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UiTM Cawangan Kedah



UNIVERSITI
TEKNOLOGI
MARA

Faculty of Business
and Management

UiTM *di hatiku*

VOLUME 6
2022

eISSN 2716-599X



772716 599000

e-ISSN 2716-599X

FBM INSIGHTS

Faculty of Business and Management

Universiti Teknologi MARA Cawangan Kedah

e-ISSN 2716-599X

The editorial board would like to express their heartfelt appreciation for the contributions made by the authors, co-authors and all who were involved in the publication of this bulletin.

Published by : Faculty of Business and Management,
Universiti Teknologi MARA Cawangan Kedah

Published date : 10th November 2022

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RECTOR'S MESSAGE



Congratulations Faculty of Business and Management of Universiti Teknologi MARA Cawangan Kedah, Kampus Sungai Petani on the publication of the 6th Volume of FBM Insights!

I am very pleased to know that there are more than 40 authors and more emerging issues are being presented in this latest volume of FBM Insights. This portrays that UiTM Kedah Branch is actively involved in disseminating business related information and knowledge to the public.

I hope this bulletin can provide an opportunity for the Faculty of Business and Management staff to produce more academic materials and develop their skills in academic and creative writing. Furthermore, more initiatives should be launched to support this life-long process.

Again, well done to the Faculty of Business and Management and those who were involved directly and indirectly with the publishing of FBM Insights Vol.6. I wish FBM Insights all the best and continue to grow and move rapidly forward in the future.

Prof. Dr. Roshima Haji Said
Rector
Universiti Teknologi MARA (UiTM)
Cawangan Kedah



السلام عليكم ورحمة الله وبركاته

Assalamualaikum warahmatullahi wabarakatuh

Welcome to the 6th Edition of FBM Insights 2022. This edition boasts 40 articles by the academics of Faculty of Business and Management UiTM Kedah Campus. The topics involved a broad range of business and management knowledge. Congratulations to all authors for your endless support and valuable contribution to the newsletter.

FBM Insights was mooted in 2020 and it came about with the intention to encourage and improve research writing activities among the lecturers of UiTM Kedah's Business and Management Faculty. As the editions progressed, the support from the academics has not faltered. I hope the support continues in editions to come.

I would like to congratulate the editors and the committee for the hard work and perseverance in managing the newsletter. All the best to everyone and thank you again.

Dr. Yanti Aspha Ameira Mustapha
FBM Insights Advisor

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THE MONEY MULE SYNDICATE

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The financial system is threatened globally by the money mule issue. Money mules are used by criminals, including scammers, fraudsters, and online hackers, to launder their stolen money (Moore et al., 2009; Richet, 2013). Money mule refers to unwitting victims tricked by scammers into using their bank accounts to launder stolen or illegal money. Usually, a small amount of the cash is transported as a payment for the mule's services. In addition, a mule account is when an individual or company permits others to handle their bank accounts by passing over their ATM card PIN or internet banking password to criminals for them to receive money from fraudulent activity (Esoimeme, 2020; Raza et al., 2020; Saufi Zulqaram Rosli et al., 2022).

Using a money mule is primarily intended to conceal the money trail and thwart any attempts to investigate the underlying illicit activities. It is one of the money laundering issues plaguing banking organisations and necessitates considerable compliance effort (Esoimeme, 2020). An individual known as a money mule is not a member of the criminal organisation but is employed and placed within it to obstruct law enforcement efforts. They block the money trail, and the criminals benefit from money laundering. A money mule receives money in their bank account from a third party, takes it out in cash or moves it to another account, and gets paid a commission for the transfer. In addition to running themselves, mules set up businesses or bank accounts in their names run by criminal organisations to launder money. Money mules are complicit in the crime since they help to launder the illicit money. The payoff is modest compared to the danger incurred by the money mule.

Additionally, there have been cases in Malaysia where people who used money mule accounts received a one-time payment of between RM250 and RM500 in exchange for a portion of the money deposited into those accounts (Ramendran, 2021). Criminals utilise chameleon behaviour to adapt to their surroundings and select victims. They draw victims without making them aware of their malicious goal. The global threat of money mule crime is rising, making it possible for real criminals to go unnoticed (Vedamanikam et al., 2022; Vedamanikam & Chethiyar, 2020). Recruiters disappear with the money after the illegal money is withdrawn. When the withdrawal of illicit money is linked to the mule's account and, therefore, the identity of the mule; the mules are left unpaid and ultimately responsible for the fraudulent charges by the authority. These criminal activities will be investigated under Penal Code Section 411, Section 424 and Section 29 (1) Minor Offences Act.

It is not particularly strange given that Malaysia has had many incidents of money mules. Until May 10, this year, 1,669 mule accounts had been reported, compared to 29,769 last year. Of that amount, 12,659 persons were detained and charged with various offences for permitting their bank accounts to be exploited for criminal operations (Bernama, 2022). In addition, The Royal Malaysia Police also apprehended 565 people involved in commercial crimes from January to May, and 343 or 60% of them involved money mules in Negeri Sembilan. The statistics show an increasing pattern of money mule cases in Malaysia, which is worrying (Ahmad Hasbi, 2022).

Several factors contribute to the increased cases of money mules. Due to restrictions on business operations during the Movement Control Order (MCO) and forcing businesses to close when insufficient money came in to cover rising costs, there was an upsurge in unemployment during the COVID-19 epidemic. More people are still losing their jobs and finding it tough to make ends meet without a paycheck. In this state, they are under constant pressure and need money to pay for necessities (Esoimeme, 2020; Irwan et al., 2022; Muhammad Aminnuraliff, 2022). When they are desperate, it increases the chance of becoming money mules. Despite this, speedier ways to earn easy money have made them avaricious (Bernama, 2019; Noor Mohamad, 2019). Noor Mohamad (2019) also mentioned that the major targets of the syndicate include indolent people, drug addicts, retirees, persons having a history with banks, people looking for employment, jobless people, housewives, college students, and social workers.

The number of advertisements and postings on social media targeting the Millennials has made them an easy target to run their illegal operations. The internet and fast-changing technology have attracted fraudsters and made their laundering activities easier because of several aspects like anonymity, no face-to-face contacts and speed of transaction. This aspect enabled them to hide their identity and reach more engagement, especially on social media, for their money mule recruitments (Raza et al., 2020; Wronka, 2022).

Overall, the study shows that as the number of cases involving money mules increased, the level of awareness and precautions also increased in Malaysia. The findings indicate that Malaysians are aware of the existence of money mules and are taking steps to avoid them (Saufi Zulqaram Rosli et al., 2022). Bank Negara Malaysia, Malaysia Police and the media have played their roles in educating society on money mules through a series of talks to the public, spreading awareness through infographic posters, conducting research on money mules and so on. Police also have run several operations to combat these fraudulent activities. In contrast, is the effort made by them enough? It is suggested to expand the study on the effectiveness of the action taken by the authorities and the NGOs in spreading awareness and educating society about money mules. A good and effective awareness programme will help society be aware of the consequences of these laundering and scam activities. Even though the sentence may be considered light for money mules accused of participating in a fraud syndicate, the record follows them even after they are released.

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