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ABSTRACT

Focusing on avoiding consumer frauds and misrepresentations, this document is one in a series of three consumer education modules developed to educate individual adult consumers in important areas of consumer affairs. An introductory section provides an overview of the module contents, suggested approaches for using the module, and suggestions for working with adults. Preceding the conceptual outline of the learning module is a complete list of objectives and competencies covered by the module. The conceptual outline includes the objectives, competencies, and supplemental narrative related to each of the following units of study: identifying consumer frauds and misrepresentations (for example, bait-and-switch deals, uncrdered merchandise schemes, charity rackets, auto repair frauds, and land sale schemes); avoiding fraudulent schemes and practices; and seeking redress. Two overview approaches (leader/lecture-oriented presentation and discussion-oriented leader activities) and an in-depth approach for presenting the units are outlined by providing the following information: section of module; type of activity; time required; preparation needed; and description of activity. Sources are listed for further reference, and an evaluation plan is described. Finally, eight transparency masters are appended. (A related manual on financial counseling is also available, CE 016 110.) (BM)

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AVOIDING
CONSUMER FRAUDS
AND
MISREPRESENTATIONS

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A LEARNING MODULE

Developed by

E. Thomas Garman
and
Sarah D. Monroe

This educational module has been submitted to the Virginia State Bar for review. The Bar recommends that this "significant consumer education resource be regarded as educational information not to be applied to a particular situation. If you have a legal problem in this subject area, it is suggested that you consult an attorney who can tailor advice to your specific legal concern."

U.S. DEPARTMENT OF HEALTH,
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CE 016086

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Purpose of the Module

This series of Consumer Education Modules has been developed in an effort to educate individual adult consumers in what have been determined to be the most important general areas of consumer affairs education. Community leaders, extension personnel, educators, financial counselors, and people in business are encouraged to use these modules in conducting group sessions for adults interested in developing more competence in various areas of consumer education.

Each module is self-contained to allow someone with no prior experience in teaching, coordinating, or directing learning to be successful in conducting a group consumer learning session.*

*Any references to people or places in the examples of consumer problems in this module are fictitious. Any resemblance to people or places in reality is unintentional and coincidental. However, names of businesses that are referred to are authentic.

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Introduction

American consumers lose over \$40 billion a year through fraudulent practices. Deception and misrepresentation in the sale of consumer goods and services is so widespread that it often goes completely undetected. It is for that reason that we need to become aware of the types of fraudulent practices and how to avoid them. We also should know how to seek redress for losses due to fraud and misrepresentation.

This module contains two suggested approaches to help you, as the leader, help others become more responsible consumers in dealing with fraud and misrepresentation. Both an overview approach and an in-depth approach are presented for your use.

Contents of the Module

This module, entitled, "Avoiding Consumer Frauds and Misrepresentations" contains the following components or areas of understanding:

- I. IDENTIFYING CONSUMER FRAUDS AND MISREPRESENTATIONS
- II. AVOIDING FRAUDULENT SCHEMES AND PRACTICES
- III. SEEKING REDRESS FOR CONSUMER FRAUDS AND MISREPRESENTATIONS

Each component includes an overall objective, further specific objectives, competencies which, hopefully, the learner will have developed upon completion of the subpart, narrative description or an outline of the information to be covered, leader activities, and transparency masters (located in the Appendix) which can be used on an optional basis to implement the suggested activities. Much of this information is included for your benefit and will not be seen by the learners. You will want to read and examine the entire module carefully before presenting it to the learners. This will help you to understand the information in the module more fully and will allow you to make some tentative choices about which activities to use in the learning situation.

Other features of the module are the bibliography and sources of further reference, an evaluation device, a form for you to return concerning your reaction to the use of the module, and an appendix.

Overview Approaches

There are two overview approaches included as suggested presentations for one session which covers all of the material in the module in a 50 minute time period. These could be used at dinner meetings or luncheons; as a program for a men's or women's club meeting; as a program for the elderly; or any other meeting of adults who might be interested in learning more about consumer fraud and misrepresentation. The first of these presentations is a "Leader/Lecture-Oriented Presentation". In this overview, you as the leader would do all of the talking and explaining unless, of course, there are questions. The second of these presentations is a "Discussion-Oriented Presentation". In this overview, you as the leader would explain some of the information and then encourage the group to contribute

by asking them questions, having them draw conclusions from an example, and so forth. You should review both of these presentations thoroughly before deciding which overview approach you would feel more comfortable using or which would be more appropriate for your group of adults. It may be that you will present the overview to a group of adults whose interest in the area of consumer fraud and misrepresentation will be increased by your presentation. If they express a desire to learn more about consumer frauds and misrepresentations, the indepth approach can then be used, with the same group, to cover any particular area of interest, or to cover all three components.

In-depth Approach

The in-depth approach is for presentations which cover all of the material in the module in two sessions of fifty minutes each. The activities on the Leader Activities page for this approach are more specific and cover the material in the preceding narrative or outline in more detail. The leader activities for each unit are suggestions. Those which are strongly "Recommended" and most vital to accomplishing the objectives are labeled, "R". Those activities which are "Suggested" and may be necessary for adding depth to the learning are labeled, "S". Those which are "Optional" and can be done if time permits, are labeled, "O".

You should select what you believe to be the most suitable activities for accomplishing each objective with your particular group of adults. This may depend upon the people in your group, the facilities and equipment available to you, the time you have to present the material, and the degree to which you feel comfortable using the various methods of presentation. Emphasize first, those activities labeled "R"; next, those labeled "S"; and finally, if time permits, and should you decide it would be beneficial, those labeled "O". It is not advisable to use activities out of sequence unless, of course, you have determined that your adults already possess some of the more important competencies.

Wherever an asterisk (*) appears, there is a transparency master, which can be used for that particular activity, located in the Appendix. You may prefer to make and distribute handouts of the information, use a flip chart, write the information on a chalkboard, or use any other activity which will help to accomplish the stated objectives. Each activity is stated in such a way that you can use whatever method of presentation you are most comfortable with and whichever you feel will be most effective for your particular group of learners. Imagination and creativity in the method of presentation are encouraged.

Suggested Procedure for Use of Each Component of the Module

1. First of all, inform the group of the major and specific objectives for the unit. This can be done either by reading them to the group or by showing the component transparency. At this time, the first activity should begin. Activity Number One in each component is especially designed to serve as an oral pretest for the adults in your group. This is a unique feature of these Consumer Education Modules. This activity consists

of a list of questions which you can ask to begin the discussion, to introduce the unit, to stimulate thought, and very importantly, to determine to what degree the learners in your group already have an understanding of the information. If, after presenting the first two or three questions, you have succeeded in eliciting a favorable response from the group, you may wish to proceed immediately to stating the generalization. This method of transition to the second activity is an approach that will help you save time.

2. Proceed with the second leader activity which you have determined will be most feasible for your group, the setting, and the time available. After each activity, it is recommended that you ask if there are any questions or if anything is unclear. Once the first component is completed, the same procedure should be used for each successive subpart of the module until all are completed. You will notice that on page 60, there is a section which lists a variety of references. You as the leader can use these for additional background information on the topic. One or more of these references should be available in your local school, public, or college library. If not, you may wish to order several of these for your use.

3. Finally, after all of the units have been completed, some form of evaluation should be conducted. Since you are working with adults who are most likely in a volunteer situation, there is no formal posttest for them to complete. Ideally, they should have been evaluating themselves throughout the session(s) in terms of their individual objectives. Provided in the module is an evaluation device which can give you some indication as to what the learners actually did gain from the session(s) and how effective your methods of presentation were so that you may alter them, if necessary, or make note of those activities which seemed to be especially effective.

Suggestions for Working with Adults

Since you will be working with adults, it would be helpful to identify some ideas to keep in mind about adult learning situations. First, the learning setting should be both attractive and informal. This should be a somewhat different atmosphere than that of an actual classroom learning situation. The informality is especially important because the leader needs to establish and maintain a good rapport with the adults learners, in addition to demonstrating respect for them as individuals. Second, by trying, to some extent, to determine the life style and spending patterns of those present, you can better assess the future educational needs of the group. This will help you identify the direction, scope, or concentration of your consumer affairs education presentations. Third, encourage the learners to self-evaluate their own private consumer behavior throughout the session(s). Suggest that they ask questions when things are unclear. Further, you might recommend that they contribute related ideas and experiences that "have worked for them" when they feel it is appropriate, so that the whole group might benefit from learning about these experiences. The learner's extent of knowledge and interest in the area to be examined should be the main criteria for you to use in determining exactly what and how much of the area will be learned. It is your job to see that the adult learner "gets what he wants" in the learning sessions. Remember to keep these ideas in mind when working with adults; respect the learner at all times; try not to force

your opinion on others; take breaks from time to time rather than meeting for a long, extended time span; and, help give them a feeling of worth.

An indication of your success may be your adults requesting a follow-up session on the topics covered. Our suggestion for this presentation is to moderate a session with one or more guest speakers. This might serve as a third in-depth session or as a follow-up to one of the overview presentations.

We hope that the suggestions for using this module will be useful to you and that the purposes of the module will be achieved with your adults. In all of the modules, the major objective is to educate individual adults in consumer affairs education. We hope and trust that the modular approach used here will help you in this effort.

OBJECTIVES, COMPETENCIES,
DESCRIPTIONS AND OUTLINES

MAJOR AND SPECIFIC OBJECTIVES:

AVOIDING CONSUMER FRAUDS AND MISREPRESENTATIONS

I. IDENTIFYING CONSUMER FRAUDS AND MISREPRESENTATIONS

Major Objective: To identify and describe the most common types of consumer fraud and misrepresentation.

Specific Objectives: To define what is meant by consumer fraud and misrepresentation.
To develop an understanding of the purposes underlying fraudulent schemes and practices.
To list and give examples of the most frequently occurring fraudulent practices.

II. AVOIDING FRAUDULENT SCHEMES AND PRACTICES

Major Objective: To state guidelines for avoiding consumer fraud and misrepresentation.

Specific Objectives: To state the general guidelines to follow in avoiding fraudulent schemes and practices.
To list things to be aware of or things to do which will aid the consumer in avoiding specific types of frauds and misrepresentations.

III. SEEKING REDRESS FOR CONSUMER FRAUDS AND MISREPRESENTATIONS

Major Objective: To be familiar with ways and means of seeking redress (corrective action) for fraudulent schemes and practices.

Specific Objectives: To list the steps or channels to follow in seeking redress for frauds and misrepresentations.
To describe the types of information the consumer needs to supply when registering a complaint.
To become familiar with various organizations that handle complaints.

COMPETENCIES:

AVOIDING CONSUMER FRAUDS AND MISREPRESENTATIONS

I. IDENTIFYING CONSUMER FRAUD AND MISREPRESENTATIONS

Competencies: Give a definition of "consumer fraud".
 Give a definition of "misrepresentation" as it applies to making consumer purchases.
 Describe the three aspects of a fraudulent scheme or practice (the "purpose", "come on", and "hook or trap").
 List at least eight of the most frequently occurring fraudulent practices.
 Cite examples of these fraudulent schemes or practices.

II. AVOIDING FRAUDULENT SCHEMES AND PRACTICES

Competencies: State five of the six general guidelines for avoiding fraudulent schemes and practices.
 Describe at least two of these general guidelines for avoiding fraudulent schemes and practices in detail (points and subpoints).
 For three examples of frauds and misrepresentations, list at least two things to be aware of or things to do to help in avoiding them.

III. SEEKING REDRESS FOR CONSUMER FRAUDS AND MISREPRESENTATIONS

Competencies: List the five steps or channels to follow in registering a complaint.
 List two local agencies with whom consumers can file complaints.
 List two governmental agencies that handle particular types of consumer complaints.
 Cite the six pieces of information that must be supplied when filing a formal complaint.
 State two other methods that can be effective in seeking redress.

I. IDENTIFYING CONSUMER FRAUDS
AND MISREPRESENTATIONS

OBJECTIVES:

I. IDENTIFYING CONSUMER FRAUD AND MISREPRESENTATIONS

Major Objective:

To identify and describe the most common types of consumer fraud and misrepresentation.

Specific Objectives:

To define what is meant by consumer fraud and misrepresentation.

To develop an understanding of the purposes underlying fraudulent schemes and practices.

To list and give examples of the most frequently occurring fraudulent practices.

Learner Competencies:

Give a definition of "consumer fraud".

Give a definition of "misrepresentation" as it applies to making consumer purchases.

Describe the three aspects of a fraudulent scheme or practice (the "purpose", "come on", and "hook or trap").

List at least eight of the most frequently occurring fraudulent practices.

Cite examples of these fraudulent schemes or practices.

What is Consumer Fraud and Misrepresentation?

Fraud can be defined as "intentional deception to cause a person to give up property or some lawful right." Consumer fraud is deliberate deception of the consumer by sellers, manufacturers, and other business-people. Closely related to fraud is "misrepresentation," a practice which may or may not involve deliberate deception, but certainly involves inadequate or unclear statements about consumer goods and services to the extent that consumers become confused. These deceptions and misrepresentations cause the consumer to give up and/or reduce one or more basic consumer rights:

1. The right to choose
2. The right to be informed
3. The right to safety
4. The right to be heard and seek redress
5. The right to consumer education

Consumer fraud and misrepresentation takes place in all areas of business transaction, from the office to the home and even to the hospital, and occurs so frequently and unnoticed that it has become extremely difficult for the average consumer to identify what practices are fraudulent and even more difficult to prove that they are indeed deliberate deceit. Over \$40 billion is lost each year through fraudulent schemes, which averages out to about \$639 per family. It is on several of the most common of these that our discussion will center.

