



Consumer Federation of America



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North American Consumer Protection Investigators
2014 Consumer Complaint Survey Report
July 29, 2015**

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Introduction

Consumer Federation of America and the **North American Consumer Protection Investigators** conduct this annual survey of state and local consumer agencies to ask about the top complaints they received in the previous year, the worst and fastest-growing complaints, new types of complaints, their biggest challenges and achievements, and their suggestions for new laws to better protect consumers. This year, 37 agencies in 21 states across America responded to the survey. Their responses provide a snapshot of the most common problems that consumers report to these agencies and illustrate the vital role that the agencies play in protecting the public.

We do not survey federal agencies, nor do we survey state agencies that only have one function such as regulating securities, insurance or banking. Those agencies also collectively handle millions of complaints every year and help to educate consumers and businesses. Since the consumer agencies that we survey for this report have broad mandates and actively engage in public outreach, they are often the first places that consumers turn to for advice and assistance.

Unlike most federal agencies, when state and local agencies receive complaints from consumers they usually contact the businesses involved to try to resolve the problems informally. Some also accept business-to-business complaints. Many of these agencies have administrative, civil and/or criminal authority to stop unfair, deceptive or fraudulent practices, obtain restitution, and ensure a level playing field for business. Some have special responsibilities such as operating new car lemon law programs; testing scales, price scanners and meters for accuracy; or regulating or licensing certain types of businesses and professions. Just as importantly, these agencies help to *prevent* problems in the marketplace by educating consumers and businesses about their rights and responsibilities.

Our report describes the challenges that state and local consumer agencies face as well as their achievements. Maintaining and improving the services they provide with limited or reduced resources is often a struggle. Technology helps state and local consumer agencies operate more efficiently and broaden their public outreach, but fraudsters are also taking advantage of technology to target consumers from afar, mask who they are, and trick their victims into parting with their money or their personal information. Changing demographics present cultural and language barriers that can complicate state and local agencies' efforts to provide information to consumers and encourage them to make complaints. When disaster strikes, whether it's severe weather or events such as the foreclosure crisis, these agencies are among the first responders, setting aside their usual work to focus on helping consumers find the resources they need and preventing them from being exploited.

Access to justice is an important principle in the United States. State and local consumer agencies help consumers obtain justice by educating them about their rights and how to assert them, providing mediation services to resolve complaints and, in some cases, taking formal action to "right wrongs" in the marketplace. CFA and NACPI are grateful to the agencies that participated in this survey for their work on behalf of consumers and for taking the time to share their information with us.

Key Findings

- **The 37 agencies in the survey received a total of 281,639** complaints last year. This does not reflect the much larger number of consumers who benefitted from enforcement actions that the agencies took or the public education they provided.
- **Based on figures provided by 35 agencies, the total amount they saved or recovered for consumers through complaint mediation, administrative procedures and enforcement actions exceeded \$123 million.** This figure does not include the money that consumers saved as a result of the advice and educational resources that the agencies provided or the savings to businesses and court systems due to the agencies' mediation services.
- **The top three complaints continue to be auto-related problems, home improvement and construction, and credit and debt issues.** Since these problems often result in significant impacts on consumers' lives and involve some of the most egregious practices, consumers are more likely to make complaints about them than other issues.
- **The top fastest-growing complaint last year was identity theft.** This is not surprising given the epidemic of data breaches around the country. Some agencies cited the use of consumers' stolen personal information to impersonate them in order to claim their tax refunds as a particularly fast-growing and troublesome problem.
- **The top worst complaint last year was debt collection.** These complaints included scammers posing as debt collectors attempting to extort money from consumers for phony debts as well as abusive practices to collect debts that consumers legitimately owed.
- **New complaints that agencies dealt with last year ranged from livestock thefts to phony offers to help students pay off or consolidate their loans.** One new problem that several agencies mentioned was businesses that closed and reopened under the same names but with new owners refusing to honor agreements that consumers had made with the original owners.
- **Agencies' biggest achievements in 2014** included **bringing major enforcement actions, making internal improvements, implementing new legislation, and enhancing public outreach.**
- While several agencies said that **operating with budget cuts and limited resources was their biggest challenge in 2014**, other challenges they faced included **coping with retirements and other internal issues, dealing with disasters, keeping up with marketplace changes, improving systems and services, and effectively reaching constituents.**
- **When asked what new laws are needed to better protect consumers, several agencies suggested that lawmakers should address "the sharing economy."** Consumer laws, which typically apply to business-to-consumer transactions, do not necessarily fit well with new forms of commerce such as when individuals provide services to other individuals through platforms such as Airbnb and Uber. Thus it may be unclear who is legally responsible if there are problems with these types of transactions.

Top Ten Complaints in 2014

These are the top complaints to state and local consumer protection agencies last year based on the CFA survey. Their ranking in the survey report for 2013 is noted in parenthesis.

1. **Auto** (1) Misrepresentations in advertising or sales of new and used cars, lemons, faulty repairs, leasing and towing disputes.
2. **Home Improvement/Construction** (2) Shoddy work, failure to start or complete the job.
3. **Credit/Debt** (3) Billing and fee disputes, mortgage modifications and mortgage-related fraud, credit repair, debt relief services, predatory lending, illegal or abusive debt collection tactics.
4. **(Tie) Retail Sales** (4) False advertising and other deceptive practices, defective merchandise, problems with rebates, coupons, gift cards and gift certificates, failure to deliver;
Utilities (6) Service problems or billing disputes with phone, cable, satellite, Internet, electric and gas service.
5. **Services** (5) Misrepresentations, shoddy work, failure to have required licenses, failure to perform.
6. **Landlord/Tenant** (7) Unhealthy or unsafe conditions, failure to make repairs or provide promised amenities, deposit and rent disputes, illegal eviction tactics.
7. **Home Solicitations** (8) Misrepresentations or failure to deliver in door-to-door, telemarketing or mail solicitations, do-not-call violations.
8. **(Tie) Health Products/Services** (9) misleading claims; unlicensed practitioners; failure to deliver;
Internet Sales (8) Misrepresentations or other deceptive practices, failure to deliver online purchases.
9. **Fraud** (10) Bogus sweepstakes and lotteries, work-at-home schemes, grant offers, fake check scams, imposter scams and other common frauds.
10. **Household Goods** (not in top ten last year) Misrepresentations, failure to deliver, faulty repairs in connection with furniture or appliances.

The top ten complaints in this report were those most frequently cited as being in participating agencies' top ten complaints last year. This provides a good snapshot of the types of problems that were commonly reported to state and local agencies consumer protection agencies in 2014. There were some slight shifts but no significant changes from the previous year's report. While some categories are consistently in the top ten, others appear in some years and not others. All of these categories have been in the top ten at one time or another, however, and the rankings are very close.

Examples of these and other types of complaints from the files of state and local consumer protection agencies that participated in the survey are provided in the **Real World Complaints** section of this report and under **Enforcement** in the **Agencies' Biggest Achievements** section. Tips to help consumers avoid these problems and know what to do if they encounter them are provided throughout the report and also appear under the topics in Appendix B.

Fastest-Growing Complaints in 2014

When asked about the fastest-growing complaints that agencies received last year, the top five were:

- 1. Identity theft**
- 2. Erroneous health care billing**
- 3. Home improvement**
- 4. IRS imposter scams**
- 5. Timeshare resales**

It's not surprising that identity theft was the top fastest-growing complaint given the epidemic of data breaches around the country last year. Some agencies cited the use of consumers' stolen personal information to impersonate them in order to claim their tax refunds as a particularly fast-growing identity theft problem (see page 23).

Complaints about erroneous health care billing may be due in part to the failure of health care providers to submit information to consumers' insurers in a proper and timely manner, which some agencies cited as a "new" complaint last year. Consumer confusion about what insurance will cover is probably another factor. A recent [survey](#) by Consumer Reports National Research found that nearly a third of privately insured Americans have been hit with medical bills that they thought their insurance would pay (see page 18).

Home improvement complaints can increase for many reasons. Shady contractors flock to neighborhoods affected by natural disasters such as tornadoes, floods and wildfires, lured by the prospect of checks from consumers' insurance companies to repair damage to their homes. Itinerant contractors sweep through areas, knocking on consumers' doors to offer roof repairs, driveway paving and other services, taking their money, and disappearing, doing little or no work. Some contractors are simply incompetent or irresponsible. And even well-established contractors can generate many complaints if they suddenly have financial set-backs or other problems that result in their not getting the work done as promised (see pages 19-20).

In the IRS scam, fraudsters pretending to be from the agency scare people into sending them money to resolve a trumped-up tax problem. To make the ruse even more convincing they sometimes "spoof" their Caller ID to make it appear that they are calling from the IRS (see page 16).

Timeshare resale scams take advantage of consumers who, in many cases, have already been victimized once by being pressured into buying timeshares that they haven't used or can't afford. Fraudsters promise to sell their timeshares, but after paying a fee upfront the victims never hear from them again (see page 21).

Worst Complaints in 2014

We asked agencies to tell us about the worst complaints they received last year based on the number of complaints about a particular topic or company, the dollar amount involved, the impact on vulnerable consumers, the outrageousness of the situation, or other factors. The top five worst complaints were:

- 1. Debt collection**
- 2. Immigration service scams**
- 3. Do not call and robocall violations**
- 4. Door-to-door sales**
- 5. Used car sales**

Debt collection complaints run the gamut from callers trying to get consumers to send money to satisfy loans that don't really exist to abusive practices to collect debts that consumers legitimately owe (see pages 13-14).

Immigration reform was frequently in the news last year and since many people who are in the country illegally are unsure of their rights and how immigration works, and are reluctant to seek information from the federal government, they are vulnerable to scammers who promise to help them, for a fee paid in advance (see pages 28-29).

Violations of consumers' telephone rights, especially illegal robocalls, have become major irritants for consumers (see page 16), prompting the Federal Communications Commission to [act](#) recently to enable carriers to provide more effective tools for consumers to block such calls.

