

PUBLIC AWARENESS ADVISORY
REGARDING "4-1-9" OR "ADVANCE FEE
FRAUD" SCHEMES (United States Secret Service)

4-1-9 Schemes frequently use the following tactics:

An individual or company receives a letter or fax from an alleged "official" representing a foreign government or agency;
An offer is made to transfer millions of dollars in "over invoiced contract" funds into your personal bank account;
You are encouraged to travel overseas to complete the transaction;
You are requested to provide blank company letterhead forms, banking account information, telephone/fax numbers;
You receive numerous documents with official looking stamps, seals and logo testifying to the authenticity of the proposal;
Eventually you must provide up-front or advance fees for various taxes, attorney fees, transaction fees or bribes;
Other forms of 4-1-9 schemes include: c.o.d. of goods or services, real estate ventures, purchases of crude oil at reduced prices, beneficiary of a will, recipient of an award and paper currency conversion.

If you have already lost funds in pursuit of the above described scheme, please contact the U.S. Secret Service in Washington, D.C. at 202-406-5850 or by e-mail.

Nigerian Advance Fee Fraud Overview

The perpetrators of Advance Fee Fraud (AFF), known internationally as "4-1-9" fraud after the section of the Nigerian penal code which addresses fraud schemes, are often very creative and innovative.

Unfortunately, there is a perception that no one is prone to enter into such an obviously suspicious relationship. However, a large number of victims are enticed into believing they have been singled out from the masses to share in multi-million dollar windfall profits for doing absolutely nothing. It is also a misconception that the victim's bank account is requested so the culprit can plunder it -- this is not the primary reason for the account request -- merely a signal they have hooked another victim.

In almost every case there is a sense of urgency;
The victim is enticed to travel to Nigeria or a border country;
There are many forged official looking documents;
Most of the correspondence is handled by fax or through the mail;
Blank letterheads and invoices are requested from the victim along with the banking particulars;
Any number of Nigerian fees are requested for processing the transaction with each fee purported to be the last required;
The confidential nature of the transaction is emphasized;
There are usually claims of strong ties to Nigerian officials;
A Nigerian residing in the U.S., London or other foreign venue may claim to be a clearing house bank for the Central Bank of Nigeria;
Offices in legitimate government buildings appear to have been used by impostors posing as the real occupants or officials.

The most common forms of these fraudulent business proposals fall into seven main categories:

- Disbursement of money from wills
- Contract fraud (C.O.D. of goods or services)
- Purchase of real estate
- Conversion of hard currency
- Transfer of funds from over invoiced contracts
- Sale of crude oil at below market prices

The most prevalent and successful cases of Advance Fee Fraud is the fund transfer scam. In this scheme, a company or individual will typically receive an unsolicited letter by mail from a Nigerian claiming to be a senior civil servant. In the letter, the Nigerian will inform the recipient that he is seeking a reputable foreign company or individual into whose account he can deposit funds ranging from \$10-\$60 million that the Nigerian government overpaid on some procurement contract.

The criminals obtain the names of potential victims from a variety of sources including trade journals, professional directories, newspapers, and commercial libraries. They do not target a single company, but rather send out mailings en masse. The sender declares that he is a senior civil servant in one of the Nigerian Ministries, usually the Nigerian National Petroleum Corporation (NNPC). The letters refer to investigations of previous contracts

awarded by prior regimes alleging that many contracts were over invoiced. Rather than return the money to the government, they desire to transfer the money to a foreign account. The sums to be transferred average between \$10,000,000 to \$60,000,000 and the recipient is usually offered a commission up to 30 percent for assisting in the transfer.

Initially, the intended victim is instructed to provide company letterheads and pro forma invoicing that will be used to show completion of the contract. One of the reasons is to use the victim's letterhead to forge letters of recommendation to other victim companies and to seek out a travel visa from the American Embassy in Lagos. The victim is told that the completed contracts will be submitted for approval to the Central Bank of Nigeria. Upon approval, the funds will be remitted to an account supplied by the intended victim.

The goal of the criminal is to delude the target into thinking that he is being drawn into a very lucrative, albeit questionable, arrangement. The intended victim must be reassured and confident of the potential success of the deal. He will become the primary supporter of the scheme and willingly contribute a large amount of money when the deal is threatened. The term "when" is used because the con-within-the-con is the scheme will be threatened in order to persuade the victim to provide a large sum of money to save the venture.

The letter, while appearing transparent and even ridiculous to most, unfortunately is growing in its effectiveness. It sets the stage and is the opening round of a two-layered scheme or scheme within a scheme. The fraudster will eventually reach someone who, while skeptical, desperately wants the deal to be genuine.

Victims are almost always requested to travel to Nigeria or a border country to complete a transaction. Individuals are often told that a visa will not be necessary to enter the country. The Nigerian con artists may then bribe airport officials to pass the victims through Immigration and Customs. Because it is a serious offense in Nigeria to enter without a valid visa, the victim's illegal entry may be used by the fraudsters as leverage to coerce the victims into releasing funds. Violence and threats of physical harm may be employed to further pressure victims. In June of 1995, an American was murdered in Lagos, Nigeria, while pursuing a 4-1-9 scam, and numerous other foreign nationals have been reported as missing.

Victims are often convinced of the authenticity of Advance Fee Fraud schemes by the forged or false documents bearing apparently official Nigerian government letterhead, seals, as well as false letters of credit, payment schedules and bank drafts. The fraudster may establish the credibility of his contacts, and thereby his influence, by arranging a meeting between the victim and "government officials" in real or fake government offices.

In the next stage some alleged problem concerning the "inside man" will suddenly arise. An official will demand an up-front bribe or an unforeseen tax or fee to the Nigerian government will have to be paid before the money can be transferred. These can include licensing fees, registration fees, and various forms of taxes and attorney fees. Normally each fee paid is described as the very last fee required. Invariably, oversights and errors in the deal are discovered by the Nigerians, necessitating additional payments and allowing the scheme to be stretched out over many months.

Several reasons have been submitted why Nigerian Advance Fee Fraud has undergone a dramatic increase in recent years. The explanations are as diverse as the types of schemes. The Nigerian Government blames the growing problem on mass unemployment, extended family systems, a get rich quick syndrome, and, especially, the greed of foreigners.

Indications are that Advance Fee Fraud grosses hundreds of millions of dollars annually and the losses are continuing to escalate. In all likelihood, there are victims who do not report their losses to authorities due to either fear or embarrassment.

In response to this growing epidemic, the United States Secret Service established "Operation 4-1-9" designed to target Nigerian Advance Fee Fraud on an international basis. The Financial Crimes Division of the Secret Service receives approximately 100 telephone calls from victims/potential victims and 300-500 pieces of related correspondence per day.

Secret Service agents have been assigned on a temporary basis to the American Embassy in Lagos to address the problem in that arena. Agents have established liaison with Nigerian officials, briefed other embassies on the widespread problem, and have assisted in the extrication of U.S. citizens in distress.

If you have been victimized by one of these schemes, please forward appropriate written documentation to the United States

Secret Service, Financial Crimes Division, 950 H Street, NW,
Washington, D.C. 20001, or telephone (202) 406-5850, or contact
by e-mail.

If you have received a letter, but have not lost any monies to this
scheme, please fax a copy of that letter to (202) 406-5031.