Globalism, Crime, and the Internet

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Recommended Citation

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Globalism, Crime, and the Internet

Posted on May 1, 2002 by Editor

By Dr. Jeffrey Barlow <barlowj@pacificu.edu>
The Electronic Journal of the Berglund Center for Internet Studies

After a series of editorials on very complex and scholarly topics that not incidentally required a
great deal of research [1], I thought to begin our summer series of Interface with a topic on a
somewhat lighter theme: E-mail fraud schemes. Many of us have received email letters like the
following:

Delivered-To: barlowj@pacificu.edu
Date: Wed, 16 Jan 2002 10:08:52 -0800 (PST)
From: Bibiola Waritimi <bibitimid@yahoo.com>
Subject: Proposal for Mutual Profit
Reply To: bibitimidfile@yahoo.com

I am Brigadier-General Bibiola Waritimi (RETIRED); Residential Address-Plot 150 Wuse Zone 2,
FCT, Abuja, Nigeria.

I am contacting you courtesy of an address listing which I obtained from your Embassy/High
Commission in Abuja, Nigeria; THIS IS NOT A SPAM MAIL, and I appeal to you to exercise a little
patience and read through my letter, and I guarantee you will not have wasted your time.

As you are probably aware, Liberia, a West African Territory was embroiled in a protracted civil
war for many years. This war of attrition eventually attracted Worldwide attention because of the
suffering of both the many warring parties which constantly changed alliances and allegiances,
and the innocent civilian refugees. There were allegations of much atrocities committed and
many human rights abuses. Please see the following web sites:-
http://www.western-compsa.com/ECOMOG.htm
http://web.africa.ufl.edu/asq/v4/v4i1a1.htm
http://www.iss.co.za/Pubs/Monographs/No44/ECOMOG.html
http://www.hnw.org/reports/1997/liberia/Libera-02.htm
Nigeria, under the leadership of General Ibrahim Badamosi Babangida (retired Head of State of Nigeria), appealed to the United Nations for help. The later encouraged Nigeria to mediate between the many protagonists. Nigeria subsequently put together the coalition of 16 member Economic Community of West African States (ECOWAS), and the regional PEACE KEEPING FORCE KNOWN AS ECOMOG was born! I was privileged to be the first inaugural Nigerian Field commander of the Peace keeping force, and I immediately moved into the camp site at the outskirts of Monrovia, the capital city of Liberia to take my command.

The peace keeping exercise was a total success, and eventually the rebel, Samuel Doe was captured and the many lesser war lords contained. Eventually Mr. Charles Taylor, whose faction was recognized by ECOWAS was helped to establish an acceptable Government; peace was restored; and the rest is history.

During the final onslaught which resulted in the capture of Samuel Doe, the campaign was meticulously planned and executed flawlessly; Samuel Doe’s Headquarters was seized by my men, and much ammunition as usual were recovered; However, 5 large trunk boxes were also recovered and I immediately ordered them taken to my quarters because there were rampant cases of pilfering and outright looting by the Soldiers (the Soldiers came from different Countries and sometimes discipline was hard).

When I examined the Trunk boxes, I got a shock! They were stacked full of 100 Dollar bills! To my inexperienced eye, I estimated that the boxes must contain over 50 Million Dollars! I was faced with an instant dilemma. I dared not declare this discovery to the Military High command; the money would promptly disappear into private pockets of the Military high brass. I immediately swore my ADC to secrecy and decided to transport the boxes into Nigeria. I used my powers to requisition a Hercules Military Transport AirPlane under my Command and airlifted the boxes to Abuja, Nigeria. Needless to say, Our Aircrafts and military equipment/property do not undergo Customs checks.

Accordingly I immediately took the trunk boxes and deposited them in a safe deposit box belonging to Bullion Security Company Nig. Ltd., located at Abuja. Of course no one knows the content of these boxes and I simply listed “VALUABLES” in the deposit form and I paid the storage charge of 2,500.00 USD per annum. The date was January, 1991.

