



# Beware of Deceptive Magazine Telemarketers

From the Office of Minnesota Attorney General Lori Swanson

The Attorney General's Office warns people to be on guard against magazine telemarketers that use phony claims and aggressive tactics to sell magazine subscriptions. Some people have been duped into paying thousands of dollars for magazines they did not intend to order or want. Before you purchase or renew your next subscription, know the following:

Some unscrupulous telemarketers use deceptive and high pressure sales pitches to trick people into paying for multi-year magazine packages that can cost more than \$1,000. To carry out the scheme, some telemarketers use a three-part phone call.

In the first part, the telemarketer calls a consumer and makes the sales pitch, which may be loaded with misrepresentations and outright lies. For example, the telemarketer may claim to represent the consumer's magazine company, falsely state that the consumer has won a lucrative prize (which never materializes or turns out to be worth very little), or falsely indicate that the consumer may cancel the package at any time (when they cannot).

Second, the telemarketer transfers the consumer to a "supervisor" to "close" the sale. This telemarketer lures the consumer into disclosing his or her personal and financial information.

Third, after the telemarketer has obtained this information, the telemarketer convinces the consumer to participate in a tape-recorded "verification" of the order. This "verification" may be the first and only time the telemarketer discloses the true terms of the subscription package.

To confuse the consumer, the telemarketer may talk very fast. If a consumer indicates that the terms are different from what was offered earlier in the call, the telemarketer may tell the consumer to ignore what he or she is saying and that the earlier "terms" are the actual terms of the agreement, even though this is not

true. Some telemarketers have gone so far as to splice or otherwise doctor recordings to make it sound like the consumer ordered something that he or she did not.

While there are many variations of telemarketing magazine schemes, some of the more common include:

- 1. You're Entitled to a "Lower" Payment or "Credit."** Under this variation, a telemarketer calls a consumer and identifies himself as a representative of the consumer's magazine company or publisher. Because some magazine sellers share people's information, the telemarketer may already have the consumer's information and use it to legitimize his or her claims. In some cases, the telemarketer may offer to lower the consumer's monthly payment to protect against future price increases. Other times, the telemarketer may offer a payment credit because the consumer has purportedly been a good customer. The telemarketer then requires the consumer to "verify" the terms of the reduced payment plan on a tape recording. In truth, the telemarketer uses this tape recording to sign the consumer up for a new magazine package that costs several hundred dollars.
- 2. You've Won a Prize.** Under this variation, a telemarketer tells consumers that they have won a valuable prize, such as a \$1,000 gift card. To receive the prize, the telemarketer tells the consumer that he or she must order a magazine service that costs "pennies a day" or "dollars a week." In truth, the telemarketer charges the consumer more than \$1,000 for the magazine service and does not deliver the gift card. When consumers complain about not receiving the gift card, the telemarketer relies on the tape-recorded "verification" (in which the gift is never mentioned) to pressure consumers into paying for the service.
- 3. "Bonus" Magazines.** Under this variation, a telemarketer calls consumers and tells them that they did not receive their "bonus" magazines. As with

other variations, the telemarketer typically identifies himself as a representative of the consumer's magazine company or publisher. The telemarketer uses a variety of ploys, such as pretending to take a survey, to lure the consumer into providing his or her personal and financial information. The telemarketer then instructs the consumer to participate in the tape-recorded verification, in which the consumer believes he or she is simply verifying the terms of their old agreement to receive the bonus magazines. In truth, the verification is used to sign the consumer up for an additional magazine package.

Be wary of buying magazine packages from telemarketers. Some of these companies refuse to cancel consumers' packages. If you try to cancel, the company may hound you for payment of the supposed "bill" or forward the account to a third party debt collector. The company may also sell or trade your information to other companies, which could lead to a barrage of high-pressure calls from other deceptive magazine telemarketers.

If you receive a call from a magazine telemarketer, consider the following:

- **Don't be afraid to hang up.** If you aren't interested in the offer, hang up the phone and do not respond to future calls. Hanging up isn't rude if you think you are being scammed. If you talk to crooked magazine salespeople, they may sign you up just by talking to them, even if you do not give them a check or credit card, since they may already have this information. Accordingly, the best recourse is often to say "no thanks" and hang up the phone.
- **Don't believe the hype.** Some magazine telemarketers will say anything to get you to buy a subscription, including misrepresenting the cost of the subscription or your ability to cancel the order. Others may make bogus claims about the value of gifts or discounts that come along with the purchase. These gifts often fail to materialize and, if they do, they are generally worth far less than advertised.

- **Ask to read the fine print.** Ask the company to mail its offer to you, rather than agreeing to buy or "renew" the subscription over the telephone. This way, you can review the fine print of the pricing, terms of the subscription or service, and the company's cancellation policy.
- **Be extremely cautious.** Don't give your credit card or banking information out to unfamiliar telemarketers, as such disclosures can lead to identity theft or unauthorized withdrawals from your accounts.
- **Dispute unauthorized charges with your financial institution.** If a magazine telemarketer charges you for magazines that you did not order, dispute its charges with your bank or credit card company.

If you have been subject to a magazine scam, or have concerns about any subscription offer or renewal, you may file a complaint with the Minnesota Attorney General's Office and Federal Trade Commission as follows:

**Federal Trade Commission**  
Consumer Response Center  
600 Pennsylvania Avenue NW  
Washington, DC 20580  
Toll-free helpline: 1-877-382-4357  
[www.ftccomplaintassistant.gov](http://www.ftccomplaintassistant.gov)

**Office of Minnesota Attorney General Lori Swanson**  
445 Minnesota Street, Suite 1400  
St. Paul, MN 55101  
(651) 296-3353  
1-800-657-3787  
TTY: (651) 297-7206  
TTY: 1-800-366-4812