

Media Release



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Warning against illegal chain letter

A 'Pay It Forward' promotion inspired by the famous concept from the book and the film of the same name has just starting circulating around South Australia. It has all the hallmarks of being an illegal chain letter.

You might be thinking this is sounding all too familiar. Remember the David Rhodes scheme? It's almost identical in the way it works. The main difference is Pay It Forward claims that the scheme is designed to benefit both you and a charity.

The Pay It Forward scheme claims to be an unauthorised fundraiser for the MS Foundation. It also claims it is not a scam and that it is not dishonest.

Each recipient of the chain letter is asked to send \$10 to the person at the top of a list of names in the letter, then remove that person's name and add his/her own name to the bottom. Recipients are then instructed to send the amended letter to a minimum of 200 people.

The Multiple Sclerosis Society of SA & NT Inc (MSSSANT) contacted OCBA immediately it became aware of the chain letter.

Mr Peter Whitehouse, CEO, MSSSANT said, "The MS Society has not authorised the chain letter and we are concerned that our organisation has been implicated in the scheme. The Society does not accept funds in this way. This is not ethical fundraising."

Commissioner for Consumer Affairs, Mark Bodycoat said, "Consumers shouldn't believe that by participating in any such scheme that they are helping the charity. I am concerned for the reputation of honest charities if they were to get involved in such unethical practices. I strongly advise any charity approached in this way not to participate".

OCBA also repeated its earlier warning to anyone already participating or thinking about becoming involved in any similar scheme. OCBA has already issued over 100 warning letters to participants of the David Rhodes scheme.

"This is an illegal scheme. You will get caught. Under the Fair Trading Act 1987 participants face fines up to \$20,000 for an individual and up to \$100,000 for a body corporate."

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



**Government
of South Australia**