

## Scam Checklist

The Federal Trade Commission has provided us a list of questions/issues that they need answered in virtually every action involving a consumer scam. You may want to keep this list handy for whenever a consumer is being interviewed.

- When did the first contact with the company take place.
- How did the consumer first make contact with the company (cold telephone call, consumer responded to ad, responded to flyer on base, face to face meeting, etc.)
- Focus on the statements made by the company representatives in the first call or meeting as much as possible. In particular, did they state that the consumer had "won a prize" or would receive some other special benefit? How did they characterize the product or service being offered? The more specific we can get in terms of company statements, the better chance we have to use different enforcement tools.
- Obviously, any individual names are useful.
- If the first contact took place after 1 January 1996, we need to pay special attention to whether the company gave the consumer disclosures early in the sales pitch concerning the identity of the company, the product being sold, and the cost. The telemarketing sales rule has specific requirements in this regard.
- If the consumer bought the package or product, did they actually try to use it? In a number of instances, the investigator intervened before the consumer had a chance to try to use the product. If we are going to try to attack the providers of the services like the coupons and buyers club, we need people who have a basis for stating that the product doesn't work, or was not as represented.
- Keep in mind the basic approach that most FTC actions follow:
  - a. What statements were made?
  - b. What claims did these statements convey to the consumer, either express or implied? These claims form the basis for most counts in our complaints, which take the form of a falsity or lack of substantiation allegation.
  - c. Is the claim true?
  - d. What is the injury?
- It is helpful to know exactly what documents the consumer walks out with after the sales pitch where they sign up. Conversely, what documents are sent to them later?