

BUSINESS TO BUSINESS

Scammers not only prey on individual consumers, but businesses, from large corporations to the small "Mom and Pop" stores. No matter whether the scammer used the mail, the telephone, or the internet, the best defense against scams is to follow some basic rules:

- Do business with companies you know and trust. If you don't know them, check them out.
- Understand the offer. Get all the details and promises in writing.
- Check all bills and invoices carefully. It's hard to get your money back once you've paid it to a con artist.
- Guard your financial or other account information. Don't provide it to anyone unless there is a legitimate reason to do so as part of a transaction.
- Educate your employees about avoiding scams. Designate purchasing agents for ordering, receiving and paying for supplies. Make sure they understand their roles and responsibilities
- Don't give out any information on makes and models of office equipment over the telephone unless you're sure you know with whom you're talking.

Being aware of common scams that could target your business can help prevent your company from becoming victimized.

FARM SCHEMES

Consumer Protection routinely receives complaints from farmers who have been contacted by out-of-state firms selling fuel additives, pesticides or tools. In many cases, after the consumer agrees to make a small purchase on a trial basis, they are sent larger quantities of unordered merchandise with large bills attached. Even though the consumer says he didn't order the larger shipment, the company says they will turn it over to a collection agency if the bill is not paid. See the Unordered Merchandise section of this handbook for more information.

Telemarketers typically try to place their sales calls early in the morning and catch the farmer before he goes to the field or out to do chores. If you receive a call of this kind, take the time to make an informed decision by checking out the solicitor and by comparing prices with local businesses.

SOUTH DAKOTA OFFICE OF ATTORNEY GENERAL

**CONSUMER
PROTECTION**

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This handout is for informational purposes and should not be construed as legal advice or as a policy of the South Dakota Attorney General. If you need advice on a particular issue, you should consult a private attorney or other experts.

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FAKE INVOICES

Schemers know that businesses sometimes get very busy and can make mistakes in accounting. Fraudulent people prey on these weaknesses by lifting names from mailing lists, business registers, the Yellow Pages, or published advertisements and send "fake" invoices for directory listings or advertising. To the company's accounting department, the invoice may seem genuine and may even include the name of a company executive as the "authorizing agent." However, the invoice may be a solicitation in disguise and in very fine print contain the following disclaimer: "This is a solicitation. You are under no obligation to pay unless you accept this offer."

- Check the paperwork closely.
- Confirm that an order was placed by your firm.
- Don't pay until you verify the goods or services are received.

TONER PHONERS

Office supply schemers frequently operate from a supply warehouse thousands of miles from their prospective victims. The schemers target all kinds of businesses and organizations, including restaurants, professional offices, religious groups, schools and hospitals. They generally sell products needing constant replacement, such as office and maintenance supplies. While the schemers use many different ploys, the following are some common tactics used.

- They rarely deal with the authorized purchasing agent.
- They may mislead you to solicit an order.
- They may claim to be conducting a survey of office equipment or updating their records.
- They may try to pressure you into placing an immediate order.
- They may offer free gifts.
- They may misrepresent merchandise, including the quality, type, size and brand of their products.
- They may refuse to accept returned merchandise.