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SECURITIES COMMISSIONER



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KENNETH W. ANDERSON, JR.
MEMBER

SSB Docket No. 01-22

IN THE MATTER OF
TAYO JODA

§
§

Order No. CP-1435

TO: Tayo Joda
tayojoda@ureach.com
tayojoda1@yahoo.com

CEASE PUBLICATION ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an ORDER TO CEASE PUBLICATION, pursuant to Section 23.B of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2001) ("Texas Securities Act") of materials published and disseminated within the State of Texas relating to the offer for sale and sale of securities.

1. The Staff of the Enforcement Division of the Texas State Securities Board ("the Staff") has presented evidence sufficient for the Securities Commissioner to find that Tayo Joda ("Respondent") has made offers for sale of securities which contain statements that are materially misleading or otherwise likely to deceive the public.
2. The Staff has presented evidence sufficient for the Securities Commissioner to find that Respondent used e-mail from the above-listed e-mail addresses to solicit at least one Texas resident seeking to share in the profits to be gained from the "over-invoicing of contracts" executed by the Petroleum Trust Fund of Nigeria. The precise solicitation was as follows:

"URGENT BUSINESS PROPOSAL

This letter may come to you as a surprise since it is coming from someone you have not met before. However, we decided to contact you based on a satisfactory information we had about your business person as regard business information concerning your country and the safety of our funds in a steady economy such as that of your country compared to our country Nigeria Africa.

I am a civil adviser currently working with the monitoring committee overseeing the winding up of the petroleum trust fund (PTF). Myself and my close and trusted colleagues need your assistance in the transfer of US \$25 million into any reliable Account you may nominate overseas. This fund was generated from over-invoicing of contracts executed by the PTF under the administration of the past military government.

These were discovered while we were reviewing the PTF accounts. From our discoveries, these contracts have been executed and the contractors in question were all paid. The difference of US \$25,000,000 being the over-invoiced amount is the funds, we want your corporate entity to help us receive.

What we want from you is a good and reliable company or personal Account into which we shall transfer this fund. Details should include the following:

1. Name of Bank
2. Address of Bank with Fax & Tel.
3. Account Number
4. Beneficiary/Signatory to Account (Account Name)

Upon the Successful crediting of your account. The fund will be shared as follows:

1. 20% for you and your assistance
2. 75% for myself & my Colleagues
3. 5% for contingency expenses

Please after your first reply through e-mail I will want us to continue further communication by fax and telephone for confidential purpose. We wish to assure you that your involvement should you decide to assist us, will be well protected, and also, this business, proposal is 100% risk free as we have put a whole lot into it.

Thank you for your anticipated cooperation while we look forward to a mutually benefitting business relationship with you. Please when replying to my e-mail kindly include your telephone, fax number and mobile telephone numbers preferably extremely private numbers where we can reach you

any time of the day. Please be aware that a high level of confidentiality and trust is required in this business...

Best Regards,

Tayo Joda."

3. The Staff has presented evidence sufficient for the Securities Commissioner to find that Respondent engaged in the offer for sale of securities in the State of Texas in the form of a profit-sharing agreement and investment contract.
4. The Staff has presented evidence sufficient for the Securities Commissioner to find that the securities offered by Respondent were not registered as required by the provisions of the Texas Securities Act.
5. The Staff has presented evidence sufficient for the Securities Commissioner to find that, in connection with the offer for sale of securities within the State of Texas, relating to the offer of the above-referenced securities, Respondent made statements that are materially misleading or otherwise likely to deceive the public.
6. For many years, the United States Secret Service has warned that schemes precisely structured as the solicitation herein are fraudulent and illegal. The solicitation herein fails to disclose this material fact. At the Secret Services Internet site at www.ustreas/usss (follow link listed as "Public Awareness Advisory 4-1-9 Fraud"), the following advisory is present:

**"PUBLIC AWARENESS ADVISORY REGARDING "4-1-9" OR
"ADVANCE FEE FRAUD" SCHEMES**

4-1-9 Schemes frequently use the following tactics:

An individual or company receives a letter or fax from an alleged "official" representing a foreign government or agency;

An offer is made to transfer millions of dollars in "over-invoiced contract" funds into your personal bank account;

You are encouraged to travel overseas to complete the transaction;

You are requested to provide blank company letterhead forms, banking account information, telephone/fax numbers;

You receive numerous documents with official-looking stamps, seals and logo testifying to the authenticity of the proposal;

Eventually you must provide up-front or advance fees for

various taxes, attorney fees, transaction fees or bribes...

...Nigerian Advance Fee Fraud Overview

The perpetrators of Advance Fee Fraud (AFF), known internationally as "4-1-9" fraud after the section of the Nigerian penal code which addresses fraud schemes, are often very creative and innovative.

Unfortunately, there is a perception that no one is prone to enter into such an obviously suspicious relationship. However, a large number of victims are enticed into believing they have been singled out from the masses to share in multi-million dollar windfall profits for doing absolutely nothing. It is also a misconception that the victim's bank account is requested so the culprit can plunder it -- this is not the primary reason for the account request -- merely a signal they have hooked another victim.

In almost every case there is a sense of urgency;

The victim is enticed to travel to Nigeria or a border country;

There are many forged official looking documents;

Most of the correspondence is handled by fax or through the mail;

Blank letterheads and invoices are requested from the victim along with the banking particulars;

Any number of Nigerian fees are requested for processing the transaction with each fee purported to be the last required;

The confidential nature of the transaction is emphasized;

There are usually claims of strong ties to Nigerian officials;

A Nigerian residing in the U.S., London or other foreign venue may claim to be a clearing house bank for the Central Bank of Nigeria;

Offices in legitimate government buildings appear to have been used by impostors posing as the real occupants or officials.

