

# WATCHLIST – FRAUDS THIS WEEK

## HIGHLIGHTS

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2. FACTORY MAKING COUNTERFEIT HARPIC, DETTOL ITEM BUSTED IN NOIDA
3. SAHARA RED-FLAGGED FOR FRAUD PROBE; Rs 86,000 CRORE FROM 4 CRORE DEPOSITORS
4. DHFL'S LENDERS APPROACH NCLT TO MARK Rs 14,000 CRORE IN RETAIL LOANS AS FRAUD
5. POPULAR FINANCE FRAUD IN PATHANAMTHITTA; DEPOSITORS LOSE Rs 2,000 CRORE
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10. MCA TO INSPECT YES BANK'S BOOKS IN FIRST INVESTIGATION AGAINST THE BANK IN Rs 5,050-CRORE SCAM

### INTERNATIONAL

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2. 15 ARRESTED, INCLUDING COPS, FOR MULTI-MILLION POLICE CAR BRANDING TENDER FRAUD
3. U.S. SEIZES CRYPTO ACCOUNTS TIED TO NORTH KOREAN CYBERATTACKS THAT STOLE \$29 MILLION; AUSTRALIA PROBES HORSE RACING GROUP LINKED TO ONECOIN CRYPTO SCAM
4. SAMSUNG HEIR CHARGED WITH FRAUD OVER 2015 MERGER IN SEOUL
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6. EX-CEO, EX-CFO FOR HACIENDA HEALTHCARE INDICTED FOR FRAUD; STATE IS OWED NEARLY \$11M
7. YUMA COUNTY OFFICIALS WARN OF 'FAKE' PILLS THAT ACTUALLY CONTAIN DEADLY FENTANYL
8. P1.2 BILLION LOST IN RACKET USING FAKE PHILHEALTH RECEIPTS IN MANILA
9. A METRO BANK CUSTOMER LOST 26,000 EURO TO A FRAUDSTER IN BEDFORD
10. A LOUIS VUITTON EMPLOYEE ALLEGEDLY SOLD UNRELEASED BAGS TO COUNTERFEIT SO THEY COULD MAKE BETTER FAKES IN SHANGHAI

# INDIA

## 1. COUNTERFEIT TATA WIRON BARBED WIRE MATERIAL SEIZED IN HARYANA RAID

**Link:** <https://www.avenuemail.in/jamshedpur/counterfeit-tata-wiron-barbed-wire-material-seized-in-haryana-raid/151874/>

As part of the ongoing effort to protect its brand and assets, Tata Steel, with the support of local Police, conducted a joint raid at Laxmi Industries located in Bhiwani in Haryana on August 31. The team seized approximately 100 bundles of counterfeit Tata Wiron barbed wire material from the sellers estimated to be valued at Rs two lakh. An FIR has been lodged in this connection. Tata Wiron's barbed wire possesses unique packaging which is authorised to be sold by channel partners only.

## 2. FACTORY MAKING COUNTERFEIT HARPIC, DETTOL ITEM BUSTED IN NOIDA

**Link:** <https://www.livemint.com/news/india/noida-factory-making-counterfeit-harpic-dettol-items-busted-11598670901018.html>

A Noida-based factory manufacturing and selling counterfeit products of popular household items like Harpic toilet cleaner, disinfectant Dettol, and washing powder Surf Excel, among others, has been busted, police said on Friday. Hundreds of these packaged items bearing labels of original products have been seized and two people identified as the owner of the factory, operating clandestinely from a house, have been booked, they said.

## 3. SAHARA RED-FLAGGED FOR FRAUD PROBE; Rs 86,000 CRORE FROM 4 CRORE DEPOSITORS

**Link:** <https://indianexpress.com/article/business/companies/sahara-red-flagged-for-fraud-probe-rs-86000-crore-from-4-crore-depositors-6580931/>

Between 2012 and 2014, when two of its group firms were indicted by the Supreme Court and its chief Subrata Roy was arrested, the Sahara Group floated three cooperative societies and collected deposits worth Rs 86,673 crore from as many as four crore depositors, records accessed by The Indian Express show. These societies — and a fourth one set up in 2010 — and their deposits have been red-flagged by the Government which has called for a probe into a slew of “highly suspect” irregularities that have put depositors’ “hard-earned” money under “serious” risk.

