

CONSUMER'S EDGE

CONSUMER PROTECTION DIVISION, MARYLAND OFFICE OF THE ATTORNEY GENERAL

BRIAN E. FROSH, MARYLAND ATTORNEY GENERAL

TELEMARKETING SCAMS

A Laurel man received a call from a telemarketer who offered him gifts and then asked him to renew a magazine subscription. The man agreed and gave the caller his checking account routing number. When the caller told him the renewal would cost \$300, the consumer told the telemarketer not to withdraw the money from his account. Nevertheless, his next bank statement showed a withdrawal of \$300. The man contacted the Consumer Protection Division and the company agreed to refund the money.



A Silver Spring woman received a call from a telemarketing company that offered her an opportunity to save money on food, jewelry, vision care, and other items. They also told her they would send her large checks, totaling as much as \$25,000. But the telemarketers repeatedly asked her to send them money before she received her prizes. In the end, she spent her life savings - more than \$21,000 - and received only a few hundred dollars' worth of merchandise she neither needed nor wanted. After she contacted the Consumer Protection Division, the company agreed to refund \$7,500.

Telemarketing fraud robs consumers of approximately \$40 billion every year. The Federal Trade Commission (FTC) passed a regulation aimed at stopping telemarketing scams. The regulation:

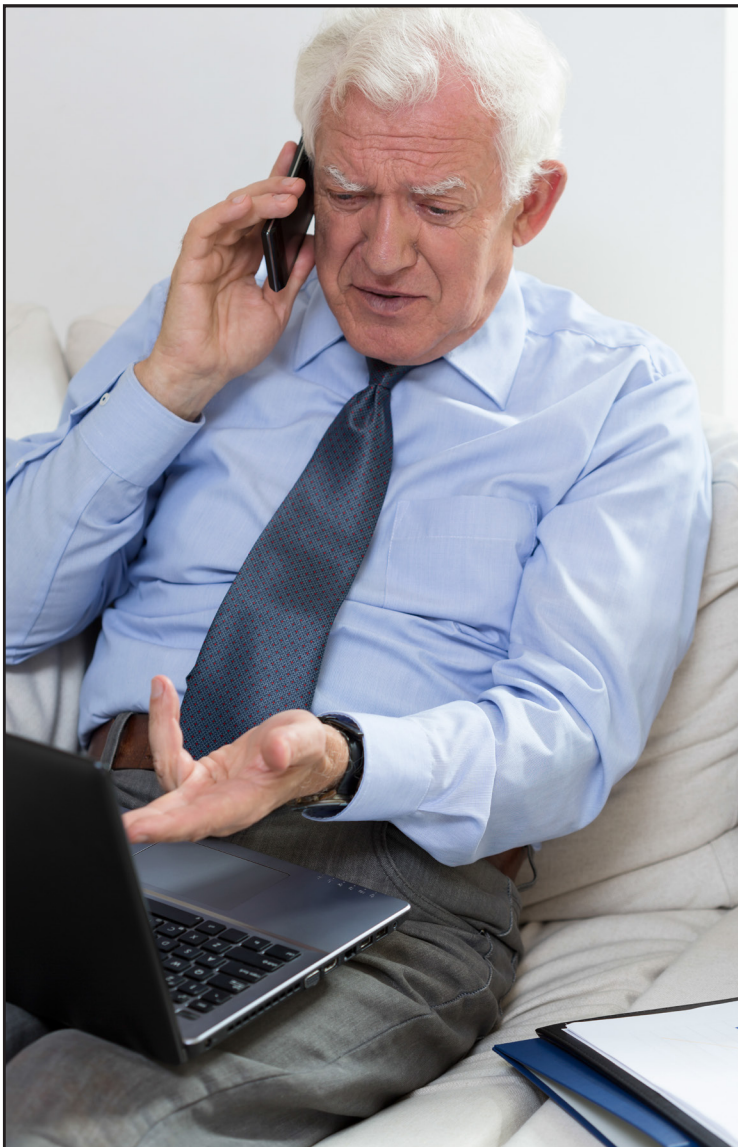
- **Prohibits telemarketers from calling before 8 a.m. or after 9 p.m.**, and from calling consumers who have told that telemarketer they don't want to be called.
- **Requires that telemarketers promptly disclose their identity**, the purpose of the call, the nature of the goods or services being sold, the odds of winning prizes if any are offered, the fact that no purchase is necessary to participate, and the method by which a consumer can enter without making a purchase.
- **Requires that telemarketers disclose refund and cancellation policies** and tell consumers if refunds and exchanges are not allowed.

Unless you are totally familiar with the service being sold and you have previously done business with the company, be wary of paying in advance for services you will receive at a later date. The FTC regulation specifically bars telemarketers who sell credit repair, advance fee loan, or recovery services from collecting a fee until seven days after the service has been performed.

Tougher regulations help, but you must continually exercise caution to avoid telemarketing scams. Fraudulent telemarketers pay no attention to laws, and until they are caught by the authorities, they continue to defraud people. But there are ways you can protect yourself:

- Sign up for the Do Not Call Registry at 1-888-382-1222. This will not stop illegitimate callers, but will stop legitimate callers and reduce the number of calls you receive.
- Never give your credit card number over the phone unless you initiated the call.
- Never give your checking account number or





any of the other numbers on your checks over the phone.

- Never give a telemarketer personal information about yourself, including medical information or a driver's license, social security, or credit card number.
- Never pay for a prize. That includes paying postage, shipping and handling, taxes or any costs associated with something a caller says you have "won."
- Never allow a caller to pressure you into acting immediately on any offer. If the telemarketer insists that you act the same day, be suspicious.
- Never agree to any offer until you have seen it in writing. Ask the caller to send you information in the mail. If the caller will not, be suspicious.

Dishonest telemarketers continually come up with new ways to woo consumers into giving

them money. One relatively new form of fraud is known as "recovery room scams." In these scams, telemarketers call consumers they know have been victims of fraud and offer to help get their money back—for a fee. Here is an example:

The Federal Trade Commission filed charges against telemarketers who falsely identified themselves as affiliates of a government consumer protection agency, and called elderly people who had been victims of telemarketing scams, offering to help them get their money back. Consumers were told that for 5 or 10 percent of what they lost, the caller would recover their lost money. Consumers paid \$200 to \$1,000 relying upon the caller's representation that they were affiliated with the government. But they never recovered any money – they only lost more.

Remember, if you get a call from a stranger offering you a terrific deal, don't agree to pay any money until you have had time to do your research. You can contact the Maryland Office of the Attorney General for information. If the caller says you must act right away, it's probably a telemarketing scam. People making legitimate offers are always willing to give you time to think and gather information.

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
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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BRIAN E. FROSH

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