

Protecting Wisconsin Consumers for 75 Years

Straight talk about telemarketing

FAST FACTS

Telemarketers may call or text only between 8 a.m. and 9 p.m. They must tell you that they are selling something – and who is doing the selling – before they make their pitch.

You can stop unwanted calls and texts from telemarketers by telling them not to call back. If they do, they are breaking the law. Report them to the Bureau of Consumer Protection.

Before you pay for any products or services, you must be told the total cost and restrictions on getting or using them.

Telemarketing laws

Telemarketing laws require certain disclosures and prohibit misrepresentations. They give you the power to stop unwanted telemarketing calls and give state law enforcement agencies the authority to prosecute fraudulent telemarketers who operate across state lines.

The telemarketing law covers most types of telemarketing calls

and text messaging to consumers, including calls to pitch goods, services, “sweepstakes,” and prize promotion and investment opportunities. They also apply to calls consumers make in response to postcards or other materials received in the mail.

Keep this information near your telephone. This information can help you determine if you are talking with a legitimate telemarketer or a scam artist.

It is illegal for a telemarketer to call you if you have asked not to be called. If they call back, hang up and report them to the Bureau of Consumer Protection.

Calling times are restricted to the hours between 8 a.m. and 9 p.m.

Telemarketers must tell you it is a sales call and who is doing the selling before they make their pitch. If it is a prize promotion, they must tell you that no purchase or payment is necessary to enter or win. If you are asked to pay for a prize, hang up. Free is free.

It is illegal for telemarketers to misrepresent any information, including facts about their goods or services, earnings potential,

profitability, risk or liquidity or an investment, or the nature of a prize in a prize promotion scheme.

Telemarketers must tell you the total cost of the products or services offered and any restrictions on getting or using them, or that a sale is final or non-refundable, before you pay. In a prize promotion, they must tell you the odds of winning, that no purchase or payment is necessary to win, and any restrictions or conditions of receiving the prize.

It is illegal for a telemarketer to withdraw money from your checking account or charge your credit card without your express, verifiable authorization.

Telemarketers cannot lie to get you to pay, no matter what method of payment you use.

You do not have to pay for credit repair, mortgage loan modification, recovery room, or advance fee loan/credit services until these services have been delivered.

Credit repair companies claim that, for a fee, they can change or erase accurate negative information from your credit

report. Only time can erase such information.

Phone scams

Every year, thousands of people lose money to telephone scams – from a few dollars to their life savings. Scammers will say anything to cheat people out of money. Some seem very friendly – calling you by your first name, making small talk, and asking about your family. They may claim to work for a company you trust, or they may send mail or email or place ads to convince **you** to call **them**.

If you get a call from someone you do not know who is trying to sell you something you had not planned to buy, say “no thanks.” And, if they pressure you about giving up personal information – like your credit card or Social Security number – it is likely a scam. Hang up and report it to the Bureau of Consumer Protection.

How telemarketing scam work

The heart of a fraudulent telemarketing operation is usually a “boiler room,” which is no more than a rented space with desks, telephones, and experienced sales people who talk to hundreds of people across the country every day. Telephone fraud knows no race, ethnic, gender, age, income or education barriers. Anyone with a phone can be victimized by telemarketing scam artists.

Fraudulent telemarketers and sellers may reach you in several ways, but the telephone always plays an important role.

Signs of a scam

Often, scammers who operate by phone do not want to give you time to think about their pitch; they just want you to say “yes.” But some are so cunning that, even if you ask for more information, they seem happy to comply. They may direct you to a website or otherwise send information featuring “satisfied customers.” These customers, known as shills, are likely as fake as their praise for the company.

Here are a few red flags to help you spot telemarketing scams. If you hear a line that sounds like this, say “no, thank you,” hang up, and file a complaint with the Bureau of Consumer Protection:

- You have been specially selected (for this offer).
- You will get a free bonus if you buy our product.
- You have won one of five valuable prizes.
- You have won big money in a foreign lottery.
- This investment is low risk and provides a higher return than you can get anywhere else.
- You have to make up your mind right away.
- You trust me, right?
- You do not need to check our company with anyone.
- We will just put the shipping and handling charges on your credit card.

