

Beat: News

Spanish Police and the US Secret Service dismantle a network of scams

To American citizens

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USPA NEWS - Agents of the Spanish National Police, in a joint operation with the US Secret Service, have dismantled an international criminal organization based in Madrid specializing in the commission of online fraud. There are eight people arrested in Spain and one in Miami (USA), of different nationalities, allegedly dedicated to defrauding American companies and citizens. The network opened more than 100 bank accounts in Spain in which, in less than a year, they received close to 5,000,000 euros from the victims. The investigation has had the support of EUROJUST, which has been decisive for the police and judicial authorities of the United States, Panama and Spain to work together. The agents have seized objects of great value, among which are high-end watches valued at 200,000 euros, and have frozen assets for more than half a million euros.

The investigation began as a result of a complaint filed by a card processor due to the fraudulent use of two of his cards, belonging to a US citizen, in a luxurious commercial establishment in Madrid. The purchase was made online, although the collection was made in person, with the cardholder claiming transactions for an amount of more than 20,000 euros. After the first steps were taken, the agents of the Central Cybercrime Unit identified a complex criminal methodology that extended to different countries and multiple victims and that, in addition, had generated millions of euros of fraud.

The investigations confirmed that, in a first phase, those investigated used social engineering, phishing and smishing techniques to collect sensitive data from potential victims – individuals and North American companies – related to their financial assets. Subsequently, they phoned them (vishing) masking the calls (spoofing) to obtain the rest of the information necessary to materialize the scams through purchases over the Internet, or making transfers from the victims' accounts to others controlled by the organization from Spain. Sometimes even three-way calls were detected, so that the fraudster interacted simultaneously with the victim and with his North American financial institution to provide the verification and authorization codes for the transactions he needed to execute the operations.

With the progress of the investigation, the agents identified the leader and principal investigated of the criminal organization. He was a Nicaraguan citizen, without roots in Spain and recently arrived in this country from Panama, with a high standard of living.

In the bank accounts controlled by those investigated - which have turned out to be more than 100 - they received close to 5,000,000 euros in less than a year; although, as a result of international police cooperation, there are indications that these figures may be higher (more than 200 companies and people defrauded and a fraud that would exceed 7,000,000 euros). Once the money entered their accounts, they withdrew it at ATMs, sent it abroad through new transfers, or converted it into crypto assets.

The main person under investigation, who made use of numerous false documents to act with greater impunity, was the one who directly controlled the bank accounts opened in Spain. However, he was not the owner of the same, since he opened them in the name of third parties; Some worked directly with him, and he recruited others to open online accounts, usually among low-income or homeless people.

In the bank accounts opened in Spain they received the fraudulent funds that allowed them to lead a high standard of living. In this sense, they rented high-end vehicles, as well as hotels and homes in exclusive residential areas throughout the Spanish territory. The agents accredited a great geographical mobility of the members of the organization. They detected numerous trips by the partner of the principal investigated and their relatives from the United States to different Spanish cities -Madrid, Barcelona, Mallorca, Ibiza and Malaga- in order to carry out "commercial tourism." They also observed that they traveled to the main European capitals -such as Amsterdam, Paris or London- where they acquired high-value fashion products and jewelry and opened bank accounts.

Joint investigation with the US Secret Service

The investigation -which has been carried out by experts in the fight against cybercrime from the National Police together with the US Secret Service through the Liaison Office of the US Embassy in Madrid- has allowed the victims to be identified in the United States

and relate them to criminal activities carried out from Spain. In addition, the support of EUROJUST has been decisive for the police and judicial authorities of the United States, Panama and Spain to work together and to carry out simultaneous searches in Miami and Madrid.

The operation has allowed the complete dismantling of the criminal organization, with the arrest of all its members – eight in Madrid and one in Miami – and the seizure of numerous objects of considerable value. On the other hand, the agents have also blocked 74 bank accounts, freezing assets for more than 500,000 euros. At the registered address they located an area where they stored the merchandise acquired fraudulently or through funds from scams, in such a way that it looked like a luxury goods store.

As a result of the searches carried out, the agents have intervened nine high-end watches -some of them valued by the brands at around 200,000 euros-, numerous jewels, 44 mobile phones, four laptops and three desktop computers, three tablets and three monitors. In addition, they also located bags of clothing and shoes from different luxury brands, abundant documentation and bank cards, a compressed air gun and eight false passports and identity documents.

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UPA United Press Agency LTD
483 Green Lanes
UK, London N13NV 4BS
contact (at) unitedpressagency.com
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