

# **PURCHASE ORDER SCAM**



**Targeting U.S. Companies  
& Universities**

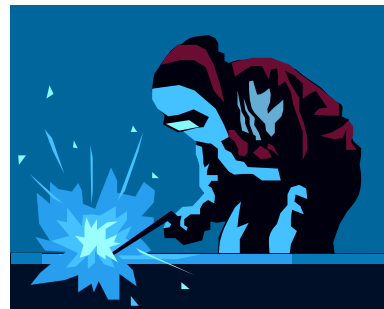
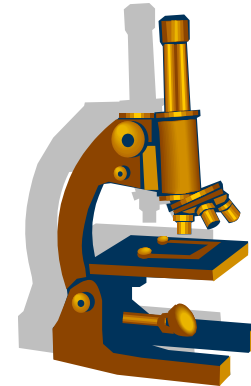
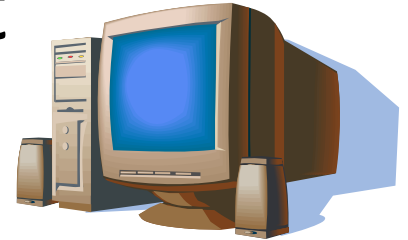
# Objective of the Scam:



- To use university and corporate identities to obtain merchandise on credit
- To export the merchandise before the victim vendor discovers the fraud
- Operating primarily from Nigeria, outside U.S. jurisdiction

# Items Being Purchased:

- Computers & Related Equipment
- Projectors/Cameras
- Card Printers, Stock & Ribbons
- Pharmaceutical Equipment
- Industrial Equipment



# How the Scam Works:

- Imposter domain and VoIP phone numbers are established
- Establish US address to receive and re-ship products



Email & fraudulent Purchase Orders sent to US vendors – net 30 day credit



Vendor bills impersonated company or university

US Business ships products to US address (re-shipper)



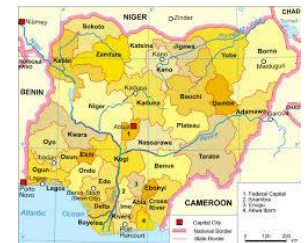
Victim Vendor



Merchandise received at US address (re-shipper)



US Freight Forwarder ships to Nigeria, often through the UK



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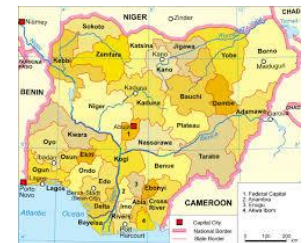
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# Step 1: UNSUBS establish domain names similar to an established business/university



Real Entity: University of Michigan  
[www.umich.edu](http://www.umich.edu)

## Fraudulent Domain Names and Email Accounts:



[Purchasing@umichsregentsstores.com](mailto:Purchasing@umichsregentsstores.com)

[Purchasing@umichsregentsstores.com](mailto:Purchasing@umichsregentsstores.com)

[Purchasing@umiredu.com](mailto:Purchasing@umiredu.com)

[Purchasing@umichedu.net](mailto:Purchasing@umichedu.net)

[Purchasing@umichregentsedu.com](mailto:Purchasing@umichregentsedu.com)

[Purchasing@umregentsedu.com](mailto:Purchasing@umregentsedu.com)

**Step 2:** UNSUBS establish phone numbers which appear to be associated with the impersonated entity

- Use of Voice Over IP phone numbers with U.S. local area codes



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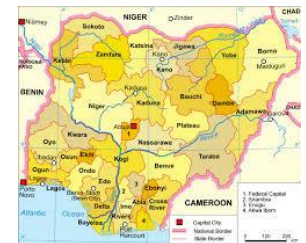
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## Step 3: UNSUBS establish U.S. addresses to receive and re-ship products

- Using dating sites or Work from home ads on Craig's list

### Profile of Re-Shipper:

- Addresses are residential
- Generally lower income
- Some payments may be made for services



- Establishing a self-storage unit or account with a warehouse facility



**From:** Joel Bezos [worldbezos1m@live.com](mailto:worldbezos1m@live.com)

**To:** Sue

**Sent:** Tuesday, February 26, 2013 10:29 AM

**Subject:** About Joel.

**My Beautiful Sue,**

**Thanks for calling me and speaking to you feels like a new life has just began for me. Nothing can be as good as meeting a new friend today the Feb 26th 2013 and for me it is a new day and a new beginning. I just want to say a big thank you for giving us the opportunity to communicate more. I love New York as a state and did couple of business there in the past, I spend my time between FL, NC, OR but now living in NJ. I was born on the September-25-1947 the beginning of the baby boomers. I'm 65 golden years, some rough times, some smooth but that's life. I'm a widower and am into project management/construction.**

