

MLM firm Sunshine Empire under probe

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THE Commercial Affairs Department (CAD) said yesterday that it has commenced investigations into controversial multi-level marketing (MLM) firm Sunshine Empire.

It also said it may ask people who have put money into the firm's schemes to help in the investigation.

According to a company spokesman, the man behind Sunshine's operations, Mr James Phang, was at the CAD's office yesterday. He could not be contacted by The Straits Times.

In a statement announcing the probe, the CAD said people who have placed money with Sunshine are advised to wait for further updates from the department on the case.

"More information will be released in due course, and persons who have placed money with the company may be requested to come forward to assist the CAD in the investigation," it added.

Sunshine's schemes have attracted about 20,000 people here since it was set up in July last year.

But in September, the MLM firm was placed on the Monetary Authority of Singapore's (MAS) investor alert list.

It attracted the authorities' interest as its activities appear to be akin to that of a pure investment scheme, for which it is not licensed.

The firm invites people to become "merchants" of online goods, ranging from health supplements to electronics goods.

But concerns centre on the fact that participants can potentially pocket big "rebates" without ever buying or selling these goods.

For instance, businessman Raul Tham, 50, placed \$12,000 in Sunshine's gold plan in August.

Since September, he has been receiving monthly cash "rebates" of \$1,440.

The rebates are based on the participants' cash outlay as well as Sunshine's global turnover.

Last week, with all the disquiet surrounding Sunshine and with news that Mr Phang was linked to an abandoned Indonesian club project, an award for him was withdrawn.

Mr Phang had been due to receive an Outstanding & Innovative Global Entrepreneur award at yesterday's Global Business Opportunities Forum, part of the international business networking event Global Entrepolis hosted by Singapore.

Yesterday, the Sunshine spokesman said that "business will carry on as usual", and added that the company had "nothing to hide".

In a statement, the company also said it had recently written to the CAD offering to clarify any misconceptions.

When asked if Sunshine would entertain refund requests, the spokesman said that this has been its policy all along.

He added that there have been no refund requests here so far, but said the Malaysian Sunshine office has received five refund requests, he said.

Most Sunshine participants that The Straits Times interviewed were unaware that they could get refunds.

Meanwhile, the consumer watchdog is advising those who have placed money with Sunshine to ask for refunds if they are worried about the CAD probe.

Consumers Association of Singapore executive director Seah Seng Choon also cautioned investors against putting cash into Sunshine.

He said they are better off putting money in regulated financial schemes, given the higher standards of compliance required by the MAS.

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