Complaints about door-to-door sales frequently involve high-pressure sales tactics and blatant misrepresentations about the quality of the product or service and whether consumers really need it (see pages 21-22).

Used cars are major investments, especially for low-income consumers. When something goes wrong – the car breaks down shortly after purchase and the dealer refuses to fix it, or the price was more than the consumer was led to expect or what the car was worth – it can cause tremendous hardship. The examples of used car sales problems in this report (pages 10-12) illustrate why this category was cited as one of the top worst complaints in 2014.

New Consumer Problems in 2014

The new types of consumer problems that agencies encountered last year illustrate the wide range of inquiries and complaints they handle. Where there are complaint examples in the report, the page numbers are provided.

One problem that several agencies mentioned as new to them was businesses that closed and reopened under the same names but with new owners refusing to honor agreements that the original companies had made with consumers.

Other complaints that some agencies had not dealt with previously included:

- Health care providers failing to submit patients' claims to their insurance companies properly or on time (page 18).
- Investigating livestock thefts as part of a new joint venture with another state agency.
- Landlords not enforcing "no smoking" rules in apartment buildings.
- Student loans granted to students attending unaccredited schools (page 27).
- Identity thieves stealing consumers' Social Security numbers and other personal information by making phony loan offers (page 16).
- Aggressive tactics by utility companies to get consumers to switch their service.
- "Curbstoning," which is when auto dealers try to evade their responsibilities by displaying used cars on the side of the road, in parking lots and in other off-business locations to make it appear as though they are being sold by private individuals.

- Bed bug infestations in rental housing.
- Smaller “skimmers” being used to steal consumers’ account and PIN numbers without detection.
- Failure to deliver fuel to prepaid customers due to propane gas shortages (page 17).
- Algae in water causing shortages of bottled water and higher prices (page 27).
- Disputes about whether a vehicle recall to repair rusted frames should cover adjacent parts which were also rusted.
- Phony offers to help students consolidate or pay off their loans, for a fee.
- A phone company refusing to repair copper lines and insisting on replacing them with fiber optic service (page 31).
- Solicitations for solar power installations promising consumers rebates for which they weren’t necessarily eligible.
- The “tech repair scam” in which fraudsters claiming to be from legitimate computer companies contact consumers and trick them into providing remote access to their computers (page 16).
- Imposter scams in which fraudsters claiming to be the IRS, a sheriff’s office, the police, the consumers’ utility company, or someone else threaten dire consequences unless money is sent to them immediately (page 16).

Our favorite new type of complaint, however, was about a Chinese desk that was sold to a woman with the claim that it was an antique made of a rare wood that could cure cancer (page 22). As the person from the consumer agency put it, “We thought we’d heard it all...”

New Laws Needed

We asked the agencies for their suggestions for new laws to better protect consumers. A few survey respondents said that lawmakers should address new forms of commerce such as “the sharing economy.” Since consumer protection laws generally apply only to business-to-consumer transactions, it can be unclear who is legally responsible and what recourse consumers have for problems that may arise when they purchase services from individuals through platforms such as Airbnb and Uber.

Other suggestions for new laws include:

Auto Sales

- Enact used car lemon laws.

Consumer Contracts

- Prohibit mandatory binding arbitration in consumer contracts.
- Require contracts to conspicuously disclose whether consumers can cancel and the cost, if any, for doing so, and require consumers to initial that clause.
- Prohibit electronic signatures from binding consumers to contracts that they make in person unless there is a place for them to initial confirming that the contract was printed out in their presence and they have read and understood it.

Credit/Debt

- Require debt consolidation companies to be registered with the state and bonded, and to provide clear disclosures about what they do.
- Require debt collectors and debt brokers to be registered.
- Ban subprime auto loans with exorbitant interest rates.

Enforcement

- Allow agencies that are obliged to make complaints public under their state “sunshine laws” to keep them confidential during the period of time that they are working on joint investigations with federal agencies, where that confidentiality is required.
- Create systems to flag “serial incorporators” – people who shut down corporations due to legal problems and create new corporations that engage in the same bad practices.

Home Improvement/Construction

- Prohibit subcontractors from placing liens on a consumer’s home when the consumer has paid the general contractor for the work but the general contractor has stiffed the subcontractors.

Landlord/Tenant

- Clarify the criteria for “habitability” in rental housing.
- Clarify state law concerning the tenants’ rights to put their rent in escrow when the landlord fails to resolve health or safety issues.

Privacy/Identity Theft

- Enact federal data security and breach laws that would not preempt state laws.
- Mandate that mobile phones have “kill switches” to protect personal information they contain if they are lost or stolen.
- Require additional verification when people request their credit reports to deter identity thieves from successfully posing as individuals to obtain them.

Product Safety

- Regulate toxic chemicals in products for children.

Telemarketing

- Enact tougher laws against telemarketers “spoofing” their Caller ID to mislead consumers.

Real-World Complaints and What Consumers Should Do

Auto

Running in Reverse

A consumer tip led the **Georgia Department of Law's Consumer Protection Unit** (formerly the Georgia Governor's Office of Consumer Protection) to uncover a major odometer tampering scheme. The woman had looked at used cars on a dealer's lot and written down the mileage and vehicle identification numbers of the ones she was interested in. When she checked vehicles' histories through CARFAX, however, she noticed that the odometer readings didn't jive. Thinking that she was mistaken, she returned to the dealership and confirmed the discrepancies. Wisely, she decided not to buy a car there and reported the problem to the consumer agency. Its investigation revealed that the dealer sold vehicles with inaccurate odometer readings to nearly 40 consumers. The dealer agreed to a settlement and refunded the victims' money.

Eyeing a used car? Get its previous history so you'll know what you're bargaining for. Most states participate in the National Motor Vehicle Administration, through which you can get information about the title, whether the mileage that shows on the odometer is accurate, and whether the car was previously declared a total wreck. Approved companies that sell car histories are listed at its website, www.vehiclehistory.gov. But be aware that not every problem may show up in these reports, so you should always bring the vehicle to a mechanic to be inspected before you sign on the dotted line.

Stop and Read the Contract

A Massachusetts man went to a dealership to buy a used car. He agreed to a price of \$8,400 and arranged for a loan through the dealer. The car failed inspection and he returned it to the dealer for repairs. Then he noticed that the brakes were noisy and took the car to an independent mechanic, who told him that the brake pads, rotors and calipers were worn out. He went back to the dealer, who repaired those problems but damaged the car in the process. Now weary of the dealer and the car, the man went to another dealer to discuss the possibility of a trade-in. That dealer told him that the car was only worth around \$3,000 and, even more shocking, that he had not bought the car, he was leasing it. The original dealer refused his request to return it. That's when the man asked the **Consumer Assistance Office – Metro West** for help. The consumer office obtained a copy of the paperwork, which the consumer claimed the dealer had never provided. It was a lease agreement under which he would pay a total of \$17,700 over three years for the 10 year-old car with 107,000 miles on it, and at the end of the lease he would buy it for an additional \$435. Getting nowhere with the dealer, the consumer agency contacted the finance company involved in the transaction, which agreed that the man could return the car as a voluntary repossession and it would write off any deficiency.

Deal or No Deal?

A consumer made a \$1,200 down payment on a car and drove it from the lot with the understanding that the dealer would arrange the financing for the balance of the purchase price. The dealer then informed the consumer that the loan was not approved and demanded the car back. After the **South Carolina Department of Consumer Affairs** pointed out that the contract did not specify that it was contingent on obtaining financing, the dealer agreed to honor it and found a lender to provide the loan.

When you're buying a car, read the contract and any financing agreement carefully to make sure you understand the terms and cost of the deal. Don't leave the dealer's lot with the car until everything is finalized and you have a copy of the paperwork in hand.

Internet Highway Robbery

Over a four year period **Union County Division of Weights and Measures/Consumer Affairs** in New Jersey received 15 complaints about a used car dealer. The first 8 complaints were the usual “the car broke down a few days after I bought it and the dealer won’t fix it” scenario. But the next seven complaints were from overseas buyers who had seen cars that the dealer advertised online and paid for them by making cash transfers from their banks. None had ever received the cars and the consumer office agency tried unsuccessfully to get them refunds. The complaints have been turned over to the state consumer office, which was already working with federal agencies investigating the dealer.

It can be risky to buy a car online from someone far away because resolving problems long-distance may be difficult. Find a local mechanic to inspect the vehicle. You may also want to consider paying the seller through an escrow service, which holds your money and releases it to the seller when the vehicle is delivered. If you’re buying a car through an online auction, check whether it provides buyer protection.

Weak Welds

A Maryland man bought a new Jeep Wrangler Rubicon which was advertised as “trail rated.” After he drove it on an unpaved road, he noticed noises in the front suspension and had difficulty controlling it at highway speeds. He brought the Jeep to the dealer, who determined that portions of frame had broken welds. Both the dealer and the manufacturer blamed him for driving on the unpaved road, but an investigation by the **Montgomery County Office of Consumer Protection** revealed that the welds were not performed correctly when the vehicle was built. The manufacturer agreed to replace it.

New car defects can be more than inconvenient –they can be dangerous. Contact the National Highway Traffic Safety Administration at www.nhtsa.gov by calling 800-424-9153 to get information about auto recalls, check for complaints from other individuals about the same problem, and report safety defects. If there are problems with your new car that substantially affect your ability to use it, ask your state or local consumer protection agency about your lemon law rights.

Shattered Illusions

When an elderly New York woman finally saved enough money to buy a brand-new car, she was elated. After paying \$26,000 for “the car of her dreams” and driving off, she returned to the dealer because she discovered broken glass in the trunk. She was assured that it was nothing and the dealer vacuumed the glass out for her. But about a week later, someone bumped her car front behind, causing a small dent, and when the insurance adjuster examined it, he asked if she knew that the car had been in a previous accident and the entire back end had been replaced. She was shocked and went back to the dealer, who explained that it wasn’t an auto accident – a huge chunk of ice had fallen from the roof at the dealership onto the car and the damage was repaired before it was put back on the lot for sale. She was very upset that the dealer had disclosed this to her and demanded that he take the car back, but he refused. In tears, she contacted the **New York State Department of State Division of Consumer Protection**, which convinced the dealer to provide her with another new car of her choice.