I deliberately waited for the right political climate to move this money abroad for investment purposes. The time is now right because a properly elected Civilian Government is now in charge of Nigeria.

I need your help because I am a highly visible personality, and any attempt by me to transfer this money to a foreign Country will fail. Also the law in Nigeria does not allow serving or retired Military Personnel to own/operate foreign Bank Accounts in their name. I have therefore thought out a perfect and 100% risk free method of transferring this money abroad, with your help. It is simple.
(1) You will provide one or more Bank A/Cs into which all the money will be wired.

(2) The Bank of origin, that is the, FIRST BANK OF NIGERIA, PLC
http://www.fao.org/ag/ags/agsm/banks/nigfirst.htm, where the wire transfer will be done will provide all the paperwork documentation, including the certificate of origin in order to avoid money laundering charges by the RECEIVING BANK. This is vital to avoid the money being seized by Government Agencies on arrival at your Bank Accounts). Also in view of the unfortunate incident at New York and Washington in America, it is vital that this money should not be seen as terrorist money or as being transferred to terrorists.

(3) You will then come to Nigeria for a 2 / 3 day visit; on your arrival, we will then take the money to FIRST BANK of NIGERIA PLC and wire the money to your Bank ACCOUNT(S); My Banker has advised me that in transferring large volume money, it is best to use offshore (Bank Haven) Banks like the Cayman Islands where the tax incidence is zero or negligible.

(4) After the wiring of the money, I will travel with you abroad to collect my share of the money which is 70%; You will keep 30% of the money for yourself.

(5) You could help me to invest my share of the money (This is optional and you are not obliged to assist)

If you are interested in helping me, please reply immediately, giving me your phone and fax numbers and I will give you further details; we will then establish a game plan to achieve our aim. Please bear in mind that as far as you are concerned, this transaction IS NOT ILLEGAL and we will NOT ENTER INTO ILLEGALITIES AT ANY STAGE OF THE TRANSACTION TO TRANSFER THIS FORTUNE ABROAD; EVERYTHING WILL BE TRANSPARENT, LEGAL AND PROPER; This is the word of a military officer. Thank you,

Brig-Gen. Bibiola Waritimi
Phone + 234 9 272 7052 Fax + 234 9 272 6116
alternative email: bibiwari@hotmail.com

For additional examples see the Appendix below.

What I initially began as a light-hearted exploration of yet another impact of the Internet, however, soon took a more serious turn: there are, in fact, many victims of these seemingly laughable attempts at fraud. As the Treasury Service states in outlining these “Advance Fee Frauds” (also known as 4-1-9 frauds because of the Nigerian criminal statute they violate):

“Indications are that losses attributed to Advance Fee Fraud are in the hundreds of millions of dollars annually.” [2]

These frauds are intended, like most confidence schemes, to ultimately work upon the greed of
the intended victim: getting something for little or nothing. These are relatively sophisticated in that they even suggest that the money earlier belonged to evildoers; taking money from them could even be considered a good thing.

These are actually variations on a very old scheme, variously known as the “Wallet Drop” or the “Murphy Drop” (Presumably known for some ancient and particularly creative Irish criminal.) which consisted of a scam wherein the victim or “mark” spots a wallet on a city street and reaches it a fraction of a second after another person who shows the mark that the wallet has a large sum of money in it, and the owner’s identification. The other person expresses regret that he cannot find the owner and split the reward that is surely to come, but is too busy and will leave it up to the mark to do so, but as a matter of trust, would like a sum of money after receiving which the person will give the wallet to the mark. The mark turns over a sum of money (greedily having no intention of seeking the owner) and is presented with the wallet. Upon checking later, the wallet turns out to be full of paper.

