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Profile: Down the Drain; Some salesmen use scare tactics to sell water filters

Announcer: From our studios in New York, here is Jane Pauley.

JANE PAULEY: Good evening. If your heart skips a beat every time you hear a car speeding down your street while your kids are outside, wait till you see what happened when our cameras finally caught up with some of those speeders. That's a little later.

But first, another topic close to home: clean, safe water. With war on the horizon and the country on guard against terrorism, it's become just one more thing to worry about. And don't think some of the people who sell those expensive home water filtration systems haven't noticed. As you'll see in tonight's Hidden Camera Investigation, some sales people are now claiming their devices will protect you not just from impurities, but also from acts of terrorism against your town's water supply. Do they and are they really worth thousands of dollars? Here's chief consumer correspondent Lea Thompson.

LEA THOMPSON reporting: (Voiceover) Imagine a salesman telling you your water contained a dangerous gas.

(Water pouring from tap; person filling glass with water; hidden camera footage of salesman)

Unidentified Salesman #1: (From hidden camera) Chlorine gas is very dangerous.

THOMPSON: (Voiceover) Or that the water you were drinking could cause a heart attack?

(Hidden camera footage of salesman)

Unidentified Salesman #2: (From hidden camera) It carries in a lot of dirt in through your arteries.

THOMPSON: (Voiceover) DATELINE has been investigating water filter salesmen, and from what we have found the truth about your water may be the first thing down the drain when they show up at your door.

(Hidden camera footage of salesman; water pouring from faucet; hidden camera footage of salesman)

Ms. ELLEN EADES: We had no concerns at all about our water.

THOMPSON: (Voiceover) Ellen and Richard Eades had been drinking their West Virginia tap water for decades. Then a water filter salesman came to perform a free water test last year. As he added some drops to a sample of their tap water, the Eades were stunned to see how their water changed color almost instantly.

(Ellen Eades washing dishes; person testing water)

Ms. EADES: It looked like sludge. I'm thinking, 'What is this we're putting in our body?'

THOMPSON: (Voiceover) Before they knew it, that free test turned into an hour-long sales pitch. First the salesman scared Ellen and Richard into believing their water might be dangerous. Then he convinced them his water filter would not only clean up their water, but even clear up her skin.

(Ellen and Richard Eades; water filter; running faucet; Ellen washing hands; Ellen's sores)

Ms. EADES: I just thought that I might have some relief, because I've had psoriasis for-- since I was in my early 20s.

THOMPSON: (Voiceover) The Eades paid \$4,000 for something called a "reverse osmosis" system made by Kinetico. But after a few months, Ellen's psoriasis wasn't any better.

(Water filtration system; manual; excerpt from manual; Ellen washing hands; Ellen's sores)

Mr. RICHARD EADES: It was something that was put to us as a fantastic deal that would do wonders, and we got left holding the bag.

THOMPSON: (Voiceover) The fact, is unless you have a private well, almost all water in the United States goes through a filtration plant like this before it ever gets to you. And it has to pass strict federal standards for safety before it is piped into your home. That doesn't mean water filters are worthless. They can remove minerals, chemicals and sediment that affect the way the water tastes or feels. But DATELINE heard that some water filter salesmen were taking their sales pitches a whole lot further. So we asked Shirley Jones, a West Virginia homeowner, to help us with an experiment.

First we made sure her water met federal safety standards. We even had it tested by a certified lab which found no health concerns or problems. Then we had Shirley call three companies, all the local dealers of nationally distributed water filter systems. Each was offering a free water test. None was aware our cameras were rolling.

(Body of water; water treatment plant; canal; running faucet; water in pipe; person filling glass with water; hidden camera footage of salesman; Shirley Jones rinsing out sink; running faucet; water test results; excerpts from test results; Jones dialing phone; Jones in home)

Ms. SHIRLEY JONES: (From hidden camera) Good. Hey, Culligan man.

JOHN: (From hidden camera) Yes, ma'am, that's me.

THOMPSON: (Voiceover) The Culligan man gets right to his test. He finds only that our homeowner's water is a little hard, a little high on mineral content, but is not unsafe to drink. This salesman is up front about that.

(Hidden camera footage of salesman)

JOHN: I'm not here to scare you.

Ms. JONES: (From hidden camera) You don't--OK.

JOHN: (From hidden camera) I'm not here to--to--to, you know, to beat on your drum. I'm not going to stay two hours to try to make you buy something.

THOMPSON: (Voiceover) When she says he's not ready to buy, he thanks her and leaves.

(Hidden camera footage of salesman)

Ms. JONES: (From hidden camera) Come on in.

THOMPSON: (Voiceover) This salesman, named Ed, is selling a Kinetico filter, the same kind Richard and Ellen Eades bought. He also finds her water high on mineral content. But Ed says that could mean big problems.

