

Tuesday, 15 February 2005

THOUSANDS OF SEIZED SCAM LETTERS DESTROYED

The Office of Consumer and Business Affairs (OCBA) is today destroying more than 4000 letters intended for South Australians claiming to be from 'David Rhodes', a fictitious businessman.

The 'David Rhodes' chain letters claimed to be a legitimate business opportunity and promised a legal way to make over \$70,000. Australia-wide 180,000 people have been tempted to participate in this illegal pyramid scheme.

Minister for Consumer Affairs, Karlene Maywald warned today that consumers should not participate in this or any other pyramid or chain letter scheme.

"Not only is the scheme operator facing a penalty of up to \$20,000, but so are all participants."

"The David Rhodes chain letter has been the subject of numerous consumer public warnings across Australia. The promoters have been formally warned that they face prosecution if they participate any further," Minister Maywald

Consumer protection agencies across Australia have co-ordinated their efforts to disrupt the illegal scheme from spreading throughout the nation.

The scheme required recipients to send \$10 to the person at the top of a list, then adding their own names to the bottom of the list before sending the letter to another 200 people.

Participants were also asked to attach a five-cent piece to attract the recipient's attention. These coins have been removed by OCBA staff and will be given to the Salvation Army towards the Eyre Peninsula Bush Fire Appeal.

"The best way for consumers to beat these scammers is to destroy these annoying and illegal letters and stop their circulation," Minister Maywald said."

"South Australians should remember there is an easy way to work out if unsolicited mail is a scam. Ask yourself the simple question: 'Does it sound too good to be true?'. If it sounds too good to be true, then it probably is."

Check the Scams and Schemes section of the OCBA website for information about rip-off schemes in circulation in Australia. OCBA also has a brochure available called 'Little Black Book of Scams' advising consumers how to recognise and avoid scams.

For a copy of the brochure or to report a suspected scam contact OCBA's Consumer Affairs Branch on (08) 8204 9777 or 131 882 for country callers. Further information is also available at www.ocba.sa.gov.au