

Direct Mail Company Settles Vermont AG Claims Related to Solicitation of Personal Data

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Main Street Power Mail Inc. recently settled claims raised by the Vermont Attorney General William Sorrell that the direct mail company violated state and federal law when it distributed mailings that requested personal information from consumers, but failed to fully disclose how that information would be used. The mailings purported to be an offer for free information about a life insurance product and asked each recipient to fill out and return a card with several pieces of personal information. In fact, according to the Vermont AG, the mailings were intended to create leads for insurance agents, and consumers received follow-up contacts from salespeople soliciting a product purchase.

The AG alleged that Main Street Power Mail's failure to disclose the "real purpose" of the mailings was an unfair trade practice under the state's Consumer Protection Act, and acted on behalf of the more than 980 Vermont residents who responded with personal data. Under the settlement, Main Street Power Mail is required to pay \$90,000 in penalties, and the company is further barred from contacting Vermont consumers (by mail or otherwise) to generate business leads without "clearly and conspicuously" disclosing that consumers who respond may be solicited to purchase a product.

Tip: When collecting information from consumers, both online and offline, companies should take care to ensure clear, conspicuous, and non-misleading disclosures are made about how the information will be used – particularly if consumer information will be used for solicitations and other marketing purposes.

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