



Friday 23 March 2007

07-75

ASIC WORKS WITH SINGAPORE AND THE US TO STOP COLD CALLING SCHEME TARGETING CURRENCY AND COMMODITY OPTIONS

The Australian Securities and Investments Commission (ASIC) has issued a strong warning urging people to ignore any information they receive in relation to Metrofinancials (also known as Metro Financials), an international cold calling scheme targeting Australians.

ASIC is currently investigating the matter together with the Commercial Affairs Department of the Singapore Police Force and the Commodity Futures Trading Commission (CFTC) in the United States of America (US). The CFTC has charged nine entities alleging the creation of fictitious US futures exchanges, brokers and a US futures regulator, defrauding people around the world out of millions of dollars.

This month, cold callers posing as overseas brokers and investment managers made contact with Australians claiming to work for an options brokering firm based in the US called Metrofinancials. These callers, with authentic sounding American and British accents, alleged they worked for Metrofinancials and could offer commodity and currency options traded on an options exchange, based in the US, named the American Futures And Options Exchange (AFOEX). However, in reality, the AFOEX does not exist. In turn the American Futures And Options Trading Commission (AFOTC), also non-existent, was alleged to regulate the AFOEX.

The fraudsters directed investors to, what appeared to be, genuine web pages of Metrofinancials, the AFOEX and AFOTC. Once the investor indicated a willingness to purchase currency options, the investor was told to deposit money to clearing houses, associated with Metrofinancials, by the names of Alexander Musgrave Pte Ltd, Granville Watts & Partners and Dallas Trading.

'We strongly urge any investor who may be caught up in this fraud not to hand over any further money and to contact ASIC. Metrofinancials is not a registered company and does not hold an Australian financial services licence. Consequently, it cannot legally provide financial services in Australia', Mr Greg Tanzer, ASIC's Executive Director of Consumer Protection said.

'Once the money invested in these cold calling investment scams goes offshore, it is difficult to trace and there are significant barriers which make it very difficult in the majority of cases for the money to be recovered.'

'If you receive a call from someone offering you an investment opportunity, no matter who they claim to be, it is necessary to recognise that this may be a potential cold calling scam. In this situation, the best way you can protect yourself is to simply hang up the phone. Remember, that if an offer appears 'too good to be true', it probably is', Mr Tanzer said.

Link to CFTC media release: <http://www.cftc.gov/opa/enf07/opa5309-07.htm>

Complaints regarding investment scams may be lodged via ASIC's website, www.asic.gov.au, or by writing to:

Manager
National Assessment & Action
Australian Securities and Investments Commission
GPO Box 9827
IN YOUR CAPITAL CITY

To find out more about cold calling scams and how to avoid them, read ASIC's cold calling tips on ASIC's consumer website, Fido at www.fido.gov.au. Fido maintains a blacklist of known cold calling organisations.

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