

SCAMMERS THRIVE ON SHORTAGES

Fraud Fake websites offering shipping containers are luring Australian buyers via Google and Facebook, writes Max Mason.

Sophisticated scam artists are setting up fraudulent websites and promoting them through Google and Facebook to appear above legitimate businesses and dupe unsuspecting punters into paying thousands for shipping containers that never turn up.

Problems with global supply chains created by the COVID-19 pandemic have sent container prices skyrocketing, and lockdowns across NSW and other states in July have meant many people can't get out to see products they're hoping to buy.

The Drewry World Container Index rose to \$US9371 (\$12,743) per 40-foot container for the week to August 5. This is 370 per cent higher than the same week a year earlier and the 16th consecutive week of increases.

This combination has tempted scammers to move to the shipping container industry looking for big paydays in Australia after similar operations in the UK and Canada.

Industry experts estimate about 60 per cent to 70 per cent of shipping containers on the secondary market – those outside of shipping products around the world – are bought for storage by a range of people: farmers, small business, miners, schools, councils. But, there is also a growing market for use as cafes, side offices, workshops and commercial kitchens.

The Australian Competition and Consumer Commission's Scamwatch received reports of \$136.518 in losses in just the final week of July. However, Scamwatch estimates that only 12 per cent of scams are reported and it is working on the basis Australians have been scammed out of well over \$1 million through this shipping container rort. Industry estimates put it even higher.

The huge price surges have led to a

massive proliferation of fraud shipping container websites, tricking Australians into thinking they are buying a product from a legitimate business. It is also further harming legitimate businesses by setting a much lower price expectation, which is driving clicks to scam websites that have paid for top spots on Google Search.

Nine out of 10 websites were created in the past six months, including one in the past fortnight. One fraud company's "About Us" section claims its website was launched in 1997 to sell shipping containers online, but the site was created on June 8, and *The Australian Financial Review* was unable to find any evidence its so-called founder existed.

Four of 10 scam websites were registered to the same IP address in Newark, New Jersey. Another was hosted in Newark under a different IP address, three were hosted in the North Carolina city of Asheville, one in Phoenix, Arizona, and one in Moscow.

Container Traders managing director Steve Byrnes said his company, a legitimate Newcastle-based business selling containers, had been inundated with people sharing stories about being ripped off.

Byrnes says he started looking into the scam after customers started mentioning who they were comparing quotes with.

"There were a few things I thought were unusual. I know many of the dealers in Australia and the market rates, so what I was hearing raised red flags immediately.

"I completed an online enquiry through the reported website and was quickly contacted," he says.

"I worked out he was definitely a scammer by the way he described the products, the price point and his lack of knowledge about the local industry. I tried to gain as much intel as I could, such as requesting more details about their business and oper-



Top: Steve Byrnes and Matthew Chisholm at Newcastle-based Container Traders are trying to expose scammers. Above: Canberra-based Donna Cameron lost \$3460 after responding to a Facebook Market listing. PHOTOS: DARREN PATEMAN, ALEX ELLINGHAUSEN

ation, which they avoided supplying. I shared the information I gathered with a few other industry operators."

Byrnes says within days reports of other victims started flowing in. "I started noticing all these different names and none of the websites used .com.au. All of them had similar traits, so we engaged a few and they're mostly using the same template.

"I saw they were using paid advertisements on Google and Facebook, and even recruiting work from home sales positions on a New Zealand job website. That's when I realised it was organised on scale.

"Initially it didn't occur to me how sophisticated this scam is, even going to the extent of recruiting people to be, perhaps unknowingly, part of the scam."

Byrnes and his company have taken a series of steps to try to get the websites taken down and the Google ads blocked. However, Byrnes says they've only had temporary success with one site, container-pty.com, as it was a clone of Container Traders' company website and a clear copyright infringement. At least 14 others have continued operating.

Byrnes and other leading industry operators co-ordinated efforts to raise awareness

through paid advertising to warn people of scams, placed website notifications, included warnings on email signatures, and scripted employees to warn unsuspecting buyers. They also reported to Scamwatch and the Australian Cyber Security Centre, to banks facilitating payments, Fair Trading and police, and created a private Facebook group for victims.

"It's affecting the industry. In isolation, it is easy for a customer to pick a scam amongst a group of comparative quotes," he says. "However, with the numerous scammer websites taking most top paid advertising spots on Google, the legitimate sellers are looking like the odd ones out, making it very hard for consumers to spot the scam.

"The secondary impact is that a legitimate seller will lose a sale they would have otherwise made. After losing money to a scammer, many don't have the funds to still purchase a container.

"It is tough enough in the market at the moment without the added negative reputation resulting from scam operators. The additional resources and time spent trying to educate and assist consumers is immense.

"We are fighting back and will continue to