

# UNITED STATES POSTAL INSPECTION SERVICE

## LAW ENFORCEMENT REPORT

### Law Enforcement Weighs In Against Nigerian Criminal Gangs

by Postal Inspector John C. Brugger  
National Public Information Officer

The letter arrives unexpectedly, with the intriguing signs of an international mailing: the red and blue aerogram border on lightweight paper, foreign postage and the postmark of a faraway country. You don't know a soul there, but you're naturally curious and you open the envelope. The letter is unaddressed, without letterhead, and is clearly a form letter. Nevertheless, your eyes are drawn to the bold print across the top of the page, which reads: Confidential Business Proposal. This hardly prepares you for what follows. In awkward and stilted English, the author of the letter proceeds to spin a story, extremely implausible to most readers, but tempting to others with perhaps more vivid imaginations and higher greed quotients.

Here's the story: Crafty government insiders have salted away tens of millions of dollars, earmarked for a foreign contractor of the Nigerian National Petroleum Company, but never paid out. The funds, unclaimed and forgotten over the years, may now be transferred out of Nigeria to a willing recipient in the U.S. — it could be you! — if only you'll make your bank account available for the transfer (Nigerians by law may not hold foreign accounts).

What's in it for you? How about 30 percent of the loot! What's the catch? You'll be asked for cash up front to grease some official palms in Nigeria, or maybe for the transfer tax needed prior to release of the funds. To most, the proposal has the unmistakable odor of fraud, but for a few, it has the smell of easy money, and it's irresistible.

Those who have taken the bait offered by these letters have been hooked by the Nigerian "419 scam," so-called because of the statutory violation involved under Nigerian law. For them, this classic "front-loaded" or "advance-fee" scam has been an expensive introduction to the growing menace of Nigerian crime. For those who traveled to Nigeria in search of the promised loot, the scam has taken some menacing turns. Instead of finding cooperative fellow conspirators, travelers have been met by coercive and abusive thugs, anxious to relieve their American cohorts of all their valuables — leaving one victim stripped of everything but his underwear.

The 1990s brought a frightening epidemic of counterfeiting, corruption, credit card theft, identity fraud and other financial crimes that have confounded police departments across the United States. The proceeds of the crimes have helped finance elaborate narcotics smuggling and distribution operations reaching from Thailand and Pakistan to every major city in the United States. The perpetrators of the schemes are among the most resourceful and ingenious criminals to challenge law enforcement since the Colombian drug cartels in the eighties.

To combat this epidemic, teams of local police and federal law enforcement agents, including Postal Inspectors, have assembled in the hardest hit cities — Atlanta, Baltimore, Boston, Chicago, Houston, Los Angeles, Miami, New York, Newark and Washington, DC. The teams, formally known as High Density Task Forces, have adopted different local names: There's the "Metro Alien Immigration Task Force," for example, and the politically inoffensive "West African Task Force."

Recently, the Department of Justice (DOJ) took the unusual — and politically straightforward — step of calling the epidemic by name: Nigerian Criminal Enterprises (NCEs). DOJ's recognition of the enormous challenges posed by NCEs is the first step toward a comprehensive federal law enforcement response.

Postal Inspectors have pursued Nigerians who are stealing credit cards from the mail; submitting fraudulent changes of address; stealing — or bribing others to steal — personal financial information to obtain credit cards, checks and merchandise; staging accidents and filing phony life insurance claims; and committing property damage frauds of all kinds. In one notable Michigan case, the crooked claimant not only filed a fraudulent death benefit claim from Nigeria, but also filed a phony loss report with the airline for his luggage on the return flight from Nigeria, just to recoup travel expenses.

In March 1997, Postal Inspectors in Boston broke up a ring of Nigerian check thieves who had stolen more than \$2 million from Boston area banks, law firms and a brokerage house. Checks, many in six-figure amounts, were being stolen from the mail en route to a major Boston financial

institution. Inspectors traced the cashed checks through other financial institutions in New York, Austin, Houston and Riga, Latvia.

In February, an 84-count indictment was returned in Tampa, charging ten Nigerians and two Americans with mail fraud, wire fraud, conspiracy and money laundering for their part in a massive staged accident insurance fraud that netted over \$2 million. The case was investigated by a task force of state and federal agencies, including Postal Inspectors.

In one case, employment information, scavenged from garbage dumpsters in New Jersey, was used to provide all the background necessary to apply for, and receive, millions of dollars in credit authorizations. Fraudulent credit card applications bearing the names and employment histories of the innocent parties were quickly completed. Using the return address of a local commercial mail receiving agency (CMRA) as cover, the applications were sent to all major credit card issuers. For victims, the nightmare of restoring their credit-worthiness could last for years.

