

CYBER CRIMINALS, GANG BUSTED FIRST TIME IN PAKISTAN

By Syed Saleem Shahzad
At a time when India has contacted the Federal Bureau of Investigation USA to help her control cyber crimes as thousands of fraudulent cases have been reported in India, the Crimes Branch of Sindh Police Karachi has

bust a gang of cyber criminals for the first time. Well-placed sources said that after hectic efforts of Crimes Branch, two teenaged computer wizards, Shahid a student of 'A' levels at a local school and Imdad, a student of a science college, Karachi and resident of North Nazimabad have been

arrested under section 419, 420, in an FIR 163/2000 registered in North Nazimabad Police Station. According to insiders two foreign banks had contacted Sindh Police and informed them that their credit card facility is being heavily misused on internet. A gang of cyber criminals hack the

internet and misuse the credit card facility causing millions of rupee losses to the banks. The case was given to DIG Crimes who handed over the inquiry to Inspector Salman Waheed. The investigations started on a complaint filed by a foreign bank whose client Mr

Cyrus J. Massani told the bank that he was wrongly given a statement in which he had purchased computers and accessories from Indiana, USA. As a result, the foreign bank based in Pakistan disputed the payment at which the bank in the US sent a

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Cyber criminals' gang

Continued from Page 1 arrested.

details including chatting on Yahoo. Com, a purchase order which was placed to Mr TuggdiBurg owner of Nevitic Corporation USA. The purchase order included CDs, DVDs, Lap-top, digital cameras, and many other computer assesories. In addition, the bank investigated and also sent details of the consignment that was dispatched through a US courier company, United Parcel Service and was cleared at Customs in Karachi.

The Fraud Detection Cell of the foreign bank handed over the details to Crimes Branch through which they reached the delivery address, i.e North Nazimabad, where a teenaged boy Imdad and his pointation, Shahid were

Insiders revealed that these teenagers come from highly educated and well-off families. They acquired the numbers of different credit cards by decoding different internet highways and have, so far, ripped off about Rs 2.7 million amount. Sources said that on their pointation further arrests are expected in cases in which millions of rupees were ripped off.

According to sources in the police this sort of crime has occurred for the first time in the police history of Pakistan so they are trying to search for a section to fit the crime. At present, they are considering the option of accepting the computer as a document and through section 465 turn into law.

By Massoud Ansari

Theft on the Net

A cyber fraud gang is apprehended but the country's legal system proves ill-equipped to deal with high-tech crime.

When Syed Mohammed Immad began college, his parents bought him a computer with an Internet connection. One day while chatting online, Immad, a student in Second Year F.Sc. at the D.J Science college, encountered an individual who acquainted him with the concept of making purchases over the Internet and provided addresses of various web sites where orders could be placed through credit cards. He also informed Immad that credit cards of the serial number 4472 were acceptable all over the US.

Within the next couple of days, Immad visited different web sites and familiarised himself with the procedure of online shopping. He learnt that besides credit card numbers, their expiry dates are also required to place orders.

There was one problem, however. Immad had no credit card of his own. Nevertheless, he was determined to find a way around this hurdle and confided in a colleague named Shahid, who introduced him to another friend, Ali Owais. Owais was working as a cashier at the Deja Vu restaurant in Zamzama, Clifton. Immad and Shahid took him into confidence and asked him to provide them with credit card numbers starting with 4472, a serial number of ANZ Grindlays, and their validity details. Soon, Owais had

