

National Equipment Register was notified of an equipment purchase scam against an NER member rental company in Illinois which bears similarity to scams occurring nationwide.

In December, a subject using the name Alex Jacobs phoned a contractors supply and rental business in Illinois, requesting a quote on three tampers. The subject provided specific make and model, and related that he'd been referred to the business by the manufacturer. A quote was provided, and an order placed over the phone. The subject asked to pay using several credit cards, and provided the numbers and billing address. The seller researched the company the subject claimed to work for, and located websites which corresponded to the company name, billing and shipping addresses, and provided phone numbers. The manufacturer also confirmed that they'd received an inquiry and directed the subject to the seller as an area dealer.

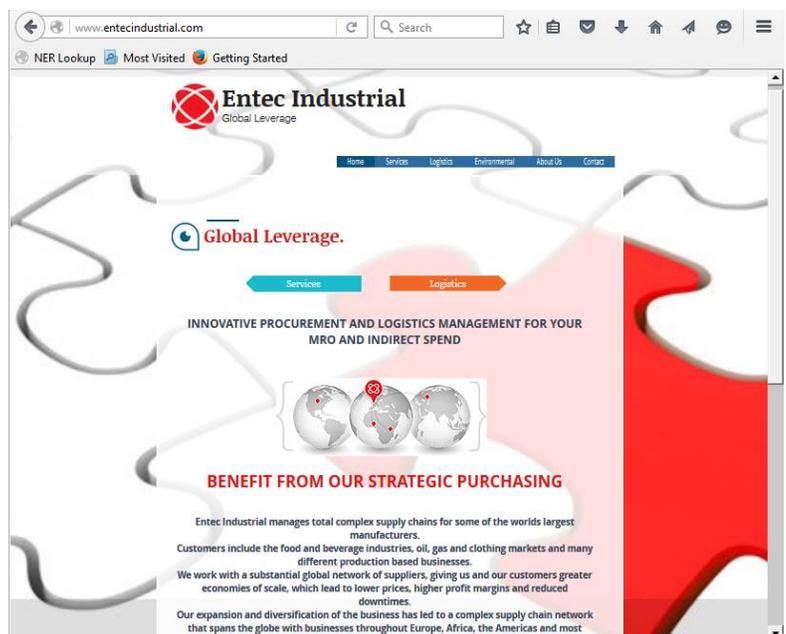
Soon after, the subject called again and purchased three more tampers. All of the items were shipped direct from the manufacturer to a business address in Elk Grove, Illinois.

Subsequently, the equipment company received notifications of charge backs against the multiple card transactions, the card holder claiming the transactions were not authorized. It was then determined that the business the subject claimed to represent may be a front for committing the fraudulent purchase of equipment, which is then shipped to Toronto, Canada.

Details on the subject and company:

Alex Jacobs  
Entec Industrial  
50 South Main Street  
Suite 200  
Naperville, IL 60540  
630-219-1262

Ship to address:  
685 Lunt Avenue  
Elk Grove Village, Illinois, 60007





The subject claimed that the shipping address was Entec's warehouse. In reality, it is a freight forwarding company which was also victimized in the scam, forwarding the products to a recipient in Toronto, Canada.

Police reports have been filed in Rockford, Elk Grove Village and Naperville, Illinois regarding this incident, which brought to light that additional scams using the same names and addresses had been committed against another contractors supply business and a truck parts supplier.

Agencies which have received similar complaints and businesses who were also victimized are encouraged to contact NER to be put into communication with investigators.

This is not a new scam, just a twist on a fraud which takes place routinely throughout the country. NER strongly encourages equipment businesses to be proactive in identifying fraud, and use readily available resources to avoid being victimized:

### **Trust but Verify**

Use independent resources to verify that the information provided is not fabricated

- A website, no matter how elaborate, is not confirmation that a business actually exists.
- Search state and county records to authenticate a business that is not known to you (business license, taxation and workers compensation information is often available online and can be helpful in authenticating or refuting a subject's information).
- If a subject claims to work for a prominent business in your area, contact the business to verify their employment. Don't use the phone number the subject provides.
- Contact the fraud department of your merchant services to verify billing information, and see if a cardholder has a history of charge backs which may indicate a pattern.
- Be very wary of phone orders which request shipping via a third party carrier.
- Go with your gut- if you feel a transaction may not be legitimate, take steps to confirm the subject actually exists and that you can locate them if the transaction does go bad.
- Many frauds reported to NER involve credit or debit card transactions. Make it a practice to regularly contact your merchant services fraud department about what your staff should be doing to prevent fraud, and what scams may be occurring in your area or targeting your type of business.
- Before a fraud occurs, contact your local police to determine who handles financial crimes, and whether there may be a financial crimes unit or task force in your area.