

Telemarketing Recovery Scams

*I know you've been
a victim of fraud.
I can help you get
your money back.*



Scam artists buy and sell "sucker lists" with the names of people who have lost money in fraudulent promotions. These so called "recovery room" operators may promise to recover the money you lost or the prize or merchandise you never received — for a fee that they want you to pay in advance. That's against the law. Under the Telemarketing Sales Rule, it is illegal for recovery room operators to request or receive payment until seven business days after they deliver the recovered money or other item to you. If a recovery operation asks you to pay up front, don't do business with them!

How the Scams Work

Consumers who have lost money through prize promotions, merchandise sales, and charity drives often are placed on "sucker lists." These lists contain names, addresses, phone numbers, and other information, such as how much money the consumer has spent responding to telemarketing solicitations. "Sucker lists" are bought and sold by unscrupulous promoters who know that consumers who have been deceived once are vulnerable to additional scams.

When recovery room scam operators contact consumers who have lost money to a previous telemarketing scam, they falsely promise that, for a fee or donation to a specified charity, they will recover the lost money, or the prize or product never received. The operators use a variety of misrepresentations to add credibility to their pitch. Some claim to represent companies or government agencies. Some say they are holding money for you. Others offer to file necessary complaint paperwork with government agencies on your behalf. Still others claim they can get you placed at the top of a list for victim reimbursement.

The Federal Trade Commission (FTC) repeatedly finds claims like these to be false. While some federal and local government agencies and consumer organizations provide assistance to consumers who have lost money, they do not charge a fee, guarantee to get back even a portion of your money, or give special preference to people who file formal complaints. The fact is that many recovery room scam operators never file your complaint. But they may charge

exorbitant fees for providing addresses of pertinent government agencies — addresses that nonprofit consumer protection agencies may offer free-of-charge or at a low cost. It is very difficult to get your money back; the fraudulent telemarketer who contacted you initially is not likely to have the money readily available or even still be in business.

Protecting Yourself

To avoid losing money to a "recovery room" operator, take the following precautions:

- ☞ Be skeptical of people who offer to recover money, merchandise, or prizes, especially those who want their fee in advance. Under the FTC's Telemarketing Sales Rule, it is illegal for a recovery room operator to request or receive payment until seven business days after you receive the recovered money or other item.
- ☞ Beware of individuals claiming to represent companies, consumer organizations, or government agencies that will recover your lost money, merchandise, or prizes for a fee or donation to a special charity. National, state, and local consumer enforcement agencies and nonprofit organizations do not charge for their services. These groups include your state Attorney General (AG) and local consumer protection office.
- ☞ Before you purchase any recovery services by phone, ask what specific services the company provides and the

cost of each service. Ask the company to send you written materials about its operation. And, check out the company with local law enforcement and consumer agencies. Ask if other consumers have registered complaints about the business.

☞ Don't give out your credit card or checking account numbers unless you have a relationship with the business or know its reputation.

If You Have A Complaint

Contact your state AG, local consumer protection office, and the Better Business Bureau to file a complaint. The Telemarketing Sales Rule gives state AGs the power to prosecute fraudulent telemarketers who operate across state lines.

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint or to get free information on consumer issues, visit www.ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

Facts for Consumers

FEDERAL TRADE COMMISSION	FOR THE CONSUMER
1-877-FTC-HELP	www.ftc.gov

Federal Trade Commission
Bureau of Consumer Protection
Office of Consumer and Business Education

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