

CONSUMER ALERT

BILL SCHUETTE ATTORNEY GENERAL

The Attorney General provides Consumer Alerts to inform the public of unfair, misleading, or deceptive business practices, and to provide information and guidance on other issues of concern. Consumer Alerts are not legal advice, legal authority, or a binding legal opinion from the Department of Attorney General.

Phone and Telemarketing Fraud

Marketing goods or services to potential customers over the telephone is called telemarketing. When you pick up the phone and hear a recorded message instead of a live person, that's a robocall. Increasingly, telemarketing is being done with intrusive robocalls.

Because many reputable companies use telemarketing to conduct business with live callers and robocalls, criminals often effectively use this method of direct marketing to solicit victims' credit card information or identity and then steal from them. These scams regularly top the list of complaints reported to the Michigan Attorney General Consumer Protection Division.

Scams with a familiar ring

Phone and telemarketing scams are prevalent because victims often find it difficult to distinguish between reputable telemarketers and scam artists. But like all scams, regardless of what they are selling, the fraudsters rely on common, time-honored tactics to get payment or a victim's personal information. Traditional scam warning signs include:

- Pressure to act immediately or to keep the contact a secret;
- Claims to be a legitimate contact with believable information; and/or
- Requires an immediate, non-traceable form of payment or personal information.

If a caller pressures you to: act now, using "today only" language; tells you to keep the contact a secret; or attempts to frighten you into action, then it's a sure sign that the call is a scam. Likewise, if a caller claims to be from the government or law enforcement seeking money or personal information, or is calling to "fix a problem" with your account, computer, or government benefits, then this, too, is a scam warning sign.

Legitimate-looking caller identification information is another tactic scammers use to trick you. Technology makes it possible for scammers to spoof or fake your Caller ID to make it look like an incoming call is from a trusted source. Don't be fooled. If the caller asks for your personal information or demands payment from a non-traceable cash system, hang up, because this is a scam.

New FTC rules help you spot a phone or telemarketing scam

The Federal Trade Commission (FTC) recently (Summer 2016), made it illegal for telemarketers to ask you to pay with any of the following three methods:

1. Cash-to-cash money transfers like those from MoneyGram and Western Union;
2. PINS from cash reload cards like MoneyPak and Vanilla Reload; and
3. "Remotely created checks" or "remotely created payment orders" using your bank account information.

If a telemarketer asks you to use any of these payment methods, then the call is a scam and you should hang up and report it to the FTC.

Best practices to avoid phone and telemarketing fraud

To reduce the number of unsolicited telemarketer calls ringing on your phone, [put your number on the FTC's Do Not Call Registry](#). You can register by toll free 888-382-1222; TTY 866-290-4236 from the phone number you want to put on the registry or online.

Placing your number on the Do Not Call Registry will help reduce the number of robocalls you receive, but it will not eliminate all of them. Companies trying to scam you don't care about following the law; thus, they won't bother to screen for numbers on the Do Not Call Registry.

If your phone does ring, here are a few ways to help you avoid falling victim to a scam:

BEFORE you answer the phone, ask:

- Do I recognize the caller or the phone number? Don't know it? Don't answer. If you don't pick up, you can't be scammed.
- Am I on the **DO NOT CALL LIST**? If so, and this is not a charity, survey, or a political call, then the caller is breaking the law.
- Do I want more unsolicited phone calls? Every time you answer an unsolicited call, you verify your working number, which can result in more calls.

If you answer the phone:

- It is OK to hang up.
- If you think the call is real and you are concerned, then return the call to a legitimate number you know or verify with an independent source.

Most important, NEVER give out personal information like your name, address, birthdate, and social security or account numbers.

What to do if you fall victim to phone or telemarketing fraud

Bank Account Information

If you mistakenly provide bank account information to a suspicious caller, take the following steps immediately:

- Call your bank, explain the circumstances, and ask to block unauthorized withdrawals. Follow up your call with a visit to the bank and written notice of the incident and your request. Keep a copy of the written notice. Your bank will likely charge you a fee for stopping the payment.
- If the money has already been withdrawn, immediately ask the bank to credit your account because the debit was not authorized. To get this credit, you may need to submit a sworn statement to your bank that the debit was unauthorized. This statement is called a "Written Statement Under Penalty of Perjury," and you may get a copy from your bank.

As a precaution, always check your bank statements to make sure that there are no unauthorized payments. Report any unauthorized payments to the bank as soon as you detect them. You may also consider closing the account to avoid any further unauthorized withdrawals by anyone who has your account information—whether you unwittingly gave it to them or it was purchased on the black market.

Pre-paid Credit Card Information

If you mistakenly provide your pre-paid credit card number to a suspicious caller:

- If the scam was perpetrated by a con artist posing as a debt collector or utility company representative, contact the utility company or debt collection agency directly and describe what happened.
- Contact your local police department.
- File a complaint with the Attorney General's Consumer Protection Division.
- Report the scammers to the Federal Trade Commission by calling 877-382-4357.
- Alert the pre-paid card provider.

Other Personal Information

If the information you provide is specific to an account, immediately call the security or fraud department of that company. Follow up in writing by certified mail return receipt requested and include copies (not originals) of supporting documents. You may wish to close the account to prevent further unauthorized activity.

Anytime you mistakenly provide personal information to somebody who calls, you should immediately place an initial fraud alert on your credit report for at least 90 days. When you place an initial fraud alert on your credit report, you are entitled to one free credit report from each of the three nationwide consumer reporting companies. Free annual reports are available by calling toll free 877-322-8228.

For more information on your right to obtain annually one free credit report from each credit reporting agency, regardless of circumstances, see the [Attorney General's alert "Free Annual Credit Reports - What Consumers Should Know"](#) available on the Attorney General's website or by using the contact information provided below.

For more information on the DO NOT CALL Registry, see the [Attorney General's alert "Michigan Telemarketing Law/Do-Not-Call List."](#)

For more information on specific scams, see the [Attorney General's list of current Consumer Alerts](#).

For general consumer questions or to [file a complaint](#), you may reach the Attorney General's Consumer Protection Division at:

Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
517-373-1140
Fax: 517-241-3771
Toll free: 877-765-8388
[Online complaint form](#)