(Hidden camera footage of salesman; Richard at sink)

Mr. ED WISE: (From hidden camera) The harder water is, the greater chance you have of developing gall stones and kidney stones, though.

THOMPSON: (Voiceover) Gall stones? Kidney stones? And if that isn't enough to scare her, he tells her sometimes the chlorine is way too high in her area. Listen to this.

(Hidden camera footage of salesman)

Mr. WISE: (From hidden camera) Do you remember in World War II, you'd hear about mustard gas?

Ms. JONES: (From hidden camera) Yeah. I've heard of mustard gas. I've been...

Mr. WISE: (From hidden camera) OK. One of the components of mustard gas--and that was, you know, a killing tool--was--a portion of that mustard gas was chlorine.

THOMPSON: (Voiceover) Is she supposed to think her drinking water will kill her? No, he adds. Chlorine at safe levels is necessary to kill dangerous bacteria, but he says all those dead bugs remain in tap water.

(Hidden camera footage of salesman)

Mr. WISE: (From hidden camera) With the chlorine in the water, you're still drinking those bugs.

THOMPSON: (Voiceover) But Ed the salesman says his Kinetico reverse osmosis--RO filter, hers for about \$3,000--will make her water absolutely safe. It will remove even the unthinkable.

(Hidden camera footage of salesman)

Mr. WISE: (From hidden camera) Experts tell us the most common potential thing that terror--terrorists might put in the water would be arsenic.

Ms. JONES: (From hidden camera) Arsenic.

Mr. WISE: (From hidden camera) You know, like rat poison. This RO system is designed to completely take out arsenic.

THOMPSON: (Voiceover) But since we told her not to purchase anything...

Ms. JONES: (From hidden camera) I'm not prepared to buy today. I just don't...

THOMPSON: (Voiceover) ...she shows him the door.

(Hidden camera footage of salesman)

Ms. JONES: (From hidden camera) Are you Rick?

RICK: (From hidden camera) Yes, ma'am, I am.

THOMPSON: (Voiceover) And reopens it to another water filter company selling Rainsoft filters. Before these two men even do a water test, a salesman named Rick says he knows there's way too much chlorine in her water. So much, he says, it would be like drinking bleach.

(Hidden camera footage of salesman)

RICK: (From hidden camera) If you drink your--drink some of your bleach, what would happen?

Ms. JONES: (From hidden camera) You'd get sick.

RICK: (From hidden camera) Yeah, very sick, OK? Number two is--is the chlorine gas, because that stuff will kill you concentrated like that, not what's coming out of your tap. But again, keep inhaling, keep inhaling, that's not healthy for you, either.

THOMPSON: (Voiceover) All this bad news before his partner, Raphael, even drops his mystery chemicals into her tap water, turning it a different color. Actually Raphael finds the chlorine level OK, but the water, he says, is too alkaline, there are too many minerals in it. Rick comes back to the table insisting his Rainsoft RO system will clean her water--and here it comes again--it will protect her from terrorists.

(Hidden camera footage of salesmen)

RICK: (From hidden camera) You know that big anthrax scare we had?

Ms. JONES: (From hidden camera) Yeah.

RICK: (From hidden camera) OK.

Ms. JONES: (From hidden camera) You mentioned...

RICK: (From hidden camera) Point-five microns, all right? An RO system cleans down to .0009 microns.

THOMPSON: (Voiceover) The cost of the Rainsoft filter: \$2,000. Shirley says no thanks. Rick won't let go.

(Hidden camera footage of salesman)

RICK: (From hidden camera) You want to get this done, all right?

Ms. JONES: (From hidden camera) Not today. Not going to do it today.

RICK: (From hidden camera) Let me finish.

Ms. JONES: (From hidden camera) Not going to do it today.

RICK: (From hidden camera) Let me finish.

Ms. JONES: (From hidden camera) Go ahead, finish. But...

RICK: (From hidden camera) If we can get together on this.

Ms. JONES: (From hidden camera) Not today.

RICK: (From hidden camera) You're looking at roughly about a \$50 payment.

Ms. JONES: (From hidden camera) No, not today. Sorry.

RICK: (From hidden camera) Why not?

THOMPSON: (Voiceover) He is so persistent, the battery to our hidden camera begins running out of energy before he does.

(Hidden camera footage of salesman)

RICK: (From hidden camera) About \$50 a month is all you're looking at.

Ms. JONES: (From hidden camera) Mm-hmm. Well, we'll think about it.

RICK: (From hidden camera) You can afford \$50 a month.

THOMPSON: (Voiceover) After more than an hour, Rick and Raphael finally leave just as our camera battery goes to black. Talk about a hard sell. And if there's anyone who knows about the questionable tactics some salesmen use to push water filters, it's Bill Shanklin.

(Hidden camera footage of salesmen; Bill Shanklin)

Mr. BILL SHANKLIN: It's the information we were telling these people. That was--that was not factual.

