

Beware of Telephone Fraud



By Greg Abbott
Attorney General of Texas

“You’ve won a free trip to Cancun! All you have to do is pay taxes and a small fee.” Sound familiar? Our Consumer Protection Division receives hundreds of

complaints

about telephone fraud each year.

Phone scams fall into two major categories: telemarketing fraud and unfair or deceptive practices by telephone service providers.

Telemarketing fraud involves calls you may receive offering free gifts, “fabulous” vacations or valuable items that have been drastically reduced in price. You are usually told that you have won a contest—all you have to do is pay the shipping and handling, taxes or “fees.” The fees may be worth more than the prize and the prize may never actually appear.

Many people have been swindled in get-rich-quick deals. Someone may call you and offer a no-risk, high-profit deal in real estate or oil and gas. These are generally bogus. High-profit investments are usually high-risk, and legitimate investment opportunities are not sold over the phone.

One of the most vicious phone scams is the foreign lottery. You receive a call from someone who tells you that you’ve won a huge prize and all you have to do is pay the taxes or “fees” in advance. Whatever money you send, they keep.

Once you have fallen for one of these lottery scams, the same criminals may try

to rob you again by posing as law enforcement agents who will “help” recover your money. There will, of course, be a fee involved, and you will never recoup the money you originally lost.

There are several ways you can protect yourself. Most important: if you believe the person on the line is trying to cheat you, just hang up. Remember, they called you.

Another common theme in telemarketing fraud is the misuse of personal financial information. Phone scammers may try to persuade you to tell them your bank account information, social security number or credit card numbers. Do not give out this information unless you know you are dealing with a reputable company.

Under Texas law, if you use a credit card to buy from a telephone solicitor, the seller must offer a full refund for returned goods that are unopened and undamaged, provided they are returned within seven days from when the buyer received them. In addition, federal law allows you to dispute a credit card charge with the bank that issued the card. You can refuse to pay a questionable portion of your credit card bill pending the outcome of your dispute. Disputes over credit card bills must be made in writing.

The second major kind of phone fraud we hear about involves unfair or deceptive business practices by local and long distance telephone service providers. The most common of these deceptive practices are “slamming” and “cramming.” “Slamming” is when your local or long distance phone service is switched from one provider to another without

your knowledge or consent. ‘Cramming’ is adding unauthorized charges to your phone bill. These include charges for products or services you are not familiar with, or regulatory fees billed by companies other than your service providers.

Read your phone bill carefully. Notify service providers about unauthorized charges or changes in your phone service. If you have been slammed, ask your local phone company to switch you back to your preferred long distance provider. If you are a victim of cramming, ask to have the unauthorized charges removed. Under Texas law, you are not required to pay unauthorized charges.

It is hard to imagine our lives today without the convenience of the telephone. Use it safely and remember: if someone calls and says you have won millions in a lottery, HANG UP! DO NOT send the money.

POINTS TO REMEMBER

TELEPHONE FRAUD

If you are the victim of telephone fraud, file a complaint with our Consumer Protection Division at www.oag.state.tx.us or by calling (800) 621-0508.

File a complaint with the Public Utilities Commission, which has oversight of telemarketers and telephone companies, at www.puc.state.tx.us or call (888) 782-8477.

No legitimate lottery calls to tell you that you have won.

No legitimate lottery collects fees and taxes on prizes.

TEXANS LIKE YOU HAVE LOST MILLIONS TO FOREIGN LOTTERY SCAMS.

The Public Utility Commission of Texas supervises the No Call List. Sign up at www.texasnocall.com or call (866) 896-6225.

Add your name to the national No-Call list by calling toll-free 1-888-382-1222 (TTY 1-866-290-4236) from the number you wish to register.

You can request that your phone number be removed from many national marketing lists by contacting:

Direct Marketing Association
Telephone Preference Service
P.O. Box 1559
Carmel, NY 10512



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Information on this and other topics is available on the Attorney General's Web site at www.oag.state.tx.us.