



THE UNIVERSITY OF NORTH CAROLINA

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CHAPEL HILL

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TO: Deans, Directors and Department Chairs

FROM: Roger D. Patterson
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SUBJECT: **ALERT! VENDOR FRAUD**

In recent weeks, the University has found cases of vendor fraud involving invoices for toner cartridges and advertising. Please be aware that these scams are out there and take steps to ensure that your department doesn't get caught by one.

Scams involving toner cartridges and other office supplies and advertising are fairly common. The toner and office supply scammers often use nondescript names that can easily be confused with the name of legitimate vendors. Advertising scammers often claim to have publications that target minorities and special interest groups.

Sometimes a toner scam starts with a phone call from someone who asks questions about model or serial numbers of copiers, fax machines, and printers in a department or the office supply vendors a department uses. The caller will often have information about a department – names and titles of employees, location of department offices, etc. – that is readily available from University directories and other public sources. Sometimes the scammers simply send an invoice for toner or other office supplies, often marked "past due." There may be follow-up phone calls pressing for payment. Only rarely are any goods delivered and those that are usually have not been ordered and are over-priced and of poor quality.

The advertising scams may start with a phone call offering to publish magazine ads for the University or asking if a department wants to renew its ads from prior years. More often, the scammers send an invoice for an ad that they claim to have run in their publication. As with the toner scam, the invoices are often marked as being past due and there may be follow-up phone calls demanding rapid payment. Unlike many invoices for legitimate ads, the scammers' invoices contain little information about the size or dimension of the ad (such as number of words, number of lines, or size in column inches) or when the ad was supposed to have run. Occasionally, the scammer will produce a copy of the ad or even an issue of the publication if a department asks for these items but cannot provide a document showing the department actually requested the ad.

There are some steps you can take to protect your department against vendor scams:

1. Know your vendor. A safe and easy way to protect your department is to buy from state contract vendors whenever possible. If you need to go off contract, stick to vendors or publications and other media resources with a known performance record.

When in doubt, call the Purchasing Division at 962-2251 to inquire about a vendor. Or use an Internet search engine to check out a vendor on-line. The website for the Better Business Bureau also provides a way to search for information about vendors, nationwide. The URL is: <http://www.bbb.org>. Follow the link to Check Out a Company.

2. Don't buy from telemarketers or give information about office equipment in your department to people you don't know. If you get a call from an unfamiliar vendor who is pressing to make a sale or asking questions about the office equipment in your department (manufacturers, model numbers, or serial numbers), get the caller's name and phone number and offer to return the call. Then take some time to determine if the caller was a legitimate vendor and, if so, to decide if you want to do business with them.
3. Keep track of what you've ordered. Keep a copy of orders you submit via mail or the original of orders you submit by fax. Make a screen print of orders placed on-line. Or simply keep a list of orders your department has placed.
4. Before paying an invoice, make sure that your department ordered and has received the goods or services shown on the invoice. Watch out for vendors using names that sound like the name of well-known vendor.

If your department receives a call or invoice that you think may be related to a scam, notify the Purchasing Department at 962-3774. If the invoice has already been paid, also contact Internal Audit at 962-5524.