

NIGERIAN SCHEMES

If you receive an email, a fax, or a letter that suggests that you have been singled out of all of the people in the world to receive a large amount of cash for doing very little or absolutely nothing other than offering a helping hand, you may very well be looking at an advance fee fraud, sometimes known as a Nigerian scheme. These schemes are known internationally as “4-1-9” fraud after the section of the Nigerian penal code that addresses fraud schemes. These schemes have been around for a long time, but they are still effective in separating unwary and unsuspecting investors from their savings.

Advance fee fraud is creative and innovative. The most common forms are proposals that fall into several 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.

A member of the Arizona Corporation Commission recently received an advance fee fraud letter that asked for assistance in funneling a large amount of money out of Kuwait to a Christian individual who would use the money to fund churches, orphanages, and widows. How could assisting that endeavor be a bad thing? Unfortunately, the reality is the money does not exist. The benevolent intent does not exist. Eventually the transaction will be “threatened” and the victim will be requested to provide a large sum of money to save the deal. In other cases, the victim will be asked to pay some form of up-front payment to cover processing fees or unexpected transaction taxes. Do not be fooled by official looking documents and do not ever respond with personal information, often requested for “verification” purposes, such as bank account numbers or social security numbers.

Not only do these schemes seek to separate you from your money, but they may also be dangerous. The United States Secret Service reports on its web site that “[v]iolence 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.”

A wealth of information about this type of fraud is available to you from many sources. Below are links to web sites that further describe and explain advance fee fraud. Bottom line—if it sounds too good to be true, it probably is. Your first step should always be to investigate any

proposal offered to you and never be fooled by these types of e-mail schemes initiated by con artists.

If you have suffered a financial loss from one of these schemes, contact your local U.S. Secret Service Field Office. Identify the office nearest you on the [Secret Service web site](#).

If you have not lost money, but have received a solicitation, you may send the information by e-mail to 419.red@uss.s.treas.gov or fax it to (202) 406-6930.

Nigerian “Advance Fee Fraud” Schemes	www.sec.gov/answers/nigeria.htm
United States Secret Service Public Awareness Advisory Regarding “4-1-9” or “Advance Fee Fraud” Schemes	www.secretservice.gov/alert419.shtml
Internet Fraud Watch, National Fraud Information Center	www.fraud.org
South African Police Service 419 Scams/Nigerian Letters	www.saps.org.za/crimeprev/nig.htm
Internet Fraud Complaint Center Nigerian letter Scams	www.ifccfbi.gov/strategy/fraudtips.asp
U.S. State Department	www.state.gov/www/regions/africa/naffpub.pdf
London’s Metropolitan Police Department	www.met.police.uk/fraudalert/419.htm
U.S. Embassy in Nigeria	http://usembassy.state.gov/nigeria/wwwwho419.html

By Matthew J. Neubert
Director of the Securities Division

The Arizona Corporation Commission disclaims responsibility for any private publication or statement by any of its employees. The views expressed herein are those of the author and do not necessarily represent the views of the Arizona Corporation Commission

Article Date: 11-25-2003