Dallas Bestseller

Everything you always wanted to know about preventive consumerism

BUT WERE AFRAID TO ASK
You may always be fortunate enough to deal only with the many legitimate businesses operating in Dallas County. There are, however, those people who make it their business to swindle millions of dollars from Dallas Citizens each year. How do you tell the difference? What can you do to protect yourself?

These questions, and many others, are discussed in this booklet prepared by the Specialized Crime Division of your Dallas County District Attorney’s office. I urge you to read this booklet carefully and heed its warnings. Don’t give the white collar criminal a chance to make you a victim.

Sincerely,

Henry Wade
Dallas District Attorney

PREVENTIVE CONSUMERISM

How Can I Avoid Problems?

Be prepared — Avoid impulse buying on major items.

Impulse buying — just seeing an item you like and deciding you have to buy it right now, is one of life’s secret pleasures almost everyone enjoys. When it is just a small item — a box of candy or an inexpensive toy for a child — it can be harmless fun that brightens a day.

But beware. The most important rule of preventive consumerism is avoid impulse buying on major items. Shop around before buying such items as a car, television, refrigerator or expensive furniture. Compare prices and quality of the item you want to buy. Telephone stores in nearby areas and ask them their price on the particular item. Talk to people who have bought the product. There may be a better product at a cheaper price elsewhere, or even at the same store. One brand slightly more expensive may be of much higher quality.

You may regret your impulse a month later when the product breaks.

Handy guides to product quality are magazines such as Consumer Reports (available at many newsstands). Consumer Reports is published by an independent organization that tests products and evaluates them for you. The magazine describes which brands are overpriced, which ones are potentially dangerous because of hidden defects, and which ones are good buys and are of good quality. Often an inexpensive brand of a major appliance may be as good a quality as one priced much higher, and the magazine reveals this fact to you. The report will also give you an idea of the features you should be looking for in the product you wish to buy, inherently troublesome areas with a product, and the most important points to check before buying.

Read all documents you are asked to sign when buying a product. In most instances, the seller cannot change terms of the manufacturer’s warranty. The sale is on a “take it or leave it” basis. Knowing what the warranty provides at the outset will help avoid disappointment and frustration later. Read the warranty carefully before buying. If you do not understand the warranty, ask for an
is a standard practice of many salesmen to discourage review of the detailed printed terms of transactions by suggesting buyers are being ridiculed to read and understand all terms of the transaction. DON'T FALL INTO THIS TRAP. If the words were not important, they would not be in the contract. Buyers are entitled to read them carefully, and understand them fully before entering into any transaction. The buyer's insistence to read and understand the documents simply proves he does not want to throw away his hard-earned money.

Remember, always get a copy of any contract you sign and keep it in a safe place for future referral.

Credit Contracts

Always read credit contracts and follow these guidelines for avoiding credit contract problems: (1) Never sign any contract until all blanks have been filled in. Unused blanks must be filled with a zero, an asterisk, a dash, or X's. (2) Never sign a substitute contract if a salesman telephones and says the first contract was lost, damaged, or filled out incorrectly. If this happens, contact an attorney or legal aid before signing any contract. (3) Never sign any contract unless every document has been read carefully. (4) Never sign a contract unless you are sure you can make the payments.

Buying a (Used) Car

Millions of cars are purchased every year. A high percentage of these sales result in fraud upon consumers. To avoid being defrauded, the buyer should take the usual precautions: never sign any contract in a bank. Check around for different sources of credit before borrowing money.

When credit is extended from a retail sales outlet, or from a company that sells for credit, before buying a car, and are poor shoppers when the car needs repair. Since services are protected, shop a round for a good plumber or electrician or auto mechanic when you need one of them. If your car needs repair, get an estimate first. A recent study of auto repair shops showed some shops charge 10 times as much as others for doing the same job. Professionals such as doctors, lawyers, or brokers also sell a service. Shop around. Do not hesitate to ask a professional, in advance, how much his services will be. If you think the price is too high, ask for a detailed itemization of what is involved in arriving at the figure. Do not hesitate to ask a professional a question which you would ask anybody when buying a service.