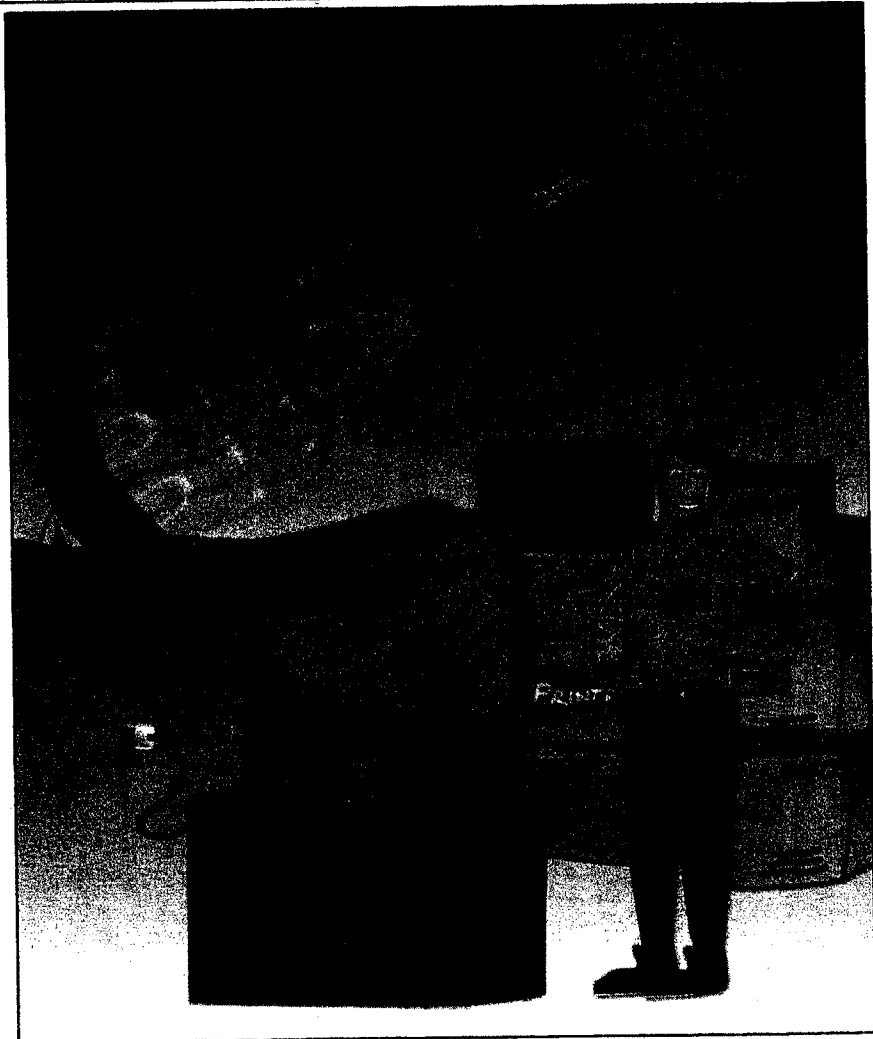


Illustration: Danish Khan

collected the information required and given it to the two boys, who by this time had recruited another partner, Farid Ahmed.

Immad registered himself at Yahoo, a free e-mail service, impersonating as Cyrus J. Massani, one of the credit card holders whose numbers he was given.

He then went to different sites and placed orders for goods using Massani's credit card number. For the delivery of the merchandise, he gave the address of Shahid's uncle's hosiery outlet in North Nazimabad. One of the boys waited at the shop and sure enough, after couple of days, a cargo agent from United Parcel Service, a multi-national courier company with a branch in Pakistan, arrived at the given address and asked for C. J Massani. The boy was informed that the

obtained the shipment which comprised a Laptop computer, digital camera, scanner, DVD drive and fax modem among other items.

The boys were thrilled with the success of their first venture and soon placed more orders. According to Syed Immad, allegedly the ringleader of the gang, "We did it for fun. I placed orders at several companies, but mostly I chose www.navitechcorp.com, the website of the US-based company Navitech

cleared without having to wait for its arrival at the given address." The boys sold some of the computer parts in the market and, with a portion of the proceeds, treated themselves to a holiday up north besides living it up in Karachi at upscale restaurants.

This scam continued for over six months. But the boys' freebie was over when their activities were tracked down by the local police and they were arrested after several of the credit card holders, on whose behalf the

purchases were made, refused to pay the amount to ANZ bank, saying they were not responsible for the sale. The ANZ Risk Management chief, Aftab Amin Ali, wrote to the IG Sindh, informing him about the illegal overseas online transactions by unknown individuals and seeking help in apprehending the thieves. Says Inspector Salman Hyder, who busted the gang after three months of persistent efforts, "We came into the picture only when we received a complaint from the ANZ management regarding the misuse of their clients' credit card numbers over the Internet."



