



RICHARD O'SULLIVAN Commissioner of Consumer Affairs

WARNING OVER ILLEGAL CHAIN LETTER SCHEME

Northern Territory households have become the target for a chain letter promoted by David Rhodes of Perth Western Australia.

Commissioner of Consumer Affairs Richard O'Sullivan today reminded Territorians that chain letters are illegal and participants could be prosecuted for circulating them.

The David Rhodes letter claims people can earn over \$70,000 within 60 days if certain steps are followed. It asks them to send \$10 to a name and address on the top of a list of five people, then update the list including their name at the bottom and send the new list to 200 strangers picked from the telephone directory.

Mr O'Sullivan said "This scheme is a variation of pyramid selling and is illegal under the provisions of the *Northern Territory Consumer Affairs and Fair Trading Act*. Under the *Act* it is an offence to participate in, promote, benefit from or introduce other people to such a scheme. Penalties apply which range up to \$20,000 for an individual".

"Pyramid schemes mislead consumers into believing that large financial returns await them if they participate, but this is not the case. In fact, chain letters usually cost the participant money for postage, photocopying and time, for no return".

He said "Consumer Affairs and Fair Trading offices throughout Australia are working together to shut this scheme down".

Territorians who have received the David Rhodes or any other offer to participate in a chain letter scheme are urged not to take part, but to report it to Consumer Affairs on 8999 1999, seven days a week.

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