

Subex Telecom Fraud Alerts

September 2009



- **Resurgence of IRSF**

Incidents of International Revenue Share Fraud (IRSF) are reportedly growing steadily across all global regions. The latest trend in IRSF is:

1. Voicemail hacking;
2. Teleconference bridge hacking;
Wireless identity theft;
3. Internal Calling gateway;

Operators are therefore advised to be diligent with respect to such frauds and take preventative action.

- **Arrests made in international hacking fraud ring**

A two year investigation in Italy has finally culminated with the arrests of at least 5 people for telecom fraud. These arrests also put an end to the losses being incurred by US telecom operators. The losses are estimated to be around **\$56million** over a period of several years as a result of PBX hacking and related frauds. Most of the losses occurred due to hacking of PBXs placed at the telcos' corporate customers.

** Source- Fierce Telecom 2009*

- **PBX hacking is a major cause of fraud to most operators**

Cuba and Sierra Leone are emerging as the most common countries receiving fraudulent calls, with PBX hacking being a very common fraud type.

PBX Fraud continues to be an issue with traffic to the following countries featuring prominent.

Countries	Code
CUBA	0053
MOLDOVA	00373
UKRAINE	00380

Many of the hacks seem to originate in Mexico, especially where Cuban traffic is involved. Spain and Italy also feature prominently. PBX hacking is affecting operators all over the globe. In Romania an operator suffered around 18K Euro Loss (4 months) due to PBX hacking. In the UK, 50% of one operator's losses involved calls to Sierra Leone. In Portugal it was found that most calls are made to Cuba & Haiti. In Czechoslovakia PBX hacking cases were widespread, with the main calling destination being Cuba.

** Source: ETNO Fraud Forum 2009*

- **Fraud Statistics**

Global fraud loss in 2008 was reported to be between US\$70 to

1. Subscription fraud/ID theft - US\$20 billion lost
2. Compromised PBX/VM fraud - US\$14 billion lost
3. PRS fraud - US\$6 billion lost

US\$78 billion. This represents 4.3% of overall telco revenues (less than the 5.1% in the 2005 survey). The top 3 fraud types were:

Top destinations for fraudulent calls (in order) were: Cuba, Philippines, Lichtenstein, India, UK

** Source: CFCA 2009*