

Prize Offers: You Don't Have to Pay to Play!



*Congratulations, it's your lucky day!
You've just won \$5,000!
You're guaranteed to win a fabulous diamond ring,
luxury vacation, or all-terrain vehicle!*

If you receive a letter or phone call with a message like this, be skeptical. The \$5,000 “prize” may cost you hundreds of dollars in taxes or service charges – and never arrive. Your “fabulous” prize may not be worth collecting. The diamond is likely to be the size of a pinhead. The “vacation” could be one night in a seedy motel, and the ATV, nothing more than a lounge chair on wheels!

Scam artists often use the promise of a valuable prize or award to entice consumers to send money, buy overpriced products or services, or contribute to bogus charities. People who fall for their ploys may end up paying far more than their “prizes” are worth, if they get a prize at all.

What these people are likely to get – especially if they signed up for a contest drawing at a public place or event – may be more than they bargained for: more promotions in the mail, more telemarketing calls, and more unsolicited commercial email, or “spam”. This is because many prize promoters sell the information they collect to advertisers.

Worse yet, contest entrants might subject themselves to a bogus prize promotion scam.

AND THE WINNER IS...

Everyone loves to be a winner. A recent poll showed that more than half of all American adults entered sweepstakes within the past year. Most of these contests were run by reputable marketers and non-profit organizations to promote their products and services. Some lucky winners received millions of dollars or valuable prizes.

Capitalizing on the popularity of these offers, some con artists disguise their schemes to look legitimate. And an alarming number of people take the bait. Every day, consumers throughout

the United States lose thousands of dollars to unscrupulous prize promoters. In fact, the Federal Trade Commission (FTC) receives thousands of complaints each year from consumers about gifts, sweepstakes, and prize promotions. Many received telephone calls or postcards telling them they'd won a big prize - only to find out that to claim it, they had to buy something or pay as much as \$10,000 in fees or other charges.

There's a big difference between legitimate sweepstakes and fraudulent ones. Prizes in legitimate contests are awarded solely by chance, and contestants don't have to pay a fee or buy something to enter or increase their odds of winning. In fraudulent schemes, however, "winners" almost always have to dip into their pockets to enter a contest or collect their "prize".

A DOZEN WAYS TO PROTECT YOURSELF

The next time you get a "personal" letter or telephone call telling you "it's your lucky day", remember that:

1. Legitimate sweepstakes don't require you to pay or buy something to enter or improve your chances of winning, or to "pay taxes" or "shipping and handling charges" to get your prize. If you have to pay to receive your "prize", it's not a prize at all.
2. Sponsors of legitimate contests identify themselves prominently; fraudulent promoters are more likely to downplay their identities. Legitimate promoters also provide you with an address or toll-free phone numbers so you can ask that your name be removed from their mailing list.
3. Bona fide offers clearly disclose the terms and conditions of the promotion in plain English, including rules, entry procedures, and usually, the odds of winning.
4. It's highly unlikely that you've won a "big" prize if your notification was mailed by bulk rate. Check the postmark on the envelope or postcard. Also be suspicious of telemarketers who say you've won a contest you can't remember entering.
5. Fraudulent promoters might instruct you to send a check or money order by overnight delivery or courier to enter a contest or claim your "prize". This is a favorite ploy for con artists because it lets them take your money fast, before you realize you've been cheated.
6. Disreputable companies sometimes use a variation of an official or nationally recognized name to give you confidence in their offers. Don't be deceived by these "look-alikes". It's illegal for a promoter to misrepresent an affiliation with - or an endorsement by - a government agency or other well-known organization.
7. It's important to read any written solicitation you receive carefully. Pay particular close attention to the fine print. Remember the old adage that "the devil is in the details".
8. Agreeing to attend a sales meeting just to win an "expensive" prize is likely to subject you to a high-pressure sales pitch.
9. Signing up for a sweepstakes at a public location or event, through a publication or online, might subject you to unscrupulous prize promotion tactics. You also might run

the risk of having your personal information sold or shared with other marketers who later deluge you with offers and advertising.

10. Some contest promoters use a toll-free “800” number that directs you to dial a pay-per-call “900” number. Charges for calls to “900” numbers may be very high.
11. Disclosing your checking account or credit card account number over the phone in response to a sweepstakes promotion – or for any reason other than to buy the product or service being sold – is a sure-fire way to get scammed in the future.
12. The Better Business Bureau and Attorney General consumer protection office can help you check out a sweepstakes promoter’s reputation. Be aware, however, that many questionable prize promotion companies don’t stay in one place long enough to establish a track record, and the absence of complaints doesn’t necessarily mean the offer is legitimate.

JUST SAY “NO”

Another way to protect yourself is to request that your name be removed from mail and telephone solicitation lists.

The federal government has created the National Do Not Call Registry – the free, easy way to reduce the telemarketing calls you get at home. To register, or to get information, visit www.donotcal.gov, or call 1-888-382-1222 from the phone you want to register. You will receive fewer telemarketing calls within 30 days of registering your number. It will stay in the registry for five years or until it is disconnected or you take it off the registry. After five years, you will be able to renew your registration.

The Telemarketing Sales Rule also requires telemarketers to keep a company-specific “do not call” list of consumers who have asked not to be called. Calling a consumer who has made this request is illegal and can subject the telemarketer to a hefty fine.

The Deceptive Mail Prevention and Enforcement Act requires companies that use direct mail to maintain a similar “do not mail” list for consumers who call or write and ask that their name be removed from the mailing list.

This new law gives caregivers the right to have the names of the friends and loved ones under their care removed from the mailing lists or undesirable solicitors.

Another way to reduce mail and email solicitations is to contact the Direct Marketing Association (DMA) to request that your name be placed on its “do not mail” and “do not email” lists. Association members agree not to solicit consumers who have requested that they not be contacted.

To have your name removed from direct mail marketing lists, visit the DMA’s consumer assistance website, www.dmaconsumers.org, or write: Mail Preference Service (MPS) c/o Direct Marketing Association (DMA), P.O. Box 643, Carmel, New York 10512-0643. To “opt out” of receiving unsolicited commercial email, use the DMA’s form at www.e-mps.org.