Bait and Switch

Bait and switch advertising is an insincerity of offer a consumer. The merchant "baits" customers into the store with what appears to be a bargain, then "switches" them to a product which offers him a higher profit. This scheme is used in the sale of many items such as appliances, etc. Here's how it works: An advertisement promises Mr. S. C., Beef for 45c per pound. When you enter the store, the salesman is kind enough to tell you that the advertised meat is fat and probably tough. He then directs your attention to a meat which sells for 79c per pound. He assures you that you are "baited" into the store with a promise of meat at 45c per pound, but you are going to be "switched" to meat at 79c per pound. By disparaging his own product, the salesman increases his profit at your expense. The meat is inferior in some instances where certain home appliances are advertised as nationally known models. When the model is shown to you, the salesman degrades it by saying it is an out of date, or defective model, and immediately "switches" you to a more expensive, higher profit model, which is often an off brand. On occasion, when you respond to a "bait" advertisement, the item advertised is used or the store has just sold the last one.

The practice is even more serious when it comes to engine overhauls and transmission repairs. What is advertised as a $10 special, the "bait", may turn out to be a "switch" to a $500 repair job. If you do not use the job and refuse to pay for putting your car back together, you may take your car home in a dismantled condition, or the repairman may keep your car and sell it to pay the bill. Bait and switch should not be considered a sign of low integrity. This practice called "trading up." A business man can be honest about his products and tell you of its shortcomings without running it down.
Unordered Merchandise

Unordered merchandise is mailed by unscrupulous businessmen with two thoughts in mind. First, the receiver will be under the impression (because of some correspondence in the package) that he ordered the merchandise, and will pay for it. Second, the businessman feels that by constant billing, he can force the consumer into paying. By law, unordered merchandise is a "gift" and need not be returned or paid for.

Contest Winners

Contest winners are often chosen from mailing lists. On a mailing list of 1,000 persons, for example, you may get the first place winner and the nine hundred and ninety-nine second place winners. Second prize is a discount of $150 on a $229 sewing machine. As a "winner" he becomes the opportunity to buy the sewing machine for only $79.95, when in truth, the cost of the program will exceed the money you save. You have paid $950 plus interest, for $700 worth of merchandise.

The Encyclopedia Sales Game

Your "free" encyclopedia may be worth nothing in the salesman's mind if you agree to assist his company's "advertising promotion". The salesman represents himself as a part of a survey research team. Always ask to see proper identification of any salesman or researcher before letting him into your home. The salesman probably will say you have been selected to participate in an advertising program for a new encyclopedia, in a prepublication offer. The company only asks that you write a letter recommending the encyclopedia, and to use the books. To qualify, you have to have enough money to pay for the added extra "bonus" that goes with the encyclopedia program. Of course, you must purchase the bonus before you can buy the encyclopedia. The total cost of the program will exceed the value of the encyclopedia and bonus.

Wholesale Buyer's Club

Wholesale buyer's clubs guarantee you will be able to buy merchandise sold at retail stores at discounts ranging from 15–75 percent. The salesman persuades you to sign for a $30 program by showing you examples of items that can be bought at savings. He does not explain the examples are not truly representative of the program. Next, he offers bonus so you will sign the contract, and pay for the 6-months which the meat is supposed to last. More often than not, you will discover the meat is not enough to feed your family for a 6-month period, and that the interest on the contract exceeds the money you save. You have paid $950 plus interest, for $700 worth of merchandise.

There are legitimate wholesale food plans. A thorough investigation, including a check with your local Better Business Bureau, is suggested as a way to verify these plans.

If your purchase is $150, he will be quick to explain that your bill will be paid if only five of your friends buy the product. However, chances are you will pay the full price. Assume the salesman calls on you first and contacts the five persons whose names you gave him the first week. He will contact six persons by the end of the first week — you and five others. If each of your five friends give him five names and he contacts them, at the end of the second week, he has contacted 31 people. By the end of the ninth week, the salesman has talked to 500,000 more people than live in Texas. At the end of the 12th week, he has contacted 100,000,000 more people than the population of the world. Obviously, even if you were the first person the salesman visited, the plan would never make you a lot of money. In all likelihood, the salesman is well past the sixth or seventh week by the time he talks to you.