You may have the right to return a car if the dealer concealed information about previous damage or other problems that could have affected your decision whether to buy it. Ask your state or local consumer agency for advice.

Empty Promises

California-based Signet Financial Group sold extended warranties to consumers through auto dealers in Oregon and other states with the promise that if the consumers never made claims for repairs during

the covered period, Signet would refund what they paid for the warranties. But when Signet suddenly folded in 2011, 1,000 Oregonians were left without the refunds they were due. Signet's owner finally settled with the **Oregon Department of Justice**, agreeing to pay \$20,000 toward refunds, but that wasn't enough to make full compensation. The consumer agency contacted the dealers that sold the warranties, pointing out that since they may have acted as agents for Signet, they could bear some legal responsibility for the company's promise, and encouraging them to reach out to affected customers. As a result, many of the dealers agreed to make up the difference to the consumers.

Is it a good idea to buy an extended warranty? In most cases it isn't necessary because the car or appliance you're buying usually comes with a warranty, plus you may have "implied warranty rights" to expect that the product you buy will function properly for a reasonable period of time.

Bill Shock

A Virginia man took his vehicle to a repair facility for an oil change, two new tires, a tune-up, and to have Freon added if needed. While there, he applied for the business's credit card and was approved for a \$1,100 credit limit. When he went to pick up his vehicle he was shocked to see that the bill was for \$2,352.71 and included many repairs that he hadn't authorized. The shop would not let him take the vehicle unless he paid the bill, which far exceeded the credit limit on the card. After the **Fairfax County Department of Cable and Consumer Services** intervened, the bill was adjusted to \$932.61.

Repairs beyond the Call of Duty

A military service member in Vermont dropped his vehicle off at a repair shop the day before leaving for duty. Explaining that he would be away for two months, he told the shop what he wanted done and how to reach him and asked for a written estimate. He never received the estimate, despite contacting the shop numerous times, and when he returned he found that unauthorized and faulty repairs had been made. The mechanic asserted the right to place a lien on the vehicle (Vermont does not require written proof that the consumer approved or consented to repairs in order for a lien to be placed), forcing him to pay the bill in full in order to take the car. Through complaint mediation the **Vermont Attorney General's Office** obtained a \$250 refund for him.

When you bring your car to the shop for repairs, ask for a written estimate. Sometimes after starting the work a mechanic discovers that additional repairs are needed, but it's a good industry practice – and in some states it's a requirement – for the shop to contact you and get your permission before going ahead with them. Your state or local consumer agency can give you information about your auto repair rights.

Don't Forget the Dipstick...

The **Ohio Attorney General's Office** came to the rescue when the transmission of a man's car was ruined as a result of a mechanic neglecting to put the dip stick back in after changing the oil. The garage had offered to fix the transmission but balked when it became clear that it had to be replaced. After the consumer agency intervened, the garage agreed to pay \$4,467 for a new transmission.

Have a problem with a repair shop's work? Give the owner or manager a chance to resolve it. If you can't come to an agreement, contact your state or local consumer agency for advice and assistance.

Or the Plug!

A Maryland woman purchased an eight-year old car with about 100,000 miles on it from a dealer "as is." Before she took it the car the dealer performed an oil and filter change. Several weeks later the oil light came on while the woman was driving to New York. She checked the oil level, which was quite low.

The car was towed to a repair shop in the area, which informed her that the engine was damaged due to lack of oil. Pointing to the “as is” clause in the purchase agreement, the dealer denied responsibility. When the **Montgomery County Office of Consumer Protection** investigated, it found that the mechanic at the dealership was the last person to have touched the oil drain plug, which was the source of the problem. The agency argued that the failure to perform the work correctly trumped the “as is” clause and, after long discussions, the dealer offered to replace the engine crankshaft bearings, thinking that would be sufficient to address the issue. That didn’t resolve the problem, however, so the dealer traded the consumer out of the car, crediting her with almost all of what she had paid to purchase it.

Buying a car “as is” doesn’t always mean that you’re out of luck if something goes wrong. There may be a basis for holding the dealer responsible for the problem. But the best bet is to save your money for a better car that comes with a warranty.

Credit/Debt

Debt Deceit

Debt collection was among the worst complaints made to the **District of Columbia Attorney General’s Office** last year, and there was an increase in the number of complaints about fake debt collectors. They make harassing phone calls or send threatening emails to scare consumers into sending money or providing their credit card or bank account information to satisfy a loan that doesn’t exist. In some cases, they pretend to be from law enforcement agencies. One consumer received an email with what appeared to be an arrest warrant from the United States District Court and stating “In the Matter of Arrest for NON-PAID LOAN AND CHEQUE FRAUD.” Courts do not send warrants by email, and the word “cheque” is another red flag of fraud; that is how “check” is spelled in Canada, where many scammers that target U.S. consumers are located. Fortunately, the consumer did not pay the \$3,783 that was demanded and reported it to the consumer agency instead.

If someone calls about a debt that you don’t think is yours, it could be a mistake, a sign that you’re the victim of identity theft, or a fraudster trying to steal your money. Don’t send any payment or provide any financial or other personal information. Tell the person to send you the information in writing. Be very suspicious of unexpected emails about debts. If they have attachments, don’t open them, as they could contain malware – a program that would allow scammers to get into your computer. Look online for contact information for whoever the email appears to be from and check directly with them.

Terrorizing Collection Tactics

Debt collectors sometimes use abusive tactics that violate the law even if the debts themselves are legitimate. Barrett Smith & Associates signed an Assurance of Voluntary Compliance with the **Georgia Department of Law’s Consumer Protection Unit** (formerly the Georgia Governor’s Office of Consumer Protection) to resolve allegations that it violated the Fair Debt Collection Practices Act when company representatives misrepresented to consumers that they were from a law firm or law enforcement agency, threatened consumers with arrest or imprisonment, called them before 8 a.m. or after 9 p.m., contacted their employers and divulged details of the debts to third parties, and collected amounts that exceeded what consumers owed under the original agreements creating the debts. The company was also accused of collecting debts for payday loans, which are illegal in Georgia. It agreed to cancel consumer debts totaling \$3,586,500.

Under federal [law](#), you have the right to tell debt collectors not to contact you again. It’s illegal for them to call with annoying frequency or at certain hours, falsely say they’re going to take legal action, use

obscene language, threaten bodily harm, or reveal information about your debt to someone else. You may also have rights under state law; check with your state or local consumer protection agency.

Real Debt Relief

The biggest achievement for the **New York City Department of Consumer Affairs** was a record-breaking settlement with National Credit Adjusters to resolve charges that the company was collecting payday loans, which are illegal in New York, engaging in unlicensed activity, committing deceptive practices, and falsely threatening consumers with legal action. Under the agreement, the company will pay \$982,800 in restitution to at least 4,663 New Yorkers, the highest amount that the department has ever recovered from a business as part of a settlement. The company will also ask the credit reporting agencies to delete the negative information that it provided for those consumers. In addition, it will stop collecting debts in New York City and can't apply for a license to collect debts there for at least six years.

Payday loans are typically very expensive and can trap you in a never ending cycle of debt. Be sure you understand how the loan works, how much it costs, and if that kind of loan is legal where you live. Go to www.consumerfinance.gov/askcfpb/search/?selected_facets=category_exact:payday-loans for more information about payday loans.

Relief Rip-Off

Phony offers to help consumers avoid foreclosure continue to be a top complaint category at the **Los Angeles Department of Consumer and Business Affairs** in California. In one case, the homeowners paid a "foreclosure consultant" \$7,950 but, despite the consultant's constant assurances that he was working with the lender to get the loan modified and stop the foreclosure, he didn't actually perform any work. By the time the homeowners contacted the agency for help, the property had already been sold at auction. The agency was, however, able to get the money they had paid back.

Federal law bans upfront fees for mortgage relief assistance services. Companies that offer these services can only charge you when they have gotten an offer in writing from your mortgage lender to modify your loan and you have accepted it. The Federal Trade Commission provides more information at www.consumer.ftc.gov/blog/mortgage-relief-provides-none.

Foreclosure Forestalled

Another foreclosure story had a happier ending. When the **Maryland Attorney General's Office** was contacted by a family whose home was about to be listed in a foreclosure sale, things looked grim. One spouse had been out of work for years and had just changed careers and started working again, so the homeowners could resume making mortgage payments, but they didn't qualify for a loan modification because of the number of payments they had missed. Several options were tried, but nothing worked, when suddenly a friend of the homeowners agreed to loan them the money for a downpayment on their debt with the understanding that it wouldn't have to be repaid immediately. While this was still less than the bank wanted, the consumer agency worked with top executives there to arrange financing that saved the family's home and put them back on an affordable payment plan.

Trials and Tribulations

A complaint that the **Oregon Department of Justice** handled last year illustrates how frustrating for consumers, and consumer agencies, dealing with the lingering effects of the mortgage crisis can be. The consumer had tried for four years to get a loan modification. The bank placed the consumer in a trial payment plan twice and then denied the consumer a permanent modification both times. The consumer

kept on trying and kept on getting the run around. When the consumer agency contacted the bank, it took a month to get a substantive response, but the consumer was placed in a trial payment plan again and finally moved forward to a permanent loan modification at the beginning of this year.

Staying Home Sweet Home

Foreclosure-related problems were the fastest-growing complaints to the **Los Angeles County Department of Consumer and Business Affairs** in 2014 and the staff works with the homeowners and lenders to facilitate a resolution, whether it's a loan modification, loan forgiveness, or even a short sale. In one case last year, a senior living in an historic home fell behind on his mortgage payments when he became ill and was unable to work. After trying unsuccessfully to resolve the problem on his own, he asked the consumer agency for help. It negotiated a loan forgiveness of more than \$18,000 and a delay in making the outstanding payments, ultimately enabling the man to stay in his home.