Earlier pre-internet versions of the Advanced Fee scheme often depended upon the U.S. mails. Small businesses received official-looking stationary from banks, purporting to be from a bank officer who had discovered a dead account that could be profitably looted, but only with foreign assistance, of course.

These scams also sometimes take advantage not of greed, but of political or religious commitment. I received one such offer which was soliciting money from Muslims to fund attacks on the United States in the wake of September 11, 2001. I was, of course, initially horrified, then rather pleased as I thought through the implications of the offer—defrauding particularly eager supporters of potential terrorists.

The 4-1-9 or “Nigerian Advanced Fee” scheme is a very flexible scam—it also has the advantage of not being a violation of American postal statutes so that it is not mail fraud. I spoke with agents in FBI and Secret Service offices in Portland, Oregon, and in Washington D.C., who kindly led me through the initial stages of this research, as well as discussing some of the many variants upon the scheme.[3]

Many of these schemes at some critical point are routed through Nigeria. The Nigerian criminal gangs have distinguished themselves as the most “wired” of all the African gangs. (In Europe, the equivalent is the Dutch.) They are, accordingly, very difficult to trace, well-financed, and extremely skilled at moving funds around. As Castells says:

Diversified Nigerian criminal networks have become a force to reckon with, not only in Nigeria and in Africa (where they subcontract their knowledge of the field to International cartels), but in the world arena, where they excel, for instance, in credit-card fraud.[4]

Immediately after a victim has been fleeced, there is no remaining trace of the email addresses, urls, bank accounts, fax numbers, etc., left for investigators. The money, I was told by a Secret
Service agent, is not infrequently rerouted through many countries before winding up in one which has no reciprocal treaties with the victim’s homeland.

Such schemes depend in large part on an Internet money laundering method, “layering”, wherein money is separated by electronic means from its place of origin, and from its final destination. [5] The availability of instant electronic transfers and global financial markets made possible by the Internet are both critical to layering. Even in highly developed banking cultures such as Belgium and Lichtenstein, variations upon the Advanced Fee fraud have netted millions of dollars from sophisticated investors with no resultant prosecutions, despite all that Interpol and national police agencies were able to do.[6]

There are many points at which the authors of these frauds have managed to profit. Sometimes it is as simple as identity theft or credit card fraud. As they lead their victims deeper into the scheme, the perpetrators ask for bank accounts in which to deposit the funds, or credit card numbers, fax numbers, phone numbers, (they get email addresses very quickly, obviously) and blank letterhead stationary from the victim’s business. These are then used to create false identities for the purpose of credit card fraud, or even for emptying the victim’s bank account should he or she be so foolish as to yield adequate information with which to do so.

It seems strange that victims should be so open to such a scheme, but the well-financed thieves will send numerous official-looking documents, expensive cables and telexes, etc., all intended to reassure the victim. Note also that the letter from “Brigadier-General Bibiola Waritimi (RETIRED)” above offers a variety of Internet links to real institutions and real news sites adding verisimilitude to the scheme.

These schemes are very successful. Agent Bryan Marr of the Secret Service informed me that in 2001 the treasury department received more than nine thousand email queries, one thousand snail mail queries and six hundred fax queries about these schemes per month. Known losses (these crimes are clearly under-reported by the many embarrassed victims) for 2001 were 954,975.00 U.S. dollars.

Other opportunities to profit come when the thieves, having established personal contact, ask for funds to be deposited as a token of good faith (Murphy rides again!) or, sometimes, for personal gifts such as a Rolex watch, also as a token of good faith. In much of the world a Rolex watch is as easily convertible as is the U.S. dollar. A very simple and quick return from the scam comes when individuals are persuaded to actually visit Nigeria, being told that they do not need a visa to enter the country. Upon arrival they are met by customs officials who are confederates of the perpetrators of the scam. They are told they have violated Nigerian law and permitted to leave only after paying a large “fine.”