In discussing consumer fraud and misrepresentation, it is important to keep in mind first the purpose of the fraud, what the seller, manufacturer, etc., has in mind for this practice to accomplish. Next, the "come on" must be identified, that is the motivating factor, what causes the consumer to fall for the deal (after simple greed on the consumer's part or some sort of emotional appeal). Every fraudulent practice will also have a "hook" or "trap". This is the element of the practice that lends itself to trickery.

When these things have been determined, then the consumer can learn how fraudulent practices actually work and how to avoid "being taken" by them.

"BAIT AND SWITCH" DEALS

Purpose: A businessperson intentionally desires to sell the more expensive models of a product rather than the less expensive lower line models.

The "Come On": The product is advertised at an apparently low sale price in order to lure customers into the store. This is the "bait."

The "Hook" or "Trap": The well-meaning consumer intends to take advantage of the bargain but the salesperson almost always "refuses" to sell the product and persuades the customer into buying a similar but more expensive item. This is the "switch." The "switch" also occurs when the salesperson says the advertised item was "just sold out."

Examples: One man hurried down to his nearby car dealer after seeing a commercial on television that advertised a used six-year-old model at \$500 under what it probably should have cost. (The "bait.") The salesman said, "Unfortunately, the car was sold less than one hour ago." The consumer, after some discussion, finally purchased a similar but more expensive vehicle. (The "switch.")

Another example of "bait and switch" involved Sears, Roebuck, and Company who advertised a portable zig-zag sewing machine which sewed on buttons, made buttonholes, monograms, etc., for a nation-wide sale price of \$58 (the "bait"). When the homemaker inquired about the sewing machine, Sears salesmen across the country used such replies as the machine was noisy, difficult to adjust, did not sew buttonholes well, etc. Others were told the guarantee on this machine was not as good as on the more expensive models or that there was a long delay in delivery for the machine on sale. The customers were then encouraged to purchase higher priced sewing machines (the "switch"). The Federal Trade Commission investigated these sales and obtained a consent order from the company to refrain from such a deceptive practice.

UNORDERED MERCHANDISE SCHEMES

Purpose: Various businesses, charities in particular, send merchandise to a consumer without his or her previous request or consent, hoping that the consumer, out of a sense of obligation, will either pay for the merchandise or make a donation.

The "Come On": Consumers receive small items, such as keyrings or calendars, accompanied by letters urging them to buy a certain product from that company or make a donation to that organization. Sometimes C.O.D. (cash on delivery) parcels are addressed to consumers, or their deceased relatives, totally unordered.

The "Hook" or "Trap": The consumer receives the merchandise and either feels that he must patronize the firm or return the unordered merchandise. In the

case of the C.O.D. parcels, the consumer is often "pressured" into payment by the delivery person only to find he has paid a large sum for worthless "junk." The company is playing on the fact that the consumer does not know that shipment of any unordered merchandise, other than free samples (marked as such), and small tokens from charitable organizations asking for donations, is illegal and the consumer has the right to consider it as a gift.

Examples: The National Federation of the Blind came under criticism of the Better Business Bureau for sending neckties to hundreds of consumers with requests for donations. Consumers, feeling that this gift was of much greater value than the ordinary tokens received from charities, felt that certainly, if they planned to keep and wear the tie, they must send a donation to the organization.

The husband of the late Mrs. Lois Barker received a C.O.D. parcel addressed to his wife shortly after her death. This being a very emotional time for Mr. Barker, he could not possibly return to the sender something that his late wife had apparently ordered. After paying the \$17 bill, he opened the parcel to find a cheap plastic trinket box, certainly not worth more than 59¢ and not an item that his wife would have ordered at all. Mr. Barker had clearly fallen into an unordered merchandise trap.

CHARITY RACKETS

Purpose: Dishonest, fake, and occasionally well-known charitable organizations obtain contributions which often go to the "high" salaries of personnel and for other unaccounted expenses.

The "Come On": Representatives use emotional appeals to gain sympathy from possible donors. Often their credentials seem very legitimate and the name of the organization sounds familiar. Of course, they urge the contributor to make the donation as soon as possible.

The "Hook" or "Trap": Most people are naturally trusting of those asking for charitable contributions and donate if possible. It is only later, if ever, when financial statements of these organizations are investigated, that they are found to be fraudulent. The consumer rarely finds out that he gave to a fake charity.

Often unordered merchandise such as keyrings and calendars are sent with appeals for donations. These are intended to give the consumer a feeling of obligation to donate or a reward for his donation.

Examples: Phillip Gordon, a professional fund-raising consultant, established "The United Fireman Fund," an organization supposedly developed for the purpose of giving aid to the widows of firemen killed in the line of duty. After two years \$120,000 had been raised. Out of this, \$90,000 was paid to Mr. Gordon and the remainder was divided between actual widows and "the executive director" of the fund (again, Gordon).

The National Cancer Hospital (note the similarity of this name to the American Cancer Society) collected donations of \$618,000 from consumers. \$268,000 of this sum was paid to a professional fund raiser, while another \$187,000 was "unaccounted for." The remaining \$163,000 went to the "hospital" which turned out to be nonexistent.

HEALTH SPAS AND DANCE LESSONS

Purpose: Health spas and dance studios offer "special" inticements to try to persuade consumers to sign a contract for a series of lessons or treatments.

The "Come On": Advertisements for such instruction use claims to make life more "exciting" through a physical fitness program and give opportunities for meeting new people to lure customers. Instructors sometimes offer a free figure or dance analysis or take unflattering photographs of their clients to convince them of the need for the lessons or sessions.

The "Hook" or "Trap": With the promise of this "new life," the consumer signs an expensive contract for a certain total number of sessions. Often the consumer signs up for more lessons than he needs or could possibly make use of. He or she often grows tired of the lessons but is unable to get any of the money back because of the contract. When the lessons do run out, the instructor may flatter the consumer with an award or photograph emphasizing any improvements made in an attempt to hook him on another series of lessons or sessions.

Examples: Mary Ann Price, single and slightly overweight, saw an advertisement for exercise lessons at a local health spa that guaranteed to "tone up sagging muscles so that life can be an exciting adventure again." A free physical fitness analysis was offered. Mary Ann visited the health spa. While there she was weighed, measured, and photographed. The instructor said that with a little work she could be a "new person." In dreamy excitement, Mary Ann signed a contract for one year of weekly sessions for \$400. After a few weeks she realized that she could just as easily continue the exercise program on her own, but the \$400 was non-refundable. At the end of the year the instructor compared new measurements and photographs to convince her of the improvements she had made. Since Mary Ann had already decided to end the sessions, she did not buy the bargain offer for additional sessions. She saw through the plan and didn't want to get "bit" twice.

Jim and Judy London enrolled for a \$20 two week dance course at "Alberto's School of Dance." At the completion of the lessons, the instructor had a dance contest for the students. Jim and Judy were one of the "lucky" couples that the instructor said to have real talent. He even hinted at the possibility of the Londons becoming professional dancers. Taken in by this, the couple signed a credit contract for \$350 for an additional six months "advanced course." The Londons were surprised to find that most of their class had been "promoted" to the advanced class as well and realized that "Alberto" was after money rather than talent.

CONTESTS AND FREE GIFTS

Purpose: Merchants and businesspersons will often use the inviting idea of contests and free gifts as tactics to increase their sales.

The "Come On": A consumer may be notified by phone or mail that he has won a prize in a contest. Or he sees an advertisement offering a free gift at a certain store. This, of course, encourages the consumer to correspond with the company or go to the store.

The "Hook" or "Trap": Now that the businessperson has established the desired contact with the consumer, the actual details of the contest or gift offer are made known. In order to claim the "prize," the consumer may have to listen to a high-pressure sales pitch for another more expensive product first, or perhaps make a purchase from the company. Chances are the prize will not be worth the effort spent to get it. In the case of the free gift, it is often free only with the purchase of a certain product or amount of merchandise and again, may not be worth the time, trouble, and money the consumer spends in order to take advantage of the "offer." Misleading advertising is the key factor in these deals.

Examples: Jane Simpson, a housewife from Richmond, was notified that her name had been drawn as the winner of a free trip to Florida. Ecstatic at the thought of a vacation, she and her husband took off, only to find that the trip was part of a gimmick to sell land in that area. Thus their "vacation" was dampened by a variety of high pressure sales pitches, and upon return they found they had spent more in expenses themselves than the trip was actually worth.

A merchant advertised a 48-piece set of stainless steel tableware as included free when a couple bought a 120-piece set of dinnerware. Bob and Helen Smith thought they were really getting a bargain when they made this purchase. Later Helen priced similar sets of tableware and dinnerware separately and found that the price they had paid for the dinnerware had been marked up to include the cost of the flatware. They still had the merchandise but were disappointed to find that the items had been purchased under such false pretenses.

After answering a simple question over the phone, Linda Johnson found herself to be the winner of a new sewing machine. She went to the address given her by the man she had the telephone conversation with to claim her prize. When she saw the machine she had won she was disappointed to find it was not a portable model and was in a lovely \$110 cabinet (which was not a part of her winnings, of course). Since the machine was already installed in this cabinet, she did not bother to have it removed and went ahead with the purchase. She had won the machine, but had been hooked into an expensive purchase along with it.

FREE INSPECTION DEALS

Purpose: Companies sell their products by having representatives recommend that the household is in extreme need of whatever that product or service may be.

The "Come On": The representative offers the unsuspecting housewife, etc. an absolutely free inspection of the house or an appliance, heating system, chimney, etc. Since the inspection is free, the consumer permits it, feeling it could certainly do no harm.

The "Hook" or "Trap": The representative almost always finds something "wrong" with the house or appliance and strongly suggests that repairs be made. Of course, the inspector has the solution to the problem readily available. Since the product in question usually involves home maintenance or protection (such as furnaces, pest control, fire protection, etc.), the homeowner reacts quickly, often without further checking into the matter or getting estimates from other companies. Thus, expensive and unnecessary products and services are purchased.

Examples: After a "free" inspection, a lightning-rod salesman convinced a Virginia farmer that his farm buildings were not adequately protected from fire caused by lightning. He also told him that his farm was not within the area served by the local fire department. The salesman not only had the rods readily available, but was prepared to install them as well. The farmer could have purchased the rods himself for \$200, but the bill resulting from the "free" inspection was \$3,500!

Mrs. Alice Martin permitted a salesman of heating systems to inspect her present furnace, free of charge. After quickly examining the furnace, the salesman reported that it was in bad need of extensive repairs that would probably cost more than installing a whole new system. He also cautioned her of the danger of an explosion if the situation was not soon corrected. A sales pitch on the virtues of the heating system he was selling followed. Mrs. Martin replied that she would have to talk the problem over with her husband before signing any contract. When Mr. Martin came home from work that evening Alice told him of the incident. He promptly called a friend who was also in the heating system business to come inspect the furnace. The Martins found that they did need their furnace cleaned and a new filter installed. These repairs amounted to \$8, in contrast to the thousands of dollars they would have spent if they had signed a contract with the door-to-door salesman. The Martins were lucky that they did not get bitten by this deal.

"HIGH BALL" AND "LOW BALL" AUTO DEALS

Purpose: Both the "high ball" and the "low ball" are gimmicks used by automobile salespersons in order to entice shoppers into becoming buyers.

The "Come On": In the "high ball" deal, the automobile salesperson spots a shopper and offers him an "extra high" trade-in price on his present car. The low ball deal is an offer, which is soon retracted, of a price apparently just above factory cost on a new car.

The "Hook" or "Trap": The victim of the "high ball" buys a new car and is charged high prices for a variety of extras on the car. In this way the dealer makes up the profit he "lost" on the trade. This deal could also take the form of "bushing," when the dealer gets the car with unneeded extras and the buyer would rather pay for them than bother with reordering the automobile. The "low ball" victim decides that he is getting a real bargain on the abnormally low priced auto. He returns to the salesman ready to close the deal, but the salesman says that he is very sorry but he made a "mistake"

in the price he quoted earlier. Since the buyer is tired of shopping at this point, often he goes ahead with the purchase anyway.

Examples: Charlie Walker's hobby was "window-shopping" at automobile sales lots. One day a salesman at a lot eyed Charlie's seven-year-old car and began persuading him to trade by offering him \$300-\$400 more than both knew the car was actually worth (the high ball). Charlie had spied a new car he was interested in, so he decided to trade since he was getting such a great price for his old car. Of course the dealer could not afford to go through with such terms, so before the deal was finally closed poor Charlie had been talked into several hundred dollars worth of extras on the car that he neither wanted nor needed.

