



04 October 2007

### **International crackdown on mass marketing fraud revealed**

Thousands of fake financial instruments destined for the UK and with a potential value of nearly £8 million have been seized as part of an international initiative against mass marketing fraud. The Office of Fair Trading estimate mass marketing scams cost the UK in excess of £3.5 billion a year.

In a month long operation in Nigeria the Serious Organised Crime Agency (SOCA) worked with local law enforcement to seize over 4,500 financial instruments including fake cheques and postal orders. Fraudulent passports and other documents believed to be intended for use in fraud were also recovered. The United States, United Kingdom, Nigeria, Netherlands, Spain and Canada are coordinating efforts to tackle the global phenomenon of mass marketing fraud. This is crucial when the victims don't live in the same country, or even the same continent as the criminals.

The work in Nigeria is one part of a sustained and ongoing law enforcement response to mass marketing fraud. The aim is to disrupt the criminal activity in the most effective ways which include: tackling the problem at source; educating the public so that they don't become victims; sharing data internationally to identify and dismantle criminal groups; and, working with the financial and private sector to share intelligence and ways of tackling these types of fraud. Thousands of bank accounts being used for fraudulent activity have been identified by banks as a direct result of this partnership.

Intelligence gathered in Nigeria and elsewhere is being shared with British law enforcement agencies including the City of London Police and the Metropolitan Police. Search warrants have been executed and arrests have been made in the UK and operational activity is ongoing.

Mass Marketing Fraud uses mass communication tools such as phone, internet or mail to reach large numbers of people cheaply and easily. Common scams centre on an advance fee, whereby prizes or large sums of money are offered, but to access them, the victim is asked to pay a small fee. Sometimes the victims receive the promised money in the form of a cheque but discover it is fake after paying the fee.

Such scams are increasingly being operated by organised criminals who see the potential for large profits. Many victims are elderly or vulnerable and the fraud can cause real emotional and financial harm. In some cases life savings have been lost

as a result of repeat targeting over months or even years. The fraudsters put such victims onto 'sucker lists' and share their details with other criminals.

Home Secretary Jacqui Smith said:

"This type of fraud is a despicable crime that is costing UK victims huge sums of money every year, many of whom are elderly or vulnerable, and causing emotional and financial harm to them and their families. It will not be tolerated.

"I completely support the significant effort being led by the Serious Organised Crime Agency to raise public awareness of this crime and in building stronger international relations to bring these offenders to justice. I especially thank the Nigerian authorities for their help."

SOCA Executive Director Paul Evans said:

"Mass marketing fraud is a low value, high volume crime. Relatively small amounts of money quickly add up to big profits for the fraudsters.

"Organised criminals respect no borders and international cooperation is vital when tackling this type of fraud. We are working with partners across the globe to tackle the fraudsters wherever they may be - from Lagos to London and Amsterdam to Alabama.

"We are particularly grateful to the Nigerian authorities whose assistance and commitment has been unrelenting."

City of London Police Commissioner, and ACPO lead on economic crime, Mike Bowron said:

"The message to the fraudster is clear, we are tracking you and will vigorously pursue those suspected of involvement in this type of crime not just in the UK but globally."

Mike Haley, Office of Fair Trading Head of Consumer Protection, said:

"Scammers are always coming up with new ways to make money, and fake cheques are a useful weapon in their armoury. However much you want or need the cash that they promise, it's important to be very wary about cheques you receive from people you don't know – they could leave you much worse off in the end.

Information on different types of fraud and advice on how to avoid becoming a victim can be found at <http://www.met.police.uk/fraudalert/> and <http://www.of.gov.uk>. Consumers can also contact Consumer Direct on 08454 04 05 06 for advice and information.

### **Notes to editors**

1. Images and footage and a fact sheet with examples of frauds and consumer advice are available from the SOCA press office.

2. A regional breakdown of the destinations of the financial instruments intercepted during the four week period in Nigeria is as follows:

London	3,055
South East	343
South West	14
East Anglia	3
West Midlands	131
North East	148
North West	842
Scotland	3

3. Research into the impact on the UK of mass-marketing fraud was published by the OFT in December 2006:  
[http://www.offt.gov.uk/shared\\_offt/reports/consumer\\_protection/oft883.pdf](http://www.offt.gov.uk/shared_offt/reports/consumer_protection/oft883.pdf)
4. Many of the cheques and other documents that were seized were blank. A conservative estimate of the total potential value of all the seized items has been calculated using a value for blank cheques that is much less than the average of those with a face value. This is to account for any distortion by some particularly high values on some cheques.

