

Bank Card Cloners and Social Security Cheaters Keep Brazil's Federal Police Busy

Contributed by José Wilson Miranda
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The Brazilian Federal Police have already arrested, today, 40 people involved in a gang specialized in cloning bank cards. Among those arrested there are a major and a captain from Ceará state's Fire Department as well as an Army sergeant.

There is also a public servant who worked for Fortaleza's City Hall. This employee, a woman, used to pass confidential information about city biddings to the ring.

The group is also accused of using the Internet for irregular money transfers, obtaining fraudulent bank financing and loans, falsifying public documents, defrauding public biddings and selling drugs.

The police action called Operation Cyclone counted on 250 federal police agents carrying 48 search warrants in the states of Ceará and Rio Grande do Norte, in the Brazilian Northeast.

According to the Federal Police, the gang used a system known as "chupacabras" (literally goat sucker), which is installed in the automatic teller machines and allows to clone the cards that are inserted in the ATM.

The investigations show that the ring after copying bank cards in one city would drive to a neighboring town to withdraw money using the newly-cloned cards and then would clone new cards there.

They had already acted in Minas Gerais, Rio de Janeiro, São Paulo, Goiás and Rio Grande do Norte.

The police found out that the gang was developing a more sophisticated system that would allow them to make unlimited withdrawals using remote control. The service dubbed "money trigger," was still in the testing stages and hadn't been used yet.

Those involved in the fraudulent scheme are being charged with qualified theft, ideological falsehood, crimes against the National Financial System, biddings frauds, drug trafficking and gang formation. When these offenses are added jail time might go up to 20 years.

This was another busy day for the Federal police, which also arrested 60 other people for cheating Brazil's Social Security system

Carlos Alberto Balbi Moura, a Nova Friburgo, Rio de Janeiro, city council, was among those arrested. He is charged with defrauding Social Security and also buying votes.

Most of those caught by the Golden Years operation, including its chief, José Carlos Barcelos, live in the state of Rio de Janeiro, but eight other people were arrested in Paraná and another one in Goiás.

According to the police, the fraudulent scheme was going on for five years and had already caused an estimated loss of 200 million reais (US\$ 94 million) to the Social Security's National Institute (INSS).

About 100 people were involved in the plot, which consisted in getting fraudulent documentation so people could withdraw pension funds to which they were not entitled. The scheme wouldn't be possible without the help from INSS insiders.