

Monday 31st July 2006

BUSINESS SCAM WARNING

Consumer Affairs Minister Jennifer Rankine has warned businesses to be on the look out for a false billing scam circulating South Australia.

The Office of Consumer and Business Affairs (OCBA) has received information that a Queensland media company, Spacelink Holdings Pty Ltd, has been targeting local businesses with an elaborate invoice fraud scheme.

The scam involves businesses being encouraged into paying for advertising in a publication, despite having never authorised the advertisement.

“Spacelink Holdings has tried to squeeze money out of interstate businesses to pay for advertisements that were never authorised. Now they are trying to do the same thing here,” Mr Rankine said.

Despite the company being brought to court in Queensland in order to stop its misleading and deceptive conduct, it appears to be attempting to defraud businesses again. The Gold Coast based company is alleged to have reaped \$8 million in a four-year rip off rampage.

“These unscrupulous operators target businesses hoping they are too busy to check their invoices and shady advertising offers,” the Minister said

OCBA has obtained examples of false “invoices”, which have been carefully designed and worded.

“The invoices may seem very legitimate because they have a tax invoice number, method of payment and payment slip. Businesses need to take note of the “solicitation” advice and consider if they have ever authorised the advertising” Ms Rankine said.

OCBA has successfully prosecuted interstate scammers before. Earlier this year Monitor Publishing Pty Ltd, of New South Wales, and its directors were convicted of making false representations to businesses in the course of selling advertising space in a dubious magazine.

“OCBA will take action if necessary. I encourage businesses to keep a record of all ads that they authorise to guard themselves against false billers, and if they suspect a billing scam to contact Consumer Affairs,” said the Minister.

For further information about these and other scams, contact the Office of Consumer and Business Affairs on (08) 8204 9777 or visit www.ocba.sa.gov.au