An example of the "low ball" deal occurred when a Norfolk consumer and his family talked a salesman into selling an almost-new Chevrolet for only \$2,400--a really low price. The salesman wrote up the contract and went to find the manager who must okay all sales. The family waited for his return, happy about the good buy they had made. The salesman soon returned with the manager close behind, shouting at the salesman and threatening to fire him. The salesman apologetically explained that the manager would not okay the contract because the price was mistakenly misquoted. The family ended up purchasing the automobile at only \$2,850. They returned home feeling good about the price they had paid for the fine car and also glad they had been able to help the nice salesman out of his predicament with the manager. The dealer was pretty happy too as he had made an extra profit of \$200 above the market value of the car, which was really \$2,650.

AUTO REPAIR FRAUDS

Purpose: Auto repairmen increase their sales and earnings by using such tactics as misdiagnosing, unnecessary repairs, using second-hand parts, and overcharging.

The "Come On": There are many types and variations of auto repair fraud, but in most cases the automobile owner detects a trouble signal and goes to a garage or service station. The repairman diagnoses the problem and tells the owner he will give him a very reasonable price. A contract estimating the cost of the work is drawn up for the customer to sign.

The "Hook" or "Trap": Through his own lack of information, time, or access to another repair shop, the customer signs the contract. In many cases, only a minor repair was needed but extensive repairs (which may or may not have been made) are charged for. Sometimes a repairman will create other problems while working on the auto. Overcharging for labor and extras such as lubricants frequently occur along with the use of second-hand parts at new part prices. The actual cost may well exceed the estimate but since the repairs have been made the customer is trapped into paying the bill. Favorite traps set by auto repairmen most frequently deal with batteries, transmissions, brakes, and shock absorbers. Franchises specializing in a certain type of repair, such as mufflers, also have a high incidence of



supplying materials and work at outrageous prices. Advertisements for these repairs emphasize the time and convenience factors to lure unsuspecting consumers.

Examples: Ann Davison had not been able to get her car started for the last three mornings without being "boosted". She finally took the car to a nearby service station where the repairman took one look and instantly concluded that she needed a new battery. He told Ann she was "lucky" as they just happened to be having a "special" on batteries and he would install it for her for "only" \$46. Convinced by this and glad she could take advantage of the "sale", Ann permitted the repairman to replace her battery. Later a neighbor examined the replaced battery and told her that it merely needed the terminals cleaned. She had been sold an unneeded part, a frequent occurrence in auto repairs. This is a simple example, but others involve much more extensive and costly repairs.

Bob Segal suspected a transmission problem in his car and took it to a nationally known franchise transmission business. The repairman estimated a \$160 repair job on the car. It seemed reasonable to Bob so he signed a contract for the work to be done. A few days later Bob returned to get the car and received a bill for \$310. The repairman had not notified Bob of the "extra" \$150 needed. Inquiring about the added sum, Bob was told that they had found \$120 more repairs needed than they had expected and the remaining \$30 was for "shop charges" (extra bolts, lubricant, etc.). Bob was very disappointed that he had not shopped around since the reasonable estimate had turned into a costly and questionable deal.

DOOR-TO-DOOR SALES

Purpose: Door-to-door salespersons use various techniques of high-pressure selling to persuade consumers to buy products that they do not need or will likely never use. Often these products are over-priced, of poor quality, or are ordered and not received.

The "Come On": Books, magazines, encyclopedias, Bibles, sewing machines, vacuum cleaners, and other household gadgets are favorite products of door-to-door salespersons. These salespeople use free demonstrations or samples, intense emotional appeals, sympathy plays, flattery and compliments, extreme friendliness, and hard-sell sales presentations to persuade consumers into buying. Some salespersons pose as taking a survey and use the information obtained to either get their "foot in the door" or to set the consumer up for a visit from a hard-sell salesman.

The "Hook" or "Trap": Consumers fall for the sales tactics and make these purchases hastily without giving due consideration to the use, need, price, and quality of the product. Contracts are signed without reading full details and consumers are often unaware of their legal rights pertaining to door-to-door sales. Therefore, consumers are cheated out of many dollars by purchasing poor quality, high priced, or unnecessary items. Contracts are signed for magazine subscriptions and book clubs that far exceed the



reasonable time lengths consumers would ordinarily wish to receive such materials. Sometimes these materials are paid for and never delivered. By committing themselves to long term credit payments, this additionally raises the cost of the product.

Consumers do not realize that, according to Virginia law, any purchase of over \$25 made from a door-to-door salesperson can be cancelled within three full days (not counting Saturday and Sunday) after the purchase was made. When the consumer notifies the company in writing of his desire to cancel the contract or purchase, the salesperson has ten days to refund all money and/or trade-ins and the consumer has twenty days to send back the items to the salesperson.

Examples: Marilyn Day answered the doorbell one morning to find a handsome young man wishing to show her samples from a set of encyclopedias. She invited him in and he explained to her the fine quality of the books. He pointed out the many uses that he was sure her intelligent children would find for the encyclopedias. Along with the books, she would receive a dictionary and five yearly supplements to the set. This offer was for a limited time only. Becoming more and more convinced, Mrs. Day asked the salesman a few questions about himself. He claimed to be working his way through college and was really in need of customers for his fine educational product. This was the clincher. Mrs. Day could not resist the deal and also the opportunity to help him and signed a contract for the books to be shipped to her. Mrs. Day had no previous intentions of purchasing encyclopedias and had not discussed the matter with her children. In the months to come, she found her children used the encyclopedias provided by their school instead of the ones at home just about every time they ever needed them. Later, the first yearly supplement arrived and she found herself being billed \$20 for the book. In comparing prices paid by another neighbor, she found she had paid \$300 more than the set was actually worth. Making such a hasty and uninformed purchase was truly a mistake but is a very typical situation.

Another housewife permitted a salesman to demonstrate a new model sewing machine for her in her home. The machine was a deluxe model, sewing buttonholes, appliques, monograms, decorative stitches and more. The salesman made it all look so simple that she could not resist the temptation to have one of her own. He also assured her that she was getting an excellent deal on the machine as she had been one of the housewives specially selected for him to visit. One of the conveniences of the purchase, he said, was that she could call him back to her home for repairs any time. Indeed she could, and did. On the average of once a month the machine needed minor repairs and adjustments, each costing her from \$15-\$25. So, she hadn't purchased such a great machine and neither had she gotten a "good deal" on it. The difference was soon made up in repairs.

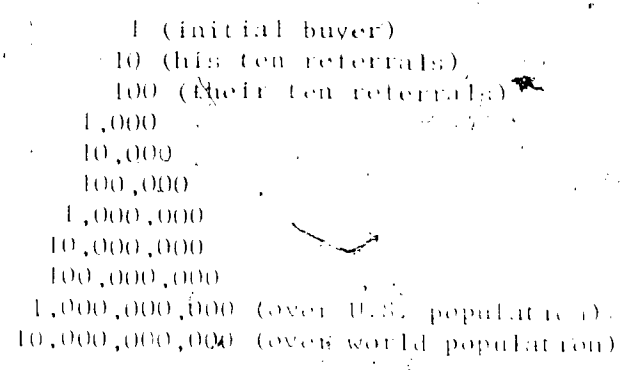
CHAIN REFERRAL SCHEMES

Purpose: Salespersons increase their chance of making a sale by having consumers provide names of other prospective customers that he might contact.

The "Come On": A consumer is told by a salesperson that if he or she will give the names of friends or neighbors who might be interested in the product, a refund or partial discount will be given on their own purchase.

The "Hook" or "Trap": Through misrepresentation of the facts of these schemes, the consumer builds up hopes of getting big returns on his purchase by giving a large number of names for referral. However, he later realizes that this was merely a pressure sales tactic and that he only receives his refund if and when one of his referrals makes a purchase. Maybe one or two of his referrals will purchase the product, even though he may have given the salesperson the names of 100 or more friends and acquaintances, so he might get a small refund. The salesperson may not even bother to check out any of the referrals. An additional problem exists when he checks into the price that he paid for the product in the first place. He finds that it has often been raised substantially to compensate for these refunds.

Most consumers do not take the time to think a chain referral scheme through. If they did, they would realize that if the same offer was made to very many other customers there would soon be no one in the world left to refer. The pyramid diagram below shows what happens if the first buyer gives the salesperson ten names, those ten customers each give ten additional names and so forth. In only ten steps away from the first buyer, you would need more buyers than there are people in the world. It is for that reason that chain referral schemes are illegal in many states, including Virginia.



Example: Perhaps the best known example of the chain referral sale is the vacuum cleaner salesman. This product seems to lend itself well to the scheme. The Binley family purchased a central vacuum cleaning system for \$575 with the hope that they could get six other people to buy so their appliance would "pay for itself." The salesperson promised that for each sale he made from the names referred by the Binley's, they would receive a credit of \$100. Mathematically speaking, if ten families each made six referrals, and these made another six referrals, there would have to be 466,560 families in the vicinity purchasing vacuum systems in order for each person to profit from the referral system.

This salesman used his technique with color television sets and an electric broiler as well and made over \$400,000 in four years. Later, the courts caught on to the scheme and he was fined \$6,000 and sentenced to serve 18 months imprisonment not for this fraud, but mail fraud instead since the fraudulent papers were sent through the mail.



PYRAMID AND PONZI SCHEMES

Purpose: These investment schemes promise an unusually high rate of return in order to keep investors interested in the empty or misleading deals they are investing in.

The "Come On": Both Pyramid and Ponzi schemes involve investment opportunities which emphasize a very high yield and a quick return. They may promise a "once in a lifetime" opportunity or the chance to "get in on the ground floor." The pyramid scheme is a business variation of the chain referral deal. A consumer is offered a chance to "invest" by purchasing a number of distributorships to sell a certain product. He is also given the right to sell these same distributorships to others and receives half of their profits. This entices the consumer/investor since he figures that his investment will pay for itself quickly and bring in additional high profits as well. Ponzi schemes (named for Charles A. Ponzi, who defrauded hundreds of investors in the 1920's) involve a promoter who claims to have a product or deal which will give the investor a quick return in only a few months. The early investors make their investment and actually receive good returns promptly. Encouraged by this, they are easily persuaded to re-invest the profit and further increase returns. Others are similarly enticed when they hear "how well" their friends are doing. This pattern of events occurs over and over so the investors feel they are really "in the money."

The "Hook" or "Trap": The bottom eventually falls out of both these investment deals. In the case of the pyramid scheme, the investors concentrate on selling distributorships rather than the product. This brings about the same problem as the chain referral scheme--the pyramid builds so quickly that you soon run out of investors. The chart below shows what happens when six distributorships are sold and each of those sell six more in turn. Those at the top of the pyramid will receive money quickly but those nearer the bottom find it impossible to profit so the investments eventually dwindle and the deal falls through. Virginia law prohibits such pyramid promotional schemes.

Months	Participants
1	6
2	36
3	216
4	1,296
5	7,776
6	46,656
7	279,936
8	1,679,616
9	10,077,696
10	60,466,176
11	362,797,056 Exceeds United States Population
12	2,176,782,336
13	13,060,694,016 Exceeds World Population

The "catch" behind the Ponzi scheme is that the investors think they are sharing the high profits and hope to make more, but in reality the profits do not exist. The promoter has worked out the system so that he pays the few early investors high returns and most of them as well as new investors pay.

more money to the promoter. The money to pay the early investors comes from the funds of the later investors. Since there is no true source of investment income, the scheme eventually collapses. The promoter will either disappear with all the "investments" or reveal the bad news that the investments went "sour".

Examples: One of the well-known examples of the pyramid distributorship deal was that of Holiday Magic Cosmetics. This firm held "opportunity meetings" at which they used high pressure appeals to encourage consumers to become representatives. There were four levels of distribution in the Holiday Magic deal. The fourth level, the general distributor, promised earnings of at least \$25,000 a year. To reach this level the consumer had to invest at least \$5,000 in cosmetics to resell to sub-distributors. The company handled all transactions on a cash basis and the investors were required to sign a contract relieving Holiday Magic of any guarantees of profit. Hundreds of consumers fell into this deal and signed such contracts. Soon there were more distributors than there were salespersons to push the cosmetics. Thus the investors were left with basements and garages full of these cosmetics and empty pockets. One man and his brother and sister invested \$18,000 in Holiday Magic. After 6 months, they had made only \$147. This firm was charged by the Federal Trade Commission with unfair and deceptive merchandising and investment misrepresentation.

Robert Johnson, operating as Ridge Associates, was the promoter of a Ponzi scheme involving wine imports. Johnson claimed to have a business purchasing "industrial wine" for use in the manufacturing of salad dressing and other wine by-products. Many consumers were enticed into investing in this scheme with promises of 30-100% profits in only 6 months. Some of these investments were as great as \$250,000. The investors were encouraged not to cash mature notes, but to let their profits accumulate. Johnson, it turned out, was not in this business at all as "industrial wine" does not exist. He had kept the scheme going by paying off investors who wanted out of the deal with funds from new and present investors.

LAND SALES SCHEMES

Purpose: Dishonest real estate firms misrepresent the facts in land deals so as to get higher prices for the land than it is actually worth.

The "Come On": Vacation and retirement sites are sold to out-of-state buyers on the premise that the land is in an ideal location that is readily accessible to shopping areas, untouched by pollution, etc. The high pressure salesmen urge immediate action since the land is "going fast" and the promise of future developments nearby makes the land a wise investment as it will greatly increase in value (buy now!). These deals are closed sight unseen on the spot in the realtor's office, during a sales presentation in a restaurant, or in the buyer's home.

