors and non-bank lenders. The FTC's



Red Flag Indicators

Know your customer – In the financial industry, front-line employees typically have a personal relationship with their customers and are perfectly positioned to identify any change in the customer's financial activities and demeanor. Indicators to be aware of include the following:

- Customer account activity shows unusual cash transactions. Emerging information reveals that fraud perpetrators are using victims and others to help facilitate their crime. These individuals are sent other victims funds and instructed to deposit them for immediate forwarding to the fraud perpetrator.
- Customer talks of lottery winnings or an anticipated windfall.
- Customer sends money orders or cash to areas within the U.S. or foreign with no personal or family connection.
- Customer exhibits change in typical behavior. This can be manifested as excitement on learning of "winning" or depression and isolation on learning that they have been victimized.

Ask questions if you feel something is unusual with your customer or if you identify any of the "red flags" in their behavior, and contact ICE if you believe your customer has been victimized in a scam. Law enforcement and the financial industry must continue their partnership to identify and break this cycle of victimization.

consumer complaint database, the Consumer Sentinel Network (CSN), is the only national consumer fraud, identity theft, telemarketing and Do-Not-Call complaint repository in the U.S.

Consumers can report telemarketing complaints in several ways

- Call **1-866-DHS-2-ICE**
- Call the FTC at **1-877-ID-Theft** or **1-877-FTC-Help**
- Mail a complaint to the FTC:
**Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580**
- For more information go to **www.ice.gov** or **www.ftc.gov**.