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# Ferlio

## Group of Investigators

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## NEWSLETTER

Volume 10 – September 2021

In this newsletter, you will find an article regarding the large increase in sextortion attacks, and an article discussing property scams every one should be made aware of. We make special mention to our charity of the month Lady of Peace Foundation. We also include an article provided by Gary Swart from Rhyco Risk Projects regarding the protection of Eldoglen Estate.

### **FBI WARNS OF 'LARGE INCREASE' IN SEXTORTION ATTACKS, WITH \$8 MILLION IN REPORTED LOSSES IN 2021**

BY CYBERSCOOP

Hackers and creeps extorted \$8 million from Americans over the first seven months of the year by threatening to publish sexual images unless victims paid a fee, according to figures from the Federal Bureau of Investigation.

The FBI bulletin published Thursday confirms what many cybercrime researchers may have already feared: Sextortion scams are prevalent, and profitable. More than 16,000 victims reported their issues to the FBI, with nearly half of the complaints coming from people between 20 and 39 years old.

The 16,000 complaints almost certainly represent a fraction of the true figure, as victims of sex-related crimes often choose not to report issues to the police for a variety of reasons, including fears of retaliation or a belief that authorities won't help resolve the issue.

The bureau reports that the number of complaints in 2021 marks a "large increase," though the precise size of the uptick remains unclear.

The FBI's Internet Crime Complaint Center, which tracks cybercrime complaints, reported that more than 76,000 instances of extortion in 2020, a figure that appears to include other forms of digital blackmail along with sextortion. More than 23,000 people reported being victimized in romance scams — in which scammers prey on victims by pretending to be a love interest — in all of 2020, according to the FBI report.

The latest FBI report warned that many of the 16,000 complaints the bureau received through July 31 followed a similar trajectory.



“Most victims report their initial contact with the fraudster is mutual and made using dating websites and apps,” the bulletin says. “Soon after the encounter, the fraudster requests the interaction to be moved from the website or app to another messaging platform.”

From there the extortionist typically instigates the exchange of sexual imagery, and then demands money in order to not go public with the material.

In August, a federal judge sentenced a New York man to three years in prison for hacking into the social media accounts of dozens of female college students to access nude photos.

The case, like many others, involved an attacker infiltrating victims’ cloud accounts, then using that to gain entry to their Facebook and Snapchat pages. The attacker, Nicholas Farber, swept up compromising images and traded them with others throughout the web.

In another case this year, a New York City man admitted to stealing pictures from at least 14 people by posing as their friends.

<https://www.cyberscoop.com/fbi-sextortion-scams-losses-2021/>

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## **BEWARE THESE PROPERTY SCAMS IN SOUTH AFRICA**

**BY BUSINESSTECH**

Fraud in the real estate industry has become increasingly prevalent in recent years, and fraudsters’ increasingly sophisticated scams are not only fleecing buyers and sellers but also property practitioners.

There are numerous ways in which the fraud happens, from digital communication interception to syndicates posing as agents, and it’s not restricted to the sale sector; it also happens in the rental arena, says Lew Geffen Sotheby’s International Realty.

And it can happen at any stage of the transaction, even after a sale has been cancelled.

The estate agency said that legitimate buyers and sellers can also be liable for committing fraud when they intentionally misrepresent or omit information that financially impacts the other party.

“In fact, the increase in scams perpetrated by the electronic interception of communication between attorneys, estate agents and their clients has been so significant that the Attorneys Indemnity Insurance Fund no longer covers attorneys who fall victim to cybercrime.”

Below, a property professional and conveyancing attorney explain the various ways in which these clever scamsters operate and offer all parties advice and guidance to help them avoid falling prey to these brazen fraudsters.

### **Real estate fraud awareness – how to avoid falling prey to scamsters**

The last thing you should be concerned about when buying or renting a home is being scammed. Unfortunately, fraud is becoming increasingly prevalent in the real estate industry, and it’s essential to be vigilant throughout the process, said Grahame Diedericks, manager principal in Midrand for Lew Geffen Sotheby’s International Realty.

