



# Fake, Inactive and Recycled Companies Fraud

June 2017

Copyright © City of London Police 2017

NFIB Disclaimer: While every effort is made to ensure the accuracy of the information or material contained in this alert, it is provided in good faith on the basis that the Commissioner, the City of London Police and its police officers and staff accept no responsibility for the veracity or accuracy of the information or material provided and accept no liability for any loss, damage, cost or expense of whatever kind arising directly or indirectly from or in connection with the use by any person, whomsoever, of any information or material herein. The quality of the information and material contained in this document is only as good as the information and materials supplied to the City of London Police. Should you or your police force hold information, which corroborates, enhances or matches or contradicts or casts doubt upon any content published in this Alert, please contact the City of London Police NFIB by return.

Any use of the information or other material contained in this document by you signifies agreement by you to these conditions.



To help prevent your business to counter fraud and/or obtain details of our available courses, please contact the City of London Police Economic Crime Academy via our website <http://academy.cityoflondon.police.uk>, or you can view our latest prospectus on <http://academy.cityoflondon.police.uk/images/prospectus>

## FAKE, INACTIVE AND RECYCLED COMPANIES FRAUD

The content of this alert is based on information gathered by the National Fraud Intelligence Bureau (NFIB). The purpose of sharing this information with law enforcement partners and key stakeholders is to assist in preventing/detecting crime, bringing offenders to justice and increasing awareness of enablers currently being utilised by criminals.

### ALERT CONTENT

The NFIB regularly comes across fraudsters who use bogus company or business names when planning or considering a particular type of fraud. They also make use of the name of dormant companies.

They will invariably use this deception technique, along with other methods, to convince the intended victims that a particular commodity or product is legitimate, when in fact this may not be the case. They will tell you how your investment has progressed and give you the chance to invest in more of the same products or stock using a variety of schemes to make the venture sound credible.

In order to make these types of frauds possible the NFIB have learned that fraudsters will pay particular attention to unearthing a certain type of dormant company in order to give the impression that the company/business controlled by the fraudsters have been operating for a reasonable period of time.

In essence the fraudsters are aiming to create an illusion so as to avoid suspicion and detection that there is anything wrong. We are aware the fraudsters will ideally take over an inactive company that is between 2 and 3 years old to further the future fraud. Company's less than 12 months old will be avoided as they would have no real track record/history. Any company over 2 or 3 years old will potentially attract interest from the relevant authorities.

### PROTECTION / PREVENTION ADVICE

- Always check a company's contact details (such as a website, address and phone number) are correct and that they are registered in the UK.
- Don't be fooled by a professional looking website, these can easily be run by fraudsters who are proficient in web-design.
- Never take up offers of investments on the spot from cold calls. To make safe investments, take a look at the [Financial Conduct Authority's ScamSmart warning list](#).
- Don't give your bank account details or sensitive information to anyone without carrying out your own research on them.
- Boiler rooms tend to target people over 65. Talk to [elderly family members and vulnerable people](#) you care for to make sure they know how to spot bogus investments.

### FEEDBACK

The NFIB needs feedback from our readers to evaluate the quality of our products and to inform our priorities. Please would you complete the following NFIB feedback survey through: <https://www.surveymonkey.com/r/FeedbackSDU>. This should take you no more than 2 minutes to complete. If you have other feedback or additional information that you would prefer to provide by email please send to [NFIBfeedback@cityoflondon.pnn.police.uk](mailto:NFIBfeedback@cityoflondon.pnn.police.uk).

## Handling Instructions

---

This report may be circulated in accordance with the protective security marking shown below and caveats included within the report. The information contained in this report is supplied by the City of London Police in confidence and may not be shared other than with the agreed readership/handling code without prior reference to the City of London Police. Onward disclosure without prior authority may be unlawful, for example, under the Data Protection Act 1998.

The cover sheets must not be detached from the report to which they refer.

<b>Protective Marking:</b>	<b>NOT PROTECTIVELY MARKED</b>
<b>FOIA Exemption:</b>	NO
<b>Suitable for Publication Scheme:</b>	NO
<b>Version:</b>	V.1
<b>Storage File Location:</b>	NFIB
<b>Purpose:</b>	Fraud Alert
<b>Owner:</b>	NFIB Management
<b>Author:</b>	11990q
<b>Review By:</b>	103939P