



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Fuschillo Legislation to Protect Consumers From Pay-Per-Call Prize Schemes Passed by Senate

CHARLES J. FUSCHILLO JR. June 21, 2012

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Senator Charles J. Fuschillo, Jr. (R-Merrick) announced today that the New York State Senate has passed legislation he sponsors to protect residents from pay-per-call prize schemes.

“Each year, thousands of residents are targeted in pay-per-call prize schemes that promise a free prize, but ultimately swindle consumers into paying exorbitant telephone fees which often cost more than the prizes themselves. In these fraudulent ‘contests’, the clear winner is never the consumer. That’s why these schemes need to be banned in New York State,” said Senator Fuschillo.

Pay-per-call prize schemes occur when a consumer receives a recorded phone call alerting them that they have won a prize. In order to claim the prize, consumers have to call a number, but they are often not told that it is a toll number which typically carries a rate of \$9.95 per minute. The consumer is typically put on hold, left to listen to a long pre-recorded message or led through a maze of prompts. Oftentimes, the cost of the call exceeds the value of the prize.

Senator Fuschillo's legislation (S. 7595A) would make these pay-per-call prize schemes illegal in New York State. Under the legislation, companies would be prohibited from holding a contest in which a pay-per-call service is needed to claim the prize and the consumer is charged a higher fee than is assessed by a telephone company regulated by the Public Service Commission.

The legislation has also been passed by the Assembly and will be sent to Governor Cuomo for consideration.