Need help modifying your loan or avoiding foreclosure? For information about your options and eligibility for help from the government, go to www.makinghomeaffordable.gov. To talk to a housing counselor certified by the U.S. Department of Housing and Urban Development call 888-995-4673, TTY 877-304-9707. These services are free. Your state or local consumer agency may also be able to help you.

Beware of the Repo Man

One of the most significant achievements last year for the **District of Columbia Attorney General's Office** was its settlement with TitleMax of Virginia, Inc., which made loans to consumers using their car titles as collateral despite the fact that it wasn't licensed to do so in the District (it's also worth noting that the company charged interest rates of more than 150 percent; District law limits the interest on such loans to 24 percent annual percentage rate). TitleMax repossessed nearly 100 cars in the District when the consumers fell behind on these loans. Under the settlement, the company provided \$117,257 in credits and refunds to consumers.

Title loans, like payday loans and other short-term loans, are very expensive, and you could lose your car if you don't make your payments. Set aside as much money as you can on a regular basis to cover your everyday needs and be prepared if you have unexpected expenses. See tips on how to save money at www.americasaves.org.

Credit Crunch

The **Massachusetts Attorney General's Office** joined other state agencies across the country and the Consumer Financial Protection Bureau in a lawsuit against Colfax Capital Corporation, formerly known as Rome Finance, which offered financing to consumers, many of them military personnel, to help them purchase computers, televisions, and other products. The company allegedly failed to provide accurate payment disclosures and hid the fact that it was charging exorbitant interest rates. The settlement requires Rome Finance, two of its principals, and its successor corporations to get out of the consumer lending business and dissolve the companies. Consumers can keep the merchandise they purchased and their contracts will be reported as "paid in full" to the credit reporting agencies. Colfax will also work with consumers to vacate court judgments that Rome Finance obtained against them. The settlement will bring an estimated \$650,000 in relief to Massachusetts service members.

Want to buy a computer or other expensive item but don't have the cash or a credit card to pay for it? Avoid offers for financing that can significantly increase the cost and leave you in deep debt. Look for reputable local retailers who will let you pay on layaway, or save up to make the purchase.

Fraud

Tax Trickery

The **Ohio Attorney General's Office** saw an increase in the "IRS scam" last year. In one instance, a consumer reported that the caller claiming to be from the IRS not only threatened to arrest her for misrepresenting her tax filings but told her not to tell any of her family members about the problem – a common tactic that fraudsters use to play on victims' fear and embarrassment and prevent them from seeking advice from others. Over the course of two days, the consumer sent more than \$13,000 to the scammer via prepaid cards. Fortunately, many of the consumers who contacted the agency to report these scams had already heard about them and weren't tricked into sending money.

Scare tactics are one of the "red flags" of fraud. If someone claiming to be from the IRS or any government agency contacts you unexpectedly and demands that you send money immediately, it's a scam. Report it to the agency that the person supposedly represents and to your state or local consumer protection agency.

Loan Larceny

Scammers are always coming up with new ways to steal people's money. For example, a woman told the **Massachusetts Office of Consumer Affairs and Business Regulation** that she got a call from someone who said that she'd been approved for a \$10,000 loan. When she replied that she hadn't applied for a loan, the caller said that she must have done it online and forgotten. If she would just verify her bank account information, \$8,000 would be immediately deposited in it as a "start." Luckily the caller was so aggressive that the woman felt uncomfortable and hung up.

If someone contacts you claiming that you're been awarded a grant, won a sweepstakes or lottery, or gotten a loan, and you hadn't applied or entered your name in the first place, it's a scam! These crooks have no intention of giving you money – they want to steal your money.

Windows is NOT Calling

The "tech support scam" was a new type of complaint reported to the **Maryland Attorney General's Office** last year. One case started, as these scams typically do, with the consumer receiving a call from a man who said he was from her software company and that there was a problem with her computer that he needed to fix. Somehow the man got into her computer remotely without asking for her password or other information – perhaps she had already unwittingly downloaded malware to her computer that gave him access. At any rate, he manipulated her computer to cause all sorts of malfunctions and then demanded \$298 to repair it. After she gave him her debit card number, he hung up, leaving her computer a wreck. She had to pay a legitimate tech repair service to fix the problems.

Never let anyone who contacts you out of the blue have access to your computer. Learn more about the "tech support scam" and how you can keep your computer secure from hackers, malware and other threats at www.onguardonline.gov.

Robo Robbery

Fraudsters often use robocalls, those pre-recorded messages, to try to get consumers to provide their account numbers or other personal information. A man complained to the **District of Columbia Attorney General's Office** that he got a recorded message on his cell phone, supposedly from a well-known bank, stating that his debit card had been placed on hold and asking him to call a number immediately. Fortunately, he didn't have an account at that bank so he realized it was a scam.

It's illegal for anyone to make robocalls to your cell phone unless you previously gave them permission to do so. The Federal Communications Commission is issuing new rules that allow exceptions in some cases, such as when banks want to notify customers about data breaches or other possible fraud involving their accounts. How can you tell if the message is legitimate or from a scammer who wants your account information? Don't follow instructions in the message to press certain digits on the keypad or call a number that's provided; hang up, look up the number of your bank, and call it directly.

The Gift that Stopped Giving

An elderly Florida man won the grand prize of \$12,000 in gift cards from a major home improvement company. At some point he discovered that nearly \$2,000 on the cards had been spent, without his knowledge, in states that he hadn't visited. What was even more perplexing was that he insisted that the cards were in safekeeping in his bank. The **Broward County Environmental Licensing and Building Permitting Division** tried to help, but the company argued that the gift cards were actually awarded by a third party and that it had no responsibility for the problem. It offered the consumer \$100 as a good will gesture, which he rejected. Because it was impossible to determine who used the gift cards and how they managed to do so, the consumer had no legal recourse.

Gift cards are the same as cash. Guard them carefully and use them quickly. If you lose a gift card or someone uses it without your permission, the money will be lost unless the card issuer voluntarily agrees to credit it back to the card.

Fuel

Consumers Left Out in the Cold

Over the winter of 2013-2014 the **Wisconsin Department of Agriculture, Trade and Consumer Protection** received numerous complaints consumers who said that Customer's Gas Service, LLC was refusing to deliver propane gas for which they had prepaid or to provide refunds. The matter is still under investigation.

Prepaying for propane or heating oil may save you money, but make sure you know the size of your tank and how much fuel you typically need over a given time period, compare costs from different suppliers including any add-on fees that may be charged, and get a written contract that shows what you bought, how much you paid, and what the delivery arrangements will be. The safest way to for prepay for fuel or other goods or services that will be delivered at a future date is by credit card, because federal law gives you the right to dispute the charges if you don't get what you paid for.

Health Products/Services

Health Today, Gone Tomorrow

Consumers often pay in advance for annual memberships in health clubs, which can leave them in financial peril if the clubs suddenly close. That was the case in Massachusetts when a club with several locations closed abruptly. The former managers told customers that arrangements had been made for other health clubs in the area to honor their memberships, but those clubs denied that there was any such agreement. To make matters worse, some consumers who borrowed money from a finance company to pay for their memberships continued to be billed. When the **Massachusetts Attorney General's Office** investigated, it found that there were no funds to provide refunds to the club members

since the company had been operating for more than five years in the state and so was exempt from having to post a bond.

Businesses can close suddenly and it may be difficult to get money back that you've paid in advance for goods or services. If you're thinking of joining a health club, look for one that allows you to pay on a per-visit or monthly basis. Another way you can protect yourself is paying with a credit card. You have the right to dispute charges if the business doesn't provide the goods or services you were promised.

Billing Blunders

Billing errors for health care services were the fastest-growing complaints at the **Fairfax County Department of Cable and Consumer Services** in Virginia last year. For example, eight consumers complained about bookkeeping errors by INOVA Health Care System. In one case, a patient was incorrectly left in the records as "under observation," even though her payment at check-in categorized her as an inpatient. As a result, she was erroneously billed for \$771. The agency was able to resolve all of the complaints, saving the consumers a total of \$2,830.

Bill Leaves Consumer Speechless

The **Georgia Department of Law's Consumer Protection Unit** (formerly the Georgia Governor's Office of Consumer Protection) also cited health care billing problems as the fastest-growing complaint in 2014, and a new type of complaint last year was healthcare facilities not submitting claims properly or on time, resulting in financial burdens and credit problems for consumers. In one case, the consumer's insurance covered up to 40 speech therapy visits a year for her daughter, but the claims were denied because the insurer said that the health care provider failed to submit the paperwork within the required time and billed for services that weren't covered by the diagnosis. The health care provider assured her that it would resolve these problems with the insurance company, but four years later a debt collector called to inform her that she owed close to \$9,000 for the speech therapy services and if she didn't pay, her wages would be garnished and a lien would be placed on her home. With the agency's help, the woman's liability was reduced to \$825, the rest of the bill was written off, and the accounts were recalled from collection.

Cold Shoulder

Another example of a health care billing complaint was provided by the **District of Columbia Attorney General's Office**. Two months after having shoulder surgery at a local hospital, a woman got a bill for services that she did not receive. She'd been trying to resolve the matter for a year when she contacted the consumer agency for help. The hospital finally corrected the problem, removing \$4,339 in charges.

Bills for health care services often use codes, abbreviations, and words that make them difficult to understand. And sometimes health care providers and insurance companies make mistakes, resulting in charges that you shouldn't have to pay. If you have a question or problem with a bill for health care services, contact the company that sent it to you immediately to discuss it. If a bill is submitted to your insurance company, you will receive an Explanation of Benefits that itemizes the charges, explains what the codes mean, and shows what the insurance company will pay and what is your responsibility. Contact your state or local consumer agency for advice if there is a billing problem that you can't resolve.

