

# CONSUMER'S NOTEBOOK

## Sweepstakes Fraud

### What is Sweepstakes Fraud?

YOU'VE WON!!! Those are magical words to many people who dream of winning an exotic vacation, a new car or thousands of dollars in cash. Unfortunately, in many instances those promises of big give-aways are scams in which consumers nationwide lose billions of dollars each year.

A 1992 survey commissioned by the National Consumers League found that 92 percent of adults had at one time or another received a postcard or letter in the mail informing them that they had won "free prizes." Nearly one-third or 54 million people responded to those offers, and less than 20 percent of those received their prizes without buying products or paying fees.

### BE AN INFORMED CONSUMER, KNOW YOUR RIGHTS!

Louisiana law provides consumers with the following rights:

Contest sponsors must disclose to consumers in writing if the consumer is required to submit to a sales presentation before they may claim their award. The disclosure must contain a full description of the prize or gift, all terms and conditions attached to the prize, a statement that the consumer is required to submit to a sales presentation, a full description of the product being offered for sale, and a consumer's right-to-cancel provision.

Any contract in excess of 500.00 which results from a transaction in which the consumer is required to submit to a sales presentation in order to claim a prize may be canceled any time before midnight of the third business day after the contract is signed.

### Tips to Avoid Becoming a Victim of Sweepstakes Fraud

**AVOID SCAMS:** Hang up the phone on solicitors or throw away notifications which require upfront money to get "guaranteed prizes."

**DO NOT CALL A "900" NUMBER TO CLAIM YOUR FREE PRIZE!** Shady sweepstakes promoters earn millions of dollars in profits by requiring consumers to call costly "900" numbers to claim their prize. Don't fall victim to this marketing technique.

**IF IT SOUNDS TOO GOOD TO BE TRUE, IT PROBABLY IS!** Remember, if you've won a prize, then it is yours for *free!*