The "Hook" or "Trap": When the consumer finally gets around to investigating or visiting his land purchase, he finds that the facts have been grossly misrepresented or "left out". The salesperson may have failed to mention that water or other utilities were not available, that the land was in the midst of a swamp or desert, that certain liens were on the property (unclear title), or that the promised development of shopping centers, golf courses, etc., were merely proposed ideas. These "half-truths" are often hard to prove as fraudulent and since the contract has already been signed, the unhappy land owner is trapped in his purchase.

Examples: The Hilton family proudly purchased Florida vacation land at a "bargain" price from a realtor who had visited Mr. and Mrs. Hilton at home. Mr. Hilton, realizing that land at this price was hard to find, closed the deal that very day as the photographs and slides of the land were very convincing. That spring the Hiltons traveled to Florida to visit their property which was described as "5 miles from Rainbow City" only to find that "Lakeside Estates" were surrounded by miles of impassible swamp with one road leading out 43 miles to the nearest town. The lots were such that building a home would require quite expensive engineering. So, in effect, the land was useless to the family and a total loss. In spite of this, they had to continue making payments for another 2 1/2 years to purchase the product or face court action.

The U.S. Department of Housing and Urban Development (HUD) investigated a company selling lots in Lake Chaparral, a recreational subdivision in Kansas, and found that the company had sold lots in violation of the required developmental property report they had filed with HUD. Included in this violation was failure to keep promises made to buyers about paved roads and the water system. The company was forced to make \$35,000 worth of refunds to buyers. In this case the consumer did not lose out completely, but there were still many unhappy victims of misrepresentation.

WORK-AT-HOME SCHEMES

Purpose: Companies advertise for consumers to do tasks for them in their own homes, often for the purpose of merely selling materials to these consumers rather than seeking their employment.

The "Come On": Advertisements claim that consumers can make large sums of money right in their own homes at their own convenience. These ads are designed to be particularly appealing to housewives and elderly persons wishing to make some extra money.

The "Hook" or "Trap": Some work-at-home ads are legitimate, but many have a "catch" to them. Frequently, the consumer must send in some money for a kit or booklet that is supposed to give more details. When the consumer receives the information and/or materials, he or she finds they must buy some or all of the materials themselves and that they are responsible for

selling the finished product as well. In other cases, when the consumer returns the finished product it is "not up to standards"; thus, he or she is stuck with the product and out of the money invested in it. Sometimes the "salary" paid depends on the "success" of the company.

Examples: Mr. Clark, a retired gentleman wishing to make a little extra money in his newfound leisure time, responded to ads in the local newspaper seeking persons to lace leather goods in their home for a commission. In a few weeks he received the pre-cut materials and the instructions for lacing. Of course, he had to purchase these materials from the company. Following the instructions, Mr. Clark completed the leather goods and returned them to the company. Later he received a notice that payment for the work could not be made as the finished products did not meet with their set standards.

Another work-at-home scheme involved Lucille Workman, a middle-aged housewife who answered an ad to address envelopes for a company to send advertisements to consumers. Lucille was sent a mailing list from the company and had to purchase the envelopes herself. She returned the addressed envelopes to the company and waited for her salary. After several months, she received a reply from the company stating that the advertisements mailed in the envelopes had not increased the sale of their product, thus they were unable to pay her for her work. Not realizing that this was a condition of the agreement, Mrs. Workman was "taken" by the scheme.

"GET RICH QUICK" DEALS

Purpose: "Get Rich Quick" Deals involve an advertiser who claims to know a secret to becoming wealthy very quickly. The purpose is to encourage consumers to send for further details about the "deal".

The "Come On": The further details are not clear in the promising advertisement, but the consumer is often asked to send money regardless. The deal sounds especially inviting.

The "Hook" or "Trap": The trap is that the consumer sends in money for further information, no matter how worthless it may turn out to be. These glamorous ads, found in newspapers, magazines, and received directly through the mail, usually result in paying from \$1-20 for a book or pamphlet describing some "get rich quick" scheme, new business deal, attitude change method, etc. Such an ad often contains (1) lavish claims about results, (2) testimonials from others, (3) a clause saying "anyone has an equal chance for success", (4) the details of the deal are "secret" until you follow the directions in the ad (usually to send money), (5) the offer claims to be "something different", and (6) the advertiser claims an unselfish motive for sharing his "success."

Examples: One advertisement using the caption "At Last, The Secret But Legal Way To Get Money", asked the reader to send \$3 for details. The consumer received two booklets, one giving instructions on how to sell bill

collection form letters through a mail order business, and the other describing a "magic formula" called "Coopudoolu" (this actually means "Cooperation Under the Divine Order of Living and Union").

Another ad read "Get Rich with Secret Law that Smashes Debts and Brings You \$500 to \$3 Million Cash" resulted in consumers paying \$12 for the advertised "Debt Survival Kit" which included a booklet on "Dynamic Image", describing various schemes from starting your own university to details on "how to disappear completely." The authors of this one were quick to add that they neither guaranteed or assumed responsibility for the use of the contents of the book.

"BANK EXAMINER" SCHEME

Purpose: A person posing as a bank examiner involves innocent consumers in his schemes to steal bank withdrawals from them.

The "Come On": The phony bank examiner telephones a consumer seeking their assistance in catching a bank teller that is suspected of being dishonest. Since the consumer feels it is his or her duty as a citizen to help capture this offender, he or she willingly follows the instructions given by the "examiner."

The "Hook" or "Trap": The "examiner" instructs the consumer to go with him to the bank where the dishonest teller works and ask the teller to make some sort of withdrawal transaction for him. The consumer then hands the money withdrawn over to the "examiner" for counting. Before the consumer realizes what has happened, the phony examiner has disappeared with the money.

Example: Irene Campbell, an elderly Lynchburg resident, received a telephone call from a man claiming to be a "bank examiner" stating that he knew her to be a patron of his bank. He asked her to assist in the apprehension of a dishonest teller by accompanying him to the bank and drawing \$500 from her savings account. Mrs. Campbell agreed to this, withdrew the money and handed it to the "examiner" to count. But, at the sleight-of-the-hand, the examiner quickly stuffed the bills into his coat pocket and ran out of the bank. Mrs. Campbell was too startled to cry "thief" until after he was already out of sight. The "examiner" was nowhere to be found and neither was her \$500.

John Bowman entered the bank and was approached by a man claiming to be an undercover bank examiner. The man quietly asked Mr. Bowman if he would go to withdraw a sum of money from a certain teller as they suspected the teller of withholding funds. The "examiner" reminded John to be very secretive about this action. The man had a seat in the lobby while Mr. Bowman made the transaction. Bowman withdrew \$1,000 from his savings account and returned to the "examiner" to have the money counted. The "examiner" took the money and wrote John a receipt for it. He thanked him for helping in the investigation and told him to return to the bank the next day, after they had apprehended

the teller, and cash in the receipt to get the \$1,000 back. John went home and returned to the bank the next day. When he tried to cash the receipt, a bank official told him there had been no such investigation and the receipt was invalid. Mr. Bowman had lost the money completely.

THE "PIGEON DROP"

Purpose: This con game is actually a form of outright theft, taking large sums of money from unsuspecting consumers through purposely involving them in a lost and found incident.

The "Come On": There are several variations of tricks used to "pull off" this scheme, but the game usually requires two operators. The first "con-artist" involves the victim in polite conversation while waiting for the second "con-artist" to appear. Often one of these is a woman. The second "con-artist" pretends to have found a large sum of money in a paper bag or envelope, and attracts the attention of "Con-Artist" #1 and the victim. The three try to decide what to do with the money. One of the con-artists claims some affiliation with an attorney and pretends to go seek his advice.

The "Hook" or "Trap": The con-artist returns from the "attorney" (who really does not exist) and reports that they can keep the money. He adds that it would also be wise for each of them to put up a sum of money in "good faith" in the attorney's safe. This is to protect them if someone learns of their finding the money. Each of the con-artists pretend to draw the money from their savings accounts and then accompany the victim to his bank to do likewise. The victim usually turns over the money for one of the con-artists to take to the attorney. Later the victim finds out that there was no "attorney" and that his money is in the pockets of the not-to-be-found operators.

Examples: Roger Dawson was sitting in the park when a man calling himself Ed White approached him and began chatting. Soon their attention was turned to the excited cries of a man close by. This man, Sam Johnson, said he had found \$30,000 in a paper bag under a bush. He assumed the money had been gained by illegal means. He said that since they were in this "together," they must decide what to do. Johnson said he worked for a lawyer and he would go ask him for advice. Upon return, Johnson reported that they could split the money, but they must each put up \$3,000 in the lawyer's safe as security. Johnson and White went to their respective banks and purported to draw out \$3,000 each. They returned and escorted Mr. Dawson to his bank. He withdrew the \$3,000 and it was placed in the envelope with the rest. Johnson volunteered to take the money to the lawyer while White and Mr. Dawson waited outside. When Johnson returned he told Mr. Dawson the lawyer wished to speak to him. When Dawson entered the building he found the lawyer and the whole deal was a fake. He quickly returned to the outside only to discover that Johnson and White had fled with his money.

A similar incident happened to a 75-year-old widow in Roanoke. The widow lost \$1,000 of her savings in a similar "pigeon drop" involving two young women. She felt the situation was too embarrassing to report. But two weeks later she received a telephone call from a man claiming to be a member of the police department. He reported that the two women had been found and were in custody. He further said that it would cost \$5,000 to "make sure that" the women were convicted. The two men later arrived at her home to escort her to city hall to "confront the two women in custody." On the way, they stopped for her to withdraw the money from her bank and gave her a large envelope in which to put the money. One of the phoney law officers held the envelope on the way to city hall. After entering the building, the widow was told by the two men to take the envelope and "see Lt. Robinson on the second floor" while they checked on another case in the courtroom on the main floor. The widow climbed the stairs in search of "Lt. Robinson", only to find no such person existed and when she peered into the envelope she found the phoney law officer had switched envelopes on her leaving her with cut-up pieces of blank paper. She hurried back downstairs only to find the two thieves had fled the building. The widow had become the victim of "double drop," an added twist to the pigeon drop.

II. AVOIDING FRAUDULENT
SCHEMES AND PRACTICES

OBJECTIVES:

II. AVOIDING FRAUDULENT SCHEMES AND PRACTICES

Major Objective:

To state guidelines for avoiding consumer fraud and misrepresentation.

Specific Objectives:

To state the general guidelines to follow in avoiding fraudulent schemes and practices.

To list things to be aware of or things to do which will aid the consumer in avoiding specific types of frauds and misrepresentations.

Learner Competencies:

State five of the six general guidelines for avoiding fraudulent schemes and practices.

Describe at least two of these general guidelines for avoiding fraudulent schemes and practices in detail (points and subpoints).

For three examples of frauds and misrepresentations, list at least two things to be aware of or things to do to help in avoiding them.

II. AVOIDING FRAUDULENT SCHEMES AND PRACTICES (Conceptual Outline)

Reminder about outline: This is a conceptual outline in which both the major and minor ideas are presented. For further explanation of the concepts, review one or more of the specific references noted on pages 60-65.

I. General Guidelines for Avoiding Consumer Fraud and Misrepresentation

A. Be informed

1. Read current newspapers and magazines
2. Check advertisements carefully
3. Be familiar with your basic rights and responsibilities
 - a. To choose
 - b. To be informed
 - c. To safety
 - d. To be heard and seek redress
 - e. To consumer education

B. Comparison Shop

1. Prices
2. Quality of materials and construction
3. Claims or guarantees
4. Get more than one estimate for all major purchases

C. Ask questions

1. A reputable dealer will answer them
2. Beware of the salesperson who works his way around the questions

D. Know with whom you are dealing

1. Check on dealer's reputation with others
2. Avoid salespersons who
 - a. Run down another dealer or firm's product
 - b. Fail to supply complete information
 - c. Insist on immediate sale
 - d. Turn you over to another salesperson who uses high pressure techniques

E. Check bargains carefully

1. Indications of trickery, especially in advertisements
 - a. "Below wholesale" or "List Price"
 - b. "Fire sale"
 - c. "Buy now before it's too late"
 - d. "Your last chance"
 - e. "Absolutely free"
 - f. "Give away"
 - g. "No obligation"
2. Compare prices with non-sale items at other stores

F. Read all contracts carefully before signing

1. Know the dealer's obligations
2. Make certain you know your own obligations
3. Never sign the contract until all the blanks have been filled in

II. Avoiding Specific Frauds

A. Bait and Switch Deals

1. Examine advertising carefully
2. Compare "sales price" with prices elsewhere to see if it is an actual savings
3. If special is sold out ask for a "raincheck" on it (you can still take advantage of the offer when the supply is replenished)
4. Do not accept a higher priced substitute without shopping around
5. Do not accept an off-brand substitute for the advertised special

B. Unordered Merchandise

1. Any unordered merchandise by law can be considered a gift!
2. Free product samples and tokens from charities are legal and acceptable
3. If any unordered merchandise seems to have some obligations attached, realize that
 - a. regardless of what is said it is a gift
 - b. it is illegal for the company to demand any kind of payment for unordered merchandise
4. Never accept any unordered Cash On Delivery packages
5. Never accept a package for a neighbor unless instructed beforehand to do so by that neighbor