He said that fraudsters’ increasingly sophisticated scams are fleecing buyers, sellers and prospective tenants, and property practitioners.

“Con artists are by no means a new phenomenon in the industry, but the strident technological advances that have made our lives so much easier in recent years, has also opened up a whole new world of opportunities for fraudsters,” said Eduan Milner of Eduan Milner Attorneys, Notaries and Conveyancers.

“And, as a result, it’s become far more prevalent, with the spike in digital fraud prompting financial institutions to urge clients and property professionals to keep their eyes open for any irregularities and ensure they verify all credentials.”

In fact, the increase in scams perpetrated by the electronic interception of communication between attorneys, estate agents and their clients has been so significant that the Attorneys Indemnity Insurance Fund no longer covers attorneys who fall victim to cybercrime, Milner said.

### **Electronic communication scams**

“Losses arising out of cybercrime include payments made into an incorrect and/or fraudulent bank account where either the insured or any other party has been induced to make the payment into the incorrect bank account and has failed to verify the authenticity of such bank account which includes a face-to-face meeting,” said Milner.

This type of fraud is actually quite sophisticated. It entails a phishing-type email aimed at intercepting email correspondence to one of the parties. The progress of the transaction is then monitored, with the fraudster sometimes even brazenly phoning for updates.

“Shortly before payment is due to happen, they send a mail from an almost identical email address notifying the purchaser or conveyancer of a change in bank details. The email addresses are sometimes so similar that it’s easy to miss the small discrepancy.”

Milner said that, if successful, this scam has serious ramifications for all concerned: “If the buyer is deceived into paying into a fraudulent account, they can no longer financially perform in terms of the agreement of sale which places them in breach of contract and liable for damages to the seller.

“It’s a horrible two-fold blow because not only do they lose their money, they don’t get the house and have to pay an additional fee for damages.”

He added that the breach is due to fraud is not a viable excuse as neither the seller nor conveyancer was at fault and cannot be expected to carry any of the loss. Similarly, if conveyancers get duped into paying the fraudster, they are also liable.

Milner also cautioned that fraud can happen at any point of the transaction – even after a sale has been cancelled. “In one case, after a property sale had been cancelled, the conveyancer sent an e-mail to the purchaser’s Gmail address, advising her that the refund would be paid into the FNB account from which the payment had been generated.

“He received an e-mail response stating that the FNB account had been temporarily discontinued. He thereafter received an e-mail with details of an account held with Nedbank, into which the refund should be paid, and he duly made the payment using electronic banking.”

In the meantime, the purchaser received e-mails (ostensibly from the conveyancer) apologising for the delay in transferring the funds. By the time the conveyancer became aware that the Nedbank account did not belong to the purchaser, all the money had been withdrawn from the account.



## Savvy syndicates

Diedericks warned that there are several other hoaxes to be wary of, including those run by syndicates with people who very convincingly pose as estate agents, sellers and even registered attorneys.

“One method is to sell homes that are not actually even up for sale, and this is usually done in one of two ways. The first is when a syndicate member poses as the owner, and the property is transferred and proceeds paid without the seller being aware that their property has been sold.

“However, this will only be successful if the agent and conveyancer are negligent in authenticating the identity of the seller as to transfer the title of a property, you need an original title deed and a special power of attorney from the owner authorising the conveyancer to make the transfer.”

The fraudsters may also identify homes that are legitimately on the market and post an advert on sites such as Gumtree. One of the syndicate members poses as an estate agent and takes an unsuspecting buyer for viewing and, if keen to buy, they are taken to the ‘agent’s lawyer to sign a sale agreement, said Diedericks.

“The buyer is then instructed to deposit the sale amount to the seller’s bank account, but the money is immediately transferred to various other accounts and withdrawn.”