Medical Misfit

Problems with health and beauty products or services were among the top complaints at the **Ohio Attorney General's Office** last year. In one case, a woman ordered a lift chair for a man with medical

issues. The chair didn't fit him properly even though the woman had been assured before it was installed that it would work for him. As a result of the poor fit, the man fell out of the chair and had other problems. With the agency's help, the woman returned the chair and got a full refund of \$2,500.

You have the right to rely on any assurance that the seller makes that the product or service is suitable for your specific needs. It's best to get such promises in writing, since verbal statements can be hard to prove. Sellers are also responsible for promises they make in their advertisements. If you believe that you were misled about a health product or service, contact your state or local consumer agency.

Home Improvement/Construction

Tile of Woe

When a leaky pipe caused damage to elderly Florida woman's home, her insurance company provided funds to cover the repairs. She hired a licensed painter to paint and lay tile for her. He wasn't licensed to do tiling, however, and installed the tile improperly. The consumer and the contractor were at an impasse until the **Broward County Environmental Licensing and Building Permitting Division** stepped in. The contractor agreed to reimburse \$2,000 so the woman could hire a licensed tiler to redo the work.

Before you hire a contractor, get a few estimates and references. If it's an emergency and you don't have time to do that, at least ask your state or local consumer agency if there are licensing or registration requirements that apply and check to confirm that the contractor has met them.

Hammer Time

Consumers are especially vulnerable to unscrupulous contractors when disaster strikes. Knowing this, a representative of Hammer Time Hauling and Demolition in Pennsylvania often showed up at house fires while they were still blazing, offering sympathy and signing the homeowners up to contracts to repair the damage. The contracts contained provisions allowing the company to deal directly with the consumers' insurers. The **Bucks County Consumer Protection, Weights and Measures Office** began to receive complaints alleging that the company received the insurance money, started the work, and then stopped, informing the homeowners that more repairs were needed than initially anticipated and the insurance funds weren't enough to cover it. When attempts to resolve the complaints failed, the consumer agency brought the matter to the local District Attorney. As a result, the owner of the company and his father, who participated in bilking homeowners and their insurance companies out of more than \$675,000, pled "no contest" to 39 criminal charges and could face 100 years in jail.

If someone shows up uninvited offering to repair damage to your home, pave your driveway, paint or do other work, beware. Legitimate contractors don't operate that way. If the work is covered by insurance, arrange for the money to go to you, not directly to the contractor, and never pay the whole amount before the job is completed.

Contractor Loses Gamble

A resident-owned community in Florida hired a contractor, who was later found to be unlicensed, to renovate the kitchen in its clubhouse. He was paid \$14,460 to begin the project but did minimal work. As the **Pinellas County Department of Justice and Consumer Services** discovered later by examining his bank records, he spent \$10,000 of the victims' money in a 7-day period at local casino. The community could not use the unfinished kitchen for months because the fire suppression system had been disconnected and ultimately had to hire another contractor to complete the work. The original contractor was prosecuted, sentenced to 5 years probation and ordered to make restitution.

Contractor Does About Face

The **Montgomery County Office of Consumer Protection** in Maryland received a complaint against All About Construction concerning problems with extensive renovations that it was making to a consumer's home. In the course of the investigation the consumer agency discovered that the company did not have a license to do home improvement work in Maryland, a criminal offense. After lengthy negotiations the company agreed to refund \$65,000 to the consumer to resolve the problems.

Your state or local consumer agency can tell you if the work you want done requires a licensed or registered contractor. While having a license or registration is no guarantee that the contractor will do a good job, failure to comply with the requirements could be a sign that the contractor is irresponsible.

Payback Time

A Virginia man hired a business to do home improvement work and paid a \$5,000 deposit. The business failed to obtain the building permit that was required for the job due to structural engineering flaws in the blueprints that it presented to the county for approval. The consumer wanted his deposit back, but the business refused. Through mediation by the **Fairfax County Department of Cable and Consumer Services**, the parties agreed that the business would pay the consumer back in monthly installments, which it did.

Flawed Floor Fixed

In another story about a home improvement job gone wrong, a woman complained to the **Ohio Attorney General's Office** that the company she hired to install a new floor did the work incorrectly and damaged a door in the process. The company initially declined to remedy the problem, but after the consumer agency intervened it agreed to give the consumer \$6,650, which covered her original payment, the cost of tearing the faulty work out, and the price of a new floor.

Vanishing Act

Having been pleased with a home improvement company's previous work, a Florida consumer paid the business \$1,000 to have the house painted. The business had changed hands but kept the same name. Unfortunately, the new owner only power-washed the house and then disappeared. The original owner disclaimed any responsibility. With advice from the **Office of Consumer Affairs** in the **Jacksonville, Florida Regulatory Compliance Department**, the consumer sued the new owner, who showed up for the hearing and was ordered to make restitution.

Have a home problem with home improvement work? Try to resolve it directly with the contractor and if you don't succeed, ask your state or local consumer agency for advice and assistance.

Soldiers' Money Saved

The **Maryland Attorney General's Office** sued a developer who took deposits from veterans for space in a retirement community that he was going to build then never even broke ground. When the project fell through, the developer failed to return a large number of the deposits, claiming that he couldn't tell who was owed money because of problems with his record. Eventually, though the agency's efforts, all of the money is being returned to the veterans or their heirs.

If you are buying a home, condominium, or vacation home that hasn't been built yet, consult with an attorney about whether a performance bond or other protections can be built into the sales agreement.

Home Solicitations

Subscription Scam

The **Oregon Department of Justice** charged 19 companies and 9 individuals based in the state with operating a nationwide newspaper and magazine subscription scam. In one typical complaint, the consumer received a mailing that appeared to be on behalf of The New York Times notifying her that her subscription was up for renewal. She paid \$999.95 but the money never went to the publisher. The consumer agency alleged that the defendants inflated subscription prices by 40 to 100 percent and illegally collected as much as \$40 million. The suit was recently settled with the defendants agreeing to get out of subscription business and provide restitution of up to \$500,000 to Oregon victims.

It's hard to keep track of subscriptions. Make a list with the name of the publication, the date and amount you paid, and the expiration date, and update it when you renew. If you're not sure it's time to renew or how much it will cost, look for the publisher's contact information and check with it directly.

Timeshare Resellers Get Just Rewards

Florida is a popular place to go on vacation and many companies offer timeshares there. Lured by the promise of free weekend stays, prizes or other incentives, consumers endure long, high-pressure sales presentations and sometimes end up buying timeshares that they can't afford or don't use enough to make the investment worthwhile. Buyer's remorse makes these consumers vulnerable to telemarketers that promise to resell their timeshares, for a fee upfront. The **Hillsborough County Consumer Protection Agency** helped to bring criminal action last year against the individuals behind three timeshare resale companies that bilked 374 victims out of a total of \$753,733.

Have a timeshare you want to unload? Ask the timeshare management company if it can help, or consult with a realtor in the area where the property is located. Don't give money to anyone who contacts you unexpectedly claiming to have a buyer or guaranteeing that they can sell the timeshare for you.

Alarming Sales Tactics

The worst problem reported to the **Virginia Attorney General's Office** last year involved a home security alarm company that went door to door to sell its systems and monitoring contracts throughout the state. Targeting homes that displayed signs for competing alarm services, the salespeople stated or implied that they were with those companies and wanted to offer the consumers "free upgrades" to their systems. Consumers who agreed were induced to sign long-term contracts for monitoring services. Then the company replaced their systems with its own equipment. Unfortunately, the consumers were still obligated under contracts with their original alarm companies, resulting in monthly bills from both companies. When the consumers tried to cancel the new contracts they were forced to pay fees of \$2,000 or more. The case has been resolved with an Assurance of Discontinuance that provides injunctive relief, restitution to consumers totaling \$8,214.68, civil penalties and attorney's fees.

The **Utah Division of Consumer Protection** said that deceptive door to door sales of alarm systems and monitoring contracts were both the worst and fastest-growing complaints last year. It cited Utah-based Vision Security, LLC and related companies and individuals for 190 alleged violations for the kinds of practices that are described above. One piece of evidence was a video of a training session at which salespeople were taught how to lie about the company they worked for and the reasons why they were at consumers' homes. For instance, they were encouraged to say "We're doing it because police, fire and medical departments nationwide want you to have two way voice on the keypad" to make it sound as though the company was performing a public service rather than trying to sell consumers something.

Ask your state or local consumer protection agency if door-to-door sellers must be licensed or registered; if the answer is yes, when salespeople unexpectedly appear at your door, demand to see proof that they have complied, and report them to the proper authorities if they haven't. If they claim to be from a company that you already do business with, leave them on the doorstep while you call to check.

Stay Away from the Water

After receiving a solicitation in the mail for a free water analysis, a Florida woman invited the company to her home. The salesman told her that her drinking was dangerous, even “poisonous,” and convinced the 81 year-old woman to buy a water softener system for \$3,795, which the company installed that day. When the woman’s daughter, who assisted with her finances, discovered the purchase, she contacted the **Pinellas County Department of Justice and Consumer Services**, wondering if the city water was really unsafe. The water was fine, but the company’s sales tactics were not, and the agency obtained a full refund for the woman.

To protect consumers from high-pressure sales tactics, federal [law](#) provides the right to cancel purchases for more than \$25 made at home or somewhere else other than the seller’s normal place of business. If you are not given notice of that right at the time of the sale, your right to cancel continues. There are some exceptions. You may also have specific cancelation rights and other grounds for terminating a contract under state law; check with your state or local consumer protection agency.

Household Goods

Sticky Situation

The **San Francisco District Attorney’s Office Consumer Protection Unit** received an unusual complaint from a man who said that the electric rice cooker he bought exploded when he tried to use it. The store declined to take it back, citing the no return/no refund policy, which was noted in his sales agreement. Instead it offered to repair the cooker, but when he picked it up he discovered and it was merely glued back together. At that point, he wanted a refund, but the store refused. After the consumer agency got involved, the store manager contacted the manufacturer of the rice cooker, which agreed to refund the amount he had paid for it. Needless to say, the consumer then bought a different brand of rice cooker.