C. Charity Rackets

1. Restrict donations only to familiar causes and organizations
2. Ask for a financial statement
3. Ask for a statement of the clear purpose and need for the appeal
4. Make sure there is no obligation to return any unordered items
5. Make sure the donation is not disguised as a bill or invoice
6. If doubts arise about an organization, check its legitimacy by contacting your local Better Business Bureau or Chamber of Commerce

D. Health Spas and Dance Lessons

1. Don't be taken in by rash promises, compliments, a "free analysis," etc.
2. Carefully read any contract before signing
 - a. Know how many, how long, and what price lessons or sessions you are getting
 - b. Understand if and when any refund is available

3. Beware of tactics used to persuade you to sign a second contract for additional lessons

E. Contests and Free Gifts

1. A prize should never cost the consumer any money
2. Before claiming a gift or prize make sure that there are no "strings attached" to it
 - a. It does not require another purchase
 - b. You do not have to listen to a sales pitch to get it
3. Do not buy some unneeded item just to get the free gift that accompanies it
 - a. The gift may be just about worthless
 - b. The price for the "free" gift may be made up in the high price of the item to be purchased

F. Free Inspection Deals

1. Always ask to see the credentials of the salesperson and inspect them carefully
2. Check the reliability of the agency he represents
3. Get opinions and/or estimates from at least two other firms
4. Remember, the work may not need to be done at all

G. Auto deals ("Low Ball" and "High Ball" deals)

1. Resist deals that you know are "too good to be true"
2. Specify the exact "extras" you want on the automobile in advance
3. Do not accept anything but what you ordered
4. Most importantly--shop around and take the time to make a careful decision

H. Auto Repair Frauds

1. Do not leave your car unattended at an unfamiliar station
2. Pretending to "know" something about car repairs when you don't is an invitation to be ripped-off
3. If you don't know something or just don't understand, ask questions
4. Request a written estimate of cost before the work is done
5. Ask to be notified for approval if the repairs go beyond that estimate
6. Request an itemized invoice for all parts, labor, and other charges
7. When new parts are installed, ask to get the old ones back
8. Check out the repairs before the car leaves the shop and obtain a written guarantee of repairs made

I. Door-to-Door Sales

1. Beware of salespersons who
 - a. Are extremely friendly and/or flattering
 - b. Try to get your sympathy

- c. Use high pressure sales tactics
 - d. Pretend to be taking a survey
 - e. Claim that you have been "specially selected" for the offer
2. Ask for identification and company credentials
 3. Buy only items that you need
 4. Do not make a hurried decision
 5. Insist on a written guarantee if appropriate
 6. Do not sign a contract until you know the full obligations and costs
 7. Be aware that chain referral sales schemes are illegal in Virginia
 8. Remember the "three days to cancel" rule

J. Investment Schemes (Pyramid and Ponzi)

1. Beware of an opportunity which emphasizes
 - a. Very high yield
 - b. Quick return
 - c. Claims a "once in a lifetime" opportunity
 - d. The chance to "get in on the ground floor"
2. Remember to consider
 - a. Interest
 - b. Dividends
 - c. Long-term appreciation
 - d. Risk involved

K. Land Sales Schemes

1. Don't ever buy by mail or sight unseen
2. Don't buy on the first "visit"
3. Consider the use you will get from the land, rather than its value as an investment, because it might never appreciate in value
4. Check the entire surrounding area in which the real estate is located
 - a. Climate
 - b. Population
 - c. Availability of utilities
 - d. Access to schools and other facilities
5. Study the property report (which by Federal law must be made available to you) for
 - a. Mortgages and liens
 - b. Taxes and assessments
 - c. Completion of proposed facilities
 - d. Ownership of common facilities

L. Work at Home Schemes

1. Before signing any agreement, know what materials you must supply

2. Be sure there is a market for what you produce and that the contract specifies that they will buy what is produced
3. The contract should carefully define standards for production
4. Be aware of other "strings attached" to the agreement

M. "Get Rich Quick" deals

1. Realize that there is no quick and easy way to get rich
2. Read advertisements carefully checking for testimonials and other lavish claims
3. Know the costs and obligations before committing yourself to such a deal

N. Con-Games

1. Be alert and aware of incidence of schemes
2. Use caution in unusual transactions with strangers
3. Always ask for identification and check credentials
4. Don't be embarrassed-- Report all such incidences to the proper authorities

III. SEEKING REDRESS FOR CONSUMER

FRAUDS AND MISREPRESENTATIONS

OBJECTIVES:

III. SEEKING REDRESS FOR CONSUMER FRAUDS AND MISREPRESENTATIONS

Major Objective:

To be familiar with ways and means of seeking redress (corrective action) for fraudulent schemes and practices.

Specific Objectives:

To list the steps or channels to follow in seeking redress for frauds and misrepresentations.

To describe the types of information the consumer needs to supply when registering a complaint.

To become familiar with various organizations that handle complaints.

Learner Competencies:

List the five steps or channels to follow in registering a complaint.

List two local agencies with whom consumers can file complaints.

List two governmental agencies that handle particular types of consumer complaints.

Cite the six pieces of information that must be supplied when filing a formal complaint.

State two other methods that can be effective in seeking redress.

III. SEEKING REDRESS FOR CONSUMER FRAUD AND MISREPRESENTATION (Conceptual Outline)

Reminder about outline: This is a conceptual outline in which both the major and minor ideas are presented. For further explanation of the concepts, review one or more of the specific references noted on pages 60-65.

- I. Steps in seeking redress (corrective action)
 - A. Go to the dealer who sold you the good or service
 1. Take along product or identification number for the product
 2. Present original sales slip
 3. Give dealer all details
 - a. Date of purchase
 - b. Date problem arose
 - c. Description of problem or dissatisfaction
 4. Be courteous and tactful
 - B. If dealer cannot or will not offer a solution, write or telephone the manufacturer's consumer relations department
 1. State the key facts clearly
 - a. The complaint
 - b. Dates
 - c. Serial numbers
 - d. Place of purchase
 - e. Amount paid
 2. Send photocopies, never originals, of any cancelled checks, contracts, and correspondence
 3. Include in letter a suggestion of what you feel the appropriate action would be (refund, replacement, apology, etc.)
 - C. If you still do not get results, write to the manufacturing company's president
 1. Find his proper name and address (state or local consumer protection agency will help you)
 2. State the complete facts again
 3. Point out dates of previous complaints
 4. If it is your intention, state in the letter that copies are being sent to various consumer organizations
 - D. Restate your complaint to local and/or state consumer organizations (see page 64 for addresses)
 1. Local authorities or groups (such as a Community Action Group)
 2. State of Local Office of Consumer Affairs
 3. Consumer Protection Division of state Attorney General's office
 4. Virginia Citizens Consumer Council

E. If appropriate, file a formal complaint with a federal government agency (see page 63 for addresses)

1. Federal Trade Commission
2. U.S. Postal Service
3. Securities and Exchange Commission
4. Office of Consumer Affairs
5. Food and Drug Administration

F. Self-regulatory organizations that complaints can be made to (see page 62 for addresses)

1. Better Business Bureau
2. Chamber of Commerce
3. Consumer Action Panels
 - a. Major Appliance CAP
 - b. Furniture Industry CAP
 - c. Insurance CAP
 - d. Carpet and Rug Institute CAP
 - e. Automobile CAP

II. How to File a Formal Complaint

A. Be reasonably sure there is a violation of law taking place

B. Complaint should contain

1. Clear Description of problem
2. Name
3. Address, phone number and directions to your home or office
4. Name and address of where purchase was made
5. Exact date of purchase
6. Description of label on product, code marks, serial numbers, etc.

C. Save what is left of product, containers, papers, and other pertinent materials.

III. Other Means of Complaining

A. Write a letter to the editor of your local newspaper (publicity is powerful)

B. Sue in small claims court (in Virginia, it is called a "Court Not of Record")

1. Handles typical disputes with local businesspersons, landlords, service firms, etc.
2. Act as own lawyer
3. Can sue only for money (limit of \$800-\$1,000)
4. Court fee - \$5-\$10
5. Must have evidence and/or witnesses
6. Lawyers are normally not permitted in such a court (they are, however, in Virginia)

OVERVIEW APPROACHES

A. Leader/Lecture-Oriented Presentation
(50 Minute Overview)

To the leader: The following lesson plan is a suggested approach for a 50-minute presentation covering the highlights of the entire consumer fraud and misrepresentation module. The first column, "Section of Module," indicates the part of the module to be covered. The "Time" column suggests how many minutes could be spent on that particular section in order to cover all of the material in 50 minutes. The "Preparation" column recommends procedures to help you prepare for the presentation of the material. The "Activity" column tells you what you should do with or for the group. It is important to remember that it will be very difficult to cover all of this material in just 50 minutes. For this reason, be especially careful not to exceed the time limit suggestions in the "Time" column unless you take equal time away from another part. Otherwise, you will not accomplish all of the goals for the session.

Section of Module	Time (Min.)	Preparation	Activity
Intro- duction	3	Refer to the "Intro- duction" on page 6 and to the narrative on page 15.	<p>State that:</p> <p>"American consumers lose over \$40 billion a year through fraudulent practices. Deception and misrepresentation in the sale of consumer goods and services is so widespread that it often goes completely undetected. We will be taking a look at several common frauds and misrepresentations and tips on how to avoid them. We will also look at ways of seeking corrective action (redress) for frauds and misrepresentations.</p> <p>We should begin by defining CONSUMER FRAUD as DELIBERATE DECEPTION OF THE CONSUMER BY SELLERS, MANUFACTURERS, AND OTHER BUSINESS PEOPLE. (Say this definition again.) Closely related to fraud is MISREPRESENTATION, a practice which may or may not involve deliberate deception, but certainly involves INADEQUATE OR UNCLEAR STATEMENTS ABOUT CONSUMER GOODS AND SERVICES to the extent that consumers become confused."</p>

Section of Module	Time (Min.)	Preparation	Activity
I Identifying Consumer Frauds and Misrepresentations	2	Review the objectives for Section I on page 14 and examine the narrative descriptions on pages 16-31. In this presentation you will not have time to cover all sixteen frauds in depth. We suggest you (a) use Transparency Master 3 on page 72 to briefly explain each fraud, OR (b) select 4 to 6 of the frauds you feel are the most pertinent to your group and cover these in more depth. (We recommend Bait and Switch Deals, page 16; Charity Rackets, page 17; Auto Repair Frauds, pages 21-22; Door-to-Door Sales, pages 22-23; Land Sales Schemes, pages 26-27; and "Get Rich Quick" Deals, page 28.)	List the frauds and misrepresentations that you intend to cover by either using Transparency Master 2, OR writing the information on the board, OR stating the frauds.
	25 (approximately 5 min. for each fraud)		For each fraud, first read an example given in the narrative description. Then, from this example, explain the "Come On" and the "Hook" or "Trap". Conclude by stating the purpose.* (These are listed on Transparency Master 3.)
II Avoiding Fraudulent Schemes and Practices	6	Review the objectives for Section II on page 33, and examine the outline for this section on pages 34-38. If you decide to use a transparency for this section, use Transparency Master 5 on page 76. Otherwise, write the information	Show Transparency Master 5, OR write the information on the board OR state the general guidelines for avoiding fraudulent schemes and practices. (You may also want to state the additional points given on the outline on pages 34-35.)

Section of Module	Time (Min.)	Preparation	Activity
II (Cont'd)		on the chalkboard, use a flip chart, or simply, state the information.	
III Seeking Redress for Consumer Frauds and Misrepresentations	7	Review the objectives for Section III on page 40, and examine the outline for this section on pages 41-42. If you decide to use a transparency for this section, use Transparency Master 7 on page 78. Otherwise, draw a similar diagram on the board, use a flip chart or simply explain the process.	Show Transparency Master 7 OR construct a similar chart on the board OR explain the channels that can be followed in seeking redress.
	2		Read the sample letter of complaint, found on page 79 to the learners. Recall the main facts to include when complaining.
	5		Ask the group if there are any additional questions or comments on consumer frauds and misrepresentations.

B. Discussion-Oriented Presentation
(50 Minute Overview)

To the leader: This is a structured discussion approach for a 50-minute session covering the highlights of the entire consumer fraud and misrepresentation module. The first column, "Section of Module," indicates the part of the module to be covered. The "Time" column suggests how many minutes could be spent on that particular section in order to cover all of the material in just 50 minutes. The "Preparation" column recommends procedures to help you prepare for the presentation. The "Activity" column suggests how you might lead a discussion on each topic. It is important to remember that it will be very difficult to cover all of this material in just 50 minutes. For this reason, be especially careful not to exceed the time limit suggestions in the "Time" column (unless you take equivalent time away from another part). Otherwise, you will not accomplish all of the goals for the session.

