

# CONSUMER'S NOTEBOOK

## Telemarketing Fraud

### What is Telemarketing Fraud?

Telemarketing fraud or "phone fraud" is the most frequent and most expensive complaint, costing consumers an estimated \$40 billion dollars per year!

Although telephone sales or telemarketing is a primary source of funding for many legitimate businesses and non-profit organizations, other such phone calls are fraudulent.

Telemarketing fraud includes travel scams offering "free trips" or low-cost vacations, prize offers, magazine promotions, office supplies or promotional items, club memberships, sure-fire investments and requests for charitable contributions. Many times phone fraud is linked to mail fraud such as postcards urging consumers to dial 1-900 numbers to claim their prize.

The best protection is **prevention** and the informed consumer **can** learn to identify fraudulent telemarketers.

### Telemarketing Fraud Prevention Tips

Before you buy anything by phone, just remember a few, simple "tip-offs" to fraud:

**TAKE TIME:** Resist telemarketers who want immediate payment and insist on sending overnight private mail services to pick up your money or want you to wire money. Always take your time making a decision. Don't succumb to high pressure sales tactics. If they won't give you time to carefully consider the offer, refuse it. Legitimate companies won't pressure you to make a fast decision.

**ASK QUESTIONS:** Don't buy by phone from unfamiliar companies. Ask them to send you information about the company if you've never done business with them. Legitimate businesses will understand and comply, giving you time to make a good decision.

**BE CAREFUL WITH CREDIT INFORMATION:** Don't give out your credit card number or checking account number over the phone, unless you know the person at the other end of the line is a reputable merchant.

**BEWARE OF "FREE":** Don't send money to telemarketers promising "free" prizes.

**HANG UP:** If you don't want to purchase from a telemarketer, be firm and clear, and hang up!