Press enquiries to SOCA on 0870 268 8100

## **FACT SHEET - EXAMPLES OF TYPES OF MASS MARKETING FRAUD AND ADVICE FOR CONSUMERS**

### **Advance Fee/'419' Frauds**

**Watch out for emails, faxes or letters that promise you a large sum in return for allowing someone to use your bank account.**

Consumers receive an email (or sometimes a letter or fax) from someone who says that they need help in transferring large sums of money overseas, and will give the consumer a share of the money in return for being allowed to use their bank account. Over the years, the stories used by the fraudsters in these scams have become more sophisticated and technologically advanced, so there are a wide variety out there. They include:

- people claiming to be senior government officials, deposed politicians or military figures, claiming to need your help to get huge sums of money out of their country.
- communications that appear to be from legitimate companies, saying that they need your bank details to pay money you have 'won' in their regular 'lottery'. These can include company logos and addresses taken from the internet, in order to make them look more legitimate.
- people claiming that you are due to inherit a sum from a deceased relative abroad, and that they want your bank details in order to pay you the money.

Once you have responded with your bank details, the scammers may simply try to clean out your account. They might ask you to send them money to 'release funds' via money transfer. Or, they may send you a fake cheque, asking you to cash it and send them a small amount to release the 'rest of your winnings'. However the scam works, the best way to stop it is to make sure that you **never give out your bank details to anyone you don't know** - however plausible their story.

### **Job Opportunities/Working from Home**

**Be very wary of any 'job' that involves cashing cheques on behalf of someone else, as this is another way for criminals to use fake cheques to get hold of real money. For example:**

- **Payment Processing** - Fraudsters have been placing job ads on the internet pretending to be legitimate companies from other countries, and recruiting people to 'process payments' for them. The ads will usually include text copied directly from the legitimate company's website. People who respond thinking that this is a genuine job opportunity are then sent fake cheques, which they are asked to cash into their own accounts and send the money back to the fraudster; the fraudster gets to cash their fake cheque without taking the risks, and turns the consumer into an unwitting accomplice.
- **Mystery Shopping** - 'Mystery shopper' jobs have also been used as a cover for fake cheque scams. One such scheme involved sending a fake cheque for £2500 to consumers, asking them to spend £500 at a well known store and £1500 at a money transfer agency, with the other £500 and their purchases at the store being their payment for this 'work'. The £1500 goes directly back to the fraudster via money transfer.

## Sales transactions

### Be particularly wary of any sale where:

- The 'buyer' appears to want to remain distant from you (such as not wishing to meet you or see the goods prior to purchase or by their using a third party as an intermediary or 'shipping agent').
- You receive a cheque or banker's draft in payment that is for more money than your asking price.
- At the time of receipt or later you receive a request to send all or some of this difference to the 'buyer', a third party or a 'shipping agent' by way of money transfer (irrespective of whether their cheque or banker's draft has already entered your account).
- A fraudulent cheque or bankers draft can be recalled by the bank even after the funds have gone through the clearing cycle and are showing on your account. Any money transferred by you cannot be recalled once sent. **You will not be reimbursed by the bank for your loss.**

### If you do become concerned during a sale:

- Don't be afraid to ask questions of your 'buyer'.
- Don't be hurried along by your 'buyer' - this is often a tactic used by a fraudster to get you to make a mistake.
- Check the details of any payment received - do they correspond with what you know of your 'buyer'?. If payment is by way of a company cheque or banker's draft, try to contact the company directly to verify its legitimacy.
- Talk to your bank – they will be able to give you guidance and clarify the status of any payments received.
- Ultimately, don't be afraid to turn down a suspect 'buyer'.

### Some examples:

**Sale of a Porsche car** - A man advertised his Porsche 911 cabriolet for sale for £37,990 and was contacted by a 'buyer' purporting to be in Holland by e-mail. He was then asked to accept a UK banker's draft for £43,680 from a third party in the UK who owed money to the 'buyer' and send the £5,690 difference by way of a money transfer to a 'shipping agent' once the funds cleared.

**Sale of a Motorcycle** - A man advertised his motorcycle for sale for £3800. Within one week he had received three different approaches from 'buyers' abroad offering to purchase it by banker's draft or UK cheque for a sum significantly above the asking price on the proviso that he transferred the difference via 'money transfer' to a 'shipping agent'.

**Church Organ** - A man advertised a 'Church Organ' for sale for £800 on a website and was contacted by a 'buyer' via e-mail. Over a series of e-mails he was informed that a 'client' of this buyer would pay him a UK cheque for £4,800. Upon the cheque clearing he was to send £3,800 by money transfer to a 'shipping agent' and keep £1,000 for himself (£800 for the purchase and £200 for his efforts). The cheque arrived but the seller became suspicious and contacted the Metropolitan Police. He was advised to stop the transaction.

**Sale of a Horse** - A woman advertised her daughter's horse for sale on a website and was contacted by a 'buyer' via e-mail. Over a series of e-mails she was informed that she would be paid £5000 by way of a UK cheque and this would cover the £2250 purchase of the horse and £2750 for engaging a 'shipping agent'. She was told to send the higher amount via money transfer to the 'shipping agent' once the cheque had cleared. She became suspicious and stopped the sale.

**Sale of a weaving loom** - A woman advertised her weaving loom for sale on the internet for £2000. She was then contacted by a 'buyer' abroad stating she would be paid with a UK cheque for £5,200 by a UK based client of theirs on the understanding that she would send the difference to a 'shipping agent' by way of 'money transfer' once this cleared.