

PROTECTION FROM TELEPHONE FRAUD

Telephone fraud costs consumers an estimated \$40 billion a year.

One out of six consumers is cheated by telemarketing criminals every year.

When the phone rings, guard your personal information – social security number, bank account information, credit card and calling card numbers. Beware of smoothing-talking telephone investment brokers, get-rich-quick schemes and phony business opportunities. Legitimate companies won't pressure you and will provide all the information you need to make a wise decision.

When You Receive a Telemarketing Call

- Don't fall for unrealistic promises.
- Don't act on impulse.
- Don't believe claims that you must pay a fee to collect something you've won.
- Get the name, address and phone number of the company.
- Check its track record with the Better Business Bureau or your state or local consumer protection agency.
- Find out from your attorney general's office or local consumer agency if the company must be licensed or is regulated, and confirm that it meets its legal requirements.

Watch for Slamming and Cramming on Your Phone Bill

Slamming is when a customer's long-distance, local toll or local service provider of choice is changed without the consumer's authorization.

A favorite tactic of unscrupulous providers is to require customers to fill out coupons or entry forms to be eligible for prizes. Consumers sign these documents not knowing the small print may authorize changes to their telecommunications services.

Cramming is the billing for services that have not been requested or authorized.

One recent example of tricking a customer into "authorizing" charges on their phone bill is the *option poll* received by fax or through e-mail. The poll ask your opinion on a controversial issue, such as gun control or whether family values should be taught in the schools. The only way to participate is to fax your response to an 800 or 900 number that charges you for the call.

Always read the fine print on promotional materials, particularly contests, sweepstakes, and opinion polls.

Tips for Protecting Yourself and Your Business

The Federal Consumers Information Center has named "not checking the telephone bill each month to verify the carrier or itemized charges" as one of the top five most expensive mistake a consumer makes.

- Review your phone bills carefully. If you see unfamiliar charges on your bill, call the toll-free number listed on the page where the charge appears. If the service provider is unable to provide a satisfactory resolution, call your local phone service provider.
- Keep a record of all telecommunications services ordered, at what price, when ordered and the company from which service were ordered.
- If you receive a phone call about long-distance service and you are not interested in switching your service, tell the caller you are not interested in their service.
- Beware of callers who say they represent your current telephone company and offer to “consolidate” your phone bills or give you a new discount. Ask for information to be sent to you and don’t agree to anything over the phone.
- If someone phones and asks you to transfer them to an outside line, switch them to the operator, or dial a series of characters and/or number to “test your line,” DON’T DO IT! Some people may use this technique to make long-distance calls at your expense. If this happens to by, get the caller’s name and phone number to verify that they are who they say they are, and that their request is legitimate.

Consumers can periodically verify their long-distance and local toll providers of choice by dialing the following numbers from their telephone:

- To verify long-distance provider, call **1-700-555-4141**
- To verify local toll provider, dial **1-your local area code-700-4141**

Protect Your Calling Card Number

- No one from any telephone company, long-distance carrier, or regulatory agency will ever call you to request your calling card number or ask that you accept charges for calls on their behalf.
- Shield your calling card number when keying it into a phone. If your give the number verbally, speak softly so other will not hear.

If your card is lost or stolen, report it to your card provider’s business office as soon as possible.

Efforts to Protect Consumers

The Federal Consumer Information Center offers a pamphlet of consumer tips, the *Consumer’s Resource Handbook*, which provides directories of consumer organizations, corporations, trade associations and government agencies.

To get the handbook, contact the Federal Consumer Information Center:

Federal Consumer Information Center
Pueblo, CO 81009

719-948-4000*
www.pueblo.gsa.gov

For advice about telemarketing solicitations or to report suspected fraud, call the National Consumers League’s National Fraud Information Center toll-free at **1-800-876-7060**, (Due to a large volume of calls, you may encounter busy signals.) TTY service for the deaf is

available, as well as counseling in English and Spanish. Or visit their website – www.fraud.org - to look at the tips and use the online question or reporting forms.

To reduce national telephone solicitation calls to your home, write the Telephone Preference Service (TPS). Include your name, address, area code and telephone number. There is no charge for this service.

Telephone Preference Service
Direct Marketing Association
Post Office Box 9014
Farmingdale, NY 11735-9014

The Alliance Against Fraud in Telemarketing

The Alliance Against Fraud In Telemarketing (AAFT) promotes public awareness about telemarketing and Internet fraud. AAFT's membership includes trade association, labor unions, businesses, law enforcement agencies, and consumer groups. Organizations interested in becoming a member of AAFT may write for information. Individuals can subscribe to *Focus on Fraud*, a quarterly newsletter that features articles on current trends and developments in the telemarketing and Internet fraud, enforcement efforts and education resources.

The Alliance Against Fraud in Telemarketing
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* Long-distance calls will incur appropriate charges.