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CONSUMER WATCH

## *Office-supply scam hits churches, charities*

If you run a small business or non-profit organization, you already know it's tough out there. Besides working in a tough economic environment, charities and small businesses find themselves having to look for ways to save a buck every way they can. Unfortunately, that can make them targets of scammers, promising amazing deals that never pan out or even trying to collect money for orders that were never made.

This week, federal regulators announced they'd put a stop to an office-supply scam that allegedly swindled child care centers, educational institutions, churches, hospitals and other nonprofits by calling them and tricking them into paying for overpriced supplies they never ordered.

The Federal Trade Commission got federal courts to freeze the assets of several companies based in Maryland and California that are accused of using a variety of tactics to get companies on the hook for unordered merchandise. The agency announced the action in a news release this week.

"The defendants lied to small businesses, charities and churches to get them to pay for overpriced supplies they didn't order," said Jessica Rich, director of the FTC's Bureau of Consumer Protection. "That's not only shameful, it's also illegal."

In the California case, Beverly Hills-based Telestar Consulting Inc. (also doing business as Kleritec and United Business Supply, and Karl Wesley Angel) allegedly used a variety of tactics to persuade consumers to pay for unordered merchandise. For example, the FTC alleges the defendants called the consumers to offer supposed deals on, or free samples of, items like art supplies and cleaning products.

"They also asked consumers to accept an additional shipment by falsely calling it a 'backorder' that was supposedly part of an order the consumer had already paid for, and then billed them for the so-called 'backorder,'" noted the FTC. In other instances, the defendants claimed consumers had agreed to multiple shipments, when at most they had agreed to only one shipment. In addition, in instances in which consumers agreed to make a purchase, the defendants allegedly failed to disclose the total cost and quantity of goods, and the terms of the sale.

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