How they hook you

Scammers use exaggerated – or even fake – prizes, products or services as bait. Some may call you, but others will use mail, email, texts, or ads to get you to call them for more details. Here are a few examples of “offers” you might get:

- **Travel packages** – “Free” or “low cost” vacations can end up costing a bundle in hidden costs. Some of these vacations never take place, even after you have paid.
- **Credit and loans** – Advance fee loans, payday loans, credit card protection, mortgage loan modification, and offers to lower your credit card interest rates are very popular schemes, especially during a down economy.
- **Sham or exaggerated business and investment opportunities** – Promoters of these have made millions of dollars. Scammers rely on the fact that business and investing can be complicated and that most people do not research the investment.
- **Charitable causes** – Urgent requests for recent disaster relief efforts are especially common on the phone.
- **High-stakes foreign lotteries** – These pitches are against the law, which prohibits the cross-border sale or purchase of lottery tickets by phone or mail. What is more, you may never see a ticket.
- **Extended car warranties** – Scammers find out what kind of

car you drive, and when you bought it so they can urge you to buy overpriced – or worthless – plans.

- **“Free” trial offers** – Some companies use free trials to sign you up for products – sometimes lots of products – which can cost you lots of money because they bill you every month until you cancel.

Cold calls or text messages

You may get a call or text from a stranger who got your number from a telephone directory, mailing list, or “sucker list.” A “sucker list” refers to lists of consumers who have lost money through fraudulent prize promotions or merchandise sales. These lists contain names, addresses, phone numbers, and other information, such as how much money was spent by people who have responded to telemarketing solicitations. “Sucker lists” are bought and sold by unscrupulous promoters. They are invaluable to scam artists who know that consumers who have been deceived once are vulnerable to additional scams.

How to handle an unexpected sales call

When you get a call from a telemarketer, ask yourself:

- **Who is calling... and why?**
The law says telemarketers must tell you it is a sales call, the name of the seller and what they are selling before they make their pitch. If you do not hear this information, say “no thanks,” and **hang up**.

- **What is the hurry?** Fast talkers who use high pressure tactics could be hiding something, Take your time. Most legitimate businesses will give you time and written information about an offer before asking you to commit to a purchase.
- **If it is free, why are they asking me to pay?** Question fees you need to pay to redeem a prize or gift. Free is free. If you have to pay, it is a purchase – not a prize or a gift.
- **Why am I “confirming” my information – or giving it out?** Some callers have your billing information before they call you. They are trying to get you to say “okay” so they can claim you approved a charge.
- **What time is it?** The law allows telemarketers to call **only** between 8 am and 9 pm. A seller calling earlier or later is ignoring the law.
- **Do I want more calls like this one?** If you do not want a business to call you again, say so and register your phone number on the Wisconsin Do Not Call Registry. If they call back, they are breaking the law.

Some additional guidelines:

- Resist pressure to make a decision immediately.
- Keep your credit card, checking account, or Social Security numbers to yourself. Do not give them to callers you do not know – even if they ask you to “confirm” this information. It is a trick.

- Do not pay for something just because you get a “free gift.”
- Get all information in writing before you agree to buy.
- Check out a charity before you give. Ask how much of your donation actually goes to the charity. Ask the caller to send you written information so you can make an informed decision without being pressured, rushed, or guilted into it.
- Check with the Wisconsin Department of Financial Institutions if the offer is an investment and see if the offer and seller are properly registered by calling:
1-800-472-4325
or by visiting
www.wdfi.org
- Do not send cash by messenger, overnight mail, or money transfer. If you use cash or money transfer instead of a credit card, you lose your right to dispute fraudulent charges. The money will be gone. Using a prepaid or loadable card is the same as sending cash and you will not be able to get the money back. Scammers even ask for payment through online game and music gift cards.
- Do not agree to any offer for which you have to pay a “registration” or “shipping” fee to get a prize or a gift.
- Research offers with the Bureau of Consumer Protection before you agree to send money.

- Beware of offers to “help” you recover money you have already lost. Callers that say they are law enforcement officers who will help you get your money back “for a fee” are scammers.

What to do about pre-recorded calls

If you answer the phone and hear a recorded message instead of a live person, it is a robocall. Recorded messages that are trying to sell you something are generally illegal unless you have given the company written permission to call you.

