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THE MONEY LAUNDERING MITIGATION FIRM

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CONTENTS

- The Dominion of Melchizedek
- The further (and endlessly ongoing) adventures of Nigerian fraudsters
- Money laundering issues in Monaco
- The Omega Trust and Trading Ltd fraud
- Stolen Turner Paintings in hands of Serbian Organized Crime group
- New technology increases the apparent credibility of fraudulent financial documents
- Our revised and improved website at www.proximalconsulting.com

In this issue we begin with the latest developments on two old favourites - the Dominion of Melchizedek and Nigerian Fraudsters.

The Dominion of Melchizedek (and a few other non existent locations)

The fraudulent offshore "cyber nation" the Dominion of Melchizedek also known as DOM has been sighted once again. DOM is an entirely fictitious nation dreamt up by convicted Californian con man David Korean aka Mark Pedley aka Ambassador Korem. This time DOM has been linked with a real Polynesian island, Rotuma (part of Fiji). "Agents" of DOM have been selling stock on the Internet in non-existent Rotuman corporations such as the "Rotuma National Copra Corporation" "Pacific Paradise Citrus Corporation" and the "Rotuma National Fishing Corporation".

At the risk of restating the obvious:

- The Dominion of Melchizedek does not exist, in any accepted physical or legal sense

- Thus any documents which make any reference to the Dominion of Melchizedek must be considered to be suspect. The US State Department has warned that the Dominion of Melchizedek is "fraudulent in intent and practice"
- Any individual or company that claims they live or operate from the Dominion of Melchizedek must also be considered to be totally suspect
- A Dominion of Melchizedek passport or company incorporation certificate is not a valid legal document

Also watch out for similar non-existent "nations" such as...

- The Knights of Malta
- The Kingdom of Enio Kio
- New Utopia

For more background information on the Dominion of Melchizedek go to the White Paper page on our website at www.proximalconsulting.com

The further (and endlessly ongoing) adventures of Nigerian fraudsters

Although it may be hard to believe, bearing in mind the extensive worldwide publicity given to their activities, but the Nigerian fraudsters are alive, well, active and still stealing millions from gullible victims. In the US, for example, it is estimated that at least \$100 million is lost to these scams every year - roughly the same amount that the US government sends to Nigeria each year in foreign aid.

The famous 419 letters are now sent by:

- mail
- Fax
- e-mail

and are being particularly targeted at:

- Small businesses
- Charity organizations
- Churches
- Elderly people
- Retirement funds

Because victims want to believe that they will eventually get the massive sums they are promised they refuse to let go - and very often throw good money after bad. It is not unusual for individual victims to lose more than \$1 million in this way.

Some new variations on the 419 letters include one series of letters that were written on stationery that appeared to be from the US Embassy in Nigeria. Another more sinister variant is where victims are sent "notifications of assassination". These letters, apparently from an "international security service" claim that the victim is about to be kidnapped and murdered - but if you pay thousands to the sender they will take care of the threat for you. The chemical cleaning fluid - to clean piles of dirty notes - is also still very popular.

Additionally more and more cases are coming to our attention that include the involvement of genuine Nigerian Government Officials. Various victims have travelled to

Nigeria and had meetings (both in official offices and their homes) with such corrupt officials.

For a complete overview of the background and history of Nigerian organized crime go to the White Paper page on our website at www.proximalconsulting.com

Money Laundering issues in Monaco

The ongoing war of words between France and Monaco continues with France now warning Monaco that unless it cleans up banking practices it will face tough new measures. The French Government's stance is based on a French Finance Ministry report that accused the principality of concealing vital information from the French government concerning secret bank accounts, large share portfolios and suspected money laundering. Monaco has flatly denied that it is lax in fighting money laundering; the French Government, on the other hand, say that the co-operation that is supposed to exist between them and Monaco does not work in practice. One idea being floated by the French is to extend French customs service control over the Casino when the euro is introduced in 2002.

The Omega Trust and Trading Ltd fraud

In a fraud somewhat reminiscent of Nigerian scams, thousands of "investors" wrapped \$100 bills in foil and then sent them to people they had never heard of in Illinois, Florida, California or Washington. Then the investors sat back to receive their 50 to 1 return on their investment. All of them all still waiting.

