

The Global Phenomena of Pig Butchering

Overview

Crypto investment scams have overtaken all other cyber frauds, totalling **\$3.3 billion** in losses in 2022, according to a recent Federal Bureau of Investigation (FBI) [report](#).

An innovative romance investment scam making headlines, called **pig butchering**, is proliferating globally.

With elements including **human trafficking, fabricated websites, targeted social engineering**, and ties to other organized crime, it is vital for financial institutions to be aware of this fraud scheme.

Global Touchpoints



Red Flags



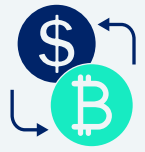
Human Trafficking

- A customer recently moved to Asia for a new job opportunity.
- An IP address accesses an account from a known region for hosting scam compounds.
- The customer does not have recurring activity, like regular bills, store receipts, etc.
- A third-party attempts to open an account for an individual but they do not know critical details about the individual.



Industrial Scale Scam Centers

- A business has a physical address in Asia, including Cambodia, Laos, Myanmar.
- A business is listed as a casino, luxury hotel or type of first-class amenity (as many switched from these semi-legitimate businesses to full-time scam centers post-COVID).
- Scam center uses complex ownership structures to disguise actual activity.



Cash to Crypto Services

- The victim is asked to withdraw cash from bank accounts and then deposit it into crypto ATMs.
- Multiple payments are made to a single address from different ATMs around the globe and vice versa.
- Depositing cash to a service with no 'know your customer' (KYC) requirements.
- When questioned, 'crypto investments' is the reason given for deposits/withdrawals.
- Payments are sent to services in high-risk jurisdictions.



Fake Investment Platforms

- A customer asks to withdraw funds repeatedly, in gradually larger amounts, for a new crypto investment, specifically when the client has no previous known history in crypto trading.
- A customer sends funds directly to a flagged wallet or a hot wallet that is then moved quickly.
- Customer withdrawal activity is significantly different than normal practices with no explanation.
- A customer notes significant gains in crypto investments.



Open-Source Intelligence (OSINT)

- An unsolicited job offer via messaging apps, social media, etc. that promises high pay with very little time commitment or effort.
- A job offer that includes free accommodation, higher than average salary or travel stipends/budget.
- Telegram groups advertising people for sale using the word "cyber slaves" and bounties for escaped "workers."
- An investment platform's customer service appears to be conducted via WhatsApp.
- A message from a SMS number that can be traced back to a phony account, spam, or a platform offering online SMS.
- The investment platform has minor mistakes that mismatch known crypto investment platforms (like a domain missing a letter).
- The scammer says they have insider trading information to make high returns.

To learn more, check out the CORNERSTONE newsletter by Homeland Security Investigations (HSI), which can be found [here](#), and ACAMS previous [infographic](#) detailing the crime.

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