## 4. DHFL'S LENDERS APPROACH NCLT TO MARK Rs 14,000 CRORE IN RETAIL LOANS AS FRAUD

**Link:** <https://www.bloombergquint.com/business/dhfl-lenders-approach-nclt-to-mark-rs-14000-crore-in-retail-loans-as-fraud>

Lenders to Dewan Housing Finance Corp. Ltd. have approached the National Company Law Tribunal to tag Rs 14,046 crore in retail loans as fraudulent, the company said in an exchange notification on September 2. The loans were classified as retail advances by DHFL but were actually extended to shell companies owned by promoters of the housing financier and allegedly siphoned off, three people told BloombergQuint on the condition of anonymity. Additionally, an amount of Rs 3,348 crore has been considered as due and outstanding towards national loss to the company on account of charging lower rate of interest to certain entities, the exchange notification said.

#### **5. POPULAR FINANCE FRAUD IN PATHANAMTHITTA; DEPOSITORS LOSE Rs 2,000 CRORE**

**Link:** <https://www.newindianexpress.com/states/kerala/2020/aug/29/popular-finance-fraud-depositors-lose-f2000-crore-2189706.html>

In one of the biggest-ever fraud cases of its kind, Popular Finance, the Konni-Vakayar-based non-banking finance firm, allegedly cheated depositors to the tune of around Rs 2,000 crore. Following a nationwide alert sounded by KG Simon, district police chief, Rinu Maria Thomas and Riya Anna Thomas —daughters of the firm’s managing director and CEO Thomas Daniel — were apprehended at New Delhi’s Indira Gandhi airport on Friday. Simon said a team led by Konni CI Rajesh was dispatched to New Delhi to bring them back and as per latest information, the arrested siblings will be flown back here on Saturday. He said a special team led by Adoor DySP Binukumar is continuing searches at the Vakayar head office of the firm and bank accounts of the directors were frozen on the investigators’ request. The head office of the company was sealed on Friday on the orders of the Pathanamthitta sub-court following a petition filed by a depositor.

#### **6. HARYANA DETECTS Rs 1,182 CRORE GST FRAUD, 69 FAKE FIRMS FOUND**

**Link:** <https://indianexpress.com/article/india/haryana-detects-rs-1182-cr-gst-fraud-69-fake-firms-found-6580735/>

The Tax Research Unit of the Haryana Excise and Taxation Department has detected Rs 1,182 crore fraud allegedly committed by registering 69 fake and non-existing firms in the state. Officials suspect that these entities were formed to make false claims of credit. According to the officials, such traders don’t pay the taxes but claim credit by way of fake invoicing. The illegal credit is passed on to other business entities which use it to discharge their tax liabilities.

#### **7. IN NAGARKURNOOL EXCISE OFFICIALS CRACK WHIP ON LIQUOR DENS**

**Link:** <https://www.thehansindia.com/tehrangana/nagarkurnool-excise-officials-crack-whip-on-liquor-dens-643393>

The Excise officials have cracked whip on liquor dens in a few thandas in Kollapur mandal in the district on Wednesday and seized 10 litres illicit liquor and 500 litres of fermented jaggery mix and arrested two persons. According to Nagarkurnool excise police, based on a tip-off they raided a few thandas and found out that many people in the villages were manufacturing illicit liquor. During their raids, the excise police destroyed pots and other equipment used for making illicit liquor and seized liquor and jaggery mix from two persons. Excise Circle Inspector Yedukondalu informed that they arrested two persons and booked cases against them.

