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Meetings Law: Beware of the Pirates!

By D. Benson Tesdahl, Esq.
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Modern-day pirates have been operating off the coast of Africa, seizing ships by force and holding the cargo and crew for ransom. But pirating isn't only a problem in far-away places: there is a type of pirate operating in the meetings industry that can have a significant impact on your meeting.

The Pirate Problem

You need to watch out for "room pirates." Here's how they operate: First, they find out about an upcoming meeting, usually from the host organization's website, from which they also pull a list of exhibitors. They are often experienced (but unscrupulous) room booking companies, and once they have key information, they reserve a small room block during the same dates at the same hotel.

Then they call your exhibitors and pretend to be agents of your organization. The pirates will sometimes say

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sleeping rooms are selling out and the exhibitor needs to provide a credit card number so that a reservation can be made. Or if the exhibitor says he already has a reservation, the pirate may say that a better room rate has become available and the reservation can be changed if the exhibitor supplies a credit card number. The goal is to have exhibitors unwittingly book within the pirates' room block.

Pirates siphon off as many sleeping rooms as possible, essentially stealing your room commissions and possibly leading to attrition charges. And by pretending to be agents of the host and claiming that rooms are nearly sold out, room pirates can cause confusion and panic among exhibitors and attendees.

Avast!

There are a number of things you can do to thwart meeting pirates. First, notify all exhibitors and attendees regarding how reservations should be made. Also, warn exhibitors and others not to give out their credit card number to anyone claiming to represent your organization, nor fall prey to claims that rooms are sold out or that a better rate has become available.

Second, make sure your hotel contract contains a clause that your group will obtain credit and commissions for rooms booked by your attendees "from any source." If you learn about pirates trying to poach customers, notify the hotel, ask them to shut down that alternative block of rooms, and have an attorney send a cease and desist letter to the company employing the pirates. The phone number will appear on caller-ID, so have exhibitors record it, which will help you track down the pirates online.

Finally, notify the visitors bureau; the local Better Business Bureau, which is powerless to take enforcement action, but can record the complaint and warn others; and the consumer fraud section of the State Attorney General's office.

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