

FRAUDULENT COMPANY SCAMS

WHAT IS IT?

Entities are registered with the Companies and Intellectual Property Commission (CIPC) with names confusingly similar to already existing entities in South Africa with the aim to defraud them.

HOW IT WORKS

Entities are registered with the CIPC with names very similar to existing entities.

Accounts are then opened in the name of these duplicate companies. Banking details are then changed so that funds from the legitimate service provider are transferred to the duplicate accounts.



POSSIBLE INDICATORS

- Using fraudulent documentation to open bank accounts for companies with names confusingly similar to those of existing legal entities
- Change of banking details of established business
- Changing of banking details mid-contract, or when payments are expected, should be treated as suspicious
- Entities' business accounts used to receive money without having corresponding commercial activity
- New accounts receiving large credits followed by immediate withdrawal

CASE STUDY



DUPLICATE PAYMENTS |

The modus operandi of this syndicate involved them registering legal entities with the CIPC using names that were confusingly similar to those of legitimate, existing businesses in South Africa.

Using these details and employing false identity documents, the syndicate opened several bank accounts for the “duplicated” companies. The syndicate began making multiple changes to account information.

The syndicate then successfully changed the banking details of the aforementioned legitimate companies, and channelled the money of these firms into the accounts opened with false identity documents. ■