The most common forms of these fraudulent business

proposals fall into seven main categories:

Disbursement of money from wills;

Contract fraud (C.O.D. of goods or services);

Purchase of real estate;

Conversion of hard currency;

Transfer of funds from over-invoiced contracts;

Sale of crude oil at below market prices.

The most prevalent and successful cases of Advance Fee Fraud is the fund transfer scam. *In this scheme, a company or individual will typically receive an unsolicited letter by mail from a Nigerian claiming to be a senior civil servant. In the letter, the Nigerian will inform the recipient that he is seeking a reputable foreign company or individual into whose account he can deposit funds ranging from \$10-\$60 million that the Nigerian government overpaid on some procurement contract...* [Italics added]

...They do not target a single company, but rather send out mailings en masse. The sender declares that he is a senior civil servant in one of the Nigerian Ministries, usually the Nigerian National Petroleum Corporation (NNPC). The letters refer to investigations of previous contracts awarded by prior regimes alleging that many contracts were over-invoiced. Rather than return the money to the government, they desire to transfer the money to a foreign account. The sums to be transferred average between \$10,000,000 to \$60,000,000 and the recipient is usually offered a commission up to 30 percent for assisting in the transfer. [Italics added]

Initially, the intended victim is instructed to provide company letterheads and pro forma invoicing that will be used to show completion of the contract. One of the reasons is to use the victim's letterhead to forge letters of recommendation to other victim companies and to seek out a travel visa from the American Embassy in Lagos. The victim is told that the completed contracts will be submitted for approval to the Central Bank of Nigeria. Upon approval, the funds will be remitted to an account supplied by the intended victim.

The letter, while appearing transparent and even ridiculous to

most, unfortunately is growing in its effectiveness. It sets the stage and is the opening round of a two-layered scheme or scheme within a scheme. The fraudster will eventually reach someone who, while skeptical, desperately wants the deal to be genuine.

Victims are almost always requested to travel to Nigeria or a border country to complete a transaction. Individuals are often told that a visa will not be necessary to enter the country. The Nigerian con artists may then bribe airport officials to pass the victims through Immigration and Customs. Because it is a serious offense in Nigeria to enter without a valid visa, the victim's illegal entry may be used by the fraudsters as leverage to coerce the victims into releasing funds. Violence and threats of physical harm may be employed to further pressure victims. In June of 1995, an American was murdered in Lagos, Nigeria, while pursuing a 4-1-9 scam, and numerous other foreign nationals have been reported as missing.

Victims are often convinced of the authenticity of Advance Fee Fraud schemes by the forged or false documents bearing apparently official Nigerian government letterhead, seals, as well as false letters of credit, payment schedules and bank drafts. The fraudster may establish the credibility of his contacts, and thereby his influence, by arranging a meeting between the victim and "government officials" in real or fake government offices.

In the next stage, some alleged problem concerning the "inside man" will suddenly arise. An official will demand an up-front bribe or an unforeseen tax or fee to the Nigerian government will have to be paid before the money can be transferred. These can include licensing fees, registration fees, and various forms of taxes and attorney fees. Normally each fee paid is described as the very last fee required. Invariably, oversights and errors in the deal are discovered by the Nigerians, necessitating additional payments and allowing the scheme to be stretched out over many months.

Several reasons have been submitted why Nigerian Advance Fee Fraud has undergone a dramatic increase in recent years. The explanations are as diverse as the types of schemes. The Nigerian Government blames the growing problem on mass unemployment, extended family systems, a get rich quick syndrome, and, especially, the greed of foreigners.

Indications are that Advance Fee Fraud grosses hundreds of

millions of dollars annually and the losses are continuing to escalate. In all likelihood, there are victims who do not report their losses to authorities due to either fear or embarrassment.

In response to this growing epidemic, the United States Secret Service established "Operation 4-1-9" designed to target Nigerian Advance Fee Fraud on an international basis. The Financial Crimes Division of the Secret Service receives approximately 100 telephone calls from victims/potential victims and 300-500 pieces of related correspondence per day.

Secret Service agents have been assigned on a temporary basis to the American Embassy in Lagos to address the problem in that arena. Agents have established liaison with Nigerian officials, briefed other embassies on the widespread problem, and have assisted in the extrication of U.S. citizens in distress.

United States Secret Service..."

The Securities Commissioner hereby FINDS and is of the opinion that the evidence presented by the Staff shows that, in connection with the offer for sale and sale of securities, the sales materials used by Respondent contain statements that are materially misleading or otherwise likely to deceive the public.

The Securities Commissioner further FINDS and is of the opinion that the evidence presented by the Staff demonstrates sufficient proof of grounds necessary for the issuance of an ORDER TO CEASE PUBLICATION as provided by Section 23.B of the Texas Securities Act.

ORDER

It is therefore ORDERED by the Securities Commissioner, pursuant to Section 23.B of the Texas Securities Act, that Tayo Joda CEASE PUBLICATION, dissemination and use of advertisements and sales materials that are materially misleading or otherwise likely to deceive the public, including those materials that relate to the above-referenced offers for sale of securities issued by Respondent and any advertisements or sales materials substantially similar thereto in connection with the offer for sale or sale of securities within the State of Texas.

Dated this 1st day of August, 2001.


DENISE VOIGT CRAWFORD
Securities Commissioner