

## Fraud of the Month - 03/06 - Prizes/Sweepstakes Scams

The Latest Scams Circulating the Consumer World. Be warned. Be informed.

March 2006

### Prizes/Sweepstakes Scams

The National Consumers League released their list of Top 10 Telemarketing Scams in 2005. Topping their list, and representing 31% of all complaints, was Prizes/Sweepstakes Scams. Read on to find out how to identify and avoid sweepstakes scams, because it just may not be your lucky day after all.

Telemarketers frequently use sweepstakes and prize contests to sell magazines or other goods and services. Telemarketers make initial contact with consumers by making "cold calls," and you can often identify these calls by the pause on your line before the telemarketer begins to speak.

Our advice is to hang up and not listen to the sales pitch, but if you're curious, and want to have a 10-minute conversation, you should know the rules of their game. The Telemarketing Sales Rule will help protect you from fraudulent telemarketers who use prize promotions as a lure. In every telemarketing call involving a prize promotion, the law requires telemarketers to tell you:

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The odds of winning a prize. If the odds can't be determined in advance, the promoter must tell you the factors used to calculate the odds.

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That you don't have to pay a fee or buy something to win a prize or participate in the promotion.

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If you ask, how to participate in the contest without buying or paying anything.

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What you'll have to pay or the conditions you'll have to meet to receive or redeem a prize.

## Play it Safe

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Legitimate sweepstakes don't require you to pay or buy something to enter or improve your chances of winning or to pay "taxes" or "shipping and handling charges" in advance to get your prize.

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Sponsors of legitimate contests identify themselves prominently; fraudulent promoters are more likely to downplay their identities. Legitimate promoters also provide you with an address or toll-free phone numbers so you can ask that your name be removed from their mailing or calling list.

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Be suspicious of telemarketers who say you've won a contest you can't remember entering.

If you are a victim of a sweepstakes scam, file a complaint online with the FTC or call 1-877-382-4357.

To opt-out of telemarketing phone calls, dial 1-888-5-OPT-OUT (1 888 5 678 688).

Source: Federal Trade Commission