# “Joel”



# Self-Storage or Warehouse

- The unit is opened using the identify of a legitimate company, with copies of a fabricated drivers license and if payments are made, stolen credit cards are used
  - Midnite Express – a real freight company in North Dakota



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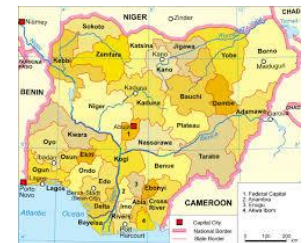
Victim Vendor



Merchandise received at US address (re-shipper)



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# Step 4: UNSUBS request product quotes using email accounts on bogus domains

-----Original Message-----

From: John Smith@abc-products.com

Sent: Wednesday, March 19, 2014 10:23 AM

To: Sales@ Computer\_Supplier.com

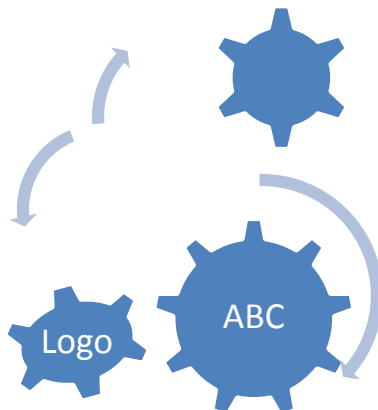
Subject: Product Enquiry

Dear Sir,

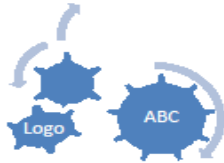
Kindly provide us your best price for the following item; Cisco Catalyst 2960-48TC 48 port Switch WS-C296048TCL ----- 20 Units

Looking forward to do business with your company

Sincerely,  
John Smith  
Purchasing Manager  
ABC Products Inc.  
725 Main St  
Alexandria, VA 22010  
Tel: (703) 555-2611



# Step 5: UNSUBS email Purchase Orders on fabricated letterhead



**ABC Products Inc.**  
725 Main St  
Alexandria, VA 22010  
Tel: (703) 555-2611

<b>Bill to:</b>	<b>Ship to:</b>
<b>ABC Products Inc.</b>	ABC Products – Michigan Branch
725 Main St	26 First Ave
Alexandria, VA 22010	Ann Arbor, MI 665533
Att: Accounts Payable	<b>Attn: Ann Lonely Heart</b>

Quantity	Item	Price	Extended Price
20	Cisco Catalyst 2960-48TC 48 port Switch WS- C2960-48TC-L	2,990.00	\$59,800.00

Purchasing Manager  
*John Smith*

To be shipped to an address where the packages will be accepted and re-shipped

To be billed to the real company, ABC Products, Inc, on 30 day credit terms



UNIVERSITY OF CALIFORNIA, DAVIS  
 ACCOUNTING AND FINANCIAL SERVICES  
 ONE SHIELDS AVENUE  
 DAVIS, CALIFORNIA 95616-8504

PURCHASE ORDER

Date: 02/25/2014  
 PO#: UCD79966  
 Quote#: Q15984  
 Sales Rep:  
 Terms: Net 30  
 Ship Via: UPS GROUND

Vendor:

Phone:

Fax:

Ship To:  
 UCD TX FACILITIES MGMT  
 Attn:  
 W Elm St,  
 Breckenridge, TX 76424  
 Tel: (888) 373-1115

Qty	Items	Unit Cost	Ext. Cost
50	CISCO881-SEC-K9 881 Ethernet Security Router	\$519.35	\$25,967.50
20	Cisco Catalyst WS-C2960S-24PS-L Ethernet Switch - 24 Port - 5 Slot - PoE	\$2,397.00	\$47,940.00
			SubTotal: \$73,907.50
			Sales Tax: \$0.00
			Shipping: \$0.00

*Michael Carter*  
 Authorized Sign.