The interesting thing about these scams, from the point of view of those of us who study the impact of the Internet, is that the general outline of the fraud is not really anything new. Mr. Murphy would recognize them immediately. But they take true advantage of the Internet. They
use its power to increase apparent legitimacy by citing electronic resources, and take advantage of the speed of communications that the Internet provides by moving resources around quickly so as to avoid prosecution.

Such schemes also, of course, takes advantage of the almost unlimited number of marks potentially available on the Internet who can be reached via the many e-mail addresses that can be systematically culled from Internet sources. I received an instant affirmation of the value of email addresses when I first conceived of writing this piece. I replied to one of the Nigerian e-mails written by Mr. Kalma Ali. (See letter below.) Assuming that Mr Ali was an ignorant, if hopeful, neophyte e-mail user, I offered to pay our standard Interface fee of two hundred dollars per article, for an explanation of how the scam actually worked. This was, of course, incredibly naïve on my part. I was offering a pitiful sum given the millions this scheme actually returns annually. Mr Ali had the last laugh as he immediately sold my e-mail address, presumably as a hot prospect since I had shown initial interest. I now receive several such e-mails per week inviting me to participate in some variant of the scheme. Earlier I received no more than several such per year.

The Nigerian Advance Fee Fraud is merely one example of Internet criminal operations. Global criminal groups are very active on the Internet, and depend upon it, among other critical activities, for money laundering. In addition, these gangs are organized, not surprisingly, as networks, the form of organization we have argued earlier is characteristic of the Internet itself. In addition, the Internet gives the criminal an additional layer of protection in that national laws almost always require that criminals be tried in person. This means in the American case, that the Nigerian criminals cannot be tried unless apprehended in Nigeria and extradited to the U.S. Accordingly, American authorities are attacking the Nigerian problem in Nigeria itself. But given the mobility of such gangs and their constant networking, such approaches are clearly bound to be frustrating ones.

The best advise in dealing with this particular use of the Internet is, like the Murphy Drop itself, old: If something seems too good to be true, it probably is.

Jeffrey Barlow
Editor, Interface

Notes

2) http://www.ustreas.gov/usss/financial_crimes.shtml#Nigerian

3) I wish to express my appreciation to agents of The Federal Bureau of Investigation and of the Treasury Department in Portland, Oregon, and to Special Agent Bryan Marr of the Secret Service in Washington D.C., who spent some time in discussing these issues with me.

4) Castells, III, 176.

5) Castells, III, 182

6) Goldring, 328

7) See Barlow above, and Castells, III, 182.

8) Perritt, 171. For recent American attempts to assist Nigeria in the combating these schemes see: The Embassy of the United States of America in Nigeria http://usembassy.state.gov/nigeria/wwwwhpr9g.html

Resources

See VAS: Victims Against Scams http://www.victimsagainstscams.com/

A particularly useful set of web pages is found at: Texas Tech University http://helpdesk.ttu.edu/bulletins/419fraud.php


Bibliography


**APPENDIX**

From: “Kaloma Alli” <kalomaallio6@rediffmail.com>
Subject: ASSISTANCE
Sender: “Kaloma Alli” <kalomaallio6@rediffmail.com>
Date: Thu, 18 Apr 2002 04:23:40 -0700
Reply-To: “Kaloma Alli” <kalomaallio5@rediffmail.com>
Phone: 234-1-7761576
Fax: 234-1-7591483.

REQUEST FOR AN URGENT ASSISTANCE:

I am Mr. Kaloma Alli a former special adviser on petroleum and economic matters to the late Head of State of Federal Republic of Nigeria General Sani Abacha.

Because of my strategic position in the former Government, and also being a close confidant of the Head of State, I was able to acquire personally, the sum of $45,000,000.00USD (Forty five Million United States Dollars) presently lodged in Union bank of Nigeria plc.

I made this money legally through “CONSULTANCY FEE” and Good Faith Fees” paid by foreign oil companies prior to Allocation of Deep Water Oil Blocks and other Lifting/prospecting Right.

