



Speech by

Hon. JUDY SPENCE

MEMBER FOR MOUNT GRAVATT

Hansard 19 November 1998

MINISTERIAL STATEMENT

International Direct Mail Hoaxes

Hon. J. C. SPENCE (Mount Gravatt— ALP) (Minister for Aboriginal and Torres Strait Islander Policy and Minister for Women's Policy and Minister for Fair Trading) (9.58 a.m.), by leave: I wish to bring to the attention of honourable members the plague of deceptive and suspect direct mail that is invading the homes of Queenslanders and other consumers around the world. Through the use of selective mailing lists, this reprehensible trade deliberately targets elderly citizens who are seen as easy prey.

I wish to highlight the Queensland link with one deceptive lottery scheme run by a company called International Monetary Funding, which is based in Vancouver, Canada. Later in this statement, honourable members will no doubt share my concern for a Rockhampton woman who has fallen victim to many of the direct mail scams flooding Queensland.

Recently, the Office of Fair Trading was alerted to unusual activities associated with a post office box in the Brisbane area. When the office analysed complaints and inquiries from the United Kingdom, it became apparent that the Queensland mail box was being used as a clearing house and a cover for International Monetary Funding. Inquiries have revealed this group targeted senior citizens in the UK. They received mail from France and other places saying they had won a cash prize of £2000. They were then invited to subscribe to a pool of international lotteries by sending between \$A50 and \$A182 to the Brisbane post office box. Over 230,000 British consumers responded to this promotion and some of them sent cash, cheques, or money orders to the company, care of the post office box.

Either knowingly or unwittingly, a Queensland based company is helping IMF to rip off elderly people in the UK. In exchange for a fee from IMF in Vancouver, it has processed thousands of responses. The money trail shows it diverted funds to a bank account in Vanuatu and sent the name and address details to IMF in Vancouver. When approached by Fair Trading investigators last month, the Queensland company agreed to cut its ties with IMF and assist with inquiries.

The Royal Canadian Mounted Police have advised that Vancouver is the international headquarters for more than a hundred suspect direct mail companies. Names that have been linked to IMF, and in respect of which Queenslanders should beware, include—

- Ravenshoe Services;
- International Lottery Management Consortium;
- World Currency Transfer Reserve;
- International Lottery Commission;
- Canadian Lottery Buyers Association;
- Financial Payments Bureau;
- International Processing Center;
- Transworld Lottery Commission;
- Charter Subscriptions;
- Worldwide Lottery Commission; and
- The Crown Management Group.

Unfortunately, people who subscribe to such dodgy schemes part with their money forever, as their hard-earned dollars are diverted through a maze of bank accounts under different names. The companies deliberately promote themselves overseas to make it difficult for law enforcement agencies to punish them. However, the Queensland Office of Fair Trading is liaising with the Australian Competition and Consumer Commission, the British Office of Fair Trading and Canadian law enforcement agencies with the aim of disrupting and prosecuting the perpetrators.

One Queensland pensioner who has fallen victim is Mrs Barbara Morley of Rockhampton. I thank the member for Rockhampton for bringing the plight of Mrs Morley to my attention. In recent years, Mrs Morley has been inundated with direct mail from International Monetary Funding as well as other bogus lotteries, suspect cash offers and dodgy jewellery promotions. Mrs Morley has a shoe box full of direct mail, which I now hold up for honourable members to see.

Every week, Mrs Morley receives letters from these companies. She has trusted people and she has sent away money. Over the past two years, Mrs Morley has spent hundreds of dollars on direct mail promotions. All she received from them is one ring, which a jeweller says is worthless. The jeweller said that it was worth almost nothing, but Mrs Morley paid \$53.

On 21 September, I issued a media release warning Queensland consumers about International Monetary Funding. The Office of Fair Trading has set up a hotline to receive calls from consumers who have lost money to IMF and other schemes. We should all urge elderly people and those around them to stamp out this trade by starving it of business. I call on local firms to refuse help to the perpetrators. If we work together we can do something about the cruel scams that bedevil our elderly citizens such as Mrs Morley.