**Total: - \$73,907.50**



# West Elm St





UNIVERSITY OF CALIFORNIA, DAVIS  
 ACCOUNTING AND FINANCIAL SERVICES  
 ONE SHIELD AVENUE  
 DAVIS, CALIFORNIA 95616-8504

PURCHASE ORDER

Date: 05/02/2014  
 PO#: UCD79128  
 Sales Rep:  
 Terms: Net 30  
 Ship Via :Fedex Ground

Vendor:

Tel:

Ship To:  
 UCD CA FACILITIES MGMT  
 Attn:  
 Deer Hill Drive  
 Sacramento, Ca 95823  
 Phone: 888-373-1115

Qty	Items	Unit Cost	Ext. Cost
10	Zoll AED Plus Defibrillator Complete Unit- SP - ZOL21000010102011010	\$1,595.00	\$15,950.00
			<b>Sub Total</b> :- \$15,950.00
			<b>Tax</b> :- \$1,355.75
			<b>Shipping</b> :- \$10.50

*Michael Foster*  
 Authorized Sign.

**Total :- \$17,316.25**

# Deer Hill Dr, Sacramento, CA



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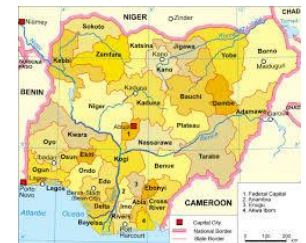
Victim Vendor



Merchandise received at US address (re-shipper)



US Freight Forwarder ships to Nigeria, often through the UK



# Step 6: UNSUBS obtain tracking information from the victim company to determine if/when the packages are delivered

-----Original Message-----

From: John Smith@abc-products.com  
Sent: Wednesday, March , 2014 10:23 AM  
To: Sales@ Computer\_Supplier.com  
Subject: Re: Urgent reply



Kevin, how are you doing? I just wanted to touch base to see if the 20 Units has been shipped. Do keep me updated on the ETA details.

Thank you  
John

# Shipments delivered to rural WV address:



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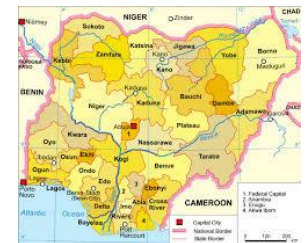
Victim Vendor



Merchandise received at US address (re-shipper)



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# Step 7: UNSUBS arrange reshipment, generally sending shipping labels to the re-shipper

From: "Brian Haegen" <brianhaegen@yahoo.com>

Date: Jan 9, 2013 10:17 AM

Subject: FedEx labels 1 - 10

To: 2love02@gmail.com" <2love02@gmail.com>

Honey,

Find attached FedEx labels 1 to 10. Print out pages 1 to 10 and tape a page on each of the boxes. Each box will have a FedEx label on it. Do ensure labels are well taped so that they wont come off while boxes are in transit, also ensure you can read each label after taping.

Love you,  
Brian





# Step 8: Goods are shipped to a freight forwarder using the labels provided

From: (859) 577-0234  
Mathias Hagen  
APCI

COMPTON, CA 90220

Origin ID: TOAA

**FedEx**  
Express



J12201209200325

Ship Date: 09JAN13  
ActWgt: 12.0 LB  
CAD: 104708458/NET3300

Dims: 5 X 5 X 4 IN

Delivery Address Bar Code



SHIP TO: (908) 345-5447

BILL SENDER

**AMERICAN AIRFREIGHT TRUCKING CORP.**  
**CARGOSAVE/JAYFEM ENTERPRISES**  
**14703 182ND ST**

**JAMAICA, NY 11413**

Ref #  
Invoice #  
PO #  
Dept #

1 of 10

**THU - 10 JAN A1**  
**PRIORITY OVERNIGHT**

TRK# 7944 7480 5363

0201

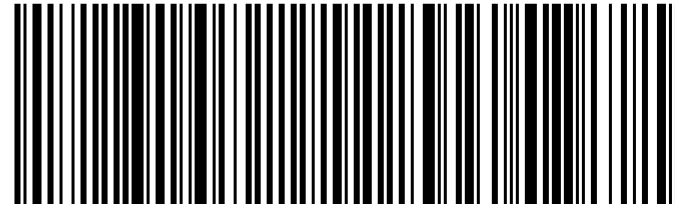
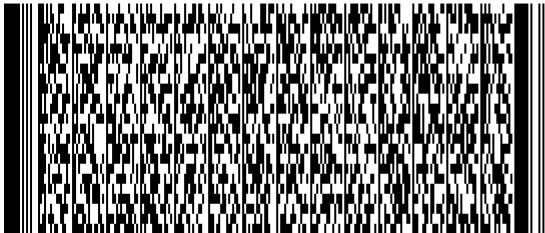
## MASTER ##

**NB HTOA**

**11413**

NY-US

**JFK**



515G2/7813/AA44

# Use of Stolen DHL Accounts:

- Re-shippers are provided with DHL Labels
- The labels utilize stolen DHL accounts
- The merchandise is shipped to the United Kingdom to be re-shipped



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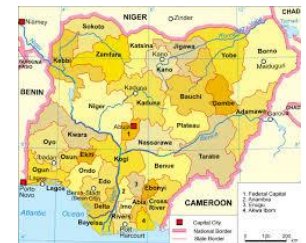
Victim Vendor



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# Step 9: Victim vendor bills the university or company being impersonated

Computer Supplier, Inc.