Nigeria is the 6th largest Producer/Exporter of Crude Petroleum in the World. As you are probably aware Nigeria is prone to Political/Economic Instability, hyper Inflation, and among other problems, I have therefore resolved to invest my money abroad, preferable in Real Estate Properties and Importation of Goods for safety and optimum returns on Investments.

However, straight transfer of this money into a bank abroad will present two major problems:

1. The tax incidence will be too high, as much as 60% of this money will go up in Taxes, Levies, Penalties etc.

2. As an Ex seviceman in a former military government on which the present democratic government of Chief Olusegun Obasanjo is fighting very hard to freeze the accounts of the men
that serve in the government of General Abacha.

So as a result of Government deliberate restrictions on flight of capital Abroad. The solution is to Courier this money in cash abroad, through Courier Service Company here in Nigeria in conjunction with an embassy here in Nigeria, the money will be packed in a Diplomatic Bag or Carton tagged Diplomatic luggage which will be address to you. This system is secret and the money is therefore untraceable. It is the system used by most top Government officials in Nigeria to remove their fortunes to safety abroad.

I have therefore concluded every arrangement with a Courier Company in Nigeria to Courier this money abroad using the courtesy and safety of Diplomatic Bag. All I now need is a honest partner who can receive the money on my behalf and help me to invest as aforementioned.

There is absolutely no risk involved in this transaction as the money will be delivered to you in United States Dollars Bills.

If you are interested in assisting me, please send to me by email immediately your preferred contact address where this money will be delivered to you, upon delivery, you are to lodge this money in a bank account and contact me for necessary arrangements for the investment.

For your help and assistance in this deal, you will receive 30% of this money in cash, 10% will be set aside to offset all expenses while the remaining 60% is for me.

Finally, you are to please urgently email your personal phone and fax numbers for an easy communication. You are also required to email your contact address to me, so that I can instruct the Courier Company to dispatch the money to you before we go into other necessary details.

Expecting to hear from you.
Best regards,
MR. Kaloma Alli.

NOTE: IF YOU ARE TO CONTACT ME ON PHONE PLEASE CONFIRM THIS CALL CODE “KIWI” BEFORE ANY DISCUSSION. YOU ARE TO ASK FOR THE CALL CODE, I’M TO GIVE YOU THE ANSWER KIWI.

Another example:

DR DAN MOMOH
FED.MINISTRY OF PETROLEUM RESOURCES(F.M.P.R)
FOLOMO OFFICE COMPLEX IKOYI,
LAGOS NIGERIA.
ATTN:SIR,

REQUEST FOR ASSISTANCE- STRICTLY CONFIDENTIAL
I am DR. DAN MOMOH, chief accountant in the Ministry of petroleum Resources (MPR) and a member of a seven-man Tender Board in charge of contract review and payment approvals. I came to know of you in my search for a reliable person to handle a very confidential transaction that involves the transfer of a huge sum of money to a foreign account. It may sound strange but exercise patience and read on.

There were series of contracts executed by a Consortium Multinational in the Oil industry in favor of Ministry of Petroleum Resources among which were:


2. Contract for the Turn Around Maintenance (TAM) of the various refineries in the country~ US$ 152 Million.

3. The construction of storage tanks for petroleum products (Depots)~ US$240 Million.

The original values of this contract were deliberately over invoiced to the sum of US $35.5million American Dollars which has now been approved and is now ready to be transferred being that the companies that actually executed these contracts has been fully paid and project officially commissioned. Consequently, my colleagues and I are willing to transfer the total amount to your account for subsequent disbursement since we are Civil Servant and are prohibited by the Code of Conduct Bureau (Civil Servant Laws) from opening/ operating foreign account in our names. Needless to say, the trust posed on you at this juncture is enormous. In return, we have agreed to offer you 20% of the transferred sum while 10% shall be set aside for accidental expenses (Internal & External) between the parties in the course of the transfer. We will mandate you to draw up an investment plan for us of which you will control since we cannot bring our shares back to Nigeria. We are very interested in investing in real estate in your country. You must however note that this transaction is subjected to the following terms and conditions:

1. Our conviction of your transparent honesty and diligence.

2. That you would treat this transaction with utmost secrecy and confidentiality because of the circumstances we now find ourselves.

