

# Texas Department of Banking

## Press Release

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### **Nigerian Advance Fee Fraud Schemes Resurfaced in Texas**

Date: March 27, 1998

Texas Banking Commissioner Catherine A. Ghiglieri announced that in recent months the "Nigerian Advance Fee Fraud" schemes have resurfaced in Texas.

In this particular fraud, a company or individual typically receives an unsolicited letter or fax from a Nigerian. In the communication, the Nigerian may be associated with the "Nigerian National Petroleum Corporation" and will inform the recipient that he is seeking a reputable foreign company or individual into whose bank account funds may be deposited. The funds supposedly range from \$10-\$60 million which the Nigerian government overpaid on some procurement contract.

The recipient is usually offered a commission of up to 30% for doing nothing other than allowing their bank deposit account to be used for funds placement. A spokesman for the United States Secret Service states, "It is a misconception that access to 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." Subsequently, *"Advance fees are requested for processing the transaction, with each fee purported to be the last required."*

Internationally, this activity is referred to as "419 Fraud," which is derived from the Nigerian criminal statute for fraud. The Secret Service considers the economic impact to be substantial and is working with the Department of State, Department of Commerce, Department of Justice, and numerous other organizations toward diminishing the losses. In response to the number of complaints, the Secret Service established "Operation 4-1-9" designed to target Nigerian advance fee fraud schemes on an international basis. The Financial Crimes Division of the Secret Service reports approximately 100 telephone calls from victims/potential victims and 300-500 pieces of related correspondence per day.

Commissioner Ghiglieri stated, "Numerous such letters have been received by Texans in recent weeks and forwarded to the Banking Department." Those persons receiving this type of letter are advised to visit the U. S. Secret Service website at [www.treas.gov/usss](http://www.treas.gov/usss). Click on "Investigations" after you get the site and the "Advance Fee Fraud Advisory Information" will be a menu item. The overview contains other characteristics and the most common forms of these fraudulent proposals.

Commissioner Ghiglieri also suggested that materials or other information received by the public that appear to concern this type of fraud should be forwarded to: