

PRESS RELEASE

BIR flags up persisting problem with fraudulent business transactions

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BIR is very concerned in light of the on-going spate of spurious business offers in the international recycling industry involving non-existent cargoes of scrap metal.

In recent weeks, several cases were reported to BIR whereby cargoes of scrap metal were offered to member companies at knock-down prices. These 'deals' were accompanied by a set of documents confirming the quality of the goods on offer.

After verification through the ICC International Maritime Bureau (IMB) it became apparent that these documents were not authentic - in several cases, the same documents had been presented on multiple occasions with different company names. This suggests that either the same individuals were behind these offers, or that the documents were available in the public domain and ready to be manipulated by any fraudulent individual.

According to IMB, a further analysis of these offers revealed that they were quite frequently made in the name of real traders, whose identities were 'cloned' for fraudulent purposes. One strategy seemed to be the creation of a new website with a domain name similar to that of the genuine company, featuring its contact details but with different telephone numbers. In the meantime the IMB found out that at least one of these numbers was used for multiple companies and that email communications allegedly sent from a UK-based company were actually generated in Nigeria.

BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS

IMB also pointed out that, if a potential buyer would be sufficiently tempted by these offers and agree to take a sample cargo, he would be provided with a set of shipping documents and a link to an online cargo tracking site to monitor the progress of these cargoes, which were allegedly transported by a well-known carrier.

IMB has also seen a number of cases of major carriers' websites being cloned to provide convincing tracking facilities. These are often hosted on domains with names similar to the genuine carrier's website.

Once funds are handed over but the customer does not receive the goods, there is very little he/she can do to recover the loss. Law enforcement will not get involved unless there is proof that a crime has taken place in their jurisdiction. Furthermore, many of the cases involve funds of under USD 100,000, making them quite often low priority for the already overburdened police.

The Bureau of International Recycling has an agreement with IMB to share information on fraud and theft in the recycling industry. BIR urges its members companies that any suspicious documents or fraudulent activity be reported to IMB so that the information can be disseminated to manage risk.

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