**INVOICE**

Date: 3/30/2014

CUSTOMER COPY

Invoice No: 47615

Bill To:

ABC Products Inc  
725 Main St  
Alexandria, VA 22010

Customer PO: 149636

	Price ea.	Subtotal
20 Cisco Catalyst Switches	\$2,990	\$59,800.00

Total: \$59,800.00

Shipping/Handling: \$146.82

Total Due: \$59,946.82

Payment terms: 30 days

. Thank you!

Remit to:

Computer Supplier, Inc  
129 First St  
Las Vegas, NV

800-948-9566

Fax: 800-948-9532

*Please return one copy with payment*

**1.5% MONTHLY FINANCE FEE WILL BE  
BILLED ON ALL INVOICES PAST TERMS.**





## Bill To:

ABC Products Inc  
725 Main St  
Alexandria, VA 22010

Customer PO: 149636

	Price ea.	Subtotal
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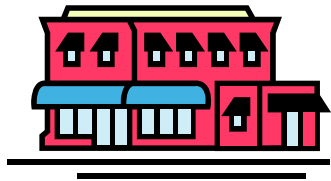
Remit to:	
Computer Supplier, Inc	
129 First St	
Las Vegas, NV	
800-948-9566	Fax: 800-948-9532
<i>Please return one copy with payment</i>	
<b>1.5% MONTHLY FINANCE FEE WILL BE BILLED ON ALL INVOICES PAST TERMS.</b>	

- The vendor doesn't learn of the fraud until the real university or company receives the invoice and notifies the vendor that they have been scammed
- The goods are generally out of the country within a matter of days



# Latest Variation:

- Vendors ship to an address associated with the university or company being impersonated
- Unsubs request the package be re-routed or held to be picked up at a FedEx or UPS facility



Victim  
Vendor



Location associated with  
impersonated school  
or business



Goods are re-routed to be  
picked up and reshipped



# Scope of Scheme:

- Over 85 companies and universities have had their identities used in this scheme going back to late 2010.
- Many of these companies and universities have had fraudulent domains shut down, but new variations are established.
- 395 actual/attempted incidents have been tracked by WFO, targeting over 250 vendors.
- Many more attempts have been reported by vendors having received fraudulent requests for quotes and/or purchase orders.
- In the WFO case, we have identified about \$4.9 million in actual losses and \$11.4 million including reported attempts.
- An estimated \$1.2 million in merchandise has been recovered

# Indicators of Fraud:



- Incorrect domain name on email and POs
  - Variation on the company/university true domain
  - University domain names that do not end in .edu
- Gmail or Yahoo email addresses used
  - abc.co@gmail.com
- Shipping address is not the same as the business location
- The delivery address is a residence or self-storage facility



# Indicators of Fraud:



- Poorly written email with grammatical errors
- Phone numbers not associated with the company/university
- Unusually large quantities are requested
- Rush to ship priority/overnight

**From** :ABC Inc. <mailto:jdawson.ABC-inc@gmail.com>

**Sent:** Thursday, March 14, 2013 3:38 PM

**To** : Sales

**Subject:** ORDER

Dear Sales ,

Kindly do confirm and give a quote/Price of the under listed product , Once we received the quote, the P.O will be prepare for the request order. Do let us know if the order request can be fulfill. Items : Elcometer 266 Holiday Detector with Handle 0.1 - 5kV

Needed Quantity: 4 Units Our credit references is available for further verification . NB: Payment Via Net 30 days .

Awaits to read from you soon .

Regards ,

# What to do if you are a Victim:



- **Keep all records in original form**
- Report fraud to IC3 – [www.ic3.gov](http://www.ic3.gov)



- Contact local law enforcement if merchandise has shipped



What is the FBI Doing?

# Questions?

SA Joanne Altenburg – Washington Field Office

SSA Paula L. Ebersole – Washington Field Office

