

Wednesday, 8 June 2005

BUSINESSES—BE ON THE ALERT

South Australian businesses are again being targeted by people making false claims in a bid to sell advertising space in a publication. Two types of scams have recently been reported to the Office of Consumer and Business Affairs (OCBA).

The first involves scammers falsely claiming to be from the police inviting businesses to advertise in a police publication. The second concerns deceiving a business into paying for an advertisement that was never authorised.

Consumer Affairs Minister Karlene Maywald today warned businesses to be on their guard when it comes to spending their advertising budget.

“Every year we hear stories of different ways that scammers try to lure businesses into parting with their money to pay for worthless advertising or for ads that were never authorised,” Minister Maywald said.

Similar scams include:

- Selling advertising space for a publication that either does not exist or has limited circulation
- Making false claims that the publication is affiliated with a particular community group or well known organisation
- Invoicing businesses for advertisements that were never authorised

These scams are known as “blowing” as the approach is often made over the telephone (the ‘blower’). In many cases businesses are harassed with daily phone calls or threats of legal action if they refuse to pay the amount of a (fabricated) invoice.

OCBA prosecuted two men earlier this year for an advertising rort. Dwayne Joseph Watts and Steven Scott Bastian, formerly trading as Blue Chip Publishing of Salisbury Downs, had invoiced businesses for magazine advertisements they had never authorised. Watts had also made false claims about sponsorship or approval for one publication that the publication did not have.

OCBA is investigating another advertising scam and considering court action for breaches of the Fair Trading Act 1987.

While OCBA is doing what it can to stamp out these advertising scams, Minister Maywald urged businesses to be wary of anyone selling advertising over the phone.

“If they claim to represent an organisation, make your own checks to verify this. Control who is able to authorise advertising within your own business and keep a record of any advertising that is authorised. That should help you protect yourself from unscrupulous operators.”

“If any business operator suspects they are being targeted by a false billing scam they should contact OCBA,” Minister Maywald” said.

For further information contact Mark Bodycoat, Commissioner for Consumer Affairs on 8204 9584