

Malay Mail : Ministry raids water dispenser company

Written by Administrator

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A DIRECT-SELLING company involved in the sales of water dispensers and mobile prepaid reload machines may land in hot water.

The Kuala Lumpur based company is alleged to have been operating without licence from the Domestic Trade and Consumer Affairs Ministry.

The company, which has been in operation for four years, will be in deeper trouble if investigations reveal that consumers have been duped into investing in the machines.

Its alleged improprieties were discovered in August following an undercover operation by the Federal Territory Domestic Trade and Consumer Affairs Ministry officers, who posed as potential customers.

The operation followed a tip-off from The Malay Mail's Hotline, which had received complaints from consumers who claimed they had been cheated by the company (see accompanying story).

Last Wednesday, six enforcement officers from the Federal Territory Domestic Trade and Consumer Affairs Ministry, led by enforcement officer Norita Abdul Aziz, raided the company at 4.30pm and seized two machines worth RM100,000.

There were 20 employees at the premises during the raid. While the company had obtained an operating licence from the Registrar of Companies, Federal Territory Domestic Trade and Consumer Affairs enforcement chief Othman Nawang confirmed it did not have a direct-selling licence to operate the business.

The company is running its business using a direct-selling concept via telemarketing, said Othman, adding that its staff would contact potential customers and invite them to visit its premises for further information on the water dispensing business.

We are waiting for the company to furnish us with related documents, including Sirim and Health Ministry certification for their products, Othman said.

The machines are priced at RM23,000 for the deluxe model and RM33,000 for the premier model, while the mobile prepaid reload machine is priced at RM43,000.

The case is being investigated under Section (4) of the Direct Selling Act 1993. If convicted, the offender is liable to a maximum fine of RM50,000 for individuals and RM125,000 for a corporate body, or a fine of RM100,000 or a jail term not exceeding three years, or both, for individuals, and a fine of RM250,00 for a corporate body.