



Advance Fee Business Scams

Foreword

This pamphlet was prepared by the Department of State's Bureau of Consular Affairs to provide useful information to Americans who engage in business abroad. This information offers you guidelines to protect yourself while you are overseas conducting business.

Many Americans are familiar with Nigerian advance fee business scams and the vast amounts of money lost in these fraudulent transactions. However, unbeknown to many until recently, advance fee business deals and investments of this sort have also been initiated in other countries such as Togo, Ghana, and Benin. Some of these businesses are rooted in one country, and the final deals are carried out in other places such as Europe and Canada. This form of fraud has and is moving swiftly to an international level.

Advance fee fraud is expanding so rapidly that within recent years there has been a surge of websites and private industry businesses developed to specifically combat fraudulent business propositions.

Identifying A Business Scam

Each week, many U.S. embassies and consulates deal with "scams." The scam artists seek businesspeople and common people alike. Many of those scammed experience significant loss, ranging from thousands to millions of dollars.

Most often, when persons go overseas to "finalize deals," they find themselves not only losing money, but they also risk bodily harm from their business associates.

WHAT TO LOOK OUT FOR

- Any deal that seems too good to be true;
- Any offer of a substantial percentage of a large sum of money to be transferred to your account, in return for your "discretion" or "confidentiality;"
- Requests for urgent air shipment, accompanied by an instrument of payment whose genuineness cannot immediately be established;
- Solicitation letters claiming the soliciting party has personal ties to high-ranking officials;
- Request for payment in U.S. dollars, in advance, of transfer taxes or incorporation fees;

- Statements that your name was provided to the soliciting party either by someone you do not know or by "a reliable contact;"
- Resistance from your business associates to your checking in with the U.S. Embassy;
- Any offer of a charitable donation.

Types of Scams & How They Work

Money Transfer: The operator claims to have a large sum of money, usually millions of dollars worth of ill-gotten gains, which needs to be transferred to a "safe" bank account abroad. You, as the bank account owner, are promised a percentage of the huge sum, in exchange for use of your account. You may be asked to provide blank, signed invoices, letterhead and bank account information, or to send money for transfer taxes in advance.

Fraudulent Order: The operator usually places a small order (\$1000 or so), paying with a genuine cashier's check drawn on a European bank. A second, somewhat larger order is placed, again paid for legitimately. Then, you receive an order from your overseas partner urgently requesting that a large quantity of your product be air-shipped. Confident in your previous dealings, you send the product prior to receipt of payment. When the cashier's check (which looks the same) finally arrives, you learn it is fake, while attempting to make a deposit.

Charitable Donation: The operator offers to donate to your organization, and asks for bank account information (see Money Transfer, above).

Contract: The operator claims to have a foreign government contract and needs your company's expertise to carry out the job. The operator scams you by collecting thousands of dollars in "fees" before you can do business. When fees are legitimate, they are published by Ministries and do not exceed \$215 USD.

How Scam Artists Contact You

These fraudulent operations use the Internet, e-mail and fax correspondence to troll for and then reel in potential victims. If you receive such a solicitation, contact your local law enforcement officials immediately.

Real Life Examples of Scams

John Doe, who was adopted at birth and raised in the United States, was contacted from abroad by phone, and convinced that his birth parents had left him a \$7 million dollar inheritance at a bank in Rome. After lengthy discussions with U.S. Embassy officials, Mr. Doe realized he had fallen prey to a scam. He lost a total of \$7,000 in "lawyer's" fees.

Jane Doezer, who by age thirty became a self-made millionaire by distributing cosmetic supplies and jewelry, found herself a victim of international business fraud. One day at her shop, she sold hundreds of dollars of products to a merchant couple from Cotonou, Benin. Before leaving, the couple asked for her card so they could contact her if her products sold well at their store back home. Weeks later, she received a call from the couple with an order, and everything worked out fine. This business arrangement went on for several months. One day, the couple called with an extremely large order for products that they needed as soon as possible. Without thinking twice, Jane told them she would send the products out the next day. Despite assurances of prompt payment, Jane is **still waiting** for a \$5,000 check from her entrusted business associates in Benin.

Is It A Reputable Business?

To check on a business' legitimacy in the U.S., contact the country Desk Officer at the International Trade Administration, Room 3317, Dept. of Commerce, Washington, DC 20230. (Tel: 1-800-USA-TRADE or 202-482-5149, fax: 202-482-5198)

If you are abroad, contact the nearest U.S. embassy or consulate.

Am I Being Scammed?

If you are in the U.S., contact the country Desk Officer at the Dept. of Commerce (see address above). You may want to contact local police as well, if threats have been made against you. If you are abroad, contact the nearest U.S. embassy or consulate.

What Can The U.S. Embassy Do?

The U.S. embassy or consulate officers will help you by directing you to the appropriate local law enforcement authorities, to report the details of the scam and any threats made against you. They can facilitate the replacement of your passport, provide communication with relatives in the United States and, if necessary, provide an emergency repatriation loan. But, the U.S. Embassy or Consulate **cannot** recover a scam victim's money.

Traveling Abroad?

[Please consult our web site](#) before you go. You will find Consular Information Sheets (and Public Announcements or Travel Warnings, if applicable) for the countries you plan to visit.

<http://travel.state.gov>

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