

Telephones are doors for criminals

By ROGER SHUMAKER
Special to The Capital-Journal

We hear the sad stories, confident such things can't happen to us.

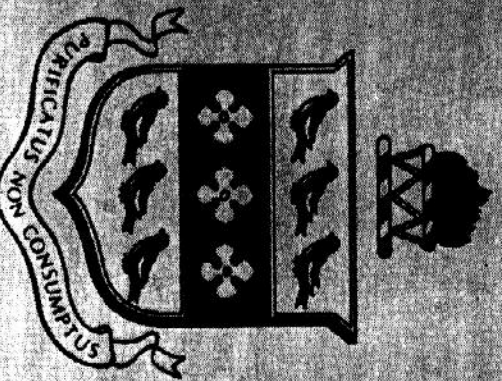
A senior gets a call from a young woman who cheerfully proclaims that the senior has won a prize. The professional telemarketer smoothly assures the victim that his name was drawn from thousands of others and that he is entitled to a free Caribbean

cruise for two. To get the prize vacation, the single simply needs to pay a modest "handling" fee to get the tickets for some fictitious cruise ship. And because the deadline for prize acceptance is "today," there's too little time to mail a check for the \$29.95 handling charge.

The telemarketer suggests a couple of easy alternatives. She says the senior can give her a bank account or credit card number over

See PHONES, page 3

Leave a legacy that will last a lifetime...



The Gift of Learning.

Contact Charlotte Adair at the Washburn Endowment Association to learn how to establish a provision for Washburn in your estate plans.

231-1020

Whats the worst thing about death after all the gut wrenching anguish, the funeral and the empty house?

For many survivors, it's an empty bank account. Even though the dearly departed's estate has plenty of cash and other assets, many surviving loved ones are left penniless while the cumbersome behemoth called "probate" wallows in a muck

Phones

Continued from page 2

the phone. The senior bites the hook, gives the telemarketer a credit card number and the deal is complete. He'll never see the cruise tickets. His \$29.95 is gone, but it isn't over, yet. In a few days, he'll get a credit card bill for thousands of dollars. The card has been maxed out because clever crooks know how to use credit card numbers.

Unfortunately, increasing numbers of telemarketing crooks target seniors because seniors have more ready cash than many other segments of the American public. Seniors tend to be home during the day, therefore being even more vulnerable to all kinds of telemarketing schemes.

Responding to this disturbing trend, the U.S. House of Representatives recently passed a bill to stiffen the punishment for telephone crooks who specifically target seniors. The Telemarketing Fraud Expansion Act (HR 1847) expands the Crime Bill of 1994, easing the recovery of damages for fraudulent

salary frozen in probate court.

Die without a will, or a lack of other planning methods designed to avoid probate, and that's where every dime winds up.

Yet, there's something people can do right now. Or, the minute the bank opens its doors on Monday morning. Transform existing checking and savings accounts and CDs into "pay on death" accounts. All it takes is a simple form. You fill it out,

investments and bilked consumer funds.

The bill also would prohibit the transfer of revenues from one company to another, after the first company is shut down. In the past, fraudulent telemarketing firms simply changed names and moved to another location with the same employees after being closed by law enforcement officials.

Seniors are meanwhile cautioned to remain on the alert. New laws are unlikely to stop the highly lucrative trade in phone telemarketing offers.

Prevention is the best defense.

■ Never give anyone critical, personal information over the telephone, such as credit card and bank account numbers.

■ Never pay for so called "free" vacation awards or contest prizes. If they're supposed to be free, why pay a fee?

■ Be especially wary of anyone in a hurry.

Never be rushed into making any kind of purchasing decision. If a "dream vacation" is legitimate, for example, the promotional company should be willing to send you information about the prize. Also, this would allow enough time for you to check out the company.

be able to use that money in knots.

After you die, the person you named to receive the money merely shows the bank proof of his or her identity and a certified death certificate.

The concept of pay on death designations also can apply to U.S. Treasury securities, various brokerage accounts, pension and profit sharing plans, IRAs and more. However, some of those require you to designate a primary beneficiary when the

■ Take steps to investigate the company by contacting one or all of the following: The Federal Trade Commission's Telemarketing Division, Sixth and Pennsylvania Ave. NW, Suite 200, Washington, D.C., 20580; or the National Consumers League, 1-202-835-3323, at 1701 K St., N.W., Suite 1200, Washington, D.C., 20006; or the National Fraud Information Center, 1-800-876-7060, P.O. Box 65968, Washington, D.C., 20035.

Adding to the aggravation is the growing practice of telephone "slamming." The Federal Communications Commission receives thousands of slamming reports each year, calling the practice a leading source of telephone related complaints.

Swarms of new, long distance companies enter the marketplace every year. Competition is stiff and some companies try to cheat the odds through the unlawful practice of slamming.

If your phone bill shows charges by an unfamiliar local or long distance telephone company, you might have been slammed. More and more competing phone companies manage to change your local or long distance carrier of choice without your authorization.

when one true snows that two people own equal shares of the property, a situation called "joint tenancy." It means ownership of the property automatically passes to the surviving joint tenant.

Other methods to keep property out of probate include things like living trusts, but they're more complex and costly to set up. Ask your elder planner or estate attorney for more details on living trusts and other methods designed to avoid probate.

Slamming no longer affects only long distance service. Local service can be slammed, and both residential and business telephone accounts have become targets.

Telephone slamming can happen in a variety of ways, both electronically and by telephone solicitation. Some companies call with offers to consolidate all of your phone charges on one, convenient bill which you probably already have. Most consumers already get one monthly bill from a local phone company.

One way or another, the FCC requires some kind of authorization from you before a change of phone companies can occur. Many companies ask for your permission in writing, but that written permission can be disguised as being part of a promotional giveaway or a small check. Once cashed, the check may authorize a change of telephone companies providing your service.

Consumers stand to lose when the slam affects the quality of service, the loss of features offered by your former company, higher rates and other disadvantages.

Roger Shumaker is a financial planner in Topeka.