



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

CIRCULAR-LETTER

TO : **ALL BANKS**

Attached is a copy of Anti-Money Laundering Council (AMLC) Resolution No. 361 dated 28 April 2004, informing that the AMLC Secretariat has been receiving numerous reports on the so-called "text scam", both from the public and from the banking institutions, which utilizes the present technology in banking, particularly the ATM system. It also points out that there are reports that ATMs of terminated/resigned contractual employees are not automatically cancelled upon termination/resignation, but instead, they are sold to unscrupulous people buying inactive ATM cards for the purpose of committing fraud.

All banks are therefore requested to be more vigilant by making appropriate arrangements with the companies availing of the bank's ATM payroll facilities to prevent the proliferation of this type of scam.

Your cooperation will be highly appreciated.


ALBERTO V. REYES
Officer-In-Charge

Attachment-

13 May 2004

MAG-IMPOK SA BANGKO





Anti-Money Laundering Council

Bangko Sentral ng Pilipinas Complex
Manila, Philippines

RESOLUTION NO. 361

Whereas, the Secretariat has been receiving numerous reports on the so-called "text scam" both from the public directly and from the banking institutions, by way of suspicious transaction reports;

Whereas, in "text scam", deceiving messages are sent to the prospective victims through cellular phones, using the names of the Bangko Sentral ng Pilipinas, the Philippine Charity Sweepstakes Office, the Philippine Amusement and Gaming Corp., and other institutions, advising recipients of the message (the prospective victims) about winning millions of pesos in a supposed raffle draw. The swindler would try to get his victim to deposit certain amounts of money in a particular bank account designated by the sender of the message or "text", purportedly for tax payments and other fees, as a precondition to getting the alleged prize. Once the victim makes the required deposit, the swindler immediately withdraws the money, and the victim will not be able to get in touch with the swindler again;

Whereas, "text scam" falls within the crime of swindling (estafa) by means of deceit punishable under Article 315 No. 2(a) of the Revised Penal Code, which is among the unlawful activities enumerated under Section 3 (i) of R.A. 9160, as amended;

Whereas, the present technology in banking, particularly the ATM system, is being utilized and abused in this scam, whereby the money required of the victim is credited to an ATM account designated by the swindler via inter-branch deposit facility of a particular bank, making it very easy for the swindler to withdraw the money thru ATM transaction anywhere;

Whereas, investigation reveals that in a number of "text scam" cases, terminated/resigned contractual employees own the suspected ATM accounts. These accounts were originally intended for payroll purposes and were opened upon the request of the employers. It was likewise discovered that the separation of the contractual employee/account holder from his employment does not automatically render his ATM account closed. There are reports about some unscrupulous people buying inactive ATM cards with their PINs from terminated/resigned employees for the purpose of committing fraud;

Wherefore, this Council resolves, as it is hereby resolved, to suggest to the Bangko Sentral ng Pilipinas the issuance of an advisory to all the banks for them to be more vigilant in preventing this type of scam by, among others, making appropriate arrangements with the companies availing of the banks' ATM payroll facilities for the automatic and absolute closure of the ATM payroll accounts of separated/resigned employees to prevent such accounts from being used for any illicit purpose.

28 April 2004, Manila, Philippines.



ALBERTO V. REYES

Acting Chairman
(Officer-in-Charge, Bangko Sentral ng Pilipinas)


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