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shipment had arrived from Indiana, US, but that it could only be delivered to Mr. Massani after he paid the customs duty.

The boys managed to pay the amount through the Dastagir Clearing Agent, a local customs clearing company, with one of them impersonating as C.J Massani. Then they went to the cargo company, submitted the custom receipts and

Corporation, which deals in computers and electronics, to purchase different products." He added that during this period, he corresponded with one Tagdi D. Burg in the Navitech's customer services section, who, as per normal procedure, gave him the tracking numbers of the shipments. "This way it became simple for us to collect the shipment ourselves from the UPS parcel service and get it

The IG Sindh assigned a taskforce to the crime branch of Karachi police to investigate the matter. Sources within the police disclose that the boys' identity was traced from the addresses given for the delivery of the shipments and claim that nearly 40 per cent of the computer and electronic goods imported by the boys have been recovered from their residences.

The purchases made by the boys at

various times include hard drive/DVD drive 136D, digital camera HPC-200 (MMAICADJ-68), Pentium-III laptop, a Philips scanner, CPU Casing, Epson printer, CPU (Gold Field), Desk Jet colour printer, USB camera, Yamaha headphones and other electronic and computer appliances.

Three of the four-member gang were arrested while one of them, Farid Ahmed, a resident of F.B Area in Karachi, is still at large. Says a police officer involved in the investigation, "The restaurant cashier, Ali Owais, passed on the credit cards numbers of different people to Immad, Farid and Shahid, but demanded his share only when he saw the boys making a fortune out of this business." He added that Owais was given a computer and a scanner for his role in the scam.

In the aftermath of the arrests, Syed Mohammed Ali, Immad's father, who has a poultry business, claimed that he was not aware of his son's involvement in the crime. "I only came to know of it when the police raided our house a couple of weeks ago. I believe the boys did this without realising the consequences."

Though three of the boys involved in the scam have been arrested, sources in the provincial law department disclose that the police is faced with an uphill task to establish a case against them in a court of law, as there exists in the statute books no legislation regarding computer theft under which they can be charged. Meanwhile however, three of the boys have been booked under sections 419 and 420 of the Criminal Procedure Code (Cr. P.C) of Pakistan. Section 419 pertains to impersonation and section 420 to cheating. Ali Owais has been booked under section 109 of the Cr. P.C for abetting the crime. It remains to be

seen whether the court will consider the items recovered from the boys or the transactions made by them over the Internet as sufficient evidence to punish them.

The fact that legislation in Pakistan has scarcely kept pace with modern technology was amply demonstrated when the three boys in police custody were taken to the magistrate for judicial remand. Informed sources relate that when the accused appeared before the magistrate, he was reading an evening newspaper whose headline announced, "Cyber gang busted for the first time in Pakistan." Upon this,

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the magistrate reportedly asked, "Who is Cyber among these three?" In response, the lawyers present explained to the magistrate that while Cyber was still absconding, the police had arrested three members of the gang and recovered stolen goods from their possession. A 15-day remand was requested by the police to continue their investigations and apprehend Cyber. Without further questions, the magistrate granted the remand.

Subsequently, the provincial law minister, barrister Shahida Jamil, called a meeting of senior officials from the

police force and the Sindh government administration to work out a modus operandi for tackling cases of this nature. The provincial government, it is reported, has since sent its recommendations to the federal law authorities for updating the legal system to deal with Internet theft and related crimes. These recommendations include imparting computer training to judges, police and lawyers. It has also been proposed that only computer literate judges and lawyers will take up cases of computer theft and likewise only computer literate police officials will

be assigned to these cases. Moreover, the federal government has been urged to announce two to five years imprisonment for those caught accessing pornography on the Internet.

Sources reveal that barrister Shahida Jamil has decided to constitute an "Info-Tech Crime Unit" in Sindh. Headed by the provincial law minister, the unit will include the IG police, the Commissioner Karachi, and one representative from each of the various internet service providers as its members, and concentrate on fighting Internet crime.

In the absence of relevant legislation, the three boys, who have been detained at district Malir jail, are being tried in the Banking Court as their crime pertains to banks. According to legal experts, if convicted, the boys could be imprisoned for up to seven years.

