

# Fraud Alert!

November 10, 2005

## DON'T PAY WHAT YOU DON'T OWE

### Part I

Our office received a call from a small business owner who found an unexplained \$8.50 charge on his phone bill. He called the company that submitted the charge and was told that the charge was for a “discounted directory assistance service”, which he had not ordered. Seems like a pretty minor matter, so why mention it? Because it is not a minor matter. Many millions of dollars are lost each year by consumers who do not closely monitor their phone bill, credit card, bank and other statements for unauthorized charges. To protect yourself:

1. **Open invoices and statements the day they arrive**, and examine them carefully for unauthorized transactions. Many scammers apply small amounts to your bill in the hope you will not notice such a small amount, but the amount will be there each month until you stop it.
2. **Report any problems immediately.** You may be held responsible for unauthorized charges if you do not report them within a certain time. For example, false credit card charges must be reported within 60 days of their first appearance on your statement.
3. **Always read the fine print before signing anything!** Some apparently unauthorized charges may in reality be something you did authorize. You just didn't know it. You entered a drawing or cashed a small check you received in the mail as a “thank you” gift. Hidden in the fine print may be a statement that by accepting the “free” gift or entering the contest, you are also agreeing to take another service or product; and it will not be free.

## Part II

District Attorneys' Offices throughout the Denver metro area are receiving numerous complaints from citizens contacted by collection agencies seeking payment on debts that are 7-10 years old. In many cases the person who is being contacted did not incur the debts. In one case, a bankruptcy had wiped out the debt many years before. In most cases the amount owed is small, and the collection agency offers to settle for a percentage of the total **if** the consumer makes payment immediately. Some have reported that they paid bills they did not owe rather than endure the hassle and risk something negative being added to their credit report.

The District Attorney advises anyone who receives one of these calls to review the Colorado Fair Debt Collection Practices Act **before** you do anything. The Colorado Fair Debt Collection Practices Act defines what a collection agency can and cannot do, and the consumer's rights and responsibilities when dealing with a collection situation. There are two excellent sites where you can obtain information on debt collection practices under this act:

1. The D.A.'s website, [www.da18.org](http://www.da18.org), has a document on debt collection practices that is written specifically for the layperson. Just click on "Colorado Fair Debt Collection Practices Act" in the lower left hand corner. If you do not have access to the Internet, call the Fraud Assistance Line (see below) and we will mail you a copy.

2. The Colorado Attorney General's website also has helpful information. Go to [www.ago.state.co.us/cadc/cadcmain.cfm](http://www.ago.state.co.us/cadc/cadcmain.cfm).

**Need help?**

**Call the D.A.'s Fraud Assistance Line**

**720-874.8547**

