

DON'T BE A VICTIM!

To avoid being swindled, follow these precautions:

- Don't give out your credit card number over the phone unless you know the organization is reputable.
- Insist on getting written information about the organization. At the same time, don't assume an organization is legitimate solely on the basis of impressive-looking brochures or enthusiastic testimonials.
- Find out if any complaints have been registered against the company with your state attorney general or local Better Business Bureau. Just remember, scam artists frequently change names and locations. Just because there are no complaints on file does not mean a business is trustworthy.
- In the case of charitable organizations, you have the right to know if the caller is a volunteer or a professional telemarketer/fundraiser. Don't commit yourself over the telephone. Ask for written information about how much of your donation will actually go to the charity and how much will be spent on administrative and fundraising costs.
- Take time to make a decision before investing. Consult someone whose financial advice you trust — a banker, lawyer, accountant or friend. Have them review any contract or prospectus before you commit yourself.
- If a caller is uncooperative in answering your questions, simply hang up the phone. Remember, you have a right to know specifics. They have no right to your money.

Above all, follow this old and trusted adage:

**"If it sounds too good to be true,
it probably is!"**

Information Prepared by:

*Federal Trade Commission, Pennsylvania Attorney General and the
National Association of Attorney Generals*

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IF YOU ARE VICTIMIZED

The nation's leading consumer Protection Enforcers, the Federal Trade Commission and the PA State Attorney General, have declared telemarketing fraud a high priority. Together they are working to end this problem that robs consumers of billions of dollars a year.

If you get swindled by a telemarketer, don't be embarrassed to report it or assume it's not worth your time. By reporting the incident, you can help ensure that others aren't victimized.

CONTACT:

Federal Trade Commission
Telemarketing Fraud
600 Pennsylvania Avenue, NW
Washington, D.C. 20580
Phone: 202-326-2222

or

Office of Attorney General
Bureau of Consumer Protection
Strawberry Square
Harrisburg, PA 17120

Toll-Free Consumer Hotline: 1-800-441-2555

TELEMARKETING



What Is It? Ways To Avoid It.



A BILLION DOLLAR PROBLEM

Fraudulent telemarketers will swindle American consumers out of a billion dollars or more this year. These professional con artists peddle everything from overpriced and useless water “purifiers” to “gold mines” that are nothing more than piles of dirt.

Of course, selling products or services by phone is not in itself a crime. Most telemarketers represent honest, reputable businesses. But because so many customers enjoy the ease and convenience of shopping by phone, it is an attractive tool for unscrupulous salesmen.

Anyone with a telephone is vulnerable to the high-pressure sales tactics and enticing offers of the dishonest telemarketer. Stockbrokers have been lured into phony investment schemes. Real estate professionals have bought into worthless land deals.

The Federal Trade Commission (FTC), PA State Attorney General's office, and others are working hard to put fraudulent telemarketers out of business.

Unfortunately, though, fraudulent telemarketers are hard to track down. Most are “fly by night” operators working out of so-called “boiler-rooms” — leased space with banks of telephones staffed by professional scam artists. Once under investigation, they can easily shut down and move — virtually overnight — to another town or state. They may even change their name — anything to cover their tracks.

Since enforcement is so difficult, it is essential that today's consumer be an informed telephone shopper. Listed are some common examples of telemarketing fraud, and tips that suggest how you can detect it and avoid becoming a victim.

INVESTMENTS

“Get rich quick” schemes involving rare coins, gemstones, real estate, securities, oil and gas leases, and precious metals are commonly pushed on the unsuspecting consumer. Most are worthless. Frequent targets are those who have been victimized before, since they are often eager to recoup losses from previous deals.

WATER PURIFIERS

Capitalizing on growing environmental awareness, some businesses are selling so-called water purification or filtration systems. Callers use scare tactics to convince you that your tap water is filled with impurities or cancer-causing substances. You may end up paying \$300 to \$500 for a device that is worth less than \$50.

“GIVE NOW” CHARITIES

Some unscrupulous telemarketers will say they're calling on behalf of a charity. They may ask you to buy tickets for a benefit show, make a donation toward sending

handicapped children to the circus, purchase light bulbs or other household items at inflated prices. If you are not careful, your generosity may be exploited and little or none of your contribution will actually go to the charity.

TRAVEL

So-called “free” or “low-cost” vacations often come with extra charges, hidden restrictions, and hard-to-meet conditions. You might be required to join a travel club. A vacation-for-two may only include airfare for one. You could be charged extra for “peak season” reservations. As a result, your vacation ends up costing two to three times what you would have paid had you made your own arrangements.

VITAMINS

Some health-conscious consumers fall prey to telemarketers selling vitamins. As with many other scams, the sales pitch may include a prize offer to get you to pay as much as \$600 for a six-month supply of vitamins that are worth as little as \$40.

TIPS ON SPOTTING FRAUD

As the examples in this pamphlet illustrate, there are many kinds of telemarketing scams, and new ones are invented every day. However, certain elements are common to most of these scams.

BEWARE OF:

- “Free” gifts that require you to pay “shipping and handling” charges, “redemption” fees, or “gift taxes” before delivery.
- “High-profit, no-risk” investments. No high-profit investment is free of any risk.
- High-pressure sales tactics and demands for you to “act now.”
- A request for your credit card number for “identification” purposes or to “verify” that you have won a prize.
- Refusal to provide written materials or even the most basic details about the organization, such as its exact location or names of its officers.
- Organizations that are unfamiliar to you or that have only a P.O. Box for an address. (Some organizations use a P.O. Box so you will not know their locations.)

