



Prize Offers

Some prize offers and sweepstakes that come in the mail are scams tricking consumers into thinking the offers are legitimate. They use attention-getting gimmicks such as fancy certificates, official entry numbers, or envelopes that look like telegrams. No matter how these are packaged, these offers will cost you money.

Worthless prizes

You can be sure you will not win any prize with a brand name, cash, or government bond. Prizes such as jewelry and watches are junk, vacations are actually vacation certificates hardly worth the paper they are printed on, and shopping sprees amount to coupons that are good only when making purchases.

Sales people sometimes try to get consumers to purchase overpriced products or services in order to claim these worthless prizes. Water filters turn out to be little plastic discs. Vitamins and cosmetics can be purchased at a local store for much less money. Credit card protection is often sold, but federal law already protects consumers against unauthorized charges on credit cards. Some telemarketers encourage people to buy pens or other products with anti-drug messages. Local schools and law enforcement can get that material elsewhere at a greatly reduced cost.

Law on prize offers

Wisconsin law (Wis. Stat. § 100.171) regulates unsolicited prize notices given to individuals in Wisconsin. Under the law, solicitors may not request or accept any payment for prize promotions before they provide a written prize notice that contains:

- The verifiable retail value of each prize.
- The odds of receiving each prize.
- Any shipping, handling, or other fees that must be paid.
- Any requirement to attend a sales presentation.



- The name and address of the solicitor and the sponsor.
- Any limitations or conditions on receiving the prize.

The law even specifies how these disclosures must be presented, including their location on the notice and the font type and size. For instance, the odds and verifiable retail value must be in the immediate proximity of each listing of the prize(s) and must be in the same size font and boldness of type as the prize.

If a company violates this law, a lawsuit may be filed asking for restitution for consumers and civil forfeitures of up to \$5,000. Intentional violations of the statute could result in a Class I Felony, which would carry fines up to \$10,000 and three and a half years imprisonment. The law also includes a private remedy. This means you could go to court and be eligible for an award of \$500 or twice the amount of your loss, whichever is greater, plus costs and attorney fees.

Protect yourself

Even prize promotions that comply with the law may not be worthwhile. Remember, if you have to pay to win a prize, it is not much of a prize. Here are some precautions to take:

- Do not pay a handling fee or provide a credit card number or information about your savings or checking account in order to win a prize.
- Do not wire a payment or send a check through an express courier service without checking references and contacting the Bureau of Consumer Protection.
- If you get a notice in the mail – throw it away. If the offer comes over the telephone – hang up!

Finally, if you do lose money to a fraudulent telemarketer – COMPLAIN! Most people are embarrassed and do not report it. This allows the swindler to victimize other people.

If you have lost money to a telemarketer, be cautious of private companies that may contact you and offer to help you get some of your money back – for a fee. Government agencies do not charge for that service. These are known as “recovery room” scams, and a distraught consumer with their guard down could stand to lose even more money to them.

For more information or to file a complaint, visit our website or contact:

Wisconsin Department of Agriculture,
Trade and Consumer Protection
Bureau of Consumer Protection
2811 Agriculture Drive, PO Box 8911
Madison, WI 53708-8911

Email: DATCPHotline@wi.gov

Website: datcp.wi.gov

PHONE: (800) 422-7128 TTY: (608) 224-5058