Milner noted that buyers could also be liable for committing fraud when they intentionally misrepresent or omit information that financially impacts the seller.

“For example, if a buyer misrepresents their financial status to enter into a contract, but later pulls out due to lack of funds, thereby causing the seller to miss other sales opportunities as a result, the seller may have grounds to pursue a fraud case against the imputed buyer.

“Similarly, omissions about a property’s history can also lead to fraud charges, especially if a seller fails to provide necessary information relating to zoning restrictions on the property, significant structural damage, the presence of undiscovered nuisances, mould or other toxic damage.”

## Rental racket

Diedericks said that it’s not only in the sales sector that people need to be wary but also in the rental arena. “The best line of defence is to use a reputable agency as both landlords and tenants are thoroughly vetted, but if you are considering renting a property directly, my advice would be that if you have any doubt at all, don’t do it.

“Never take a property sight-unseen, never transfer deposits to secure a property unless you are 100% sure the agent or landlord is authentic and if there are current tenants when you view, be sure to ask a lot of questions.

“And don’t ever come across as desperate as dishonest people very skilfully prey on that.”

He added that you can also insist that an attorney holds the funds in their account to be released to the landlord once an ongoing inspection is done.



**Milner offers the following advice to protect all parties against fraudulent real estate scams:**

- Agents and attorneys need to verify and know their clients and always personally verify any change in payment instruction;
- Be especially vigilant if bank details are changed and independently verify the bank account details directly with the bank. Most banks have systems to enable conveyancers to do this;
- Never, ever pay money into an account that does not belong to a bona fide party to the transaction;
- Confirm that your estate agent is legitimate. You can also do so via the Estate Agency Affairs Board website, where all agents who are marketing properties must be registered;
- Never click reply to an email when you are sending important information. Rather create a new email and input the email address directly from your address book. This will ensure that you never send information to a fake email address that looks similar.
- Buyers and sellers should always ask for verification of the bank account into which any funds are being paid;
- All correspondence requesting a change of banking details should be viewed with suspicion;
- Only use banking details provided in an email if you have confirmed authenticity;
- Face-to-face meetings are not always possible; however, important documents should always be signed in person and verification of bank details always completed;
- Be aware of the following red flags: spelling errors in emails or other messaging systems, the presentation of sudden changes or decisions as having strict deadlines, hasty changes to terms and conditions of the contract, refusal to speak on a phone call;
- Property professionals should be adequately insured. “Now, more than ever, it’s critical to appoint well-established and accredited property professionals,” said Diedericks.

“Now, more than ever, it’s critical to appoint well-established and accredited property professionals,” said Diedericks.

“Experienced conveyancing attorneys and estate agents affiliated to a registered and recognised brand will not only safeguard you, they are also always current on all aspects of the industry, including potential pitfalls and dangers like fraud.” He pointed out that they will also have systems to detect fraud and should carry insurance to cover incidences like negligence or being misled by a fraudster.

“Whether you are buying or renting, property usually accounts for the bulk of our monthly spend and is often the largest investment any of us make, so never let your guard down,” said Milner, “and don’t be too embarrassed to ask for confirmation or verification and follow your gut instinct if you feel uneasy about any aspect of the transaction.

“And if you do have the misfortune of falling victim and paying into a fraudulent account, contact the fraud department of the recipient bank and of your bank immediately as they may be able to stop the money leaving the account.”

<https://businesstech.co.za/news/property/517566/beware-these-property-scams-in-south-africa/>





# CHARITY OF THE MONTH

## Lady of Peace Foundation

# LOPECO



<https://www.lopecofoundation.org/>

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“The Lady of Peace Community Foundation (LOPECO) builds equal, resilient, and peaceful communities. We are .CONNECTED to over 20 women’s rights organizations in South Africa and over 5 countries around the world experiencing humanitarian crises or conflict. Our members are women and youth-led organizations who work on their communities’ most difficult issues—leading the way to a better and safer future.”

