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AG Coakley Urges FTC to Update Telemarketing Sales Rule to Protect Consumers From Fraud

BOSTON – Looking to reflect the realities of today’s marketplace and to better protect consumers from unscrupulous telemarketers, Attorney General Martha Coakley has called upon the Federal Trade Commission (FTC) to update the Telemarketing Sales Rule.

In a [letter today](#), AG Coakley joined 37 other attorneys general in asking the FTC to update the Telemarketing Sales Rule to further protect consumers from the continued prevalence of telemarketing fraud and abuse.

“Our office is concerned about the number of unwarranted telephone calls seeking personal or financial information,” AG Coakley said. “We urge the FTC to strengthen its guidelines for telemarketers in order to enhance consumer protections and prevent continued scams and abuses.”

The attorneys general support the existing Telemarketing Sales Rule, but note the following areas of concern:

- An increase in the number of fraud complaints from consumers who are contacted by telephone;
- The pervasiveness of media solicitations and advertisements that has resulted in an increase in calls from consumers to telemarketers, for which there are insufficient consumer disclosures required;
- The use of certain novel payment methods that allow retrieval of funds with little meaningful scrutiny of the recipient’s identity; and
- Telemarketers’ use of consumers’ debit and credit card account information obtained prior to telemarketing sales calls.

Telemarketing and its abuses occur when consumers are engaged in phone calls with businesses in the privacy of their homes or on their personal cellular telephones. State attorneys general are on the forefront in fielding consumer complaints, investigating, and taking legal actions against those who prey on victims using telemarketing and negative option scams.

According to recent statistics by the FTC, in fiscal year 2013, more than 3.7 million telemarketing complaints were filed with the Commission. Telemarketing complaints also rank among the top five complaint categories received from citizens in many states.

The states and territories that signed today’s letter are: Alaska, Arizona, Arkansas, Colorado, Delaware, District of Columbia, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Northern Mariana Islands, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Vermont, and Washington.

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