





## Investigating Fraud Schemes in Nigeria.

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## Introduction



- Largest population in Africa (over 150 million).
- Has a high literacy rate with most middle aged citizens currently having a higher education certificate



## INTRODUCTION

- By the late 80's, Nigerian White collar criminals have set new global standards in Advance fee Fraud schemes through their ingenuity. The schemes became very complex, they target victims globally and the amount lost colossal.
- In 1993, the Police Special Fraud Unit was established to investigate cases of Advance Fee fraud.
- In 1995, the Advance Fee Fraud and other related offences were promulgated by the military government who also set up the Special Fraud Unit.
- By 1996, the problem of advance fee fraud schemes has reached an alarming proportion in view of the global impact and volume of money involved.




## Introduction cont..


- With the advent of Internet in the late 80's, Fraudsters migrated to the use of Internet, though it was expensive
- By the late 1990's, a few private ISPs were licensed. Access then became less expensive
- With the proliferation of ISPs and Cyber cafes in the country, Advance Fee Fraudsters started using the Internet instead of the regular mail and fax, making it a global stage.
- Most of the Internet based crimes reported in Nigeria are linked to advance fee fraud scams (AFF)


## COMMON FRAUD SCHEMES IN NIGERIA

**SCAM TYPES**  
**AFF**


- ECOMMERCE SCAMS
- CONTRACT/ FUND TRANSFER
- FAKE CHEQUE
- PROPERTY SALES
- RELIGIOUS /BLACK MONEY
- LOTTERY
- CRUDE OIL SALES
- WAR VICTIM
- INTERNET DATING
- IMMIGRATION/ VISA
- INHERITANCE
- SCHOLARSHIP
- PRECIOUS STONES




### ENFORCEMENT MEASURES BY NIGERIAN GOVERNMENT..



- In December 2002, the Nigerian National Assembly passed the Economic and Financial Crimes Commission (Establishment) Act, 2002. But, it was not until April 2003 that the Commission was inaugurated as an inter-Agency body, with personnel drawn from relevant law enforcement & regulatory agencies.
- The EFCC Act which was repealed and re-enacted in 2004, vests the Commission with the power of regulating the activities of ISPs, Internet cafes and telecommunication providers.
- EFCC adopted a holistic measure to solve the problem.
- Prior to the establishment of EFCC, enforcement of Advance Fee Fraud cases was feeble with no one serving jail term despite the prevalence of the crime




### LEGISLATIVE INITIATIVE




However, a law that aims at making comprehensive provisions on all aspects of cybercrime is still pending before the Nigeria's federal legislature (the National Assembly) since 2006. The proposed law is termed "Computer Security and Critical Information Protection Bill". Hopefully it will be passed this the year. The following are the Laws we currently use.


- Advance Fee Fraud & other Related Offences Act 2006.
- EFCC Amendment Act 2004.
- Money Laundering Act 2004




### EFCC ENFORCEMENT MEASURES




- Nigeria's EFCC since its creation in 2003 has adopted the following strategy to reduce the prevalence of Advance Fee Fraud Scams which has become a threat to our National image and Economic development.
  - INTELLIGENCE
  - DISTRUPTION
  - ENFORCEMENT
  - PREVENTION AND EDUCATION




### EFCC ENFORCEMENT MEASURES




- **INTELLIGENCE:**
  - Use of confidential informants to locate and provide information on premises and suspects involved in advance Fee Fraud scams.
  - Receipt of anonymous information through EFCC's Website.
  - Adoption of a suspicious activity reporting system with private industry especially courier companies, cybercafés, banks and local agents of money transfer companies.




### EFCC ENFORCEMENT MEASURES




- Working with local associations of ISP's, telecommunications and cyber café and cybercafé operators to develop due care guidelines and prevent the abuse of their facilities by scammers.
- Effective utilization of Nigeria's Financial Intelligence Unit( domiciled in EFCC) to track all financial transactions in Nigeria real time online.
- Registration of all ISPs, Cyber Cafes and Telecommunication companies in line with the Advance Fee Fraud Act 2006




### EFCC ENFORCEMENT MEASURES




- **DISTRUPTION**
  - Raids of known black spots where advance Fraud related activities take place (e.g. Cyber cafés, fake document production/sales centers).
  - Freezing of local bank accounts involved in money laundering activities (over 550 accounts so far frozen).
  - Termination of service to telephone/fax lines that feature on scam documents (over 2200 lines have been deactivated).