Internet fraud is not a new phenomenon. Over the years, ANZ Grindlays has reportedly lost over 27 lakh rupees to this crime spawned by modern technology. Sources claim that CitiBank has also suffered huge losses on this account. Meanwhile, Navetec Corporation, USA, has incurred a loss of seven lakh rupees in this scam. ■

BUSINESS RECORDER

Karachi, Wednesday 10 May 2000, 5 Safar 1421

Credit card forgers' gang busted: four held

KARACHI: Police nabbed a gang involved in forged credit cards scam which caused loss of Rs 8 million to the banks, mostly foreign. It is for the first time that such financial white collar crime has been detected in the country.

Since foreign banks are market leaders in this segment, they were major sufferers in this scam. ANZ Grindlays Bank had lodged a report in 1998 about forgery on credit cards, but the matter remained pending since police officials felt it related to civil courts. Recently, the said bank noticed some forged transactions by local merchants and approached the police again to take up the case.

DIG (Crimes), Zafar Ahmed Farooqi, told PTV programme 'Pakistan Business Update' (PBU) that the bank initially investigated the matter on its own through its 'Risk Management and Fraud Unit'. But when the magnitude of forgery rose, in terms of num-

ber and volume, they contacted the police.

Police kept the suspects under surveillance for a few days and caught them red-handed during a raid in Karachi. "We came to know from our sources that it was not only a local racket, but certain persons living abroad were also involved. It is a sophisticated white collar crime. Aamir Saleem and three other merchants involved have been apprehended," Zafar Farooqi said.

Aamir Saleem, known as 'Khepia' was involved in illegal trade of computer parts and visited Hong Kong, Singapore and Bangkok, during which he developed contacts with international racketeers who provided him information about credit card holders. On return, he contacted the merchants. Initially, he committed forgery on credit cards issued overseas, and later started using local cards as well. Over a dozen forged credit cards of various

foreign banks have been recovered from the accused.

Zafar said Aamir Saleem got particulars of card holders through his local and foreign connections and embossed the name, number and validity date on a plastic card in order to replace them with particulars of stolen credit cards for operating them through manual machines.

Banks provide two types of machines to merchants-on-line and manual. Since on-line machines are expensive, banks are not able to provide these. In manual ones, one has to call the bank and get confirmation. All frauds detected were done on manual machines. Petrol pumps, hotels and other credit card outlets were main source of information for Aamir Saleem.

Experts stressed that banks should replace manual machines with on-line ones and also assist police in training for detecting such financial crime.—PPI

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THE STAR

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1st DISHONOURED CHEQUE CASE LODGED: 2 HELD

By Syed Saleem Shahzad

The Standard Chartered Bank has lodged the first FIR with the police in the banking history of Pakistan under the Presidential Ordinance for dishonoured cheques and has also got the persons arrested.

The Manager of Risk and

Fraud Control Unit of the Standard Chartered Bank had lodged an FIR 175/2002 under section 489-F PPC, CRPC in the Mithadar Police Station and got two officials of computer Company, Info Train, Arshad Naveed and Ahmed Shaqib arrested.

Sources said that both persons worked for a computer firm M/s Info Train which was

a personal loan defaulter of the bank. This firm had borrowed Rs 1.8 million from Standard Chartered Bank and had issued posted dated cheques to return the loan in instalments.

After several of their cheques bounced, the bank contacted top police officials who helped the bank register a FIR in Mithadar Police

Station and got the persons involved arrested.

This is the first case in the police as well as in the banking history of the country under which persons were held responsible for issuing cheques that were dishonoured.

According to the financial sector, this step has turned around value in Pakistan's

financial sector and would help to streamline the system of payments at all levels of business.

The ordinance was issued after it was much sought by the financial sector especially from the leasing industry. The leasing industry and the banks follow the system of post dated cheques for the

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First dishonoured cheque case lodged: two held

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payment of instalments against a loan. However, despite adopting this system many borrowers had defaulted and there was no system to grab these bad eggs. Even in the small businesses, people pay by cheques with bad intentions and when they are dishonoured cause a lot of inconvenience to the recipi-

ents.