3. That the funds would be transferred to an account over which you have absolute control. Modalities have been worked out at the highest level of the presidency at the Central Bank of Nigeria for the immediate transfer of the funds within 14 working days, subject to your satisfaction of the above stated terms. Our assurance is that your role is 100% risk free. To
accord this transaction, the legality it deserves and for mutual security of the parties involved and the funds, the whole approval procedures will be officially and legally processed with your name or the name of your company you may nominate as the bonafide beneficiary. Also, be informed that our main reason of contacting you is for the obvious reason that we will want to invest these funds in the real estate. It is our believe that you can be of immense help in this regards.

Kindly expedite action so as to enable us include this transaction into this batch as payment to foreign contractors is usually carried out on quarterly basis.

Please, contact me as soon as possible on my private e-mail address: almoore@hotvoice.com

Best regards,

DR. DAN MOMOH

Another example:

Delivered-To: barlowj@pacificu.edu
Date: Sat, 18 May 2002 18:12:33 -0700 (PDT)
From: ki sa <kishalids_70@yahoo.com>
Subject: HIGHLY CONFIDENTIAL

TO: barlowj@pacificu.edu
HIGHLY CONFIDENTIAL
FROM: KISHALI DUKE SANKOH TEL-8821651150529
Greetings,

This message is brief for your comfort.

Please follow links for details.

I am the son of detained former Vice President, Foday Sankoh of Sierra-Leone and leader of the Revolutionary United Front (RUF) who is presently in government custody for charges of treason, illegal diamond dealing and alleged killing of 21 people during a public non-peaceful demonstration outside his home in may 2000.

President Kabbah’s own army, plus the kamajors and the West Side Boys are also there; including the RUF. There was an attempt to unilaterally and forcefully disarm the RUF whilst keeping the other armed factions operational. Indeed this problem of implementing the Lome Accord lies at the root of the present crisis in Sierra Leone. Regrettably, the price is just DIAMONDS, nothing else, but DIAMONDS, and, just as these forces are spilling blood and committing untold atrocities heaping all the vices on scapegoat RUF, the DIAMONDS continue to be melted away, in broad daylight. With a pending war crimes trial hanging on his neck and the adoption of the ratification of the ICC Treaty which is seem as a welcome development by
many Sierra Leoneans both at home and in the Diaspora. There is likelihood that my husband would be facing war tribunal about to be set up in Freetown by this hideous government. You are also aware that the government following his incarceration has confiscated all of our assets and account traceable to him and his family both abroad and locally.

In view of this development, I have been instructed to dispose the sum of US$25 million of United States Dollars that is in affiliated security company in cash and launder this money abroad without any trace to our family’s name.

My situation is very desperate, as I do not have the know-how on how to maneuver this situation and I am not allowed traveling outside my country.

If you can assist me to legitimize these funds by assisting in moving this money and diamonds outside Sierra Leone and using it for the purpose of investment for an agreed period of time, I am ready and willing to concede some percentage for all your logistics and material involvement.

Therefore, contact me immediately, only, if you are able and interested in assisting me. Kindly contact me preferably using my alternative email address at kishalisankoh@yahoo.com, as soon as possible.

Yours faithfully,
Mr. Kishali Duke Sankoh

For a third example see: http://helpdesk.ttu.edu/bulletins/419letter.php “MRS. MARIAM ABACHA” I recently received a variant upon the Abacha story (Isa Bela, Esq. “Request for a Business Partnership”) it is apparently still a successful approach, despite having been exposed on the Internet.