



September 28, 2010

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**ATTORNEY GENERAL MADIGAN WARNS VACATION TIMESHARE OWNERS OF RESELLING SCAM**

Chicago — Attorney General Lisa Madigan today warned Illinois residents to be on the alert for scam artists preying on owners of vacation timeshares. The scammers are posing as timeshare resellers to deceive consumers out of thousands of dollars.

Madigan's office has received dozens of complaints since January from timeshare owners targeted by the scammers.

The con artists typically contact the owners by phone and claim they've found a buyer for their timeshare. Often the fake reseller provides the owners with legal-looking documents to make the potential sale seem real.

If the owners express interest, the scammer tells them they must pay a refundable security deposit or fee to ensure that the sale goes through, and instructs them to wire money to an out-of-state bank account.

As soon as the owners wire the money as directed, they've fallen victim to the scam. In most cases, by the time the owners realize they've been defrauded, the con artists have closed out their bank account, disconnected their phones and disappeared.

Victims filing complaints with the Attorney General's Office have reported wiring as much as \$5,000 to the scammers.

In some versions of the scam, the con artists tell the owners they've found potential renters for their timeshare. In others, a person posing as a prospective buyer makes the initial call and urges the timeshare owners to contact the fake reseller immediately to complete the sale. Also, in some instances, the owners are asked to charge the security deposit to their credit card rather than transferring the money by wire.

Many scammers briefly rent a P.O. Box or office suite as a business address, and in some cases create Web sites to trick consumers into believing they are legitimate.

Seniors living on fixed incomes and persons suffering the effects of the economic downturn may be especially vulnerable to the scam, because they may view their seldom-used timeshares as a source of much-needed money. Attorney General Madigan cautioned that consumers should never assume they will recoup their purchase price for their timeshare, especially if they have owned it for less than five years and the location is less than well-known.

The Attorney General offered these additional tips for consumers who are considering selling their timeshares:

- Don't agree to anything on the phone or online until you've had a chance to check out the reseller. Contact the Better Business Bureau ([www.bbb.org](http://www.bbb.org)) and the state Attorney General ([www.naag.org](http://www.naag.org)) in the state where the reseller is located. Ask if any complaints are on file.
- Ask the salesperson for all information in writing. Under Illinois law, a timeshare reseller must enter into a listing agreement with the owner signed by both the owner and the reseller that discloses certain specified information, including the resale agent's contact information and the fees to be charged for the resale agent's services.
- Check with the Illinois Department of Professional and Financial Regulation to confirm that the reseller is registered as a real estate agent, as required by Illinois law.
- Ask if the reseller's agents are licensed to sell real estate where your timeshare is located. If so, verify it with the state Real Estate Commission. Deal only with licensed real estate brokers and agents, and ask for references from satisfied clients.
- Ask how the reseller will advertise and promote the timeshare unit. Will you get progress reports? How often?
- Ask about fees and timing. It's preferable to do business with a reseller that takes its fee after the timeshare is sold. If you must pay a fee in advance, ask about refunds. Get refund policies and promises in writing.

Consumers can contact the Illinois Attorney General's office at [www.illinoisattorneygeneral.gov](http://www.illinoisattorneygeneral.gov) or by calling the Attorney General's Consumer Fraud Hotline:

Chicago 1-800-386-5438  
Springfield 1-800-243-0618  
Carbondale 1-800-243-0607

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