If the appliance you buy is defective, your rights are not limited by the store’s normal return policy. If there is a manufacturer’s warranty, the problem should be resolved according to its terms. But you may also have “implied warranty rights” under state law to insist on a repair or replacement if the appliance does not perform as you would reasonably expect. And if you think that the defect is dangerous, report it to the Consumer Product Safety Commission, www.cpsc.gov, 800-638-2772, TTY 301-595-7054.

Deskperado

We weren’t sure what category to put this next story in, also from the **San Francisco District Attorney’s Office Consumer Protection Unit**. Household goods? Fraud? Health products and services? It fits them all. A woman paid \$100,000 for a desk that the store owner claimed was an antique from the Ching Dynasty. Not only that – the desk was supposedly made from a rare wood called Phoebe Zhennan that could cure cancer! After she bought the desk, the woman had it appraised and discovered that it was not made from that type of wood and was only 85-100 years old. She had no receipt and by the time she made her complaint the store had shut down and the consumer agency was unable to find the owner.

Buy expensive antiques only from reputable dealers. Get a receipt that shows how much you paid and provides a detailed description of the item, including any claims about its age, what it’s made of, or other

characteristics. If you're going to have it appraised, do so immediately, before the seller skips town.

Identity Theft

Taxing Situation

With so many massive data breaches last year it's not surprising that identity theft has become the fastest-growing complaint at some state and local consumer agencies, and according to the Federal Trade Commission, one of the most prevalent uses of consumers' stolen personal information is government benefits fraud. In one complaint to the **Connecticut Department of Consumer Protection** last year, a couple reported that their federal tax filing was rejected because someone had already filed for a refund using one of their children's Social Security numbers.

The Internal Revenue Service provides information about what to do if you are the victim of tax-related identity theft at <http://www.irs.gov/uac/Taxpayer-Guide-to-Identity-Theft>. Resolving problems if your child is an ID theft victim can be even more complicated to resolve. The Federal Trade Commission offers advice about that at www.consumer.ftc.gov/articles/0040-child-identity-theft.

Unjust Unemployment Compensation

Tax refunds aren't the only government benefits that identity thieves may try to get. A woman who was employed at a biology research institute contacted the **Massachusetts Attorney General's Office** when she learned from her supervisor that someone had made a claim for unemployment compensation using her personal information. She contacted the state Department of Unemployment Assistance to alert it to the fraud and filed a police report.

If you are an ID theft victim, get information about the steps you need to take at www.identitytheft.gov. You can also report identity theft through that site. The information goes into a database that local, state and federal government agencies can access to aide their investigations.

Grand Theft ID Fraud

The **Georgia Department of Law's Consumer Protection Unit** (formerly the Georgia Governor's Office of Consumer Protection) uncovered an elaborate identity theft scheme in which Apollo Nida and his accomplice, Gayla St. Julien, fraudulently used the logos, letterhead and other information of a local car dealership to create a phony website and set up fake business accounts in the dealer's name. They then posed as representatives of the dealer to obtain individuals' personal information from credit reporting agencies and third-party databases and used that information to commit identity theft and check fraud in at least 18 states, netting about \$3 million. Arrested by the Secret Service and convicted of various crimes in federal court, they are both serving jail time and have been ordered to pay \$1,948,214 in restitution to 27 victims.

Warning signs that you may be the victim of identity theft include withdrawals from your bank account that you can't explain, not getting your bills or other mail as usual, debt collectors calling about debts that aren't yours, unfamiliar accounts or charges on your credit report, and bills for medical services you didn't use. Learn more at www.consumer.ftc.gov/articles/0271-warning-signs-identity-theft.

Credit Where Credit Not Due

An Ohio identity theft victim discovered that there were four different credit card accounts opened using her personal information. The **Ohio Attorney General's Office** reached out to the credit card issuers, which agreed to close the accounts, reverse the charges, and report the change to the credit bureaus. In total, more than \$9,000 in charges was cleared from the consumer's name.

Identity theft can have consequences that victims might not discover until long after their personal information was stolen. Monitor your credit record by requesting your free annual credit report from the major credit bureaus. Go to www.annualcreditreport.com or call 877-322-8228. In some states, you may have the right to additional free credit reports. If you find any problems on your report, contact the credit bureau immediately. It will notify the creditor, which is obliged to investigate and resolve the matter.

Internet Sales

Consumers Boiling Mad

For the past six years, the **San Francisco District Attorney's Office Consumer Protection Unit** has been dealing with complaints about an online business that sells hot tubs. Some of the consumers alleged that they had been scalded because the thermostats on the tubs were faulty. Others complained that they paid for the tubs but never received them. Attempts to resolve the problems have been complicated by the fact that the corporation has dissolved and re-formed several times and operated out of several different companies. At one point, the business owner offered to repay consumers in monthly installments, but most of them refused because the payments would be so small that it would take many years to fully recover their money.

The safest way to pay for goods that will be delivered to you later is by credit card because you can dispute the charges if you don't get the merchandise or it doesn't perform as it should.

Empty Field, Empty Promises

A man complained to the **Kansas Attorney General's Office** that he bought a bulldozer from a business that advertised it online, wiring \$37,100 to London as he had been instructed, but never received it. The consumer agency's investigation revealed that business was using photographs of machinery on its website that were taken from other websites where the items were legitimately being offered for sale and that its address was an empty field. With more than \$2 million worth of equipment still advertised for sale on fraudulent website, the state agency worked with federal agencies to get the site removed from the Internet. It was impossible, however, to find the culprits and retrieve the man's money.

It's hard to know for sure whether someone who is offering an item for sale on the Internet actually has it. If you are buying from an online auction, check before you bid to see what buyer protection, if any, it provides. If you are dealing directly with an unfamiliar company or individual, protect yourself by paying with a credit card or using an escrow service. Never wire to make the purchase; it's like putting cash in an envelope and sending it to a stranger, and just as risky.

Online Come-on

Union County Division of Weights and Measures/Consumer Affairs in New Jersey reported that Internet sales were the fastest-growing complaint category last year. Several of those complaints were against an online business that advertises low prices for televisions, cameras and electronic equipment. When consumers don't receive the items they ordered in a timely fashion and contact the company, they're told that they're better off anyway because the items are inferior quality, and talked into paying for more expensive merchandise instead. So far, the agency has been able to get refunds for consumers.

Low, low prices can be a just a come-on to lure you to a website where you'll be steered to more costly merchandise. Read product reviews and shop around, in stores and online, to get the best value for the amount of money you want to spend.

F is for Failure to Deliver

The **Hillsborough County Consumer Protection Agency** in Florida received complaints last year from two individuals who were doing charitable work in Africa. They bought construction materials online for a total of \$45,000 from a Tampa-area supplier and never received them. The company had an “F” rating with the local Better Business Bureau for similar problems. After the consumer agency’s intervention, the materials were finally shipped to the customers.

If you’re considering buying something online from an unfamiliar company, it pays to go to www.bbb.org first to check its rating with the Better Business Bureau.

Investments

Risky Business

Some of the worst complaints that the **Massachusetts Attorney General’s Office** received last year were about fraudulent investments and other money-making schemes. In one case a consumer invested \$15,675 in an online advertisement company that promised he would make his money back in less than four months if he posted ads generated by the company every day. He did make some money, until the company’s website suddenly stopped working and it filed for bankruptcy. The state Securities Division and the FBI are investigating.

Don’t believe promises of big returns with little or no risk. Research investments or business opportunities carefully before you commit. Your state or local consumer agency can refer you to the right place to find out what information the company must provide to you and what other legal requirements apply to the kind of offer you’re considering.

Real Estate Robbery

The worst complaints to the **Orange County Consumer Fraud Unit** in Florida last year were from South Americans immigrants who bought property as investments from individuals that were from their native country. They discovered that the individuals were not licensed to sell real estate and that the property was not for sale or, in some cases, didn’t even exist. There are criminal cases pending.

Some scammers take advantage of ethnic, religious or other kinds of relationships to gain people’s trust and swindle them. Don’t make an investment or other financial transaction based solely on the fact that the person is from the same country or has something else with you in common. Use the same precautions and common sense that you would in any business deal with a stranger.

Landlord/Tenant

The Old Switcheroo

When someone from the **Howard County Office of Consumer Affairs** in Maryland was invited to speak to Burmese refugees at a local church, it was a unique opportunity to explain, with the help of a translator, how the agency could help with consumer issues. Immediately several of the parishioners, who lived in the same apartment complex, said that they had problems with the property manager. They had been assured that if they couldn’t get the size apartments they wanted at first, they could easily switch as units of the right size became available. But after they moved from one apartment to another they were charged a “transfer fee.” The tenants also questioned whether the management

company was calculating their utility bills correctly. The agency investigated and found that the transfer fee was not allowed under Maryland law. The management company reimbursed all tenants who had paid the fee in the past three years and agreed not to charge it in the future. As for the utility bills, they were correct, and the consumer agency helped the tenants understand how they were calculated. Now the agency has established an ongoing line of communication with the church to make it easier for members of the congregation to get assistance.

Unsure of your rights as a tenant or your obligations as a landlord? Ask your state or local consumer protection agency.

Condo Conundrum

The **Hillsborough County Consumer Protection Agency** in Florida encountered a very complicated rental situation last year. The tenants leased apartments that were going to be converted to condominiums, with the option to buy them. The tenants understood that they could do work on their units at their own expense pending the conversion, which many of them did, but they assumed that the landlord was still responsible for dealing with problems such as rodent infestations. The landlord claimed that he had no responsibility since under the terms of the leases the tenants waived many of the legal rights that they would normally have. Furthermore, the leases stated that if tenants failed to comply with their obligations or chose to leave the conversion program, their rent would increase. Some of the tenants decided to move rather than deal with the situation, others are challenging the leases in court.

Before you rent housing with the option to buy, have an attorney review the agreement and negotiate changes if needed to protect your interests. Many states do not allow landlords to disclaim their responsibilities for ensuring that their property meets health and safety standards.