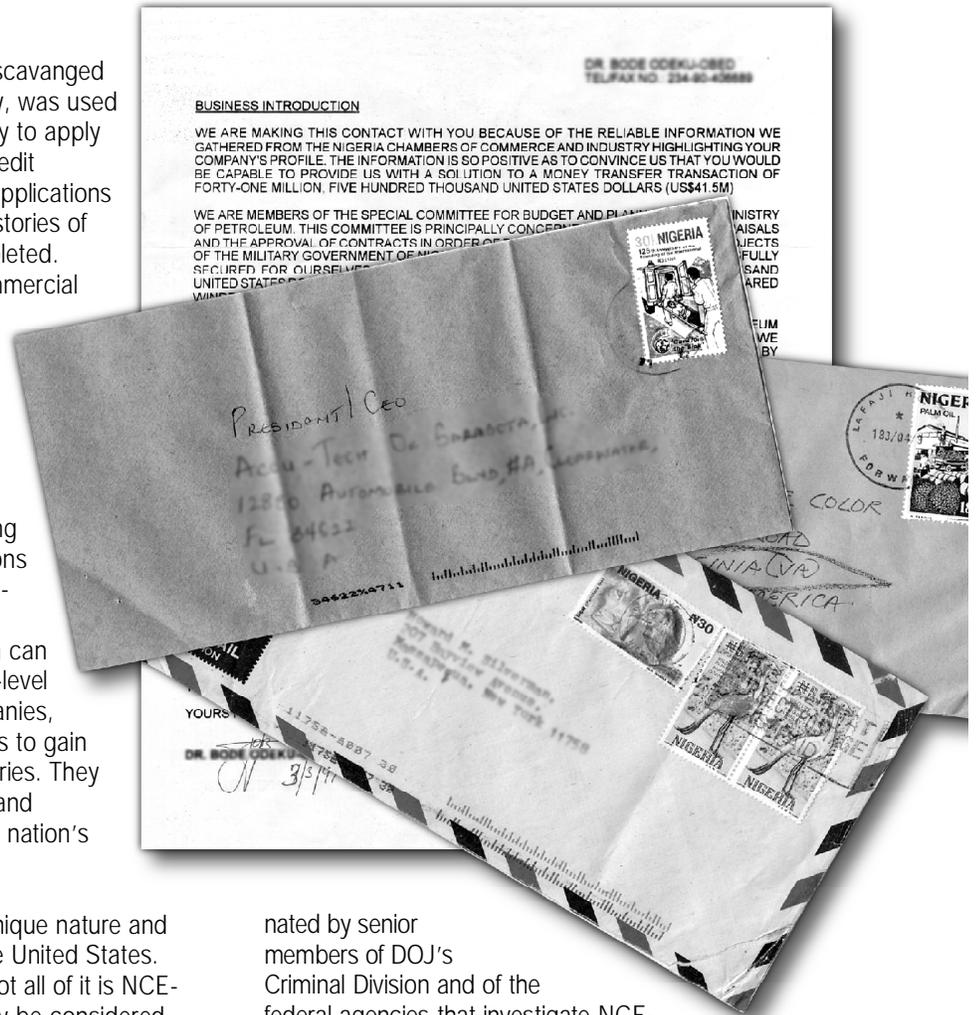
In Houston, Nigerians have sought to bribe postal employees into surrendering trays or satchels of mail. Similar situations have been uncovered in financial institutions and credit reporting services, or anywhere personal financial information can be found. Nigerians will also take entry-level positions at hospitals, insurance companies, department stores or even used car lots to gain access to personnel files or credit histories. They have been utterly relentless in probing and exploiting perceived weaknesses in our nation's economic institutions.

DOJ has recently taken notice of the unique nature and scope of Nigerian criminal activity in the United States. While much of it is loosely organized, not all of it is NCE-generated. Many Nigerian criminals may be considered "freelancers," or "entrepreneurs," eager to embark on any illegal activity that shows promise. Even those who belong to NCEs, however, may not fit the mold of criminals in the "traditional" crime syndicates, such as the Cosa Nostra.

NCEs tend to be less formal in structure, bonded by family and tribal loyalties but without a strict hierarchical order and virtually impossible to penetrate for outsiders. As a result, just as law enforcement is struggling to keep from being overwhelmed by NCEs, too many investigations

expend valuable resources on the entrepreneurs rather than the more significant NCEs.

