

The United Kingdom Food Standards Agency would like to raise awareness amongst Member States of a fraudulent practice that has been brought to our attention by the London Metropolitan Police and some leading UK food retailers.

Member States are asked to inform their manufacturers/producers that fraudulent orders for food goods have been placed with some European based companies; the orders are made falsely using the names of genuine food retailers based in the UK. The names of the following UK retailers have been used to place such orders:

- **ASDA**
- **Sainsbury's**
- **The Co-Operative**
- **Marks & Spencer**
- **Wm Morrison Supermarkets PLC**

Losses can vary considerably but often run into hundreds of thousands of Pounds/Euros. Some of the stolen items have been recovered but inevitably this is not always the case as often the fraud is not discovered until sometime after the goods have been exported to the UK.

What does this type of fraud look like?

- Contact is initially made by email, purporting from a UK company, using domain names similar to the ones legitimately used by that company.
- The email will often contain the name of a senior employee of the company concerned in order to further the deception.
- The email will seek to gain a line of credit with the European supplier for the foodstuff with the promise of developing a future line of business.
- On a number of occasions details have included the UK companies' bank manager for the supplier to contact to confirm the availability of funds to pay for the goods. These bank details have also been false.
- Upon agreeing a date for the delivery of the goods the European supplier has been provided with a delivery address. This location has then either been changed at short notice or the lorry has been met and diverted to a different location where the goods have been unloaded.
- The fraud has not been discovered until the supplier has invoiced the UK based company who have no knowledge of the order.

What are the tell tale signs?

- Where emails are entirely counterfeit they will not stand up to scrutiny.
- The counterfeit emails may appear to be printed on company headed paper but are more likely scanned copies from an original document and printed onto paper using a domestic printer. Consequently the company logo may appear less sharp and slightly blurred.
- The email addresses and mobile telephone numbers quoted on the document do not belong to the company concerned.
- The text of the documents is in broken English.
- Look out for different contact numbers and e-mail addresses for the company as these may differ to that recorded on previous correspondence.
- The contact e-mail address may only include a minor amendment giving the impression it is the correct contact address. For example it will look almost identical to the previous e-mail address but may read ".org" instead of ".com" or ".co.uk".

How can you reduce the risks?

- The Food Standards Agency would advise producers/manufacturers to review their anti-fraud measures; taking due-diligence to ensure that they do not fall victim to this type of offence. Although not exhaustive, some examples of action that can be taken are:
 - ❖ Know your customer. Consider setting up designated Single Points of Contact with suppliers/companies with whom you have regular dealings and making them aware of this situation.
 - ❖ Consider the use of trade organisations to develop a line of communication regarding the sharing of information regarding these types of offences.
 - ❖ Instruct staff with responsibility for taking orders to be cognisant of checking orders for irregularities and checking out their suspicions with the company making the order, again being mindful that contact details on the order may not be genuine.
 - ❖ Consider reviewing your company policy regarding where payment is due at a future date and confirming the authenticity of the request or establishing lines of credit only after completing stringent checks.
 - ❖ Fraudsters may have found information regarding contracts and suppliers on the victim organisation's own web-sites.
 - ❖ Consideration should be given to whether it is necessary to publish information of this type in the public domain as it has been demonstrated that it can be used to facilitate significant fraud.
 - ❖ Consider organising a meeting with the company who are requesting the goods and satisfy yourself the order is a legitimate one.

What should you do if you believe you are the victim of this fraud?

We request that Member States notify us via the RASFF system* if they discover one of their manufacturers/producers have been contacted or have fallen victim to this type of fraud.

*Alternatively, notification can be sent directly to the following email address:

foodfraud@foodstandards.gsi.gov.uk