

## **'419' Scam/Advance Fee Fraud Schemes**

If you as an individual or your company has been:

- promised funds, by someone you have never heard of, in return for assisting someone to transfer millions of dollars;
- advised that you are the beneficiary of a multi-million dollar inheritance;
- advised that you are the winner of a lottery even though you have never bought a ticket;
- offered a fantastic business opportunity;
- offered a confidential business proposal; or
- offered an unsecured loan...

you may have been implicated in a scam or fraud scheme.

If any of these scenarios sounds familiar and too good to be true – it probably is!

The South African Reserve Bank (SARB) has, over the past few years, become inundated with requests or calls for assistance from people who have fallen victim to criminal elements operating Advance Fee Fraud type scams, commonly known as '419' or 'Nigerian Letter' scams. This type of fraud is referred to as '4-1-9' fraud after the section of the Nigerian penal code that addresses fraud schemes.

Despite the SARB's efforts in assisting the South African Police Service to bring this scourge to an end, many people are still falling victim to these types of scams, usually due to a lack of knowledge. You, the reader, need to be aware of the far reaching consequences of these scams. Not only are people losing huge amounts of money, but that money is invariably being used to purchase drugs for sale to the public or for the financing of terrorist activities in various countries.

The modus operandi of these scammers is very simple and highly effective. This is how a typical scam letter works:

The perpetrator's initial approach is normally via letter, e-mail, mobile phone text message (sms), a social networking site or faxed document, advising the potential

victim that, for their assistance, they will receive a large percentage of a large amount of funds, e.g. dollars (usually millions) that have been obtained as a result of some occurrence e.g. inheritance, over-budgeted contract payment, lottery winnings, etc. The message would stress that confidentiality must be maintained at all times. In the event that you respond to this initial e-mail, the scam begins. The perpetrator will maintain communications and proceed to the next level of the scam.

Once a positive response to the letter of solicitation is received, the receiver of the scam letter is often asked for their banking details, passport and identification number and various other personal details. Communication between the victim and perpetrator continues until the final details of how and when these millions of dollars will be exchanged are agreed upon. It is at this stage that the victim is usually sent authentic looking documents, allegedly signed by influential people, e.g. the Governor and/or any of the Deputy Governors of the SARB and bearing the logo of the SARB or a version thereof, confirming that the millions of dollars are awaiting transfer to a nominated bank account.

However, prior to the release of the funds, the victim is required to advance money to obtain alleged clearance documents i.e. Drug and Anti-Money Laundering Certificates, Tax Clearance Certificates, etc. After the victim pays the required fees, the perpetrators ask for more fees. (The more money paid in respect of 'fees', the greater the loss). Payment of any fees is regarded as advance fee fraud and should be reported to law enforcement authorities.

The victim is now faced with the prospect of either losing the original fee paid or pays more fees, in anticipation of a big payoff. In this way, tens or hundreds of thousands of dollars (or rands etc.) may be swindled from a victim. The payoff, of course, never happens, because there never was any payoff to begin with.

On many occasions the victim is asked to meet with the perpetrators to witness the signing of the final release forms. If the victim is unable to be present at the signing, the perpetrators will allegedly appoint a 'lawyer' or 'barrister' to act on the victim's behalf. Again, more funds are required to cover the 'legal fees' that are incurred, relative to the preparation of the clearance documents.

Once the perpetrators have achieved their objective (to scam the victim for as much money as possible) communication lines are abandoned and the victim has no recourse to the lost funds.

It is pertinent to mention that the SARB's corporate identity has been 'hijacked' and is being abused by syndicates using scam letters in order to deceive people. The SARB has been falsely implicated in such matters. Victims have been lured into transactions where the documentation presented bears the logo of the SARB and/or the name of the SARB is displayed. This falsification of documents is intended to lull the recipient into believing that the documents that he/she has received are legitimate.

The following should be noted, should you be in any doubt as to the authenticity of a transaction:

- The SARB does not maintain bank accounts on behalf of private individuals or entities. It stands to reason that the SARB does not offer or operate online banking facilities nor does the SARB maintain an Internet banking facility.
- Documents relating to anti-money laundering and/or drug clearance certificates, tax clearances, marginal fluctuations, etc. are not issued by the SARB.
- The SARB does not charge a fee for the signing of official documents.
- People in the South African legal profession do not use the title of barrister.
- The SARB does not appoint lawyers or attorneys to act on behalf of private citizens.
- The SARB does not involve itself in authorising the transfer of lottery payments or hold lottery money on behalf of the public.
- The SARB's branches and subsidiaries are based in South Africa; it does not have any branches or liaison offices offshore, nor do 'agents' in overseas countries act on its behalf.
- The official departments of the SARB can be found on the official website <http://www.reservebank.co.za>.

More information on various types of scams/schemes can be obtained on the Internet at the following addresses:

<https://www.sabric.co.za>

<http://www.saps.gov.za>

<http://www.scamwarners.com>

<http://www.419scam.org>

<http://www.crimes-of-persuasion.com>

<http://www.fbi.gov/scams-and-safety/common-fraud-schemes>

<http://www.reservebank.co.za>