

180 caught in Guangdong over campus loan scams

Police in south China's Guangdong Province Thursday announced the capture of 180 people involved in campus loan scams, to which more than 350 students have fallen victim.

Touting Internet finance, the suspects sent mobile phone ads about low-interest loans as bait to lure students into borrowing. Some borrowers were then required to pay fees. After they paid the money online, the fake lenders stopped contacting them.

Others demanded students hand over photos, videos or contact details of their relatives as collateral. When students failed to repay their loans, the lenders made personal threats.

Police were alerted in March when a student in the city of Guangzhou reported that he was cheated out 3,000 yuan (441 U.S. dollars) by one of the online campus loan platforms. Police received subsequent reports from other students in Guangzhou and Foshan.

A special task-force was formed. In May, police raided 20 locations and arrested 180 suspects belonging to different crime groups. They confiscated computers, phones, bank cards, sim cards and account books. Police discovered students in several provinces outside Guangdong had also been targeted.

Campus loan sharks caught the public's attention last year when a college student committed suicide due to the pressure of exorbitant interest. It was also reported that some loan sharks held nude pictures of female college students as a collateral for their debt.

Life on Chinese college campuses is not expensive as students generally have access to subsidized tuition fees and boarding. But college students are increasingly tempted with more excessive lifestyles – owning fancy handbags and phones, eating out, or getting plastic surgery.

Guangdong police said they will continue the crackdown on campus loan scams, which have caused great psychological trauma to students, resulting in drop-outs or suicides.