Franchises and Investments

There is more than meets the eye to the slogan of the Better Business
Bureau, “Before you invest, Investigate”

When you respond to advertisements for a franchise you receive advertising literature that promises the moon. The literature itself is of such quality that you believe you will receive the moon, and another two-thirds of this is based on the premise that the advertiser is able to place in an "escrow" subject, of course, to sales commissions and the syndications’ overrides. By the time a commission and override is taken from the front, very little left for "escrow", and the "escrow" is really nothing more than a checking account any of the company may use at his discretion.

Many times an investment package in land development constitutes a "security". These securities are not registered under our Securities Act nor are the salesmen and officers of the company registered as dealers in these securities as required by law. Again, before you invest, investigate.

Vending Machine Franchise

Vending machine promoters promise profits of over $1,000 per month with a minimum investment of up to $5000, and eight to 12 hours of your time each week. REMEMBER: this type of vending machine promoter is primarily interested in selling vending machines. You may find you have bought a $50 vending machine for $500. Although promoters promise "prime" locations, such as airport terminals, and other high traffic areas, most machines are placed in service stations next to machines which have been there for some time. Once you have invested with this kind of vending machine promoter, you have two choices of getting your money back; either from the company or making any money from your route — slim and none.

Chain Letters

Chain letters promise exaggerated returns when you send a dollar to the promoter. These securities are not registered under our Securities Act nor are the salesmen and officers of the company registered as dealers in these securities as required by law. Again, before you invest, investigate.

Home Franchises

"Mail postcards from your own home", promises an ad, "and make money in your spare time". For a franchise fee of $50, you are promised a certain ten percent of the sales price of all parts and equipment. If you refuse to pay the franchise fee, the advertisements are not forthcoming and you are out your investment.

Lo-balling

Lo-balling is a common business fraud by some dishonest businessmen who offer a service at a very low price. Essentially, this practice consists of getting an item, like your automobile transmission or motor, into a repair shop. After it has been dismantled, you are told a substantial repair job must be done before your automobile will operate properly. The repairs are for problems you never knew existed. The repairman tells you he just happens to have a special rate on these repairs. If you insist he perform only the service originally offered, the repairman states if you want him to put the set on the work bench. A贵族though most sets can be repaired in the home, the repair has been a lucrative business across the nation for many years. It takes an expert to know what is wrong with the set. Although most sets can be repaired in the home, the repairman tells you that if you pay for a stereo at $72 weekly at $6.50 per week, the stereo will be yours. These contracts are not registered with the State Attorney General, the renter/seller is obligated to tell you the dollar amount of interest, the annual percentage rate, the down payment, and the number of payments. With this type of agreement, there may be a provision that the seller can cancel at any time for any reason. Do not sign contracts with this provision, or you may discover at the end of the period that the landlord cancels the contract and takes back the stereo. When this happens, 71 weeks of payments go down the drain.

Aluminum Siding

The most common tactic in selling aluminum siding is the advertising approach. When you are told that you have been selected as a representative in your area to exhibit aluminum siding on your house. The only requirements are that you write a letter to the company expressing your gratitude for the free siding, and that you pay for installation. The cost of installation can exceed the fair market value
of the aluminum siding, and the siding itself may run out to be of inferior quality that will leave your house in worse condition than before the job was undertaken.

Another selling method is combined with a mechanics lien racket. You sign a contract agreeing to pay for the aluminum siding on the basis you do not pay the total price, a siding is installed, and the final cost of the mechanics lien will be placed on your house would be sold to be sure the contract contains the total price. Deal with a reputable contractor.

Another scheme used by dishonest contractors is to finish a given job in a short period of time, take full payment of the contract price from the owner, and then skip without first paying all subcontractors and laborers who provided their services in completing the contract. The subcontractors then place liens against the owner's property for their materials and labor. The home owner is left holding the bag.

To avoid these situations, contact the Better Business Bureau to see if the contractor is reputable. Also, ask the contractor for references of people he has done home repair and inform him of the job he will be doing. Then follow up by contacting these people and asking if the contractor did a good job. Determine if the contractor has bonded. It is also a good idea to pay only for the materials as they are needed and to pay for labor upon completion of the job.

