

The strategies for preventing telecom fraud in EACO countries

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Overview on Grey Traffic

In general, the grey telephony is defined as the use of illegal gateway exchanges to bypass the legal gateways and terminate/originate international traffic, through VoIP gateways, Mobile telephone gateways, or other related equipment.

Also defined as the calls with missing CLI, fake CLI and fake operator code

Who is affected by Grey traffic

Grey Market Telephony is serious issue for telecom regulators and operators around the world.

- Revenue loss to government exchequer.
- Disturbs revenue streams of telecom operators who have invested millions of dollars as license fees, deployment of infrastructure and other government charges.
- Foreign investment in telecom sector is reduced as a result of lack of investor confidence in the market.

Who is involved in grey traffic!



Licensed Operators



Licensed Operators



Carriers



VoIP Users



End Users

Common Techniques Used

The most common techniques used to terminate the grey traffic include:

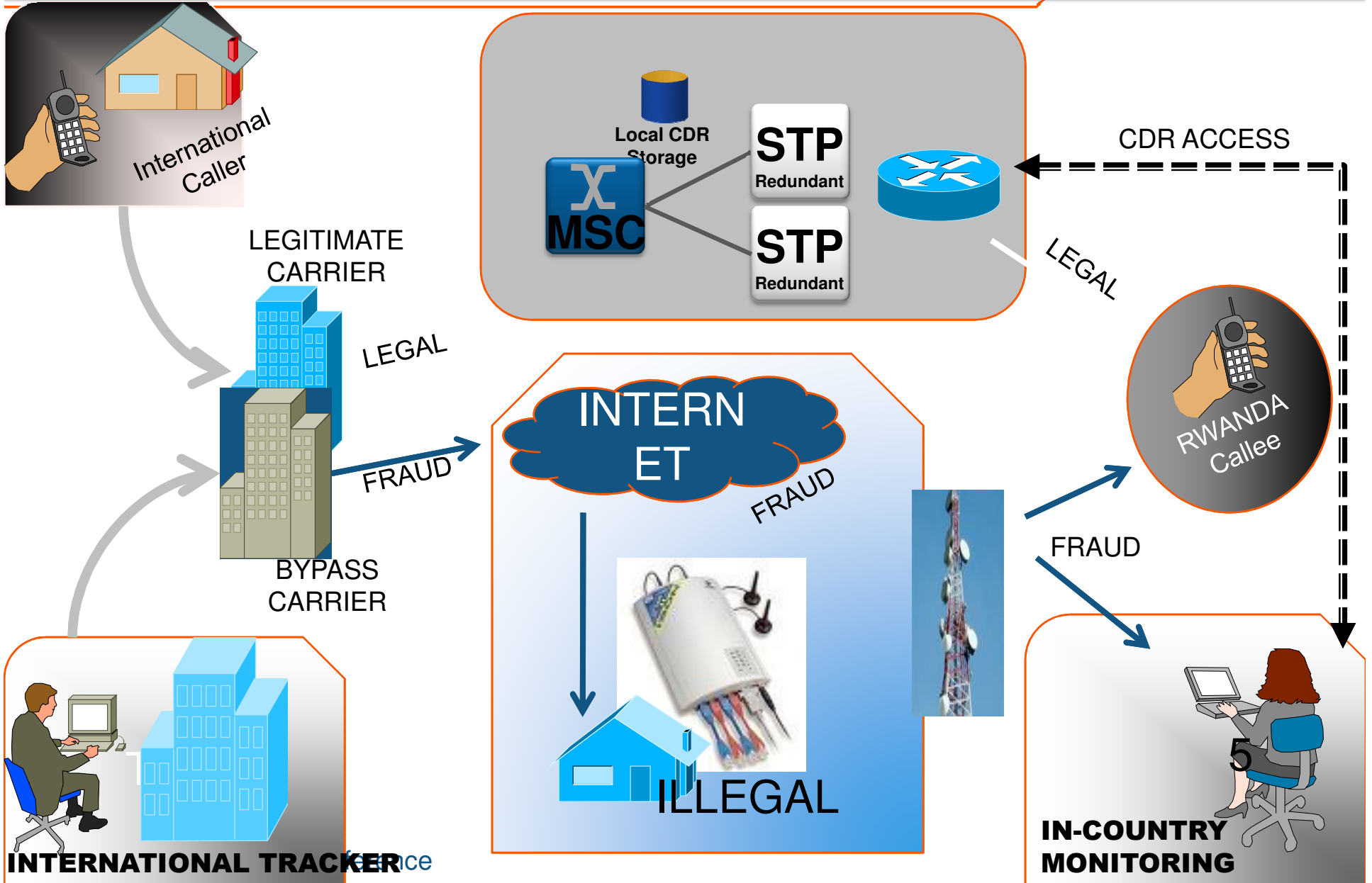
- Collection of international traffic from various VoIP operators across the globe and terminating it on VoIP gateways using broadband connections such as VSATs, etc. This traffic is then distributed to the destination numbers using GSM SIMs and WLL sets.
- Another possible form of grey traffic is termed as transit service.

For example, if call tariffs for a particular destination B from origin A are expensive, traffic transit is done by transporting the traffic to a third place say C whose VoIP termination is cheaper and then the calls are distributed to destination B using cheap international mobile tariffs.

