

TELEMARKETING FRAUD

Shopping by phone or mail can be a convenient way to learn about products and services from the comfort of your home. There are many honest companies, but there are others out there that will take your money. The Federal Trade Commission (FTC) estimates American consumers get swindled out of more than one billion dollars each year. Chances of getting that money back is minimal, because these companies work quickly. They spend your money, then move (be it across town or to another city), and reopen their business under another name. They may even sell a different product.

A majority (75%) of these telemarketing scams are done by telephone, but you can also be cheated by mail. Examples of mail fraud include: receiving a postcard stating you've won a prize or contest; or YOU actually calling the telemarketers by answering a phony ad from television, newspaper or magazine.

There are several different ways telemarketers can con you:

Automatic Debit Scams usually tell you you've won a prize or that you have been selected to receive a major credit card. The scammers will then try to get you to give them your checking account number to verify your qualifications for winning.

Protection: NEVER give your social security number, driver's license, or checking account number to people you don't know.

Protection: Always be skeptical of plans promising to erase bad credit or secure a credit card.

Land Sale Scams entice you to buy undeveloped or partially developed land through newspaper advertisements that promise attractive vacation/retirement locations.

Protection: Always inspect any property before buying it.

Sweepstakes & Lotteries Scams make you think that it is your lucky day and that you have won something. "Congratulations, it's your lucky day! You've just won \$5,000." If you get a call or message like this, be skeptical.

Protection: **Don't pay to collect sweepstakes winnings.** If you have to pay to collect your winnings, you're not winning — you're buying. Legitimate sweepstakes don't require you to pay "insurance," "taxes", or "shipping and handling charges" to collect your prize. **Hold on to your money.** Scammers pressure people to wire money through commercial money transfer companies because wiring money is the same as sending cash. When the money's gone, there's very little chance of recovery. Likewise, resist any push to send a check or money order by overnight delivery or courier. Con artists recommend these services so they can get to your money before you realize you've been cheated. **Phone numbers can deceive.** Some con artists use Internet technology to call

you. It allows them to disguise their area code: although it may look like they're calling from your local area, they could be calling from anywhere in the world.

Telephone Investments typically will be coins, gemstones, oil wells, gold mines and the con-artist uses a sales pitch of making money with little risk.

Protection: Be wary of investment opportunities that are "guaranteed" to be risk-free and provide a high return.

Magazine Telephone Scams trick you into purchasing multi-year magazine subscriptions. In this situation, you would receive a postcard saying you won a contest and to call an 800 number for your prize.

Protection: Be suspicious when anyone tries to sell you a bargain. Nothing in this world is free.

Buying Club Memberships/Continuity Plans entice you with a free offer, while you are in fact agreeing to purchase merchandise or services automatically at regular intervals after accepting the free offer. Sometimes, if you agree to a "free trial" offer it activates a bill for magazines, CDs, or some other product that is delivered regularly.

Protection: When a caller makes you an offer, listen carefully. If you don't understand the terms, ask the seller to repeat them. Write down important information, like the customer service telephone number or address.

Questions to ask a caller offering a free trial or a buying club membership:

- Is the free trial offer related to a membership, a subscription, or an extended service contract?
- Do I have to contact the company to avoid receiving any merchandise or services? If so, how much time do I have? What is my deadline?
- Who do I contact to cancel? How do I cancel? By letter? By phone? By email?
- Will I get other products associated with the free trial offer or the buying club? If so, will I have to pay for them or pay to send them back if I don't want them? How long do I have to decide before incurring a charge?
- How do I stop getting additional merchandise or services?
- Is there a membership fee? If so, is it refundable?
- Will you automatically bill my credit card for the fee or the products or services?
- Who is offering the trial — you or another company? What is the name and address of the company?

Work-At-Home & Business Opportunity Scams lure both would-be entrepreneurs and people looking for home-based work with false promises of big earnings for little effort. They pitch their fraudulent offerings on the phone and through websites, infomercials, and classified ads that are designed to get you to call them.

If you receive a call from a telemarketer offering you a way to make lots of money, remember that financial success generally requires hard work. Think twice before you invest your money or your time.

If you're considering a work-at-home opportunity:

Legitimate work-at-home program sponsors should tell you — in writing — what's involved in the program they are selling. Ask the promoter:

- What tasks will I have to perform? (Ask the program sponsor to list every step of the job.)
- Will I be paid a salary or will my pay be based on a commission?
- Who will pay me?
- When will I get my first paycheck?
- What is the total cost of the work-at-home program, including supplies, equipment, and membership fees?
- What will I get for my money?

Then ask yourself whether the claims are based on wishful thinking — or real market conditions. The answers to these questions may help you determine whether a work-at-home program is appropriate for your circumstances, and whether the claims can be realistic.

Always remember before investing in any company check the seller's information with someone whose financial advice you trust. It's unlikely you will make money with a company you cannot verify. For more information call the local Better Business Bureau at (404)-766-0875, the Federal Trade Commission 1-877-382-4357, or the State Attorney General's office (404)656-3300.

If you think you're a victim of identity theft, take these steps IMMEDIATELY:

- **Place a "Fraud Alert" on your credit reports, and review those reports carefully.** The alert tells creditors to follow certain procedures before they open new accounts in your name or make changes to your existing accounts.
- **Close the affected accounts.** Close any accounts that have been tampered with or established fraudulently.
- **File a police report.** This is an essential step in claiming your rights.
- **Report it to the FTC.** Your report helps law enforcement officials across the country in their investigations. Visit ftc.gov/idtheft or call 1-877-ID-THEFT.

If you need further assistance with your Telemarketing Fraud questions, please call the legal office at 478-926-9276 to set up an appointment to meet with an attorney.