

**DECISION 2012 – 11 - 08**  
**TRAVEL AGENCY COMMISSIONER – AREA 3**

Jo Foged  
685 Remuera Road,  
Remuera, Auckland 1050,  
New Zealand

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**Applicant:**

Agency Administrator, Geneva,  
International Air Transport Association, IATA,  
111 Somerset Road, #14-05,  
TripleOne Somerset,  
Singapore.

Represented by Ms Ooi Hwa Tham, Manager, Agency Management Asia Pacific.

**Respondent:**

Amazing Travel and Tours Sdn Bhd,  
No.1-28A Selayang Point Business Complex,  
Jala SP1 68100 Batu Caves,  
Selangor,  
Malaysia.

Represented by Mr Mohd Anuar B Fazal Din, Director .

**The Case and Decision:**

On 2 November 2012 the Agency Administrator requested a review of the Agent based on Resolution 818g Atch A sub paragraphs 1.8.1 and 1.8.2 which involves the prejudiced collection of airline funds. The Agent has been issued with 2 Instances of Irregularity and its ticketing authority has been suspended.

The request included a 31 October 2012 letter from the Agent to the IATA Country Manager in which it was revealed that the equivalent of USD30,488 in fictitious ticket purchases had been issued in the BSP billing period 15 - 21 October 2012.

Further investigation by the Agent revealed that its ticket sales supervisor had conducted private dealings without its knowledge. Further sales for the BSP billing period 22-28 October 2012 identified the equivalent of USD62,909 being fraudulently issued. The staff member has fled and is being sought by Police. The initial amount equivalent to USD30,488 has been settled by the Agent. However the Agent advises that it will not be able to settle the next BSP billing equivalent to USD62,909.

The IATA KUL office has written in support of the Agent observing that it has been the victim of a crime, has notified IATA immediately on discovery of the criminal activity, has notified the Police of same, in good faith has paid the full amount of the 15-21 October 2012 BSP billing and alerted IATA with regard to its inability to settle the

second BSP billing amount. The point is made that if airlines are informed to cancel the fraudulently issued tickets generated by the employee, the airlines should be able to issues a credit thereby reducing the amounts outstanding in the following period after the next billing period.

As provided for in Resolution 820e sub paragraph 2.3 both Parties have agreed to waive their right to an oral hearing and have allowed the writer to reach a decision based on the written information submitted.

It is clear to the writer that the Agent has been the victim of a crime perpetrated by a trusted employee and has acted responsibly by taking immediate steps to alert those concerned of this event. It is unfortunate for the Agent that the Passenger Sales Agency Rules do not address this situation in a manner that would expeditiously reinstate the pre-crime discovery environment. However the underlying principle of ensuring the protection of airline moneys overshadows other considerations.

Having examined the factors involved in this case and taking note of the comments made by the IATA KUL office it is hereby decided as follows:-

1. The Agent, upon settling all outstanding BSP billings, is to have its ticketing authority re-instated subject to having prudent checks made of its financial standing.
2. IATA is requested to provide the Agent with guidance to the point where it is clear on how to acquire credits from airlines involved with the fraudulent issues thereby reducing the amount outstanding.

Decided this 8th day of November 2012 in Auckland.

**Jorgen Foged**  
**Travel Agency Commissioner Area 3**

**Notes:**

1. As per Resolution 820e, Section 4, any Party has the right, if it considers itself aggrieved by this Decision, to seek review by Arbitration in accordance with the provisions of Resolution 824, Section 14.
2. The Parties are advised that effective from 1 June 2012, according to sub paragraph 2.10 of Resolution 820e, any of them may request an interpretation of this Decision, or for a correction of any error in computation, any clerical or typographical error, or any omission in this Decision. Such request must be made within 15 days of receipt of the electronic version of this Decision.