Retail Sales

Score One for Consumers

The **Maryland Attorney General's Office** received many complaints last year about a business that sold uniforms for little league and adult sports teams. The problems varied from non-delivery, to delivering only parts of uniforms, to delivering uniforms that didn't match. Citing a no-refund policy which it hadn't originally disclosed, the company refused to give consumers their money back. After changing its name several times in an effort to remain in business, the company closed its doors. But in a settlement with the consumer agency, the company agreed to make full restitution and to deliver on its promises in any future business that it owns, operates or controls.

Businesses can close without warning. When you order merchandise that will be delivered at a future date, pay with a credit card so you can dispute the charges if you don't receive it or it isn't what you were promised. Keep the order form and other documentation in case there is a problem.

Time to Settle

One of the biggest achievements for the **Georgia Department of Law's Consumer Protection Unit** (formerly the Georgia Governor's Office of Consumer Protection) last year was a settlement with Best of Time International, its affiliates and owners. The company sells jewelry, second-hand luxury watches, and new watches at its store in Marietta and online. The consumer agency alleged that the company represented used watches as new, advertised fictitious price reductions, misrepresented the appraisal value of items and the qualifications of its appraisers, didn't disclose that it used aftermarket parts in Rolex watches, failed to provide and retain copies of invoices disclosing that watches were second-hand, and created a false sense of urgency by advertising that "sale" prices would end at a certain time when

that was not the case. The agreement requires the companies and individuals to pay \$229,877.95 in restitution plus a civil penalty and administrative fees.

To be sure you're getting what you pay for when you buy expensive jewelry or watches, do your homework first. At the Council of Better Business Bureaus website, www.bbb.org/council/, you can research complaints against companies and how they have been resolved. Another good resource is the International Gemology Institute, www.igionline.com, where you can learn about jewelry certification. When you make a purchase, get a detailed receipt that shows what you bought and how much you paid, as well as any certificate or appraisal for the item so you can prove the claims that the business made.

Protection for Sick Pets

The **Virginia Attorney General's Office** began to see an influx of complaints last year about sick animals that consumers bought from pet stores and private breeders. Virginia law gives consumers the right to keep the animal and get reimbursement for veterinary fees up to the amount that they paid for it, including tax, if they obtain a certificate from a veterinarian within ten days declaring the animal unfit for purchase due to illness. Unfortunately, many consumers don't know this and fail to get the certificate by the deadline, or the veterinary costs are more than they paid for the animal. In one complaint against a pet store, the consumer had to bring the animal to the veterinarian several times, but the retailer would only reimburse for the first visit. The agency convinced the store to reimburse the consumer for the full amount of the purchase price.

Before you buy a pet from a store or a breeder, ask your state or local consumer agency about your rights if the animal turns out to be unhealthy. You can find information about buying dogs and dog breeders through the American Kennel Club, www.akc.org. For information about cats and cat breeders visit the American Cat Fanciers Association at www.acfcat.com/.

Bottled Water Blues

When toxic algae appeared in the water in northwestern Ohio, people were unable to use their water for cooking, drinking, or anything else. The resulting demand for bottled water quickly led to shortages at supermarkets and other retailers. Some consumers complained about possible price gouging. The **Ohio Attorney General's Office** investigated and found that the prices for bottled water were determined by many factors. One was the fact that buying individually-priced bottles costs more than buying large packages containing multiple bottles (which stores had run out of). Another factor was that retailers were incurring additional costs to have special orders of water delivered or to send employees out to other counties, and even neighboring states, to buy it and bring it back to the stores. In some cases they were paying more because they were dealing with suppliers with which they did not have regular accounts. No evidence of price gouging was found.

Natural disasters such as floods, hurricanes, blizzards and tornadoes can lead to increased demand for basic necessities such as water, ice, food, building supplies, batteries, and gasoline and other fuels. Some state laws prohibit sellers from raising prices for certain types of such products if an official state of emergency has been declared. If you suspect that price gouging might be going on in those circumstances, contact your state or local consumer agency.

Schools

Learning the Hard Way

In 2014 the **Los Angeles County Department of Consumer and Business Affairs** in California received

more than 200 complaints about student loans. Many of these concerned unaccredited schools. In one such case the student enrolled in a program and took out a loan for \$8,300 based on the school's assurances it was accredited and all of the courses she took would be transferable to any college. After two years of classes she discovered that none of that was true. The school insisted that she was still obligated to pay the full amount of the loan. With the agency's help she obtained a full discharge and credit for the loan.

Success Story

In its ongoing investigation of for-profit schools, the **Massachusetts Attorney General's Office** obtained a record \$3.7 million consent judgment against Salter College, which used inflated claims of success in job placement and other deceptive tactics to lure students to enroll in programs for medical assistants and other professions. The agency alleged that to reach the placement rates of as much as 80 percent that the school touted, it counted graduates who found temporary jobs, part-time jobs, and work that was not in their fields of study. The school was also accused of misrepresenting its admissions standards, making students who were accepted believe that they were more qualified for the courses than they really were. The judgment will provide loan relief for at least 600 students. Salter College will also have to provide accurate information about job placements, admissions, and certification, and provide certain services to help former and current students get jobs in their fields of study.

Before you sign up with a career training school, ask the department of education in your state if there are any licensing or accreditation requirements and whether the school has complied with them. You may also be able to find out if it has received complaints about the school. The Federal Trade Commission offers [tips](#) on what to look for and what to avoid so you can get the education you paid for.

Services

When Your Au Pair Says Au Revoir

The worst complaints to the **Cambridge Consumers' Council in Massachusetts** last year involved an au pair service. Parents with young children and busy schedules paid the company in advance for someone to provide full-time help watching their children. But many consumers complained that their au pairs suddenly left and the company failed to replace them or provide an adequate refund, which in some cases amounted to thousands of dollars. The consumer agency was able to get most of the money back for the parents but couldn't solve their biggest problem – finding full-time child care.

When you hire someone to watch your children you want to be sure that they, and the service that you pay to get them, are reliable. Ask the company for references to other consumers who have used its services and as well as references for the au pair. Get a written contract that spells out what will happen if you or the au pair decide to part ways.

Immigrants Pay for Imaginary Help

Jose Oyola promised Mexican immigrants in Delaware that he would get permanent visas for them. He used his status as a state employee (he was a teacher) to enhance his credibility and took large sums of money for services he never provided. When the immigrants questioned the status of their visa applications, he threatened to have them deported. The **Delaware Department of Justice** learned about the problem when one of its investigators attended a Hispanic Festival and members of the community approached him to express their concern about a possible scam. The agency found that over a four-year

period Oyola netted \$700,000 from his victims. He pled guilty to several counts of theft and was ordered to make restitution. His teacher's certificate was also revoked.

The **Los Angeles County Department of Consumer and Business Affairs** also shared an immigration scam story from last year's files. It received a complaint from a woman who paid more than \$9,400 to an "immigration consultant" who promised to get her husband release from Department of Homeland Security detention immediately. Claiming to be an attorney, he said he would have someone from his office represent the husband in court. But that never happened, and the husband as ultimately deported. This case is now part of an ongoing special investigation that is being conducted for referral to a prosecuting agency.

The U.S. Citizenship and Immigration Services office (USCIS) within the Department of Homeland Security can answer questions about immigration and supply the required forms. Go to www.uscis.gov or call 800-375-5283, TDD 800-767-1833. Only licensed attorneys or nonprofit organizations that are authorized by the USCIS can represent you or give you legal advice.

Customers Left High and Dry

When Max Cleaners in Falls Church, Virginia suddenly closed its doors, the **Fairfax County Department of Cable and Consumer Services** received complaints from eight consumers whose clothes were there for dry cleaning. A sign in the shop window declared that the owner was not responsible for items left after a certain date, but the agency tracked him down and retrieved the clothing, worth a total of \$1,611.

Wedding Day Woes

Even worse than losing clothing at the dry cleaners is losing your wedding pictures. When two different wedding photographers discontinued contact with their clients, changed phone numbers, and disappeared, the **Delaware Department of Justice** was deluged by distraught couples who had paid for their wedding photos but never received them. The agency's special investigator found the photographers and obtained all of the pictures and albums for the consumers.

If a business that has items belonging to you shuts down without making arrangements to get them to you, ask the city or town clerk or the police if they have information about how to reach the owner. Contact your state or local consumer agency if you can't find the person or retrieve the items.

Funeral Home Absconds with Funds

The biggest achievement for the **South Carolina Department of Consumer Affairs** was when Craig Norton, former owner of Norton Funeral Home, pled guilty to eight counts of breach of trust and two counts of violating the state's preneed funeral contract law. He sold preneed burial contracts without a license and failed to put the funds in a trust account, then closed up shop. He is serving jail time and was ordered to pay at least \$91,000 in restitution to victims.

Paying for funeral expenses in advance is a good idea – it ensures that the arrangements that will be needed are covered and locks in the price. But it's important for preneed funds to be safeguarded in an account that is separate from the funeral home's business accounts in case it closes or has financial problems. Your state or local consumer agency can tell you where to get information about any

requirements for preneed funeral contracts in your state. Be sure to get documentation from the funeral home showing where the funds you've paid have been deposited.

Travel

Long Trip Finally Ends

It's been a long trip, but numerous complaints to the **Wisconsin Department of Agriculture, Trade and Consumer Protection** about two travel clubs, Castaways Vacations Club and Phoenix Vacation Club, finally culminated in a judgment against the company that operated them, Travel Services, Inc., the company that marketed the memberships, Going Places Travel Corporation, and the individuals behind the companies. Travel clubs promise that members will be able to get deeply discounted prices to travel to popular destinations, but often consumers find that they can't go where they want to go, when they want to go, and that they can get just as good prices or better by shopping for travel themselves. The jury found that the defendants mislead consumers about the discounts they would get, the geographic areas that were included, and the exclusive nature of the club memberships. In addition, the prize offers that were used to lure consumers to join failed to make the disclosures required by Wisconsin law. The judgment includes \$3.8 million for restitution to consumers, \$841,599 in forfeitures and assessments, and more than \$200,000 to reimburse the state for the costs of investigation and prosecution.