This Presidential Ordinance on dishonour cheques was issued on October 25, 2002. Under this ordinance, the police can arrest without a warrant. This is an unbailable offence.

The punishment in this case is 3 years imprisonment and fine or both. This offence is compoundable and a com-

promise can be affected between partners. The offence is triable by First Class Magistrate.

METROPOLITAN

KARACHI Wednesday, February 27, 2008

Cars financed by banks being smuggled out

By Tahir Siddiqui

KARACHI, Feb 26: The leasing and banking sector is being defrauded of millions of rupees as scores of cars financed by it are being smuggled to Afghanistan every month by unscrupulous clients, it is learnt.

Sources said the crime circle of the Federal Investigation Agency had launched an investigation into the racket after it received complaints from the sector, though no arrest had so far been made.

They said the defrauded banks lodged the complaints with the FIA when the insurance companies turned down their claims of such vehicles after establishing that the customer himself was involved in the theft or smuggling of the vehicle.

An official of the insurance company, who wished not to be named, told *Dawn* that the fi-

nanced vehicles were also being smuggled to the interior of Sindh, besides being smuggled to the neighbouring country via Chaman.

An FIA investigator said that one of the complaints lodged by the banks involved a 23-year-old son of a police official, who had acquired four cars on a leasing basis from different banks.

He said the young man, living in a 120-square-yard house, got the delivery of the vehicle after the installation of the tracker device on May 9, 2007. "Later, on June 21, 2007 the vehicle was taken out of Karachi to Chaman after proper authorization from the tracker company," he added.

The investigator said that later the suspect reported his vehicle stolen in Soldier Bazaar in Karachi on July 11, 2007 though the tracker record showed that

the vehicle was in Chaman from June 23 to July 11, 2007.

According to the tracker company's record, he said, the vehicle was last reported in Afghanistan on Oct 3, 2007, but the signal was very weak as it was a non-GSM coverage area.

He said the tracker record showed that the battery of the vehicle was tampered with at least seven times in Chaman before the tracker was finally deactivated.

The investigator said the tracker company call record showed that it tried to contact the customer every time it received a battery tamper alarm and the customer told the company that he was trying to install a stereo in the vehicle.

A bank official said at least 10 expensive cars financed by different banks were being illegally

sold by the customers themselves who later lodged false hijacking reports.

He said a large number of cars were being obtained on fake documents which were verified with the connivance of bank staff.

"Most of the banks do not want any legal action against such crooks as the investigation can also involve their own staff," he remarked.

He said some car dealers were involved in the disposal of bank-financed cars in the interior of Sindh. "They first get the vehicle financed from a bank on fake documentation, take the vehicle outside Karachi after proper authorization from the tracker company, dismantle the tracker device and lodge a fraudulent report of car theft," he added.

An official of a Gulf-based

bank told *Dawn* that they had recently referred some cases to the FIA for legal action against those who obtained the cars on fake documents.

He said a Toyota Altis MT was financed by the bank on May 28, 2007 and it was handed over to the client after installation of a tracker device.

The official said the tracker company record showed that the vehicle disappeared from Karachi after June 13, 2007 and it was reported in Khuzdar, Balochistan, on June 17.

He said the bank's initial investigation revealed that the customer had made fake setups and gave the bank bogus home and office addresses.

He said the tracker device was decommissioned and there was no further information about the location of the vehicle.

DAWN

KARACHI Wednesday January 1, 2003

METROPOLITAN

First case of dishonoured cheques: 2 men held

By Our Staff Reporter

KARACHI, Dec 31: Police have arrested two men in the city for issuing cheques which were dishonoured.

These persons had borrowed Rs1.8 million from a bank and had issued post-dated cheques for repayment. The cheques were dishonoured.

Sources said police arrested Asher Navaid and Shakaib Ahmed on a charge of issuing dishonoured cheques.

Police registered an FIR 175/2002 at Mithadar police station on the complaint of Aftab Amin Ali, in charge, Risk Management and Fraud Control Unit, Consumer Banking of the Standard Chartered, under section 489-F of PPC.

It is the first case after the insertion of section 489-F in Pakistan Penal Code through the promulgation of an ordinance by the president on Oct 25.