Omega Trust and Trading Ltd claimed that a trading expert had discovered a secret overseas banking system that gave investors a 50 to 1 return on their investment in nine months. The trader, a true Christian, wanted to share this wealth and news of this once in a lifetime opportunity spread via the Internet to churches and prayer meetings. The Omega fraud ran for six years - and many victims still believed that they would get paid, accepting Omega's claims of unplanned delays and that the project was always "very close" to being completed.

In September 19 people were charged in various US states in relation to Omega - which had succeeded in obtaining over \$18 million from victims. Common with many similar advance fee or prime bank instrument frauds the people behind Omega warned investors that they would never get paid if they disclosed any information on their investment to reporters or government investigators.

Stolen Turner Paintings in hands of Serbian Organized Crime group

The recently published autobiography of former UK government minister Geoffrey Robinson confirms that two paintings by Turner were stolen by Serbian organized criminals who have been negotiating, through a middleman, to return the paintings to the Tate Gallery which owns them. The paintings were composed in 1843 and are Shade and Darkness - the Evening of the Deluge; and Light and Colour (Goethe's Theory) - the Morning after the Deluge - Moses Writing the Book of Genesis.

The works are worth more than £25 million and were stolen from the Schirn Kunsthalle in Frankfurt in 1994 when they were on loan from the Tate. A German go-between has apparently approached the Tate trying to negotiate the return of the paintings if a

ransom is paid. The Tate has been provided with photographs of the paintings next to recent newspapers to prove that they are unharmed and in the possession of the criminals.

It is believed that the original theft was by German gangs, but the paintings then changed hands a number of times. However because the works of art are so well known they have a limited - if any- value on the open market. As a whole the global criminal trade in stolen works of art is worth £3 billion per annum. Currently there are at least 355 Picassos, 271 Miro's and 250 Chagalls reported missing. Official figures place the chance of recovery by Police at only one in five of those stolen.

New technology increases the apparent credibility of fraudulent financial documents

The increasing sophistication and falling prices of technology means that good quality fraudulent documents are a greater risk than ever before. For less than \$5000 the would be criminal can buy a desktop computer, digital scanner, laser printer and paper materials - in other words a complete toolkit to manufacture fake documents. The Internet is also a fertile ground for both obtaining graphic images and help on how to counterfeit. The Internet is particularly good for copying genuine logo images of real financial institutions that can be then inserted into any fake document or financial instrument. Any document of value is a target for counterfeiters, such as:

- Cheques
- Financial Instruments
- Transcripts
- Car ownership documents
- Driving Licences
- Diplomas
- Medical prescriptions
- Passports

In the United States in 1998 more than 8,500 fake cheques were cashed. Almost unbelievably in the same year FBI figures show that losses associated with counterfeit cheques led to the failure of 142 banks, credit unions and savings and loan institutions in the US.

Our revised and improved website at www.proximalconsulting.com

We have just completed a comprehensive overhaul of our website, which we hope makes it even more informative and relevant. Please visit us at www.proximalconsulting.com where you can now find:

OUR SERVICES

Details of our comprehensive range of professional services to prevent, combat and investigate money laundering and financial crime.

WHITE PAPERS ON MONEY LAUNDERING & FINANCIAL CRIME

Download our authoritative and informative white papers covering many aspects of money laundering, organized crime and financial fraud.

PROXIMAL CONSULTING NEWSLETTERS

Download our current and previous newsletters containing vital up to the minute information - make sure you are continually updated by subscribing to future issues (a free service).

DATA AND INFORMATION

Detailed data on, and links to, crucial money laundering and organized crime topics including relevant worldwide legislation and advice, official reports, cybercrime, Russian organized crime and Nigerian 419 fraud.

TOOLS

There are various practical steps any organization or individual can take to guard against money laundering. Here is a good basic toolkit to utilize as a startpoint.

NEWS

Current news stories on money laundering events and issues together with our live news ticker service giving direct access to real time stories.

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