#### **8. 9,000 BOTTLES OF LIQUOR RECOVERED FROM GAS CONTAINER IN HARYANA'S HISAR**

**Link:** <https://timesofindia.indiatimes.com/city/gurgaon/9000-bottles-of-liquor-recovered-from-gas-container-in-haryanas-hisar/articleshow/77845367.cms>

The police on Saturday night arrested in Hisar the driver of a gas tanker carrying 9,372 bottles of English liquor. The illicit liquor was being transported from Panipat to Rajasthan. Different registration number plates were affixed on the front and back of the gas tanker, the police said. Based on the complaint of havildar Sandeep, a case has been registered at the Hisar Sadar police station against Kishna Ram, a resident of Bhunia village in Barmer district of Rajasthan, under the provisions of the Indian Penal Code and the Excise Act.

#### **9. CALL CENTRE SCAM; WORKING IN MUMBAI'S MALAD, CONNING IN THE U.S**

**Link:** <https://timesofindia.indiatimes.com/city/mumbai/call-centre-scam-working-in-mumbais-malad-conning-in-the-us/articleshow/77905526.cms>

The proprietor of a software company has been arrested from Malad for allegedly running a call centre racket in which he cheated Americans and Canadians. The police said they have seized 100gm of marijuana meant for his personal consumption. Also, they found gold coins weighing 200gm valued at Rs 10 lakh besides Rs 40 lakh. The arrested accused, Nishant Nagraj Shirshikar (30), was running the call centre from his home. He had over a dozen employees working from their homes, said officials of Mumbai police's Crime Intelligence Unit.

#### **10. MCA TO INSPECT YES BANK'S BOOKS IN FIRST INVESTIGATION AGAINST THE BANK IN Rs 5,050-CRORE SCAM**

**Link:** <https://www.moneycontrol.com/news/business/companies/mca-to-inspect-yes-banks-books-in-first-investigation-against-the-bank-in-rs-5050-crore-scam-5792021.html>

The Ministry of Corporate Affairs (MCA) has decided to inspect the books of Yes Bank in the Rs 5,050-crore fraudulent deals case. The MCA will submit its report in three months. Yes Bank did not respond to an email from *Moneycontrol*. This move is significant in many ways: one, this is for the first time an investigation against Yes Bank itself is being initiated, though its founders are under the scanner of various probe agencies. Two, normally, the books of banks are inspected by the Reserve Bank of India (RBI), and not by the MCA.

## **INTERNATIONAL**

#### **1. U.S. CUSTOMS AND BORDER PROTECTION SEIZE NEARLY 10,000 COUNTERFEIT PRODUCTS COMING FROM CHINA**

**Link:** <https://spacecoastdaily.com/2020/08/u-s-customs-and-border-protection-seize-nearly-10000-counterfeit-products-coming-from->

[china/](#)

U.S. Customs and Border Protection officers seized 7,500 counterfeit phone cases and 2,040 counterfeit phone fronts from three shipments at local cargo facilities. The fake items came from China and would have been worth a total of \$374,020 had they been genuine. The phone cases and fronts were labeled as Apple and Samsung, with black tape placed over the brand name in an attempt to circumvent a complete inspection. Additionally, the shipments were manifested as "Plastic LCD" with listed values below \$500 per shipment.

## **2. 15 ARRESTED, INCLUDING COPS, FOR MULTI-MILLION POLICE CAR BRANDING TENDER FRAUD**

**Link:** <https://www.goexpress.co.za/2020/08/30/15-arrested-including-cops-for-multi-million-police-car-branding-tender-fraud/>

Police have arrested 15 people, some of whom are former or serving cops, in connection with fraud, corruption, money laundering and theft. The accused were allegedly involved in dodgy supply chain processes over a R56m car marking tender. Nine of those arrested are former or current SAPS members. SAPS spokesperson Brig Vishnu Naidoo said the accused were arrested between 9.30am on Friday and 1.30pm on Saturday.

