

May 10, 2000

Any attachments to this document are rescinded only as they relate to national banks and federal savings associations.

MEMORANDUM FOR CHIEF EXECUTIVE OFFICERS

FROM: Richard M. Riccobono 

SUBJECT: Illegal Expatriation of Funds Schemes (Ghana, Nigeria, Russia, etc.)

On June 30, 1999, I wrote to you warning you about schemes in which alleged foreign officials from Nigeria offer to transfer millions of dollars of “over invoiced contract” funds to your institution. International law enforcement agencies refer to these schemes as “4-1-9” fraud, after the section of the Nigerian penal code which addresses fraud schemes. These schemes, also known as “Advance Fee Fraud” schemes, have spread. We now have reports of similar schemes involving other foreign countries, specifically Ghana and Russia.

Generally, the promoters of these schemes ask you to help them by allowing them to deposit millions of dollars into an account at your institution. In order to facilitate the transfer, they request bank account information and they offer you a commission of up to 30 percent for assisting them in the transfer. Eventually, they may ask you to pay service fees, transfer taxes, wire charges and/or bribes in order to clear the way for the “transfer” of funds.

The ultimate purpose of these communications is to steal the account holder’s money. The promoters of these schemes want you to disclose confidential details and wire transfer information about accounts at your institution to facilitate their criminal activities.

Regardless of the country or the form of the solicitation, these schemes have one common element: they promise a windfall for little or no effort or risk. Unfortunately, these schemes are still finding victims.

If your institution receives a solicitation similar to the one described above, you should notify your OTS regional office immediately and contact the U.S. Secret Service in Washington, D.C. at (202) 406-5850. The Secret Service has a highly informative Advisory regarding these

schemes. You can access the Secret Service's Internet website at <http://www.ustreas.gov/uss>. From the Secret Service's website, scroll down to the "Public Awareness Advisory 4-1-9 Fraud" connection to access the Advisory.

RESCINDED