“Our intention to build peace is fundamentally premised on programs and interventions that are designed to catalytically focus on these topics.

These focus areas sharpen and grow the need to accelerate the generation equality dream we would like to achieve by 2030.”

Focus Areas:

- **Global, Local Policy Action** - Gender-Based Peace and Security Promotion through bridging the gap between globally influenced national policies and local action within communities.
- **Human Right Advocacy** - Lifting the voices of local women leaders by bringing them to national and global forums, so they can speak directly to policymakers, advocate for the rights of women and girls, and inform and influence better and safer policies
- **Peace Committees** - We create ongoing relatable structures that people in the community, government and others can .CONNECT with when disputes arise.
- **Learner – Leader - Peacer** - #Peace-Leader-Learner: We help young women and girls living in places in crisis reach their full potential through education, leadership and peacebuilding training, and economic opportunities. to further conscientize young leaders about the education challenges and the role they can play through leadership within the schools.
- **Sport for Peace** - Sport provides opportunities to develop people-to-people connections that promote partnerships of value at the individual, institutional and country levels.
- **PEACEKONA Family Chatroom** - Generation Equality Peacebuilding Network platform; an environment that focuses on teaching, informing, encouraging even knowledge giving in local communities and beyond.

### VISION MISSION & OBJECTIVES

**Our Vision:** All people are connected and empowered; peace and security forever.

**Our Mission:** Provide connection, education, and advocacy; and support, so that all children, women, and families are peacefully developed.

**Our Objective:** The primary objective of LOPECO is to contribute to the healing of all communities including, disadvantaged communities through sustainable development programmes, which are peace and security promoting and improving social cohesion. LOPECO acts in collaboration with the government, the private sector, community organisations and education institutions; to improve the quality of peaceful communities.

Children, Women and Families matters!

# Ferlio

## Group of Investigators SPECIALIST SERVICES OFFERED:

### **Investigations**, including but not limited to:

- Criminal
- Civil
- Forensic
- Cyber

### **Profiling**

- Profiling / Lifestyle audit of individuals
- Business profiling
- Strategic audits on business
- Fingerprint screening
- Financial Audit Investigations
- Employee Background Screening
  - Identification documents
  - Driver's License & PDP
  - Criminal record
  - Educational background & qualifications
  - Prior employment records
  - Credit status
  - Integrity testing
  - Identification photos
  - Fingerprint verification

### **Undercover agents**

- Standard level agents
- High level agents
  - Strategic level agents

### **Surveillance**

- Physical
- Static
- Electronic
- Counter
- Covert escorting

### **Close Protection**

- Executive protection
- Executive Support
- Asset in transit protection

### **Handwriting Specialist & Fingerprint Specialist**

### **Polygraphs**

### **Fraud Detection Initiatives**

### **Security Risk Assessments**

### **Transcripts / Translations**

### **Pre-employment Psychometric Assessments**

### **Truck & Driver Inspections**

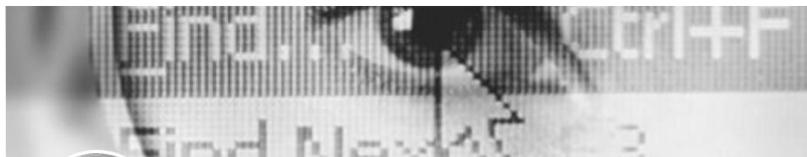
### **Security Vulnerability Assessment**

### **GET IN TOUCH:**

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**Ferlio Group of Investigators**

@FerlioGroupOfInvestigators · Private Investigator

# INVESTIGATOR OF THE MONTH:

## Protecting residents at Eldoglen Estate – Provided by Gary Swart (Rhyco Risk Projects) – Written by Allyson Koekhoven

Location, amenities and value for money, all elements that homeowners consider when they choose a house in a residential estate. Added to this is a need for a sense of personal safety and security. The management of the upmarket Eldoglen Estate in Eldoraigne, Centurion, are all too aware of the impact that inadequate security can have on the sense of wellbeing experienced by its residents.