DOJ's analysis of NCEs and federal law enforcement efforts has led to a series of proposals it believes will help law enforcement successfully meet the challenges posed by NCEs. First, to forge some cohesion in the law enforcement effort and add focus to investigations, DOJ proposes the creation of a series of interagency working groups coordi-



ated by senior members of DOJ's Criminal Division and of the federal agencies that investigate NCE-related drug smuggling, money laundering and related financial crimes. Among the agencies will be the Department of Treasury's Enforcement group, FBI, Customs, Secret Service, INS, DEA, the Department of State's Security Service and the Postal Inspection Service.

A second-tier working group will include DOJ's Criminal Division attorneys specializing in drug offenses and fraud, members of the Executive Office of U.S. Attorneys (International), and federal agencies serving on the inter-

agency coordinating group. At the field agent level, DOJ proposes forming working groups of federal agencies, state and local police departments and prosecutors immediately affected by the NCE crime wave.

Information sharing and case coordination among agencies is the goal, especially on current investigations with overlapping jurisdictions. Intelligence from confidential sources will be pooled, as well as data gleaned from agency records.

Second, DOJ's proposal envisions an aggressive public education campaign to inform citizens, especially business owners and members of the financial community, about specific Nigerian frauds and prevention opportunities, much of which can be accomplished through the media. Training will be provided for state attorneys general, local prosecutors and police agencies in the most efficient detection and enforcement strategies to combat NCEs.

Third, DOJ promotes intelligence-gathering and sharing among all criminal enforcement agencies to document the activities, structures, characteristics, financial dealings, communications and travel activities of NCEs. Current information-gathering networks, such as EPIC (El Paso Intelligence Center), CABINET (Combined Agency Border Network), and WANTS (West African Narcotics Trafficking System) will be bolstered by DOJ's effort. Arrests and seizure data on narcotics and alien smuggling, money laundering and weapons trafficking not currently being reported will be added and made available to all investigative agencies.

For its part, DOJ recommends that Assistant U.S. Attorneys be designated to "vigorously support" task force investigations in the hardest hit cities. AUSAs will help beleaguered task forces with grand jury subpoenas, pen register orders, wiretaps and

Mutual Legal Assistance Treaty (MLAT) requests to foreign governments. Federal prosecutors will be authorized to disregard established prosecutive thresholds where NCE activity is evident. They will be encouraged to incorporate deportation orders in their plea bargain negotiations. Travel costs will be paid by the deported defendant whenever possible.

It remains to be seen if DOJ's ambitious work plan will stop NCE activity in the United States. For many in law enforcement, the epidemic of Nigerian criminal activity in this country is a recent phenomenon; however, the fleecing of Americans by Nigerian con artists is not new at all.

Recently found among the archives of the Postal Inspection Service was a publication dated August 1949. The publication contains a story about a mail fraud perpetrated by Nigerian schoolboys on American and Canadian citizens. The Nigerian youths offered diamonds, ivory tusks and African trinkets in exchange for American and Canadian currency, wristwatches and clothing. Needless to say, the young scammers collected the money and the valuables, but the trinkets never appeared. Some things never change. ■

## Warning: Nigerian Scam Alert!

The vast majority of Nigerian scams are aimed at businesses or government agencies, rather than private individuals or small businesses. There are several, however, about which consumers, churches and small-business owners should be forewarned:

- Offers to sell your products in the vast, untapped markets of Nigeria or all of West Africa! It seems logical that all you need is an agent "in country" who can help with customs requirements, red tape and marketing. You'll be invited to express-ship several thousand dollars worth of samples, and they'll do the rest. They may even offer to send a letter of credit to establish financial credibility.

Many owners of small- to medium-sized businesses see dollar signs when they hear offers such as these. In fact, you might as well kiss your samples good-bye. There may be business opportunities abroad, but this isn't one of them.

- Unsolicited offers are received from Nigerian public servants who are auditing finances of the Nigerian National Petroleum Company and have discovered unspent millions of dollars they want to spirit out of the country, but they need your bank account. They offer to share a third of the booty with you — for a fee! Never mind that this sounds both preposterous and illegal — people fall for it and send thousands of dollars in transfer taxes pursuing their personal pot of gold — which never appears.
- Notification that a wealthy American missionary has died in Nigeria and left millions of dollars to your organization or church. The money will be wired to you as soon as the inheritance taxes are paid and the estate is probated.

Do these schemes seem to have similarities? You bet! You'll be tempted with a huge payoff of one kind or another, but first you must ante up thousands of dollars to show your "good faith." Don't trust any such offer — it's a scam.