## **3. U.S. SEIZES CRYPTO ACCOUNTS TIED TO NORTH KOREAN CYBERATTACKS THAT STOLE \$29 MILLION; AUSTRALIA PROBES HORSE RACING GROUP LINKED TO ONECOIN CRYPTO SCAM**

**Link:** <https://www.pymnts.com/cryptocurrency/2020/bitcoin-daily-us-seizes-crypto-accounts-tied-to-n-korean-cyberattacks-that-stole-29m-australia-probes-horse-racing-group-linked-to-onecoin-crypto-scam/>

Australian racing officials are looking into a thoroughbred operation after it was revealed that the owner could've been involved in a money laundering scheme linked to a fake cryptocurrency, according to a report from The Sydney Morning Herald (SMH). Phoenix Thoroughbreds, which co-owns Australian group 1 winner Farnan, was barred from racing in France earlier in August. A prosecution witness had alleged that the owner, Amer Abdulaziz Salman of Dubai, stole \$161 in the OneCoin cryptocurrency scheme. According to SMH, OneCoin was one of the largest global scams in crypto, and stole something close to \$7.2 billion from investors across multiple continents. The investors bought the coins thinking they would later see massive upswings in value.

## **4. SAMSUNG HEIR CHARGED WITH FRAUD OVER 2015 MERGER IN SEOUL**

**Link:** <https://economictimes.indiatimes.com/markets/stocks/news/samsung-heir-charged-with-fraud-over-2015-merger/articleshow/77882160.cms>

South Korean prosecutors indicted the Samsung Group's Jay Y Lee on Tuesday on suspicion of accounting fraud and stock price manipulation in connection with a 2015 merger, dealing a new blow to the head of one of Asia's most valuable companies. Lee, who has already served jail time in connection with a separate case, and 10 other current and former Samsung executives were indicted over the merger of two Samsung affiliates that helped Lee assume greater control of the group's crown jewel, Samsung Electronics. The indictment

paves the way for Lee, 52, to undergo trial on the allegations. He will not be detained as a Seoul court denied a request from prosecutors in June for an arrest warrant. But the court said prosecutors seemed to have secured a considerable amount of evidence and it was appropriate to send the case to trial.

#### **5. SOUTH AFRICA'S \$30 BILLION COVID-19 RELIEF PACKAGE EXPOSED TO FRAUD IN JOHANNESBURG**

**Link:** <https://in.reuters.com/article/healthcoronavirus-safrica-corruption/safricas-30-bln-covid-19-relief-package-exposed-to-fraud-auditor-general-idINL8N2FZ2GF>

South Africa's auditor general said on Wednesday that some of the money in its 500 billion rand (\$30 billion) COVID-19 relief package may have been fraudulently paid to improper beneficiaries. Reports of suspect deals between government officials and businesses providing medical equipment or food aid parcels to the poor, as well as mismanagement of the disaster fund, have sparked public outrage. In August, the Special Investigating Unit (SIU) told lawmakers it was combing government departments for possible corruption over irregularities in coronavirus-related tenders worth 5 billion rand.

#### **6. EX-CEO, EX-CFO FOR HACIENDA HEALTHCARE INDICTED FOR FRAUD; STATE IS OWED NEARLY \$11M**

**Link:** [https://www.azfamily.com/news/ex-ceo-ex-cfo-for-hacienda-healthcare-indicted-for-fraud-state-is-owed-nearly-12m/article\\_84e1b970-ecd7-11ea-90a2-a3ac6ceceda.html](https://www.azfamily.com/news/ex-ceo-ex-cfo-for-hacienda-healthcare-indicted-for-fraud-state-is-owed-nearly-12m/article_84e1b970-ecd7-11ea-90a2-a3ac6ceceda.html)

A grand jury has indicted Hacienda HealthCare's former CEO Bill Timmons and former CFO Joseph O'Malley on several felony charges of fraud and racketeering after the facility allegedly overbilled the state millions of dollars between 2013 and 2018. The healthcare facility first made headlines at the beginning of 2019 when a patient in a vegetative state was allegedly raped by a former nurse, then gave birth with no facility staff ever knowing she was pregnant. According to the Arizona Attorney General's Office (AGO), the Medicaid fraud investigation began around the same time in early 2019 after learning Hacienda failed to comply with terms of its contract with the state.

