

## **“419” OR “ADVANCE FEE FRAUD” SCHEMES**

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### **1. GENERAL OVERVIEW**

*Courtesy of the South African Police Service (see [www.saps.gov.za](http://www.saps.gov.za))*

#### **Introduction:**

The so-called Nigerian Letter Scam is intrinsically an advance fee fraud. The fraud is also known as the 419 scam, as the fraud is outlined in Section 419 of the Nigerian Criminal Code. A fraudster, usually a member of a criminal syndicate who obtains money or goods from a company or its representative, through deception, operates the scheme.

#### **The operation of the scheme:**

The scam is initiated with the fraudster contacting a targeted company, either by fax or mail. A business proposal is made in the letter or fax, usually by a Nigerian based syndicate posing as senior government officials. They claim that they are in possession of a large amount of over-budgeted money, usually American dollars. The proposal entails the transfer of the over-budgeted money to a bank account outside of Nigeria, which is that of the targeted company. A plausible explanation is usually given for the transfer, although they basically appeal to the intended victim's greed. The person receiving the letter or fax is generally promised a sizable percentage, between 20 and 35 percent, of the money transferred, as a commission, for the use of the bank account.

If the intended victim is interested in the deal, they are requested to forward a variety of paperwork which generally includes blank company letterheads which are duly signed, blank invoices, telephone and fax numbers, and especially bank account details. These being required to affect the transfer of the money into the bank account.

#### **How money is obtained from victims:**

Asking the victim to deposit money into a specified bank account to help cover expenses for completing the deal, which may include paying bribes to other parties in Nigeria.

Once the original fee has been paid, “complications” may arise which necessitate the payment of more fees.

Organizing a meeting in Nigeria and once the victim is in Nigeria, his passport is confiscated and he is detained until sufficient payment is received.

Using the bank details and official letterheads to transfer money out of the victim’s bank account and into an account and into an account under the control of the criminals

Once the money is lost, an “official” may contact the victim on the pretext of helping the victim retrieve the lost money, which, in turn, also costs money.

One might think that it is inconceivable that a person could fall victim to such a questionable scheme. People have, however, fallen prey to the scheme to such an extent, that it has forced a number of countries to set up specific units to deal with Nigerian letters. There are no reliable figures, which can be used to illustrate the extent of this scheme, as many of the victims do not report the incident due to the embarrassment that it may cause them.

#### **Indicators of a possible Scam:**

- The letter will stress the urgency of the matter.
- The confidential nature of the transaction is stressed.
- Claims are made that the other parties are employed in, or have strong ties with the Nigerian Government or the Central Bank of Nigeria.
- There may be a need to travel to Nigeria or one of its neighboring countries.
- Many forged official-looking documents.
- Blank letterheads, invoices and banking details are requested.
- Additional fees are continuously requested in order to further the transaction.
- Most letters will indicate that the transaction is 100% risk-free.

#### **Precautionary measures**

When one is considering entering into a business transaction with foreigners, the following precautionary measures can be taken which may help to reduce the risk of becoming a victim of an advance fee fraud:

- Check the credentials of the person or business, for example with the relevant embassy, to see whether or not the person operates a legitimate business or that the business does exist.

- Never provide the other party with blank letterheads or invoices.
- Never pay anything in advance unless you are absolutely that goods or service are going to be delivered.
- Ensure that your travel documents are in order.

## **2. WHAT TO DO IF YOU RECEIVE A NIGERIAN/419 LETTER**

*Courtesy of the 419 Coalition Website (please visit [home.rica.net/alphae/419coal/](http://home.rica.net/alphae/419coal/) for more information)*

- 2.1 DO NOT RESPOND TO THE 419 SOLICITATION.
- 2.2 Notify your Own Nation's National Law Enforcement Agency and your Own Nation's Foreign Office (in South Africa, fax all documents pertaining to the scam to the Commercial Branch, South African Police Service, Head Office at facsimile number +27 12 339 1202 or e-mail [hq.commercial@saps.org.za](mailto:hq.commercial@saps.org.za). Please mention whether or not you have incurred any financial loss).
- 2.3 File a complaint with the Nigerian Embassy or High Commission in your nation.
- 2.4 File a complaint via email with the Central Bank of Nigeria.
- 2.5 For Loss cases only, you may file a complaint with the Nigerian Economic and Financial Crimes Commission (EFCC).
- 2.6 If the contact from the 419ers was via email: write their email provider at their "abuse" address ([abuse@yahoo.com](mailto:abuse@yahoo.com), [abuse@onebox.com](mailto:abuse@onebox.com) etc.) and include the 419er message with its headers; complain about the 419 message; and ask that the account be shut down. You may also file complaints with watchdog type services like Spamcop to try and get the 419ers email accounts shut off by whatever ISP they are using - Spamcop and other services like it will parse the headers of the 419 email and try to see through forged information etc. to get back to the actual origin of the 419 email, which is often useful in these matters.

## **3. WHAT TO DO IF YOU RECEIVE A LETTER FROM "MERCANTILE BANK"**

- 3.1 Request confirmation of the author/official/representative's employment and/or relationship with Mercantile Bank by sending an e-mail to [compliance@mercantile.co.za](mailto:compliance@mercantile.co.za); and
- 3.2 E-mail examples of these schemes to [compliance@mercantile.co.za](mailto:compliance@mercantile.co.za).