

DUPLICATE PAYMENTS

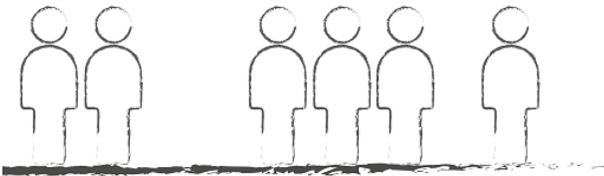
WHAT IS IT?

Duplicate payments are a form of fraud that lead to monetary losses for the entity involved. It allows for the redirection of a duplicate payment into the perpetrator's account.

HOW IT WORKS

An entity will make a payment to a service provider. A second duplicate payment would then be effected to the service provider with the exception that the funds are in actual fact being redirected to the account of the person at the entity affecting the payments.

Another permutation is for a duplicate payment to be made and the service provider is requested to refund one of these payments to an account belonging to the perpetrator.



POSSIBLE INDICATORS

- Duplication of payments from a single account
- Flow of funds that is inconsistent with the normal customer profile
- A possible purchasing of high value assets (i.e. property and vehicles) which might occur with the subsequent transferring of refunds into the account of the third party

CASE STUDY



DUPLICATE PAYMENTS |

A financial clerk working at a municipality responsible for executing payments to service providers was a person of interest to the FIC.

It was alleged that the subject made duplicate payments to the municipality's service providers. The municipal manager discovered a discrepancy and reported the suspected unlawful activity.

The FIC analysed the municipal account, and it was discovered that duplicate payments had been routed to the subject's bank accounts. The accounts were analysed to determine how the proceeds were used and, in the process, various other beneficiary accounts were identified. The FIC identified cash withdrawals, lifestyle spending, funds transferred to a car dealership and funds transferred to an attorney's account to purchase a property.

The FIC issued a directive to seize R1 268 000 and the Asset Forfeiture Unit obtained a preservation order for the money in the blocked accounts, a residential property to the value of R1 795 000, and a vehicle and furniture worth about R620 000. ■