



PREVENTIVE LAW SERIES
TELEMARKETING FRAUD



Prepared by:
Legal Assistance Department
Region Legal Service Office Southwest
3395 Sturtevant Street Suite 9
San Diego CA 92136-5072
(619) 556-2211

Telemarketing fraud is on the rise and its effects can be devastating. We are all potential targets because almost everyone has a telephone. But if you can spot the fraud, you can protect yourself and your interests.

How do fraudulent telemarketing operators get my phone number?

Operators may get your phone number from a telephone directory, a mailing list, or a “sucker list.” A “sucker list” contains names, addresses, phone numbers and other information such as how much money an individual has spent on previous telemarketing solicitations. These lists are bought and sold by telemarketing operators. Another way telemarketers can get your number is through the use of direct mail. A consumer may get a letter or postcard saying that he/she has won a prize or contest and all you have to do is respond with certain information. If you do respond, then the telemarketer has your information and can contact you. The other popular way to get information from a consumer is from the consumers who place a call in response to a television, newspaper, or magazine advertisement.

How do fraudulent telemarketing operators disguise the fraud?

Telemarketers disguise the fraud with offers of prizes, which tend to be worthless or overpriced, travel packages described as free or low-cost but have hidden costs, or “get rich quick” schemes. These “get rich quick” schemes are often disguised as “investment opportunities.” Examples include movies, cable television, Internet gambling, rare coins, and art. Lastly, telemarketers may attempt to defraud you by posing as charitable organizations soliciting contributions. Usually these organizations **sound like** well-known charitable organizations or law enforcement agencies but they will not send written information about their organization so you can check them out.

If you fall victim to any of these scams, watch out for recovery scams, in which an individual or representative who knows you have fallen victim to a scam promises to get your money back. This is an easy way to lose even more money.

How can you protect yourself?

1. Don't give in to pressure. **Don't make an immediate decision on the phone.**
2. Don't give your credit card, checking account, or Social Security number to unknown callers.
3. Don't pay for something just because you will get a “free gift” in return.
4. **Get all information in writing** before you agree to buy something.
5. Check out a charity before you give. Ask for written information on the charity and how much of the donation actually goes to the charitable cause and how much goes to the charity's administration.
6. Don't invest your money with an unknown caller.
7. If the offer is an investment, check with your state securities regulator to see if the investment is properly registered.
8. **Don't send cash.**

9. Make sure you know the per-minute charge for any 900 number call you make.
10. Be cautious of statements that you have won a prize, especially if the caller says you must send money to claim the prize, this is almost always a scam.
11. Don't agree to any offer where you have to pay a registration or shipping fee to receive a "prize."
12. Check out unsolicited offers with the Better Business Bureau, local consumer protection agency, or your state's attorney general's office before you agree to send money.
13. Beware of offers to "help" you recover money you may have lost previously.
14. Be wary of callers saying they are law enforcement officers who will help you get your money back for a fee.
15. Register for the national "do not call" list to cut down on telemarketing fraud. You can register your phone number at www.donotcall.gov. You can find more information on the California Attorney General's website at <http://ag.ca.gov/donotcall/faq.php>. You may file a complaint at http://ag.ca.gov/donotcall/dnc_complaint.php. Even more information is available through the California Department of Consumer Affairs <http://www.dca.ca.gov/publications/telemarket.shtml>.

Telemarketing Sales Rule

The Federal Trade Commission's Telemarketing Sales Rule requires telemarketers to make certain disclosures and prohibits misrepresentations. It gives you the power to stop unwanted telemarketing calls and gives state law enforcement officers the authority to prosecute fraudulent telemarketers who operate across state lines. Telemarketers must tell you it's a sales call and who's doing the selling before they make their pitch. Calling times are restricted to the hours between 8 A.M. and 9 P.M. 16 C.F.R. Part 310.

Federal Gambling and Lottery Laws

Federal Gambling and Lottery Laws make it illegal to operate a lottery or gambling business through the mail or over the telephone. 18 U.S.C. §§ 1302, 1084(a) If you receive a telephone call from someone making a pitch about a lottery, don't fall victim to the fraud.

LEGAL ASSISTANCE SERVICES

A legal assistance attorney is available by appointment Monday through Thursday from 0800 - 1030 and 1300 - 1500, and Friday from 0900 - 1100. Powers of attorney and notaries are available Monday through Friday at the same times. For more information, please contact the Legal Assistance Office, located in Building 56, 32nd Street Naval Station, San Diego, CA, by telephone at (619) 556-2211, or our office at Naval Air Station North Island – Coronado, Building 318 – Second Deck, above the Fleet and Family Support Center, Saufley Road, by telephone at (619) 545-6437.

RESOURCES

Federal Trade Commission: (877) FTC-HELP; www.consumer.ftc.gov/features/feature-0009-military-families

- Consumer Information: www.consumer.ftc.gov; (877) FTC-HELP
- File a Consumer Complaint: www.ftccomplaintassistant.gov
- Do Not Call Registry: www.donotcall.gov.

California Office of the Attorney General: P.O. Box 944255, Sacramento, CA 94244-2550; www.oag.ca.gov
File a Consumer Complaint: www.oag.ca.gov/consumers

Federal Gambling and Lottery Laws. 18 U.S.C. §§ 1081–1084, 1301–1307 (2012).
Telemarketing Sales Rule, 16 C.F.R. Part 310 (2013).