Section of Module	Time (Min.)	Preparation	Activity
Part I "What Is Consumer Fraud and Misrepresentation"	3	Refer to the "Introduction" on page 6 and the narrative on page 15.	<p>State that:</p> <p>"American consumers lose over \$40 billion a year through fraudulent practices. Deception and misrepresentation in the sale of consumer goods and services is so widespread that it often goes completely undetected. We will be taking a look at several common frauds and misrepresentation and tips on how to avoid them. We will also look at ways of seeking corrective action (redress) for frauds and misrepresentations.</p> <p>We should begin by defining CONSUMER FRAUD as DELIBERATE DECEPTION OF THE CONSUMER BY SELLERS, MANUFACTURERS, AND OTHER BUSINESS PEOPLE. (Say this definition again.) Closely related to fraud is MISREPRESENTATION, a practice which may or may not involve deliberate deception, but certainly involves INADEQUATE OR UNCLEAR STATEMENTS ABOUT CONSUMER GOODS AND SERVICES to the extent that consumers become confused."</p>

Section of Module	Time (Min.)	Preparation	Activity
I Identifying Consumer Frauds and Misrepresentations	5	Review the objectives for Section I, page 14. Carefully review the narrative descriptions of specific frauds on pages 16-31. Refer to the Leader Activities for this section on page 52 and decide which of the reaction statements you will use to elicit response from the group.	Use reaction statements to stimulate discussion on frauds and misrepresentations. From this discussion identify and state 4 to 6 commonly occurring frauds.
	28 (approximately 7 min. per fraud)		Ask the group to give examples of each fraud chosen to cover. If they cannot think of an example, read one of those from the narrative descriptions. Be sure that the "Come On" and "Hook" or "Trap" for each fraud is brought out in the discussion. To conclude the discussion of each fraud ask the learners to comment on the general purpose of the fraud.
II Avoiding Fraudulent Schemes and Practices	5	Review the objectives for Section II on page 33 and examine the conceptual outline on pages 34-38. Refer to the Leader Activities for this section on page 56 and decide which of the questions you will ask to elicit response from the group.	Ask questions to the learners to arrive at general guidelines for avoiding fraudulent schemes and practices. If the answers or comments have not covered all guidelines given on pages 34 and 35, mention these, too).
III Seeking Redress for Consumer Frauds and Misrepresentations	7	Review the objectives for Section III on page 40 and examine the conceptual outline on pages 41-42. Refer to the Leader Activities for this section on page 57 and decide which of the questions	Ask the learners the questions on seeking redress. Be sure the answers and comments given cover the major points in the outline on pages 41-42. If not, mention the additional procedures. If the group is not familiar with consumer organizations, mention several of

Section of Module	Time (Min.)	Preparation	Activity
III (Cont'd)	2	you will ask to elicit response from the group.	these, too. Ask the learners if there are any additional questions or comments on frauds and misre- presentations.

INDEPTH APPROACH
LEADER ACTIVITIES
(PRESENTATIONS FOR TWO SESSIONS)

SESSION ONE PRESENTATION

IDENTIFYING CONSUMER FRAUDS AND MISREPRESENTATIONS

The following plan is a suggested approach for a 50-minute presentation covering the first component of the fraud and misrepresentation module.

The first column, "Section of Module" indicates the part of the module to be covered.

The "Type of Activity" column tells whether the activity is Recommended, Suggested, or Optional. Remember to concentrate first on the Recommended(R) activities and if time permits, next on the Suggested(S) activities, and finally on the Optional(O) activities.

The "Time" column suggests how many minutes might be spent on that particular activity in order to cover all of the material in 50 minutes. It is important to remember that it may be very difficult to cover all of this material in just 50 minutes. For this reason, be especially careful not to exceed the time limit suggestions in the "Time" column unless you take equal time away from another part. "Preparation" is self-explanatory.

The "Activity" column suggests activities for meeting the objectives. Often an activity says "list", "state", or "define" for example. The actual approach to be used is left for you to decide. If you have facilities for overhead projection, chalkboard, or flip chart, these can be used as well. You are urged to use whatever method you feel is most effective, convenient, and available.

When an asterisk(*) appears at the end of an activity, it indicates that a transparency master for that particular activity is in the Appendix. Before you proceed, be sure that you are familiar with the objectives for this component. The material in the narrative descriptions for the component, and have decided how you will accomplish each activity.

Section of Module	Type of Activity	Time	Preparation	Activity
Introduction to Part I "What is Consumer Fraud & Misrepresentation"	R	2		State that: "American consumers lose over \$40 billion a year through fraudulent practices. Deception and misrepresentation in the sale of consumer goods and services is so widespread that it often goes completely undetected. In this session, we will define consumer fraud and misrepresentation and take an indepth look at several frequently occurring types of frauds and misrepresentations.

We should begin by defining CONSUMER FRAUD as DELIBERATE DECEPTION OF THE

Section of Module	Type of Activity	Time	Preparation	Activity
Intro- duction (Cont'd)				CONSUMER BY SELLERS, MANUFACTURERS, AND OTHER BUSINESS PEOPLE. (Say this definition again.) Closely related to fraud is MISREPRESENTATION, a practice which may or may not involve deliberate deception, but certainly involves INADEQUATE OR UNCLEAR STATEMENTS ABOUT CONSUMER GOODS AND SERVICES to the extent that consumers become confused."
1 Identifying Consumer Frauds and Mis- repre- sen- tations	R	8	Review the objectives for Section 1 on page 14. Transparency Master 1 on page 69 can be shown as background for the opening discussion.	(oral pre-test) Ask the group to react to some or all of the following statements to stimulate thought and to check the amount of understanding the learners have about this topic.* (Transparency Master 1 of objectives can be shown while asking for these reactions.) "Advertising all too often promises something no product can deliver, like love or happiness." "Sellers will take advantage of consumers if they can." "Major corporations are careful about honesty in advertising." "You really have to be alert to deceptions and trickery when you shop these days." After receiving responses from the group, state this generalization: "We have all been affected by fraud and misrepresentation at one time or another. To avoid being 'taken' again, we need to identify what some of these frauds involve."
	R	3	Examine carefully the narrative descriptions of common frauds and misrepresentations on pages	*Show Transparency Master 2 (page 70) and state "This is a list of sixteen frequently occurring frauds and misrepresentations."

Section of Module	Type of Activity	Time	Preparation	Activity
I (Cont'd)	S	2		"Which of these are you familiar with?" (allow time for comments)
	R	30 (allow approximately 5 min. for each fraud to be covered)	To cover all sixteen of these in depth would be unfeasible time-wise and would probably become boring to the learners. Consider your group to determine if certain fraudulent practices apply more heavily than others. If so, accent on these and omit or mention only briefly some of the others that are less pertinent (consider geographic location, area businesses, age range of group, etc.). We suggest you (a) use Transparency Master 3 on page 72 to briefly explain each fraud, OR (b) select 6 to 8 of the frauds you feel are the most pertinent to your group and cover these in more depth. (We recommend Bait and Switch Deals, page 16; Charity Rackets, page 17; Auto Repair Frauds, pages 21-22;	Explain the first fraud you have selected. (The following is an example of a suggested approach as to how a fraud can be explained.) "The first fraud we will discuss is the 'Bait and Switch' deal. Let's consider an example." (Read one of the examples to the learners on page 16, read the example not the "Come On" or "Hook" or "Trap".) Then, from the example, explain the "Come On" (the advertised sale price) and the "Hook" or "Trap" (the product is sold out, etc. and you are "switched" to a more expensive purchase). If time permits, ask for questions or comments. Conclude by stating the purpose: "Remember that in a bait and switch deal, a businessperson intentionally desires to sell the more expensive models of a product rather than the less expensive lower line models." (If Transparency Master 2 has been used, point at this statement which is on the transparency.) Proceed in a similar fashion with the other frauds.

Section of Module	Type of Activity	Time	Preparation	Activity
I (Cont'd)			Door-to-Door Sales, pages 22-23; Land Sales Schemes, pages 26-27; and "Get Rich Quick" Deals, page 28.)	
	S	2		Ask the group if they can think of examples of other frauds and misrepresentations that frequently occur.
	O	3		Ask if there are any additional questions or comments.

SESSION TWO PRESENTATION

AVOIDING FRAUDULENT SCHEMES AND PRACTICES AND
SEEKING REDRESS FOR FRAUDS AND MISREPRESENTATIONS

The following plan is a suggested approach for a 50-minute presentation covering the second and third component of the fraud and misrepresentation module.

The first column, "Section of Module", indicates the part of the module to be covered. The "Type of Activity" column tells whether the activity is Recommended, Suggested, or Optional. Remember to concentrate first on the Recommended(R) activities, and if time permits, next on the Suggested(S) activities, and finally on the Optional(O) activities.

The "Time" column suggests how many minutes might be spent on that particular activity in order to cover all of the material in 50 minutes. It is important to remember that it may be very difficult to cover all of this material in just 50 minutes. For this reason, be especially careful not to exceed the time limit suggestions in the "Time" column unless you take equal time away from another part. "Preparation" is self-explanatory.

The "Activity" column suggests activities for meeting the objectives. Often an activity says "list", "state", or "define", for example. The actual approach to be used is left for you to decide. If you have facilities for overhead projection, chalkboard, or flip chart, these can be used as well. You are urged to use whatever method you feel is most effective, convenient, and available.

When an asterisk(*) appears at the end of an activity, it indicates that a transparency master for that particular activity is in the Appendix. Before you proceed, be sure that you are familiar with the objectives for these components, the material in the conceptual outlines, and have decided how you will accomplish each activity.

Section of Module	Type of Activity	Time	Preparation	Activity
II Avoiding Fraudulent Schemes and Practices	R	1		State: "During this session we will be talking about the things you can do to avoid being 'taken' by fraudulent schemes and practices. We will also discuss what you can do to get corrective action after you have been victim to such a practice."
	R	5	Review the objectives for Section II on page 33 and examine carefully the material in the conceptual	(oral pretest) Ask some or all of the following questions to stimulate thought and to check the amount of understanding the learners have about this topic.* (Trans-

Section of Module	Type of Activity	Time	Preparation	Activity
II (Cont'd)			outline on pages 34-38.	parency Master 4 of objectives can be shown while asking these questions.)
		2		"Everytime I go to the neighborhood grocery to take advantage of an advertised special, they are sold out of the product. What can I do?" (see page 35 II.A.3.)
		1		"I am shopping for a new television, but the salesman so far will not give straight answers to my questions. What should I do?" (see page 34 I.C.)
		3		"The local service station never offers an estimate on repair work. What are my rights concerning this?" (see page 36 II.H.4.,5., and 6.)
		4		"Door-to-door salespersons are a big problem in our neighborhood. How do I know who to trust?" (see pages 36-37 II.I.1 and 2.) After asking these questions and receiving responses from the group, state this generalization: "There are certain general things we can do to avoid all types of frauds and misrepresentations as well as specific tips to avoid the fraudulent practices we have already discussed."
R		5	Decide if you will use Transparency Master 5 on page 76, use a flip chart, write the information on	List and discuss the General Guidelines for Avoiding Consumer Frauds and Misrepresentations (described on pages 34 and 35 section I of the outline.)* (Transparency Master

Section of Module	Type of Activity	Time	Preparation	Activity
II - (Cont'd)			the board, or simply, state the information.	5 may be used.)
	S	1		Ask the learners if they have tips they would like to add to this list.
	R	15		List the frauds and misrepresentations covered previously.* (Transparency Master 2 may be used). For each fraud, state specific tips to remember in avoiding the scheme or practice. (This information is listed on pages 35-38, section II of the outline.)
III Seeking Redress for Consumer Frauds and Misrepresentations	R	5	Review the objectives for section III on page 40 and examine carefully the material in the conceptual outline on pages 41-42.	(oral pretest) Ask some or all of the following questions to stimulate thought and to check the amount of understanding the learners have about this topic.* (Transparency Master 6 of objectives can be shown while asking these questions.) "I suspect a merchant in our town of using "bait and switch" tactics quite often. Who can I report this to?" (see page 41 I.D.1. and 2.) "I purchased a sewing machine, from a door-to-door salesman, that is in continual need of repair. How do I complain?" (see page 41 I.B., C., and D.) "I would complain about unfair practices, but I'm not real sure how to go about it. How do you file a formal complaint?" (see page 42 II.) After asking these questions and receiving responses from the

Section of Module	Type of Activity	Time	Preparation	Activity
III (Cont'd)				group, state this generalization: "We need to be aware of who we can and should complain to about frauds and misrepresentations and also how to voice our dissatisfaction."
	R	8	Decide if you will use Transparency Master 7 on page 78, use a flip chart, construct a similar diagram on the board, or explain the information orally.	List and discuss the proper channels to follow in seeking redress.* (Transparency Master 7 may be used).
	R	5	Decide if you will use Transparency Master 8 on page 79, or simply, read the sample letter to the learners.	Discuss an example of how to file a formal complaint.* (Transparency Master 8 may be shown).
	S	5		List other organizations that handle complaints or sources of seeking redress.
	O			You may want to supply the learners with a list of addresses of organizations that handle complaints. (See pages 62-65)
	O			Time permitting, ask if there are any questions concerning the topics covered.
	O		If the learners desire a third session, arrange for a guest speaker to present this follow-up.	Have a third session with a guest speaker on some topics concerning consumer fraud and misrepresentation.

