

## Consumer Myths - Part 2

"People learn something every day, and a lot of times it's that what they learned the day before was wrong."

-- Bill Vaughn, American columnist and author (1915-1977)

"Facts are to the mind what food is to the body."

-- Edmund Burke, Irish philosopher and English statesman (1729-1797)

Last week, this column focused on common consumer myths identified by several state attorneys general.

If 'facts are to the mind what food is to the body,' then consumer myths are "junk food." Here are five more mis-beliefs.

**Myth #6:** "Money cannot be withdrawn from my checking account without my written signature."

**Fact:** Under banking law regarding "demand drafts," merely giving out your checking account number might result in withdrawals from your account. Someone could issue a demand draft to your bank, claiming you authorized the withdrawal, and your bank may pay it even though it lacks your signature. You may not know that has happened until you receive your next statement.

A scammer might say, "We just need your checking account number to confirm your creditworthiness." Beware! Often, a scammer may take only a few dollars from your checking account – but a scammer will do this to thousands of accounts, and it adds up. Check your bank statements carefully.

**Myth #7:** "It's safe for me to give my credit card number for identification if I don't authorize a charge to my account."

**Fact:** Allowing your credit card numbers to be used for identification is a mistake. Con artists who gain access to your credit card number and expiration date may make unauthorized charges to your account. Only use credit cards with familiar, established businesses. Some credit cards have helpful "charge back procedures" that can protect you if you have difficulty receiving the product or service that you bought. Never give out your credit card number to an unfamiliar person or business.

**Myth #8:** "When I am solicited by a charity, I can expect almost all of the money to go to the intended charitable purpose."

**Fact:** Whether this statement is true depends on the charity. Charitable organizations are not required to spend a certain percentage of donations on their stated charitable purpose. Those that use professional fundraisers usually have higher overhead costs. You can ask the caller if he or she is a paid solicitor or a volunteer for the charity, and what percentage of the donation will actually go to the charity.

**Myth #9:** "Ads I see or hear on TV or radio or in newspapers or magazines are accurate, or else they would not be allowed in the mainstream media."

**Fact:** There is no government requirement that advertisements be submitted to any public agency for advance review. Also, the media are not legally required to investigate or validate the truth of advertisements they broadcast or print.

**Myth #10:** "I'll have a better chance of winning one of those publisher sweepstakes contests if I purchase magazines."

**Fact:** It is illegal for sweepstakes promotions to require any type of purchase of payment. Entrants who don't purchase magazines must be given the same chance of winning as those who make purchases. "No purchase necessary" is the law. Plus, Tennessee law says it's illegal to make you sign a publicity release in order to win.

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