Swimming Pools

When contracting to have a swimming pool put in your yard, be sure you deal with a reputable firm that will be around to finish the job. Many people have paid half the cost of the pool to get the hole dug and then the other half of the cost to have the materials delivered. The materials were then picked up by the company and the company skipped town. The consumer is left with an empty bank account and a large muddy hole in the yard. Again, always check with the Better Business Bureau before contracting for home improvements.

High School Diplomas
High school diplomas are offered for persons who have not obtained a high school education. Schools offering diplomas occasionally prey on the unemployed by offering them home study courses. Frequently, tuition is expensive, and the diploma may not be worth the paper it is printed on. To determine the school's reputation, check with the Texas Department of Education, Austin, Texas. You should also check with your local Board of Education to see what programs they offer free or for a nominal amount.

Correspondence Schools

Correspondence schools offering jobs for writers, artists, and the like, are frequently nothing but an out-of-work artist with a post office box. If you send in a trial sample, regard

Health Clubs

Some health clubs make misrepresentations about membership fees. You may be given the impression that you will pay two or three times the present rate if you delay your membership application. When you sign up

PERSONAL IMPROVEMENT

Dance Studios

Some dance studios prey on widows, widowers, elderly people at the lonely. They tell you that you can make new acquaintances, new friends, and become the life of the party by learning to dance. Y

Trade Schools

Usually, advertisements for trade schools appear in the help wanted section of the classified advertising section of our daily newspapers. The bold print reads: "$30,000 jobs available. Interested方 please contact For heavy equipment operators. Make $200 per week." Initial offers guarantee professional training, housing while you are going to school, and a job when you finish. After enrolling, you find that the training is inadequate, there is no housing, and the jobs are no easier to find than before you went to school. The training you received could be received on the job from a general contractor. These schools operate in the areas of heavy equipment, automobile repair, airline maintenance and others. Under no circumstances should you pay tuition in full before beginning training.
for a two year period at $20 per month, you should realize you are signing a two year contract and agreeing to pay a $480 membership fee. If not aware of this at the time you sign, you certainly will be when you are contacted by the financial institution to which your contract has been sold. The financial institution then becomes a holder in due course, and you are obligated to pay for your membership fee even if you decide to stop going to the health club or if the club goes out of business.

Medical Fraud

Medical frauds are perpetrated on those who are afflicted with incurable diseases. Millions of dollars are being spent on research to find cures for incurable diseases. If a cure is found for your particular ailment, it will not be advertised through the classified advertisement nor sold door to door. Check with your doctor first.

How To Complain

1. First, be sure you have a valid complaint. Tell your story to a friend who will be honest with you.

2. Go to the company or person who you feel is at fault and explain your complaint to them. Many misunderstandings can be resolved by talking directly with the person that has caused the problem.

3. If you cannot get satisfaction by complaining directly to the party at fault, call or write to one or more of the appropriate agencies listed below. Be sure you include these details:
   a. the name and address of the person or firm you’re complaining about.
   b. the exact nature of your complaint.
   c. the kind of satisfaction you want (repair, replacement or refund).
   d. the steps you have taken to try to get the person or company to help you.
   e. what the person or company did in response to your complaint.
   f. copies of all contracts, sales slips, guarantees, warranties, brochures, advertisements, and all correspondence you have had with the company or person concerning your complaint.

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North Texas Regional Office
2930 Turtle Creek Boulevard, Suite 114
Dallas, Texas 75219
(214) 742-8944

Better Business Bureau of Metropolitan Dallas, Inc.
Dallas Federal Savings Building
1505 Elm Street
Dallas, Texas 75201
(214) 747-8891

Consumer Credit Commissioner
Room 118, 6434 Maple Dallas, Texas 75235
(214) 358-2711

Dallas Legal Services Foundation, Inc.
912 Commerce, Room 202
Dallas, Texas 75202
(214) 742-1831

Federal Trade Commission
500 South 4th Street, Suite 452B
Dallas, Texas 75201
(214) 749-3056

South Dallas Information Center
2808 Pennsylvania
Dallas, Texas 75215
(214) 426-5401

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