**EFCC ENFORCEMENT MEASURES**



- Partnership with business to disrupt illegal activities e.g. courier companies, money transfer companies, ISPs, Cyber café operators and telecommunication providers.
- National raid of currency brokers who are known as facilitators of laundering activities.
- Blocking of fraudulent email addresses and website in conjunction with the FBI Internet crime complaint center.



**EFCC ENFORCEMENT MEASURES**




- Interdiction of fraudulent incoming packages related to fraudulent Internet purchase scams as well as outward bound fraudulent documents( mostly fake financial instruments and identity documents) .
- Over N55 Billion worth of cheques were intercepted in a month long interdiction exercise in Lagos in the summer of 2007 in Operation “ Stop Payment ” .




**EFCC ENFORCEMENT MEASURES**



- **ENFORCEMENT**
  - Collaboration with foreign agencies on investigations and operations e.g. US FBI, USPIS, USSS, British SOCA, City of London Police, London Metropolitan Police, Amsterdam Police etc).
  - Establishment of specialized units for specific offences (i.e. card fraud, postal investigation, copyright and cyber crime).
  - Vigorous prosecution of local cases, 96 related cases have been successfully prosecuted with convictions between mid 2003 and June 2007.



**EFCC ENFORCEMENT MEASURES**



- Continuous seizure of assets of suspects.
- Restitution to foreign victims in line with due legal process. Security transport and accommodation are usually provided for foreign victims, who are our vital prosecution witnesses.
- Spear-heading of the West Africa enforcement initiative through the organization of the meeting on advance fee fraud at Abuja in March 2007, in collaboration with INTERPOL



**ENFORCEMENT MEASURES**



- In 2008 the EFCC has carried out a Nation Wide Cyber Café raid, over 90 Notorious café's was raided and over 100 suspects were arrested and are facing various criminal charges in Nigeria.



**Operation Cyber Storm**






**EFCC ENFORCEMENT MEASURES**

- **PREVENTION AND EDUCATION.**
  - Sustained media campaign through television, radio, newspapers, billboard etc to educate and inform the youth (target group) on the evils of Advance Fee Fraud.
  - Participation in local lectures, seminars and conferences, seminars and conference to amplify the anti advance fraud message.

**CHALLENGES**


- Nigeria today has no robust legal regime to tackle cybercrime and digital evidence.
- International law enforcement collaboration is inadequate.
- Cybercrimes are transnational and perpetrators continue to utilize legislative loopholes, intelligence gaps and jurisdictional issues to their advantage.
- Acquisition of basic technological tools to prevent, monitor and investigate Internet fraud is difficult as product vendors are not eager to do business with Nigerian Law Enforcement Agencies
- There is need to strengthen inter agency collaboration in Nigeria for cyber security.

**CASE STUDY 1**


- A 20 years old undergraduate in a Nigerian University
- Sent malicious code attached to a picture to a lady friend in the United States who he met on the Internet.
- Malicious code meant to steal important data e.g. credit card details etc,
- Convict name is **AKEEM ADEJUMO**

**Case study 1**

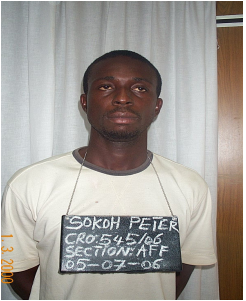

- Malicious code infected all systems of the company- **"WINSPY.exe"**
- Suspect was arrested by EFCC operatives in 2007 and confessed that the code was obtained from an East European associate met on the Internet
- He was successfully prosecuted and convicted to 18 months imprisonment by a Nigerian High court
- This case was reported through G8 24/7 Contact on High Tech crime Network, and the investigation was done jointly




## CASE STUDY 2: PETER SOKOH




- Subject sells credit card and bank account login information obtained from phishing sites
- He was arrested in a cyber café in Lagos in 2006
- Suspect convicted to 2 years imprisonment.


## WAY FORWARD




- Current collaboration with Law Enforcement Agencies, regulatory authorities and private business should be enhanced to further reduce occurrences.
- Victim education of citizens of target countries, especially United States.
- Reshipment scam problem requires strategic multinational approach.
- Extradition of fugitives and seizure of assets globally is a deterrent factor.
- Joint multinational investigations and task forces to engender better understanding amongst enforcement agencies.





## CONCLUSION




- The Nigerian Law Enforcement has faced quite a lot of challenges in investigation and prosecution of Advance Fee Fraud however, we are determined to rid Nigeria of the few scammers and all those who have destroyed the image of Nigeria.
- We believe that with the cooperation of other countries, who are also having the same problem, we will succeed in our mission.



## THANK YOU FOR LISTENING

## CONTACT INFORMATION



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