SCR-27 — Timeshare Resale & Telemarketing Exit Fraud Defense Guide

A Complete Handbook and Web Resource for Timeshare Owners, Retirees, and Consumer Advocates

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Consumer Defense: Halting Cold-Calling Resale Syndicates, Busting Fake "Government Recovery" Scams, and Safely Exiting Timeshares

Executive Summary: The Perpetual Contract Nightmare

For decades, millions of American families purchased timeshare vacation intervals, enticed by high-pressure resort presentations promising lifetime luxury vacations. Today, however, an aging demographic of owners faces an inescapable financial reality: perpetual contracts, skyrocketing annual maintenance fees ($1,200 to $3,000+ per year), and unexpected special assessments for hurricane repairs and facility renovations.

Desperate to get rid of a timeshare they no longer use, owners over the age of 55 become prime targets for criminal telemarketing syndicates operating a predatory, two-front assault:

1. **The "Eager Buyer Waiting" Resale Scam:** Telemarketers cold-call timeshare owners claiming they represent an international travel agency or corporate client with an eager buyer ready to purchase their timeshare for an inflated price (e.g., $25,000 to $45,000). The scammer claims the sale is guaranteed, but requires the owner to wire upfront funds ($1,500 to $5,000) for "Mexican tax withholding," "international title registration," or "notary escrow fees." Once paid, the scammers invent secondary fees, draining tens of thousands of dollars until the victim exhausts their savings.
2. **The Phony "Government Recovery" Scam:** Scammers target victims who were previously defrauded. Posing as the Federal Trade Commission (FTC), State Attorney General, or Mexican Ministry of Finance, the caller claims law enforcement seized millions from the original fraudsters and a $40,000 restitution check is ready to be disbursed—if the victim wires an upfront "10% administrative processing fee" or "customs tax."

In May 2025, federal prosecutors in New Jersey secured guilty pleas against William O'Hanlon and his wife Karen Stefanowski for leading an extensive telemarketing conspiracy (United States v. William O'Hanlon et al.) that defrauded over 800 timeshare owners out of more than $2 million through entities like Williams Andrews Burns LLC (WAB) and Ryan James & Daniels Corp (RJD).

This handbook details federal protections under the FTC Telemarketing Sales Rule, the red flags of resale scams, and legitimate, cost-free timeshare surrender pathways.

Section 1: The Federal Telemarketing Sales Rule (TSR)

Under the Federal Trade Commission's Telemarketing Sales Rule (16 C.F.R. Part 310), consumers possess ironclad protections against telemarketing fraud:

The Upfront Fee Prohibition

- **It is a federal violation to charge upfront fees for debt relief or recovery services.**
- Telemarketers offering timeshare cancellation, debt negotiation, or asset recovery services cannot lawfully collect or request any payment **until they have fully executed the promised service** and provided written documentation to the consumer.
- Any telemarketer demanding an upfront fee, retainer, or wire transfer before a sale or exit is executed is violating federal law.

The Reality of the Timeshare Resale Market

- A crucial economic fact every timeshare owner must understand: **Timeshares almost NEVER have secondary resale value.**
- Because timeshares come with perpetual maintenance fee liabilities, thousands of active timeshares are listed on secondary sites (eBay, RedWeek, Timeshare Users Group - TUG) for **$1.00** by owners simply looking to give them away.
- Any cold-caller claiming they have a buyer willing to pay $20,000 or $30,000 for your timeshare is lying.

Section 2: The 5 Red Flags of a Timeshare Resale Scam

Watch for these warning signs when contacted about your timeshare:

Red Flag	Scam Profile	Legitimate Secondary Market Reality
1. Unsolicited Cold Calls	Caller contacts you out of the blue claiming they have a "corporate buyer ready."	Legitimate brokers do not cold-call random owners with pre-existing buyers.
2. Upfront Wire Demands	Demands $1,500 to $5,000 upfront for "Mexican tax," "closing fees," or "escrow."	Legitimate real estate closing fees are deducted from gross proceeds at settlement.
3. Inflated Valuation Claims	Promises to sell your timeshare for $25,000 to $50,000.	Secondary timeshare market values are typically zero or near zero.

Red Flag	Scam Profile	Legitimate Secondary Market Reality
4. Government Impersonation	Claims to be an "FTC Agent" or "Court Administrator" holding a restitution check.	Government agencies never cold-call consumers demanding taxes to release restitution.
5. High-Pressure Deadlines	Claims the buyer's deposit expires in 24 hours unless you wire fees today.	Legitimate closings allow standard statutory review and title review periods.

Section 3: How to Safely Exit a Timeshare (Zero-Cost Pathways)

You never need to pay an upfront "exit company" $5,000 to $10,000 to cancel a timeshare. Follow these proven legal pathways:

Pathway 1: Contact the Developer Directly (Certified Deed-Back Programs)

- Nearly all major timeshare developers (Wyndham, Marriott Vacations Worldwide, Hilton Grand Vacations, Disney Vacation Club) have formal **Deed-Back / Surrender Programs**:
  - **Wyndham:** "Certified Exit by Wyndham"
  - **Marriott:** "Exit by Marriott"
  - **Hilton:** "Transitions by Hilton"
- **Requirements:** Your timeshare mortgage must be paid in full, and maintenance fees must be current. The resort developer will take back the deed for free or a nominal recording fee ($250 to $500), permanently extinguishing your contract.

Pathway 2: Resale or Free Transfer on Timeshare Users Group (TUG)

- Visit **tug2.net**, the oldest and largest non-profit timeshare owner community.
- List your timeshare on the "Bargain Basement" forum for $1.00 or free, offering to pay closing costs through a licensed, reputable timeshare title company (like LT Transfers).

Pathway 3: Dispute High-Pressure Misrepresentation

- If you purchased the timeshare recently (within your state's statutory rescission window, typically 3 to 10 days), send a written **Notice of Rescission** via certified mail immediately to cancel the purchase with a full refund.

Section 4: Emergency Response Protocol — If Defrauded

If you wired money to a fraudulent timeshare resale or recovery company:

1. **Initiate an Immediate Bank Recall:** Call your sending bank's fraud unit within 24 hours to request an emergency wire recall.
2. **File Complaints with the FTC and State Attorney General:**
   - Federal Trade Commission: **reportfraud.ftc.gov**

    - State Attorney General: File a complaint in your state and the state where the timeshare resort is located (e.g., Florida or California).
3. **Report Government Impersonation:** If the scammer claimed to represent the FTC, DOJ, or IRS, report the impersonation to the Treasury Inspector General for Tax Administration (TIGTA) and the FBI at **ic3.gov**.

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