

Legally Speaking

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The recent telephone “Do Not Call” registry has been all in the news of late. We have caller ID, and have found that most telephone solicitors will block their identity so you get a message that says “Out of Area.” Caller ID is a nice feature to have, because you can wait for your recorder to come on and screen your calls that way. Unfortunately, many telemarketers have software that detect an answering machine and tie up your telephone and your recording device. Right now the future of the registry has been called into doubt based upon a variety of different legal challenges, but it seems a safe bet that it will survive in one form or another, and the issue may even be resolved by the time this goes to print.

I have an economic theory on telemarketing. Any outfit that uses them has an induced cost inefficiency, because it costs a lot of money to run those telephone boiler rooms. And you’ll be paying those telemarketers one way or the other if you buy into their service, product, or charity. But the reason I bring the subject up is to warn everybody about divulging personal or financial information over the telephone. Simply put, never, ever, ever give out financial information over the telephone unless you’re the one placing the call with a reputable outfit or it’s an outfit you’ve done business with. I had a client recently who responded to one of the television ads that invited people to sell their time shares for *CASH!* In my experience I’ve never known anybody with a time share to have made any money on it. In fact, I’m unaware of any time share consumer resale market other than to the original (or a successor) company that sold them to you in the first place (if they’re still around). It’s theoretically possible, I suppose, and if you’ve pulled it off please get in touch with me and let me know how you did it.

My client was trying to unload a time share she’d had for years because it costs more to administer in an estate than it’s worth. When she called the toll free number, however, they required a payment of \$500 up front for “processing” and marketing. She paid her money, and you guessed it, never heard from them again. It could have been worse, much worse. Giving your credit card number over the telephone not only risks the unauthorized use of your credit card, but identity theft as well.

Remember too that charities and other non-profits are *not* included on the national no-call list. This is both good and bad, because often crooks who are really after credit card numbers or other financial identity information will pose as a charity. I make it a rule never to respond to any solicitation, regardless of how worthy it sounds, over the telephone. Be especially wary of “sound-alike” charities that will appropriate the name or reputation of an established charity to sound legitimate. Ask the caller his relationship to the charity—whether he works directly for it or is a contract solicitor. Insist on information in writing. Legitimate charities will respond to your request for written information before you give, along with information relating to the percentage of your donation that will actually get in the charity’s hands. Pay particular attention to solicitations that purport to benefit police or firefighters, or respond to a recent national disaster. These are favorites of the fraudulent telemarketers.

As Ronald Reagan once put it, “trust, but verify.” Here are a number of organizations you can check with if you suspect you’ve been victimized or if you want to know more about a specific outfit that’s contacted you. AARP has a consumer protection website at www.aarp.org/consumerprotect. There’s also an organization called the National Consumers League National Fraud Information Center at www.fraud.org. They have a hotline, 1-800-876-7060. The Federal Trade Commission maintains a Web site on identity theft at www.consumer.gov/idtheft, or call 877-ID-THEFT. To check out a charity, go to www.give.org or call 1-703-276-0100. The Social Security Administration also maintains a toll-free hotline where you suspect appropriation or misuse of your social security number: 1-800-269-0271, or check www.ssa.gov/pubs/idtheft.htm. If you have information about a scam, even though it may be embarrassing, help me protect you and others by letting me know about it. Let’s help each other defeat these rascals.