



Fake, Inactive and Recycled Companies Fraud

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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.

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