

ESX News Conference Raises Awareness about Deceptive Practices



A June 25 news conference at ESX held jointly by ADT, ESA, CSAA and others, was a platform for representatives from business and industry organizations and residents to discuss the rising problem of deceptive sales practices.

According to a release by ADT, door-knocking scams are on the rise across the U.S. Companies like ADT are reporting nearly twice the number of consumer complaints over the previous year, and deceptive home security salespeople scam thousands of consumers every year.

David Bleisch, ADT general counsel, was the first speaker at the meeting. Bleisch said, “We know this problem is big enough that companies are actually training employees to do it. They are looking for people who want to do the right thing by whistleblowing.” He said there is nothing ADT would like less than bringing lawsuits against another security company, but they have to step up.

Bleisch said just a few companies out of thousands are responsible for these predatory practices, but it creates a black eye on the business and the industry as a whole. ADT is launching a national marketing campaign, believing people are less likely to be scammed if they know about these practices.

During just the past couple weeks as the summer selling season has kicked off, Bleisch said, ADT has participated in several news stories chronicling incidents in which scammers deceived unsuspecting consumers by making outrageous claims. “One of the stories focused on a widow from Knoxville who was told that ADT had been sold to a company in Japan and was now out of business. Unfortunately, she signed a five-year contract and will have to pay \$1,200 from her limited income to get out of it.” He explained about a pregnant woman whose husband travelled

often. Needing security in his absence, she fell prey to lies, signed a contract, and was double-billed, but never received security protection. “We find it particularly egregious when people scam military families,” he said.

Bleisch said he was *not* “knocking” door knocking. “Door-to-door selling is a very effective tool that has been practiced for decades, but it must be done the right way. Companies must train their sales reps to follow the ESA Code of Ethical Conduct and take swift and actionable responsibility when they fail. The bad behavior reflects poorly on an industry that is focused on protecting people and deterring crime.”

Baltimore resident Diane Pruitt described her experience with door-to-door salespeople engaging in deceptive practices: “I said, ‘You are not from ADT, are you?’ They began getting aggressive, but I pushed them out the door. What is so sad about this is you want to believe and trust people when they come to your door. People are being duped and it is costing them money. I congratulate ADT for having this program because we need to educate people on how not to be duped.”

Derek Layton, retired Baltimore city detective, said “I was a burglary detective and longtime ADT customer. My doorbell rang July 2. He said my ADT system is obsolete and he could get into it from his iPad. He said ADT is being sued for deceptive practices, but he couldn’t show me [proof]. We were standing there for an hour and a half, and he kept saying ADT is fraudulent and being sued. Finally, I said I needed to show him something. I then showed him my badge. He was still telling me my system was obsolete as he left. I Googled his company and discovered it had the majority of complaints from dissatisfied people who couldn’t get out of their contracts. Miserable.”

Layton said in his experience, by the time the police become involved, there is often nothing they can do for a homeowner because the homeowner signed a contract. He then said he applauded ADT for raising awareness and hopes it will help some people avoid being duped.

“No matter how small a company is, their company can be subject to this tactic,” Bleisch said. “Let your customers know that if someone claims to be with your security company, they should ask for photo ID and follow other Better Business Bureau recommendations.”

ADT is taking several steps to help curb deceptive practices, including offering a reward to anyone who can provide lawfully obtained information showing how alarm companies are training employees to engage in deceptive sales practices. Bleisch said they have made it easier and quicker for whistleblowers to claim the maximum \$5,000 reward.

Additionally, ADT requires all sales representatives to provide their ADT ID number when asked by a customer so customers can call ADT to verify the employee's status.

They continue to take legal action against companies that commit fraudulent actions, and they are implementing a PR campaign to raise public awareness.

Marshall Marinace, president of Electronic Security Association, which represents member companies that install, integrate and monitor intrusion and fire detection, video surveillance and access control systems, said he encourages members to make the ESA code of ethics part of their sales culture and training. The code specifically addresses the need for our members to:

- Carry identification and be properly licensed.
- Respect the consumer.
- Be honest.
- Read everything. Don't default to trust and quickly sign contracts without fully understanding what you are agreeing to.
- Don't give in to high-pressure sales tactics. "Must act now" offers and overly aggressive sales people should raise a red flag.

"We encourage consumers to know their rights," Marinace said, "but just as consumers need to educate and protect themselves from sub-standard marketplace behavior, businesses need to hold themselves and their peers to high ethical standards."

Visit www.esaweb.org for information.

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