#### **7. YUMA COUNTY OFFICIALS WARN OF 'FAKE' PILLS THAT ACTUALLY CONTAIN DEADLY FENTANYL**

**Link:** [https://www.azfamily.com/news/investigations/opioid\\_crisis/yuma-county-officials-warn-of-fake-pills-that-actually-contain-deadly-fentanyl/article\\_1f56aa7e-ed82-11ea-bbfd-1b883cb55204.html](https://www.azfamily.com/news/investigations/opioid_crisis/yuma-county-officials-warn-of-fake-pills-that-actually-contain-deadly-fentanyl/article_1f56aa7e-ed82-11ea-bbfd-1b883cb55204.html)

The Yuma County Sheriff's Office wants to warn the public about some "fake" and deadly pills being circulated on the streets. The pills look identical to legitimate medications like hydrocodone or Xanax, but they actually contain the powerful opioid fentanyl. Sheriff's officials say the counterfeit pills have led to an increased number of opioid-related overdoses within Yuma County. Fentanyl, which is 100 times more powerful than morphine, is being mixed with other chemicals and pressed into pills that look just like regular drugs often prescribed for pain or anxiety. Mexican drug cartels are most commonly supplying these counterfeit pills, sheriff's officials say.

#### **8. P1.2 BILLION LOST IN RACKET USING FAKE PHILHEALTH RECEIPTS IN MANILA**

**Link:** <https://newsinfo.inquirer.net/1330525/p1-2b-lost-in-racket-using-fake-philhealth-receipts>

Some P1.2 billion in contributions from migrant Filipino workers has been lost to fraud in Philippine Health Insurance Corp. (PhilHealth) that involved the use of fake receipts, a former employee of the state-run health insurer told a hearing at the House of Representatives on Wednesday. During the House inquiry into allegations of irregularities in PhilHealth, Ken Sarmiento, the former employee, told a joint hearing held by the committees on government and on public accounts how company officials failed to press charges against the people behind the fake receipts fraud that the Inquirer exposed through a series of investigative reports in June last year.

#### **9. A METRO BANK CUSTOMER LOST 26,000 EURO TO A FRAUDSTER IN BEDFORD**

**Link:** <https://www.thisismoney.co.uk/money/beatthescammers/article-8674287/How-Metro-Bank-customer-lost-26-000-two-step-sophisticated-scam.html>

A Metro Bank customer lost £26,000 after a fraudster took advantage of compromised card details to scam him twice in what the bank described as a sophisticated social engineering scam. The man from Bedford, who did not wish to be named, said he was left checking his online banking 'every five minutes' after fraudsters accessed his account and stole thousands of pounds. To make matters worse, the new payees set up to move money out of the account by the scammers remained there for an entire week after the scam until the bank deleted them, while he said Metro Bank initially told him to sit tight and wait for a call from their fraud team. A Metro Bank customer lost £26,000 after a fraudster took advantage of compromised card details to scam him twice in what the bank described as a sophisticated social engineering scam. The man from Bedford, who did not wish to be named, said he was left checking his online banking 'every five minutes' after fraudsters accessed his account and stole thousands of pounds. To make matters worse, the new payees set up to move money out of the account by the scammers remained there for an entire week after the scam until the bank deleted them, while he said Metro Bank initially told him to sit tight and wait for a call from their fraud team.

#### **10. A LOUIS VUITTON EMPLOYEE ALLEGEDLY SOLD UNRELEASED BAGS TO COUNTERFEIT SO THEY COULD MAKE BETTER FAKES IN SHANGHAI**

**Link:** <https://robbreport.com/style/accessories/louis-vuitton-busts-high-tech-counterfeits-2948511/>

Louis Vuitton may be beating the odds doing healthy business in the age of coronavirus, but that doesn't mean its battle against counterfeits has taken a backseat. Its latest bust of fakes, however, involved two things the heritage brand did not anticipate: top-notch tech and its own employee. In a plot that seems ripe for cinematic treatment, a sales representative from the French luxury brand's Guangzhou store is alleged to have repeatedly sold bags ahead of their launch at a significant markup to counterfeiting organizations. This headstart gave them enough of a lead to produce the fakes in time of correspond with the release of the genuine article, according to a report from WWD.



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