If you get a robocall:

- **Hang up the phone.** Do not press 1 to speak to a live operator or any other key to take your number off the list. If you respond by pressing any number, it will probably just lead to more robocalls.
- Consider asking your phone company whether they charge for blocking phone numbers. Remember that telemarketers change Caller ID information easily and often, so it might not be worth paying a fee to block a number that will change.

If you get phone service through internet or cable, you might want to look into services that screen and block robocalls. Try doing an online search for “block robocalls.”

Stopping unwanted sales calls

The Wisconsin Do Not Call Registry gives you a way to stop getting unwanted telemarketing

calls at home. Registering your landline or mobile phone number is free.

Calls not covered by registry

The Wisconsin Do Not Call Registry does not cover all telemarketing calls. You still may get:

- Calls from political organizations, charities, and people conducting surveys.
- Calls from companies with which you have an existing business relationship.
- Calls from companies you have given permission to call you.

Still getting unwanted sales calls?

Most legitimate companies comply with the telemarketing laws. That is, they scrub their lists as required, and do not place calls to numbers on the Wisconsin Do Not Call Registry. If a company is not complying with telemarketing laws, and does not respect your wishes not to be called, there is a good chance that what they are selling is not a bona fide product or service.

If you have put your number on the Wisconsin Do Not Call Registry, have verified that your number has been on it for 31 days, and you are still getting sales calls to the phone number you have registered, file a complaint with the Bureau of Consumer Protection. You will need to provide the date of the call and the phone number or name of the company that called you.

Register your home and mobile residential numbers on the Wisconsin Do Not Call Registry at no cost by visiting:

www.donotcall.gov

or by calling

1-888-382-1222

You must call from the phone number you wish to register.

Defensive moves

It is a good idea to keep the following tips in mind whenever you hear a phone solicitation:

- Resist high-pressure sales tactics. Legitimate businesses respect the fact that you are not interested.
- Take your time. Ask for written information about the product, service, investment opportunity, or charity that is the subject of the call.
- Do not be pressured to make an immediate decision.
- Do not give your credit card, debit card, checking account number, or Social Security Number or verify any of these to unknown callers.
- Do not buy something merely because you will get a “free gift.”
- Be cautious of statements that you have won a prize – particularly if the caller says you must send money to claim it.
- Do not agree to any offer where you have to pay a registration or shipping fee to receive a “prize.”
- Get all information in writing before you agree to buy.

- Check out a charity before you give. Ask how much of your donation goes to the charity. Ask that written information be sent to you so you can make an informed giving decision.
- Do not invest your money with an unknown caller who insists you make up your mind immediately.
- If the offer is an investment, check with your state securities regulator to see if it is properly registered.
- Do not send cash by messenger, overnight mail, or money transfer. If you use cash or money transfer instead of a credit card, you lose your right to dispute fraudulent charges. The money will be gone. Using a prepaid or loadable card is the same as sending cash and you will not be able to get the money back. Scammers even ask for payment through online game and music gift cards.
- Check out unsolicited offers with the Bureau of Consumer Protection or Better Business Bureau.
- Before you respond to a phone solicitation, talk to a friend, family member, or financial advisor. Your financial investments may have consequences for people you care about.
- Requests for immediate payment should be treated with caution and suspicion. Do not use any method of payment other than a credit card that allows you to dispute the charge if it turns out to be a

scam. If the caller asks for payment using money transfers (ie: MoneyGram, Western Union) or asks for a PIN number from a cash reload card (ie: MoneyPak or Reloadit packs) – HANG UP! This is illegal under federal law.

- Keep information about your bank accounts and credit cards to yourself – unless you know who you are dealing with.
- Before you pay, check out the company with the Bureau of Consumer Protection.

To report a scam

Report telephone scams to the Bureau of Consumer Protection. The Bureau has the power to prosecute fraudulent telemarketers.

For more information or to file a complaint, visit our website or contact the Bureau of Consumer Protection.

**Bureau of Consumer Protection
2811 Agriculture Drive
PO Box 8911
Madison WI 53708-8911**

E-MAIL: DATCPHotline@wi.gov

WEBSITE: datcp.wi.gov

(800) 422-7128

FAX: (608) 224-4677

TTY: (608) 224-5058

(Information from the FTC Brochure "Phone Scams" 02/2014 and "Stopping Unwanted Sales Calls" 06/2012)