Home to 701 residential properties, including 37 townhouse complexes and communal property that consists of three swimming pools, sports facilities, gardens and entrance gates, Eldoglen Estate is a sought-after destination for hundreds of residents. In 2016, estate manager Jimmie Pugh approached consultant Andy Lawler, from Sentinel Risk Management, to undertake a risk assessment and design a surveillance security system for the estate.

Lawler explains that apart from a few legacy surveillance cameras situated at the entrance/exit gates of the estate, there was little in the way of perimeter surveillance coverage. In addition to the existing technology limitations, the perimeter and communal areas were very vulnerable. A closed tender process was instituted and Rhyco Risk Projects was appointed to supply all surveillance cameras and to integrate any existing technology wherever possible.

“Due to the fact that quite an extensive system was required, we elected to install new cameras where there was no current installation and to try and re-use any legacy equipment where it was deemed conceivable to do so. Working closely with Lawler, the estate manager and the security manager, Riaan Halgryn, was critical in achieving the required specifications in line with a cost-effective budgetary solution,” says Gary Swart of Rhyco Risk Projects.

The project, which comprised three phases, was discussed with all residents to ensure complete buy-in for the process. The team explained that the solution would provide homeowners with increased security, which in turn would increase the value of their property since the estate would be deemed an appealing place to live by outsiders. In addition, should the cameras detect events taking place on public property outside the estate, alerts are sent to the SAPS to assist them and Business Against Crime in reducing crime in the neighbourhood, thereby further positively contributing to the reputation of the estate.

### **Security for the neighbourhood**

“In essence, we communicated the benefits to the residents by pointing out that security compliance adds not only to the desirability of the estate for its residents personally, but also to the neighbouring community at large. The sense of personal safety that would be imbued by the system deployment resulted in residents agreeing that the small increase in levies was justifiable due to the immediate value added benefits. Residents were also assured that the cameras would in no way infringe on their privacy,” says Lawler.

He adds that other factors that played a role in convincing the residents of the advantage of upgrading the system included the fact that it would not impact on the aesthetics of their properties or the estate as a whole. Furthermore, the robustness of the system, in light of the high incidence of lightning strikes in the areas as well as its ability to continue operating efficiently in the presence of rolling blackouts, was another deciding factor.

Some of the benefits to be delivered by this solution included the provision of an early warning system in the event that the perimeter is breached. Coupled with this is the ability to have full control and management of the system.

## The solution

The solution was planned around a fibre backbone from Cathexis, with an array of FLIR thermal cameras combined with Hikvision PTZ cameras and Hikvision static HD cameras. Rhyco installed 33 cameras in the first phase of the project, which saw cameras located along the 3 km-long perimeter wall. The thermal cameras, with a range of up to 300 m were located on the long clear stretches along the perimeter; while the static HD cameras, with a range of 80 m infrared, were deployed on shorter stretches of the perimeter.

Finally, the PTZ cameras, which have a range of up to 200 m infrared, were placed in strategic locations. All cameras are equipped with video analytics to ensure that an alarm is triggered and relayed to the onsite control room, should there be a breach on the perimeter.

Phase 2 involved the calculated placement of 14 cameras in the common areas, such as the clubhouse, tennis court and swimming pools.

Phase 3 involved the upgrading of the surveillance system at the three entrance/exit points, with one section traversing a main road. A total of 40 cameras are situated at the entrance/exit points, with the retention of most of the existing cameras and the addition of a few new cameras. This effectively reduced the cost to the client, while ensuring that quality and reliability was not compromised.

Swart says that leveraging Rhyco's previous experience on other large residential estates as well as on commercial client properties where large perimeter surveillance was involved, ensured that the project was completed seamlessly and to the satisfaction of the consultant and estate management.