REFERENCES UTILIZED
AND
SOURCES OF FURTHER REFERENCE

References Utilized

These fourteen references in particular are used quite heavily and similarities in phraseology necessarily occur on occasion throughout the module. Quotations and footnotes were not inserted for ease of reading. You may want to obtain some of these references to supplement the material presented.

Books

- Aaker, David A. and George S. Day, ed. Consumerism: Search for the Consumer Interest, New York: The Free Press, 1974.
- Garman, E. Thomas and Sidney W. Eckert, The Consumer's World, New York: Mc Graw Hill Book Co., 1975.
- Gordon, Leland J. and Stewart M. Lee, Economics for Consumers, New York: Van Nostrand Reinhold Company, 1972, pp. 370-397.
- Porter Sylvia, Money Book, vol. 2, New York: Doubleday and Co., Inc., 1975, pp. 1119-1199.

Articles

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- "Con Games on the Increase: Old Schemes With New Wrinkles," U.S. News and World Report (November 8, 1976), pp. 52-53.
- "Those Ads That Promise You Riches," Changing Times (November, 1976), pp. 17-19.
- "Watch Out for the Referral Sales Scheme," Changing Times, vol. 26, no. 9 (September, 1972), pp. 13-14.
- "Ways They Can Cheat You When They Service Your Car," Changing Times, vol. 28, no. 6 (June, 1974), pp. 11-14.

Organizations

- Better Business Bureau, 145 W. Campbell Avenue, Roanoke, Va., 24011.
- Division of Consumer Protection, Room 804, City Hall Building, Norfolk, Va., 23501.
- Federal Trade Commission, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C., 20580.
- Securities and Exchange Commission, 500 N. Capitol Street, Washington, D.C., 20549.
- U.S. Postal Service, Washington, D.C., 20260.

Sources of Further Reference

For additional indepth reading and information on consumer frauds and misrepresentations, see any one or more of the following references. Many of these are probably available in your local school, college, or public library.

Books

- Carlson, Margaret B. with Ronald G. Shafer, How to Get Your Car Repaired Without Getting Gyped.
- Epstein, David G., Consumer Protection in a Nutshell, St. Paul, Minnesota: West Publishing Co., 1976.
- Faber, Doris, Enough: The Revolt of the American Consumer, New York: Farrar, Straus, and Giroux, 1972.
- Kelley, William T., ed. New Consumerism: Selected Readings, Columbus, Ohio: Grid, Inc., 1973.
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- Schrag, Philip G., Counsel for the Deceived: Case Studies in Consumer Fraud, New York: Pantheon Books, 1972.
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- Sturdivant, Frederick D., The Ghetto Marketplace, New York: The Free Press, 1969.
- Wrighter, Carl P., I Can Sell You Anything, New York: Ballantine Books, 1972.

Articles

- Bigham, B., "Pigeon Drop: The Con Game Aimed at Older Women", Retirement Living 13 (Spring, 1975), pp. 36-37.

Dana, Margaret, "The Frauds That Prey on Children," Woman's Day (April, 1971), p. 22.

Gildea, W., "Children's Charities: The Golden Fleece," Today's Health 53 (Fall, 1975), p. 12.

"Got a Complaint? Call Your State Consumer Office," Changing Times, vol. 29, no. 4 (April, 1975), pp. 43-46.

"Help for Consumers: Government Agencies," Today's Health 52 (April, 1974), pp. 64-65.

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"How to Protect Yourself From Home-Improvement Frauds," Good Housekeeping 178 (March, 1974), pp. 155-156.

Knauer, Virginia H., "Consumer Action Panels: How They Work for You," Better Homes and Gardens 53 (May, 1975), pp. 22-23.

Langer, H. J., "Franchise Frauds and How to Avoid Them," Retirement Living 16 (July, 1976), pp. 36-39.

Mayer, A. and W. Schmidt, "Biggest Fraud Yet? Land Fraud in Florida," Newsweek 85 (May 26, 1975), pp. 69-70.

"Nine Kinds of Fraud That Come in the Mail," Changing Times, vol. 30, no. 2 (February, 1976), pp. 23-25.

Rollins, N. G., "Latest Consumer Frauds: Don't You Get Ripped Off," Good Housekeeping 183 (July, 1976), pp. 155-156.

Schisgall, O., "Don't Play These Confidence Games! Widows and Elderly as Victims," Reader's Digest 109 (December, 1976), pp. 41-42.

"Small Claims Courts Aren't Doing Their Job," Changing Times, vol. 27, no. 4 (August, 1973), pp. 41-43.

Organizations-These are addresses of private, federal, state and local organizations that supply materials and information on consumer problems.

Private

American Council on Consumer Interests, 162 Stanley Hall, University of Missouri, Columbia, Mo., 65201.

Auto Consumer Action Panel, 8400 West Park Drive, McLean, Va., 22101.

Carpet and Rug Institute Consumer Action Panel, P.O. Box 2048, Dalton, Ga., 30720.

Consumer Federation of America, Suite 406, 1012 - 14th Street, N.W., Washington, D.C., 20005.

Council of Better Business Bureaus, Inc., 1150 - 17th Street, N.W.,
Washington, D.C., 20036.

Direct Mail Marketing Association, Inc., 6 E. Forty-third Street, New
York, N.Y., 10017.

Direct Selling Association, 1730 M Street, N.W., Washington, D.C., 20036.

Furniture Industry Consumer Advisory Panel, P.O. Box 951, High Point,
N.C., 27261.

Insurance Consumer Action Panel, National Association of Mutual Insur-
ance Agents, 1511 K Street, N.W., Washington, D.C., 20005.

International Franchise Association, 7315 Wisconsin Avenue, Bethesda,
Md., 20014.

Major Appliance Consumer Action Panel, Complaint Exchange, Room 1514,
20 North Wacker Drive, Chicago, Il., 60606.

National Advertising Review Board, 850 Third Avenue, New York, N.Y.,
10022.

National Home Improvement Council, 11 E. Forty-fourth Street, New York,
N.Y., 10017.

National Public Interest Research Groups, 1832 M Street, N.W., Washing-
ton, D.C., 20036.

Office of Interstate Land Sales Registration, Department of Housing
and Urban Development, 451 Seventh Street, S.W., Washington, D.C.
20410.

Small Business Administration, 1030 Fifteenth Street, N.W., Washington,
D.C., 20417.

Federal

Bureau of Consumer Protection, Federal Trade Commission, 6th Floor,
2120 L Street, N.W., Gelman Building, Washington, D.C., 20037.

Consumer Information, Public Documents Distribution Center, Pueblo,
Colo., 81009.

Consumer Product Safety Commission, Washington, D.C., 20207.

Federal Trade Commission, 6th Street and Pennsylvania Avenue, N.W.,
Washington, D.C., 20580.

Food and Drug Administration, 5600 Fisher's Lane, Rockville, Md., 20352

Office of Consumer Affairs, Department of Health, Education, and
Welfare, Washington, D.C., 20201.

Securities and Exchange Commission, 500 N. Capitol Street, Washington,
D.C., 20549.

U.S. Postal Service, Washington, D.C., 20260.

U.S. Congressman or Senator, Senate Office Building, House Office
Building, Washington, D.C., 20510.

State

Attorney General's Office, 110k E. Broad Street, Richmond, Va., 23219.

Office of Consumer Affairs, Virginia Dept. of Agriculture and Commerce,
825 East Broad Street, P.O. Box 1163, Richmond, Va., 23219.

State Corporation Commission, P.O. Box 1197, Richmond, Va., 23209.

State Legislator, Virginia State Capitol, Capitol Square, Richmond,
Va., 23219.

Virginia Citizens Consumer Council, P.O. Box 777, Springfield, Va.,
22150.

Northern Virginia Chapter, Box 777, Springfield, Va., 22150.

Richmond Chapter, Box 5462, Richmond, Va., 23220.

Roanoke Chapter, Box 7281, Roanoke, Va., 24019.

Virginia Legal Aid Society, P.O. Box 417, Richmond, Va., 23203.

Virginia Retail Merchants Association, Raleigh Hotel, Suite #3, Rich-
mond, Va., 23219.

Local

Community Action Groups

County and City Consumer Protection Agencies:

Division of Consumer Protection, Room 804, City Hall Building,
Norfolk, Va., 23501.

Bureau of Consumer Protection, Municipal Center, Virginia Beach, Va., 23456.

Office of Consumer Affairs, City Hall, Newport News, Va., 23607.

Office of Consumer Affairs, 825 E. Broad Street, Richmond, Va., 23219.

Local Better Business Bureaus:

Better Business Bureau of Metropolitan Washington, 1111 E Street, N.W., Washington, D.C., 20004.

Better Business Bureau of Western Virginia, Suite 646-A, Crystal Tower Building, 145 West Campbell Avenue, Roanoke, Va., 24011.

Better Business Bureau of Richmond, 4020 West Broad Street, Richmond, Va., 23230.

Tidewater Better Business Bureau, 114 West York Street, Norfolk, Va., 23510.

Local Chamber of Commerce

Local Legal Aid Society

PIRG (Student Public Interest Research Groups), located at some university and college campuses.

County Extension Agent

Virginia Polytechnic Institute and State University Extension Services, Blacksburg, Va., 24061.

EVALUATION DEVICE

Rather than have the adult learners complete a final post-test, it is suggested that you use this type of evaluation. By using this form of evaluation, you will have an idea of what the participants actually learned, and which of your techniques you may want to use again or alter. If on the other hand, you prefer giving a formal post-test to better assess actual learning, the competencies listed at the beginning of this module have been designed to facilitate making questions for such a test.

In order to keep the evaluation brief in length and in time needed for completion, three questions might be asked. The participants could write their answers and comments and turn them in to you with their names on them or anonymously. The three areas of information you want to evaluate will likely include:

1. Describe your overall reactions to our session(s) on "Avoiding Consumer Frauds and Misrepresentations."
2. List the three most important things which you feel you learned from our session(s) on frauds and misrepresentations.
3. What recommendations can you give for similar sessions to be held in the future?

Other possible questions to help assess the learning of the participants might include:

- What is consumer fraud and misrepresentation?
- Describe some of the most commonly occurring fraudulent schemes and practices.
- What are some guidelines to follow to keep from being a victim of frauds and misrepresentations?
- What procedure should a consumer use in seeking redress for frauds and misrepresentations?
- Name several organizations which handle consumer complaints.

REACTIONS TO YOUR USE OF THIS MODULE

1. I used this module with the following group of adults:
(please describe)

2. The group's reactions to the modular approach were:

3. My reactions to using this approach are:

4. My suggestions for revisions are:

Please return to:

E. Thomas Garman or Glen Mitchell
Virginia Polytechnic Institute
and State University
Management, Housing, and
Family Development
226 Wallace Hall
Blacksburg, VA 24061

APPENDIX

I. IDENTIFYING CONSUMER FRAUDS AND MISREPRESENTATIONS

MAJOR OBJECTIVE:

TO IDENTIFY AND DESCRIBE THE MOST COMMON TYPES OF CONSUMER FRAUD AND MISREPRESENTATION.

SPECIFIC OBJECTIVES:

TO DEFINE WHAT IS MEANT BY CONSUMER FRAUD AND MISREPRESENTATION.

TO DEVELOP AN UNDERSTANDING OF THE PURPOSES UNDERLYING FRAUDULENT SCHEMES AND PRACTICES.

TO LIST AND GIVE EXAMPLES OF THE MOST FREQUENTLY OCCURRING FRAUDULENT PRACTICES.

COMMON CONSUMER FRAUDS AND MISREPRESENTATIONS

1. BAIT AND SWITCH DEALS
2. UNORDERED MERCHANDISE SCHEMES
3. CHARITY RACKETS
4. HEALTH SPAS AND DANCE LESSONS
5. CONTESTS AND FREE GIFTS
6. FREE INSPECTION DEALS
7. "LOW BALL" AND "HIGH BALL" AUTO DEALS
8. AUTO REPAIR FRAUDS

COMMON CONSUMER FRAUDS AND MISREPRESENTATIONS

(CONTINUED)

9. DOOR-TO-DOOR SALES
10. CHAIN REFERRAL SCHEMES
11. PYRAMID AND PONZI SCHEMES
12. LAND SALES SCHEMES
13. WORK-AT-HOME SCHEMES
14. "GET RICH QUICK" DEALS
15. "BANK EXAMINER" SCHEME
16. THE "PIGEON DROP"

FRAUDS AND MISREPRESENTATIONS

HOW THEY WORK

1. BAIT AND SWITCH - A BUSINESSPERSON INTENTIONALLY DESIRES TO SELL THE MORE EXPENSIVE MODEL OF A PRODUCT RATHER THAN THE LESS EXPENSIVE LOWER LINE MODELS. A BARGAIN IS ADVERTISED, BUT THE INQUIRING CONSUMER IS OFTEN SWITCHED TO A HIGHER-PRICED PRODUCT.
2. UNORDERED MERCHANDISE SCHEMES - VARIOUS BUSINESSES, CHARITIES IN PARTICULAR, SEND MERCHANDISE TO A CONSUMER WITHOUT HIS OR HER PREVIOUS REQUEST OR CONSENT, HOPING THAT THE CONSUMER, OUT OF SENSE OF OBLIGATION, WILL EITHER PAY FOR THE MERCHANDISE OR MAKE A DONATION.
3. CHARITY RACKETS - DISHONEST, FAKE, AND OCCASIONALLY WELL-KNOWN CHARITABLE ORGANIZATIONS OBTAIN CONTRIBUTIONS WHICH OFTEN GO TO THE "HIGH" SALARIES OF PERSONNEL AND OTHER UNACCOUNTED EXPENSES.
4. HEALTH SPAS AND DANCE LESSONS - HEALTH SPAS AND DANCE STUDIOS OFFER "SPECIAL" INTICEMENTS TO TRY TO PERSUADE CONSUMERS TO SIGN A CONTRACT FOR A SERIES OF LESSONS OR TREATMENTS.
5. CONTESTS AND FREE GIFTS - MERCHANTS AND BUSINESSPERSONS WILL OFTEN USE THE INVITING IDEAS OF CONTESTS AND FREE GIFTS AS TACTICS TO INCREASE THEIR SALES.