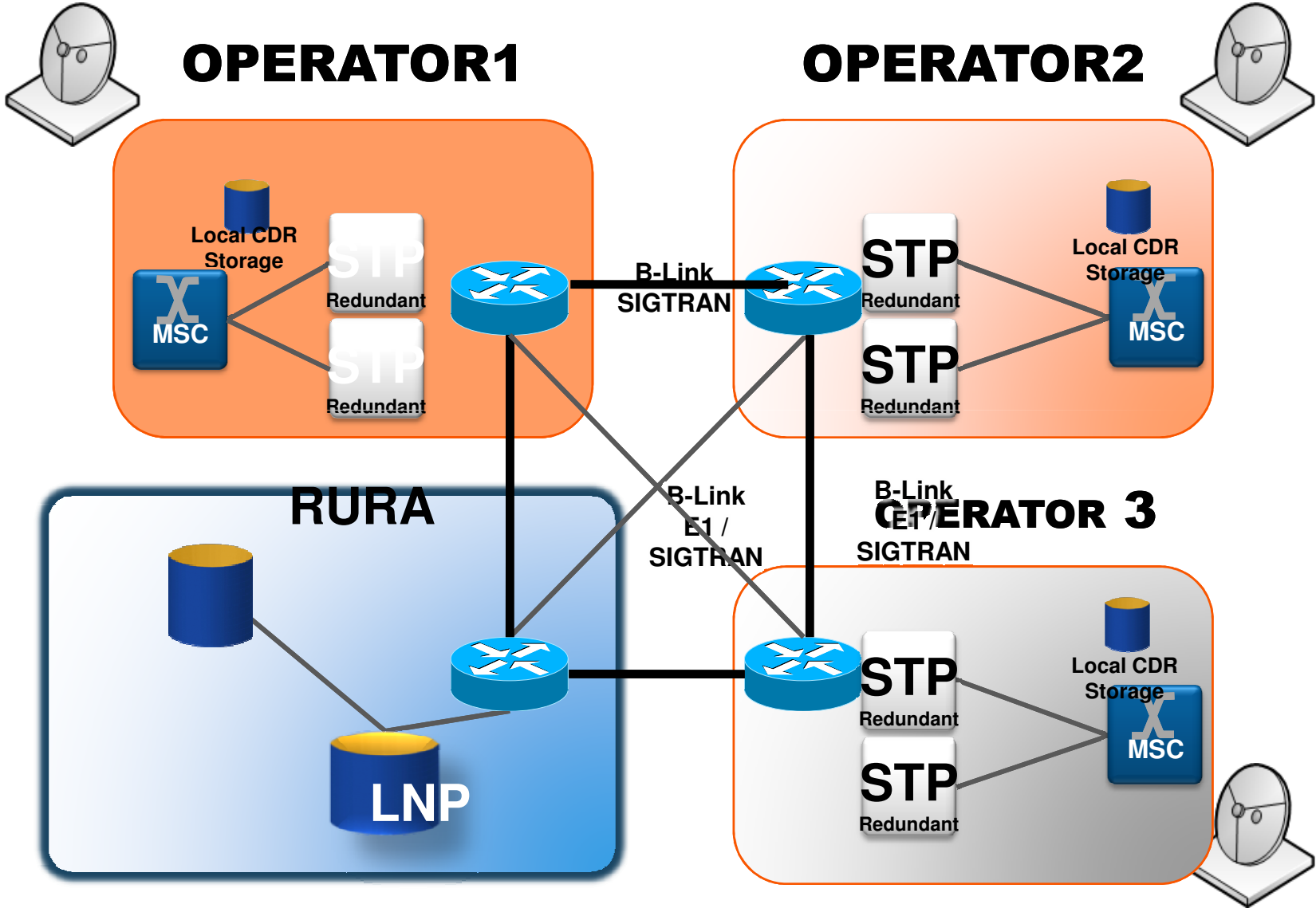
- Apart from illegal/unlicensed operators, the licensed ones can also indulge in grey traffic activities especially when the approved settlement rates are much higher than the market rates. This form of grey traffic is called the concealment or misreporting of traffic and is done by long distance and international operators.

FRAUD SCHEME

OPERATOR









Rwanda strategies



Current status

Based on the above discussions, RURA has adopted to take Technical & Regulatory measures and this was done as follows:

S/N	ACTIVITY	Status
1	CONCEPT approval by the BoD Pending Due Diligence	
2	Legal Due Diligence (New Regulation vs. Current Legal framework)	
3	Commercial Due Diligence (Tariff benchmarking, other markets)	
4	Technical Due Diligence (Network Topology, Fraud Assessment)	
5	Due Diligence report and recommendations to the BoD	
6	PROJECT Approval by RURA BoD	
7	Call for International Bids	Pending
8	Contract negotiations and Producing New Interconnection Guidelines (With New INTERNATIONAL FLOOR PRICE)	
9	Implementation Phase:	

Challenges

Based on the suggested topology, 3 telecom operators were supposed to be interconnected through the NOC located at RURA HQ and, unfortunately, with reference to the Telecom law, RURA has decided to Withdraw one of the operator licenses.

This implies many changes related to the topology and the total cost of the project.

Therefore, the decision for temporally stopping the tendering process was also taken

Recommendations

Based upon the above discussion, following are some of the recommendations:

- The technical solution to detect the illegal traffic should be implemented when necessary. All the relevant stakeholders should be made part of this process. Requirements and scope of this solution should be clearly identified.
- The successful implementation of the clearing house project in any country is subject to adequate backing of legislative framework, in the absence of which some of the operators might resort to delaying tactics.
- In order to execute the project of clearing house smoothly, there is a need to first bring all operators using various technologies like PSTN, GSM, CDMA, Wi-Max,...on a common billing standard.
- The regulators must initiate an awareness campaign so that everyone clearly understands the meaning of grey traffic and the penalties have to be defined and strictly implemented.

THANK YOU



NYUNGWE NATIONAL PARK