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Bureau of Consumer Protection

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Cracking Down on Mail, Email and Fax Scams: Project Mailbox

A New York City woman cashed a check that she received in the mail. She thought it was a rebate for a recent purchase she'd made. It wasn't. She missed the small print on the back of the check which told her that by cashing the check she was agreeing to be billed monthly for Internet service. The woman didn't even own a computer.

A young couple got an email message telling them that they were "specially selected" to win a fabulous Florida vacation. But once they arrived at their destination, the hotel accommodations were so shoddy, they had to pay for an upgrade.

The owner of a printing company needed to buy a piece of office equipment. When he got an unsolicited fax advertising bargain prices on the merchandise he needed, he quickly faxed back his order with his checking account number. The equipment never arrived, but his account was debited. He tried to contact the company by fax, but the number had been disconnected.

Every day, consumers receive unsolicited offers by direct mail, email and fax. Most of these solicitations are for legitimate products and services and charities, but not all. Mail with deceptive and fraudulent promotions costs consumers and businesses millions of dollars a year.

Bogus mail offers sometimes arrive in official-looking envelopes with return names and addresses that resemble those of respected organizations. Some may appear to be personalized with handwritten addresses and correct first class postage. Others may contain checks or notifications that the recipient is a "guaranteed" winner of "up to" thousands of dollars. Unsolicited commercial emails, known as "spam," and faxes also are used to pitch everything from bogus credit card offers and advance fee loans to foreign lotteries and investment and pyramid schemes.

For the fourth consecutive year, the Federal Trade Commission, its partner agencies, the U.S. Postal Inspection Service (USPIS), the Securities and Exchange Commission (SEC), and the National Association of Attorneys General (NAAG) have collaborated on "Project Mailbox," a national law enforcement and consumer education effort to halt deceptive offers sent by mail, spam, and unsolicited fax.

According to Collot Guerard, the FTC staff attorney responsible for Project Mailbox, "This year, offers using sweepstakes and prize promotions led the list of the 300 law enforcement actions. Project Mailbox partners brought more than 180 law enforcement actions against operators using deceptive sweepstakes and prize promotions. As a result of these activities, millions of dollars were returned to consumers who fell for the deceptive offers."

Betty Montgomery, Attorney General of Ohio and chairman of the NAAG Consumer Protection Committee, stated that "We have case after case of elderly consumers on fixed incomes buying thousands of dollars worth of magazine subscriptions and trinkets because they believed it would increase their chances of hitting the jackpot in a sweepstakes. While we've been able to recover millions of dollars taken from consumers over the past year, we will remain vigilant, watching our mail for the next scheme."

Whether the fraudulent pitch comes by mail, email or fax, Jodie Bernstein, Director of the FTC's Bureau of Consumer Protection, says consumers can minimize their chances of being scammed. Here are her suggestions:

- Don't pay for a "free" gift.
- If an offer asks for money in advance to claim a prize or enter a contest, don't send it.
- If you receive a check from an unknown source, don't endorse it or you may be signing a contract for services or products you don't need.
- Document your transactions, and keep the envelopes. They are proof that the mails were used for fraudulent solicitations.
- Never give out your credit card or bank account numbers in response to mail from an organization you don't know.
- Check out the organization with the Attorney General or Better Business Bureau in your state or the state where the company is located before you send money for any product or service.
- Call the FTC if you want more information or you think you've been scammed, toll-free 1-877-FTC-HELP (1-877-382-4357).

To reduce the amount of direct marketing you receive, Guerard advises consumers to contact the Direct Marketing Association, Mail Preference Service, PO Box 9008, Farmingdale, NY 11735-9008. For email marketing, visit the DMA's EMail Preference Service online at www.e-mps.org.

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 any of 150 consumer topics, call toll-free, **1-877-FTC-HELP** (1-877-382-4357), or use the complaint form at www.ftc.gov. The FTC enters Internet, telemarketing, and other fraud-related complaints into **Consumer Sentinel**, a secure, online database available to hundreds of civil and criminal law enforcement agencies worldwide.



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