FRAUDS AND MISREPRESENTATIONS

HOW THEY WORK

(CONTINUED)

6. FREE INSPECTION DEALS - COMPANIES SELL THEIR PRODUCTS BY HAVING REPRESENTATIVES RECOMMEND THAT THE HOUSEHOLD IS IN EXTREME NEED OF WHATEVER THAT PRODUCT OR SERVICE MAY BE.
7. "LOW BALL" AND "HIGH BALL" DEALS - BOTH THE "HIGH BALL" AND THE "LOW BALL" ARE GIMMICKS USED BY AUTOMOBILE SALESPERSONS IN ORDER TO ENTICE SHOPPERS INTO BECOMING BUYERS.
8. AUTO REPAIR FRAUDS - AUTO REPAIRMEN INCREASE THEIR SALES AND EARNINGS BY USING SUCH TACTICS AS MISDIAGNOSING, UNNECESSARY REPAIRS, USING SECOND-HAND PARTS, AND OVER-CHARGING.
9. DOOR-TO-DOOR SALES - DOOR-TO-DOOR SALESPERSONS USE VARIOUS TECHNIQUES OF HIGH PRESSURE SELLING TO PERSUADE CONSUMERS TO BUY PRODUCTS THEY DO NOT NEED OR WILL NEVER USE. OFTEN THESE PRODUCTS ARE OVER-PRICED, OF POOR QUALITY, OR ARE ORDERED AND NEVER RECEIVED.
10. CHAIN REFERRAL SCHEMES - SALESPERSONS INCREASE THEIR CHANCE OF MAKING A SALE BY HAVING CONSUMERS PROVIDE NAMES OF OTHER PROSPECTIVE CUSTOMERS THAT HE MIGHT CONTACT.

FRAUDS AND MISREPRESENTATIONS

HOW THEY WORK

(CONTINUED)

11. PONZI AND PYRAMID SCHEMES - THESE INVESTMENT SCHEMES PROMISE AN UNUSUALLY HIGH RATE OF RETURN IN ORDER TO KEEP INVESTORS INTERESTED IN THE EMPTY OR MISLEADING DEALS THEY ARE INVESTING IN.
12. LAND SALES SCHEMES - DISHONEST REAL ESTATE FIRMS MISREPRESENT THE FACTS IN LAND DEALS SO AS TO GET HIGHER PRICES FOR THE LAND THAN IT IS ACTUALLY WORTH;
13. WORK-AT-HOME SCHEMES - COMPANIES ADVERTISE FOR CONSUMERS TO DO TASKS FOR THEM IN THEIR OWN HOMES, OFTEN FOR THE PURPOSE OF MERELY SELLING MATERIALS TO THESE CONSUMERS RATHER THAN SEEKING THEIR EMPLOYMENT.
14. "GET RICH QUICK" DEALS - "GET RICH QUICK" DEALS INVOLVE AN ADVERTISER WHO CLAIMS TO KNOW A SECRET TO BECOMING WEALTHY VERY QUICKLY. THE PURPOSE IS TO ENCOURAGE CONSUMERS TO SEND FOR FURTHER DETAILS ABOUT THE "DEAL".
15. "BANK EXAMINER" SCHEMES - A PERSON POSING AS A BANK EXAMINER INVOLVES INNOCENT CONSUMERS IN HIS SCHEMES TO STEAL BANK WITHDRAWALS FROM THEM.
16. PIGEON DROP - THIS CON GAME IS ACTUALLY A FORM OF OUTRIGHT THEFT, TAKING LARGE SUMS OF MONEY FROM UNSUSPECTING CONSUMERS THROUGH PURPOSELY INVOLVING THEM IN A "LOST AND FOUND" INCIDENT.

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II. AVOIDING FRAUDULENT SCHEMES AND PRACTICES

MAJOR OBJECTIVE:

TO STATE GUIDELINES FOR AVOIDING CONSUMER FRAUD AND MISREPRESENTATION.

SPECIFIC OBJECTIVES:

TO STATE THE GENERAL GUIDELINES TO FOLLOW IN AVOIDING FRAUDULENT SCHEMES AND PRACTICES.

TO LIST THINGS TO BE AWARE OF OR THINGS TO DO WHICH WILL AID THE CONSUMER IN AVOIDING SPECIFIC TYPES OF FRAUDS AND MISREPRESENTATIONS.

GENERAL GUIDELINES FOR AVOIDING CONSUMER FRAUDS AND MISREPRESENTATIONS

1. BE INFORMED
2. COMPARISON SHOP
3. ASK QUESTIONS
4. KNOW WITH WHOM YOU ARE DEALING
5. CHECK BARGAINS CAREFULLY
6. READ ALL CONTRACTS CAREFULLY BEFORE SIGNING

III. SEEKING REDRESS FOR CONSUMER FRAUDS AND MISREPRESENTATIONS

MAJOR OBJECTIVE:

TO BE FAMILIAR WITH WAYS AND MEANS OF SEEKING REDRESS (CORRECTIVE ACTION) FOR FRAUDULENT SCHEMES AND PRACTICES.

SPECIFIC OBJECTIVES:

TO LIST THE STEPS OR CHANNELS TO FOLLOW IN SEEKING REDRESS FOR FRAUDS AND MISREPRESENTATIONS.

TO DESCRIBE THE TYPES OF INFORMATION THE CONSUMER NEEDS TO SUPPLY WHEN REGISTERING A COMPLAINT.

TO BECOME FAMILIAR WITH VARIOUS ORGANIZATIONS THAT HANDLE COMPLAINTS.

RECOMMENDED COMPLAINT PROCEDURE



CONSUMER

A-BUSINESS

A₁



MERCHANT OR DEALER

A₂



MANUFACTURER

A₃

MANUFACTURER PRESIDENT

B-LOCAL AND STATE

B₁

LOCAL CONSUMER ACTION GROUP

B₂

VIRGINIA CITIZENS CONSUMER COUNCIL

B₃

CITY OR COUNTY CONSUMER PROTECTION DIVISION

B₄

STATE OFFICE OF CONSUMER AFFAIRS

B₅

STATE ATTORNEY GENERAL'S OFFICE

C-SELF REGULATORY

C₁

CHAMBER OF COMMERCE

C₂

BETTER BUSINESS BUREAU

C₃

CONSUMER ACTION PANELS

D-FEDERAL GOVERNMENT

D₁

FEDERAL TRADE COMMISSION

D₂

FOOD AND DRUG ADMINISTRATION

D₃

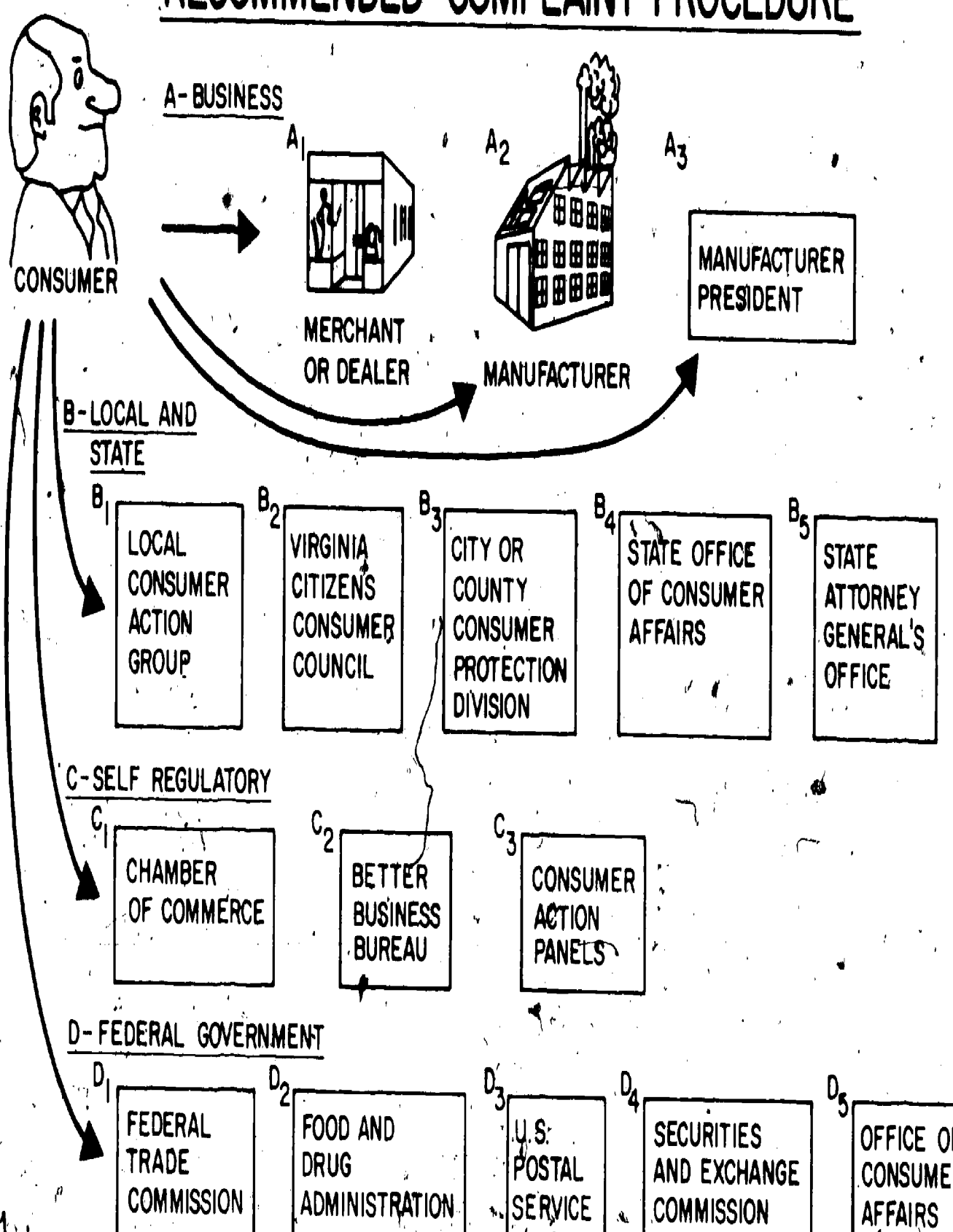
U.S. POSTAL SERVICE

D₄

SECURITIES AND EXCHANGE COMMISSION

D₅

OFFICE OF CONSUMER AFFAIRS



FOLLOW ROUTES A, B, C, OR D OR FOLLOW ALL ROUTES SIMULTANEOUSLY

Sample Letter of Complaint

Mrs. Alice Martin
2222 Fifth Avenue
Blacksburg, VA 24060

Better Business Bureau of Western Virginia
145 West Campbell Avenue
Roanoke, VA 24011

Dear Sirs:

On February 27, I was visited by a representative of the Heat-O-Matic company of 8001 Commercial Street, Roanoke. Mr. Jim Howe, the name given by the representative, offered a free inspection of the present heating system in our home. After the inspection, I was presented with the attached estimate of repairs needed. Mr. Howe said the furnace was in dangerous condition and that it would be cheaper for us to let him install an entire new heating system than to have it repaired.

I was asked to sign a contract for the job at that time but did not as I felt I needed to consult my husband before taking action.

Not believing the estimate, my husband had a friend who operates a private heating and plumbing business in Blacksburg, also inspect the furnace. The friend could not find any trouble with the furnace except that it needed to be cleaned and have a new filter installed. This cost \$8 as opposed to the near \$3,000 we would have paid if we had relied on the results of our so-called "free inspection."

I am very concerned over such business practices in our area and suggest that this particular company and salesman be investigated. My husband and I feel very fortunate that we did not fall prey to this deal but also feel threatened by the fact that such practices are taking place.

It is my hope that you will follow through with this suggested action. Thank you for your assistance.

Sincerely,

Mrs. Alice Martin

Mrs. Alice Martin

For further information about the Title I Consumer Education and Financial Management Project, please contact:

Dr. Glen Mitchell, Project Director
202 Wallace Annex
Virginia Polytechnic Institute and State University
Blacksburg, VA 24061

Other material in production for this project include:

Pamphlets:

"Fraud and the Consumer"

"How to Buy a Used Car"

"Contracts and the Consumer"

"Warranties and the Consumer"

"Credit and the Consumer"

Educational Modules:

"Obtaining and Using Consumer Credit"

"Making and Using a Financial Plan"

Manual:

"A Financial Counseling Manual"