

Beware of Toner Scams

“Toner Pirates” are telemarketers that prey on un-informed employees with slick talk and promises of low, low prices. Office supply fraud is a serious, chronic problem and all businesses and organizations are at risk – including franchisees, charitable organizations, places of worship, government offices, even sororities and fraternities. Toner scams cost American businesses an estimated \$200 million annually.

It all begins with a phone call...

The primary purpose for the call is to obtain information that makes the invoice for unordered merchandise look legitimate. These telemarketers may ask for the name of the person that orders supplies, serial number and brand of your office equipment, confirmation of business address and may even ask if your business would like to receive a free gift. Telemarketers state or imply that they are calling from the regular, previous or “authorized” toner supplier. They tell you that it’s time to reorder before prices go up, are calling to complete an existing order or are asking for confirmation to send previously ordered merchandise.

Supplies will arrive at your office (usually unordered), they are not likely to be the brand, size or type that the office usually orders. An invoice will follow several days later for two reasons: First, the price charged for the supplies often is inflated, a fact that is less obvious if the invoice arrives after the supplies have been received and put away. The invoice typically ranges from a few hundred dollars, up to \$1,000. Second, it is likely that the victim will have opened the package and used the contents before the invoice arrives. Having done so, the victims feel obligated to pay for the products. After the office supplies and the deceptive invoice arrive, and if the business does not respond to the invoice, it will be sent additional invoices, often marked “past due.” Scam operators dedicate considerable resources to collection efforts, because, unfortunately, an organization that pays for unordered supplies may be targeted for additional scams. The fraud artists also count on the fact that a small business or organization will worry about its credit rating or reputation and thus feel under pressure to pay even bills that are dubious.

Their prices are always way more that you would normally pay anywhere else. If you call them to question the bill, they will try to guilt you into paying and some of them even make threats. Many people pay the bill because of this, otherwise they might feel like they are stealing.

Some businesses contact the scam operator and complain that the office supplies are unordered or that the price is too high. In these cases, scam operators react in predictable ways. The scam operator may try to bully the business by threatening, “they were ordered, and if you don’t pay, we can take you to court.” The scam operator might also try negotiating with the business to accept the goods at a lower price. After all, the goods and services are so overpriced that almost anything the seller gets is profit. The scam operator might also appeal for sympathy by stating, “We really need the business, I’ll let you have it for...” The scam operator may also try charging you for returned supplies. He might say that he can accept returns if they are accompanied by a “restocking fee,” which often is more than the supplies are worth. The scam operator might also try to get the organization to return the supplies at its own expense.

According to the Federal Trade Commission, you don't have to pay for unordered merchandise. The FTC says it's even illegal for them to bill you for something they sent that you didn't order. Don't fall into the guilt trap and pay for this, because they are forcing their overpriced merchandise onto you. If you are a victim of this scam, be sure to file a complaint with the FTC and Better Business Bureau.

The best defense against this scam is to keep your employees informed on how to recognize it. The scam works so well because it is very easy to get somebody to answer such a simple question about the printer in the office, and most of the time the person giving out the information has no idea what they are setting themselves up for. If you do make the mistake of telling them what kind of printer you have, just remember that you don't have to pay for anything you didn't order.

Office supply scams succeed because the invoices appear to be legitimate, employees may not be familiar with regular vendors and the cost of supplies, employees may feel they have consented to the transaction; it even succeeds when a business returns the supplies and pays a "restocking" fee, or negotiates a lower price.

Know your rights

You can protect your business or organization from becoming an office supply fraud victim. Here's how:

1. Know your rights. If you receive supplies or bills for services you didn't order, don't pay, and don't return the unordered merchandise. Once you've ruled out that an honest mistake may have been made, you may treat unordered merchandise as a gift. By law, it's illegal for a seller to send you bills or dunning notices for unordered merchandise, or ask you to return it – even if the seller offers to pay for shipping. Further, if the seller sends you items that differ from your order in brand name, type, quantity, size or quality – without your prior express agreement – you may treat these substitutions as unordered merchandise.
2. Train your staff. It's a good idea to train new and existing employees and volunteers on how to respond to telemarketers. Advise employees who are not authorized to order supplies and services to say, "I'm not authorized to place orders."
3. Purchase from people you know and trust. Authorized employees should be skeptical of "cold" or unsolicited calls and should not give out information on office equipment (brand or serial number). They should feel comfortable saying "no" to high pressure sales tactics. Legitimate companies don't pressure you to make a snap decision.