

CONSUMER'S EDGE

CONSUMER PROTECTION DIVISION, MARYLAND OFFICE OF THE ATTORNEY GENERAL

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DON'T BE A SUCKER FOR SWEEPSTAKES

Soon after a Silver Spring woman sent in a sweepstakes entry, she began to receive many other sweepstakes mailings that implied she was close to being a grand prize winner. Thinking she could increase her odds of winning, she began buying books, magazines, and other products through these sweepstakes. She spent \$1,500 but never won anything.

Thousands of Marylanders were taken in by a mailing that promised they had won "up to \$15,000 in cash." They called its "900" number and were told they had won \$1. They were charged \$25 to \$40 per call.

Before you respond to a sweepstakes mailing or telephone call that says you are their "guaranteed winner," ask: What's in it for them?

The truth is, sweepstakes are not trying to give you money – they're trying to get your money. The only aim of their mailings and telephone calls is to get people to order products or, in the case of fraudulent prize promotions, pay a "processing fee" or make a call to a "900" or other toll number.

Too often people buy products they don't need or pay excessive fees to sweepstakes. Some people even lose their life savings because they become addicted to entering sweepstakes, or ordering merchandise

in the mistaken belief that it will increase their chances of winning. They can't stop because they don't want to lose what they've "invested." They continue to receive mailings and phone calls that suggest they are close to winning.

In reality, their chances of winning a legitimate sweepstakes are very small, and there are many fraudulent sweepstakes that either don't award any prizes or award prizes that turn out to be almost worthless.

Don't Be Fooled

Sweepstakes mailings are designed to make you believe that you are the grand prize winner.

The envelopes say "Personal and Confidential" and "To Be Opened by Addressee Only." They contain official-looking "affidavits," "notarized statements," and what look like checks made out for large sums of money. A response form may ask whether you want your money as a lump sum or in installments, or what color you want your new car to be.

Sweepstakes promoters know that once they've convinced consumers that a big prize is coming their way, it's easier to get money from them. Even though by law no purchase can be required to enter or win, sweepstakes depend on the fact that people think they have a better chance of winning if they order a magazine or other product. If asked to pay a delivery fee or pre-pay taxes on their winnings, people think it's a small price to pay since they will be getting a big prize. Only they usually don't get the prize.



Here's how to get the real scoop on a sweepstakes mailing:

Read the small print. "You're a guaranteed \$10,000 winner!" "This is official notification that you have won a new car!" Phrases like these in big, bold type are often surrounded by smaller type that says something like "...if you have and return the matching winning number." Most likely you are not the winner.

Look at the postage. "Bulk rate" or "presorted first class" means that the letter has gone to thousands of people. You are not really a specially selected finalist.

Look for the odds of winning. A sweepstakes must disclose these to you. Read the fine print at the bottom of the page or on the back. For example, if you see that "Awards and Odds are: \$15,000 (1:4,000,000)," your odds of winning are one in four million.

Look for "No purchase is necessary." You do not have to buy anything to enter a sweepstakes. By law, you can enter and have an equal chance of winning without buying anything.

Check Out Charities

Some sweepstakes send out letters on behalf of organizations whose names sound like well-known national charities. The "look-alike" names mislead contributors to believe that they are giving to their favorite charities. To check out a charity, visit the Maryland Secretary of State's website at sos.maryland.gov/Charity/Pages/default.aspx or call 410-974-5534.

How to Stop the Offers

Many consumers find that after they enter one sweepstakes, they begin receiving many offers. That's because sweepstakes promoters and telemarketers often exchange lists of people the marketers believe will be easy to sell to again.

If you are being deluged with sweepstakes offers, here's how to reduce the number you receive. Don't enter any sweepstakes or buy anything through a sweepstakes – just throw the mailings away. Each time a telemarketer calls, tell them you want to be put on their "do not call" list.

How to Spot a Sweepstakes Scam

Signs that a sweepstakes solicitation is a scam:

- It has a name similar to a well-known national charity.
- You are told to call a "900" number to find out if you have won, which will cost you money, or you are given a "800" number to call that directs you to call a "900" number.
- You are urged to send a check by overnight delivery, courier service, or electronic transfer.
- You are asked to send money to pay taxes on your prize. Prize winners pay taxes to the Internal Revenue Service, not to sweepstakes promoters.

HOW TO CONTACT US

Consumer Protection Division

200 St. Paul Place, 16th Fl., Baltimore, MD 21202

- **General Consumer Complaints:** 410-528-8662
Toll-free: 1-888-743-0023 TDD: 410-576-6372
En español: 410-230-1712
9 a.m. to 3 p.m. Monday-Friday
www.marylandattorneygeneral.gov/Pages/CPD/
- **Health Consumer Complaints:** 410-528-1840
Toll-free: 1-877-261-8807 TDD: 410-576-6372
9 a.m. to 4:30 p.m. Monday-Friday
www.marylandcares.org
- **For information on branch offices** in Largo, Salisbury, Hagerstown, and a full list of offices across Maryland, visit: www.marylandattorneygeneral.gov/Pages/contactus.aspx

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