THOMPSON: (Voiceover) Bill used to work for...

(Shanklin; hidden camera footage of salesman)

Mr. WISE: (From hidden camera) Did you hear about mustard gas?

THOMPSON: (Voiceover) ...this man. Remember him? Ed the salesman, Ed Wise. Shanklin says Wise's company deceived customers right from the start.

(Hidden camera footage of Ed Wise; Shanklin)

THOMPSON: You knew you were walking in the door with a lie.

Mr. SHANKLIN: Right.

THOMPSON: (Voiceover) While none of the salesmen we taped used it, Shanklin says he was told to do the toilet demonstration. Shanklin says he was supposed to tell homeowners their tap water was the same as the rusty water in their toilet tanks.

(Shanklin showing reporter toilet demonstration; running faucet; reporter, Shanklin and toilet)

THOMPSON: You were supposed to tell people that they were drinking toilet water?

Mr. SHANKLIN: Right. It was the psychological way of getting them to feel guilty and feel helpless.

THOMPSON: And to make the sale.

Mr. SHANKLIN: And to make the sale.

THOMPSON: And what about those water tests we saw those salesmen performing, all those drops in all those vials of tap water, which pull minerals out of the water, or turn it a different color. According to water experts we spoke with, those tests really only indicate how water tastes or feels, not whether it's safe. To determine that you need to have your water analyzed by a lab certified to test drinking water.

Mr. DARRELL McGRAW: I have never heard it suggested that some of our health problems in this state are attributable to our water.

THOMPSON: (Voiceover) Darrell McGraw is not a water expert, but he knows a scare tactic when he hears one. He is West Virginia's attorney general. We showed him what we were told.

(Capitol building; Darrell McGraw; McGraw talking to reporter; hidden camera footage of salesman)

RAPHAEL: (From hidden camera) So this is where we want it to be.

THOMPSON: These salesmen are suggesting that people cannot only have heartburn, but can have strokes, heart attacks, gall stones, kidney stones, appendicitis, by drinking the municipal water supply?

Mr. McGRAW: You can't get those things by drinking the municipal water supply. It's false and misleading. It's a fraud.

THOMPSON: No question in your mind what you're seeing on these DATELINE tapes is a fraud?

Mr. McGRAW: No question in my mind.

THOMPSON: (Voiceover) West Virginia and other states have receive many complaints from consumers about water filter salesmen. McGraw blames manufacturers like Rainsoft and Kinetico for the tactics their dealers use. We asked Rainsoft and Kinetico for on-camera interviews, both declined. But in letters they say dealers are supposed to follow the industry's code of ethics. And both acknowledge, despite what we heard from these salesmen...

(Attorney general's office; letters and forms; pamphlets; company logos; company letters; excerpts from letters; hidden camera footage of salesman)

Mr. WISE: (From hidden camera) Arsenic.

RICK: (From hidden camera) Anthrax.

THOMPSON: (Voiceover) ...water filters "will not significantly reduce" every type of arsenic, and have not been tested and certified for their ability to rid terrorist-induced contaminants. Kinetico also says it has already severed its ties with dealer Ed Wise, for his company's poor business practices even before we taped him. But that's not enough for McGraw.

(Company letters; excerpts from letters; hidden camera footage of Wise; McGraw)

Mr. McGRAW: Under our law you're responsible for the activity of these people, and if you don't do something to remedy this, we're going to sue you for what they've done.

THOMPSON: (Voiceover) As for Rick and Raphael, the dealer they worked for, Advanced Water Solutions, says "hard water does not cause help problems," and "fear tactics will not be tolerated." Ed Wise and his company, Crystal Clear Water, had no comment. That doesn't surprise Bill who says he quit the water filter business after only a month and one sale.

(Hidden camera footage of salesman; company letters; excerpts from letters; hidden camera footage of Wise; Shanklin)

THOMPSON: Do you have guilt?

Mr. SHANKLIN: Yes, a lot of guilt. How could I try to make a living lying to people and deceiving them?

THOMPSON: (Voiceover) That's a question the Eades would love to put to Ed Wise, the man whose company sold them their system.

(Richard and Ellen; hidden camera footage of Wise)

Ms. EADES: I feel like that we were lied to, and just, it--it hurts when someone you think is telling you the truth, you find out that they're lying.

PAULEY: The West Virginia attorney general's office has determined that Kinetico did not engage in any direct misconduct in connection with the practices of Ed Wise. The company told DATELINE it was outraged by the salesman's action, and it signed an agreement with the state to give a complete refund to any customer who bought a system from Ed Wise and wants it removed. The Eades have gotten all their money back. State officials also tell DATELINE they are close to a refund agreement with Rainsoft. That company says it has severed the relationship with Rick and Raphael's dealer, Advanced Water Solutions.