Resist offers of prizes and high-pressure sales tactics to buy membership in travel clubs and other types of discount buying clubs. For advice about shopping for travel and avoiding travel-related scams, go to www.consumer.ftc.gov/articles/0046-travel-tips.

D-Day Disaster

Consumers who paid thousands of dollars for an excursion to Normandy to celebrate the 70th anniversary of D-Day were disappointed when the travel company suddenly cancelled the trip. The **Massachusetts Attorney General's Office** contacted the owner, who said that he was trying to sell his company and promised that the proceeds would be used to reimburse the consumers. Unfortunately, that never happened.

The safest way to pay for travel services is by credit card because you can dispute the charges if the trip was never provided or the transportation or accommodations were significantly inferior to what you were led to expect.

Utilities

Turbulent Transition

The transition from AT&T U-verse to Frontier Communications as a telephone, television and Internet service provider in Connecticut caused headaches for many consumers. Frontier promised that the switch would be seamless, and it was for the majority of customers, but approximately 2,600 people lost one, two or all three of the services they were paying for. Frontier first suggested that customers who had problems should simply unplug their cable boxes or modems, plug them back in, and reboot after ten seconds. That didn't work for most customers, and for many, the technicians who were then assigned to come to their homes didn't show up as scheduled. Consumer frustration intensified. The **Connecticut Department of Consumer Protection** established a direct line of communication with the company's customer support center, funneled consumers' complaints directly to the managers there, and followed up daily to ensure that the problems were promptly resolved.

When companies merge or service providers change, the transition can sometimes be a bumpy road for customers. Contact your state or local consumer agency for advice if there were promises made that what weren't kept or other problems that you are unable to resolve yourself.

Forced to Go With Fiber

The **Fairfax County Department of Cable and Consumer Services** in Virginia received several complaints last year regarding Verizon Communications forcing its customers to move from the old copper wire telephone service to its fiber optic network when their phone service needed to be repaired. While transitioning from copper wires to fiber will bring many advantages to telephone companies and their customers, some consumers are concerned. The consumer agency was able to arrange for some seniors who felt that the old service was more reliable and consumers whose alarm systems were not compatible with the company's fiber optic system to stay on the copper lines, at least for now.

Telephone service is changing from using copper wires to fiber optics. Eventually wireless and Internet-based technology will replace the "plain old telephone service" that many consumers still have today. The nonprofit organization Consumer Action provides information about the "IP transition" at www.consumer-action.org/english/articles/ip_transition_making_the_switch. Your state or local consumer agency may be able to advise or assist you with problems resulting from these changes.

Disconnect at the Cable Company

Cable and satellite billing disputes were fastest-growing complaints to the **Consumer Assistance Office – Metro West** in Massachusetts in 2014. In one case, the consumer was billed for 50 pay-for-view programs. She contended that she never watched any pay-for-view programs. The phone number that she was given for fraud investigations was not in service and she couldn't get anyone at the company to help her. In frustration, she cancelled her service, only to get a bill for unreturned equipment. Through mediation with the company's executive office, the consumer agency was able to get all of the charges removed from the account.

Cable Confusion

The **Florida Department of Agriculture and Consumer Services** also dealt with an increasing number of cable billing complaints last year. One consumer complained that Comcast had switched his billing statement from paper to electronic without his knowledge or consent. It wasn't until he contacted the company about problems with his Internet and television service that he discovered that he had an overdue bill. The consumer sent the payment immediately but the company said it never received it and sent a final notice. Concerned that his payment was lost or stolen, the consumer put a stop on it. Comcast then disconnected the service. After the agency contacted the company, the consumer's service was restored, the reactivation fee was waived, and he received a credit for \$70.50.

Problem with your telephone, television, or Internet service? If you can't resolve it, don't go without service – ask your state or local consumer protection for advice.

Sirius Settlement

The biggest achievement for the **Ohio Attorney General's Office** last year was leading a multi-state action against Sirius XM, Inc. for misleading advertising and billing practices. Consumers complained that the company failed to clearly disclose that they would be charged a higher monthly amount after the introductory rate, that they did not understand that the service would be automatically renewed, that they had difficulty cancelling the service, and that they didn't get the refunds they were promised. As part of the settlement the company will provide restitution to consumers but just as importantly, it agreed to change its practices. It will clearly disclose all terms, not misrepresent the plans that are

available, provide advance notice via mail or email about upcoming automatic renewals for plans that are longer than six months, make it easier for consumers to cancel, and no longer pay customer service representatives bonuses based solely on retaining customers who want to cancel.

Satellite Saga

In the worst complaint that the **New York State Department of State Division of Consumer Protection** received last year, a woman's mentally-disabled son unwittingly agreed to sign up for a very expensive satellite television package. Once the mother saw the first bill, she contacted the company to explain that her son he did not have the capacity to make the agreement or the money to pay for the service, and asked for it to be cancelled. The company said that a \$450 early termination fee would be required to cancel and refused to waive it. Since the family could not afford to pay the fee, the bill went unpaid and it was referred to a collection agency, which badgered the son with harassing calls. The consumer agency got the contract voided and the termination fee withdrawn.

Read the terms of satellite radio or television carefully before you sign up so you understand how much it will cost, how the service will be renewed, and what the procedures are for cancelation. If you have a problem that you can't resolve with the company, contact your state or local consumer agency.

Cramming Case

The most significant victory for the **Delaware Department of Justice** in 2014 was the settlement that it and other agencies across the country reached with AT&T Mobility, Inc. to resolve complaints about unauthorized third party charges that were "crammed" onto consumers' mobile telephone bills. These charges, typically \$9.99 per month, were for "premium text message subscription" (PSMS) services such as horoscopes, trivia, and sports scores. The company provided millions of dollars in restitution for consumers and also agreed to stop billing for any PSMS services in the future. It is also required to take steps to ensure that it only bills consumers for third-party charges that they agreed to, provide full refunds or credit to consumers who are billed for unauthorized third-party charges, inform consumers about their ability to block third-party charges from their bills, and present third-party charges in a dedicated section of consumers' mobile phone bills so they are clearly distinguished from other charges.

Look at your landline and your wireless phone bills carefully. Charges for third-party services you didn't agree to buy may be so small that you might not notice them, but they really can add up over time. Contact your phone carrier immediately if you spot unauthorized charge. For tips about cramming go to www.consumer.ftc.gov/articles/0183-mystery-charges-your-phone-bill.

Data Charge Dispute

When a Massachusetts man bought his son his first cell phone, he deliberately chose a wireless plan without a data package. But his son went on YouTube and other sites, which the phone allowed him to do in violation of the plan, resulting in charges for data use. The wireless service provider agreed to remove some of the charges but not all of them. The Department of Telecommunications and Cable in the **Massachusetts Office of Consumer Affairs and Business Regulation** was able to get him a full refund.

When you're shopping for wireless service for your child, read the contract and ask questions to be sure that you understand the plans and any parental controls that the mobile carrier offers. CTIA, the wireless industry's trade association, provides a wealth of information for parents about their options. Go to www.growingwireless.com/learn-engage/parents-guide-to-mobile-phones.

Consumer Agencies' Biggest Achievements in 2014

State and local agencies were asked to describe their biggest achievements during the survey period. These could be major enforcement actions and initiatives, new websites or other efforts to reach consumers and businesses with educational information, improved internal systems, new laws or regulations, or other significant achievements.

Enforcement

- The **Bucks County Consumer Protection, Weights and Measures Office** in Pennsylvania helped to put a serial home improvement scammer in jail. John Succi's crimes spanned nearly a decade, during which he took money for renovations and construction so work that he performed shoddily and failed to complete. He dodged civil suits by filing for bankruptcy and changing his company name, but the law finally caught up with him. Last December Succi was convicted of 27 felony counts and sentenced to between 15 and 30 years in prison.
- The cramming settlement (see page 32) was the **Delaware Department of Justice's** biggest achievement.
- The TitleMax case (see page 15) was the **District of Columbia Attorney General's Office** biggest achievement last year.
- The **Georgia Department of Law's Consumer Protection Unit** (formerly the Georgia Governor's Office of Consumer Protection) cited the case against Apollo Nida and Gayla St. Julien (see page 23) as its biggest criminal achievement, and in the civil area, the settlement with Best of Time (see page 26).
- Getting the fraudulent machine sales website taken down (see page 24) was **Kansas Attorney General's Office** biggest achievement last year in the consumer protection area.
- The **Montgomery County Office of Consumer Affairs** in Maryland partnered with the county's Department of Permitting Services to identify and take action against individuals that are in the business of building or renovating homes and selling them without the proper licenses.
- The biggest achievement of the **New York City Department of Consumer Affairs** last year was its settlement with National Credit Adjusters (see page 14).
- Since the **Orange County Consumer Fraud Unit** in Florida began to enforce a new county ordinance concerning towing last year, towing complaints have gone down, and the agency also made strides in enforcing a contractor licensing requirement.
- The action against Sirius XM (see page 31) was the biggest achievement for the **Ohio Attorney General's Office** last year.
- The **Pinellas County Department of Justice and Consumer Services** in Florida was able to add a part-time investigator position dedicated to regulatory compliance. Previous budget cuts had severely curtailed the agency's ability to enforce permitting and licensing requirements.
- The investigation by the **San Francisco District Attorney's Office Consumer Protection Unit** in California of a payment processor who received more than \$6 million that consumers had donated to nonprofit organizations and universities and never turned the funds over to his clients culminated in his arrest last year. He is awaiting trial.

- The successful prosecution of a former funeral home director was the biggest achievement for the **South Carolina Department of Consumer Affairs** (see page 29)
- The **Union County Division of Weights and Measures/Consumer Affairs** in New Jersey participated in task forces with the state consumer office last year to ensure that fitness companies, car dealers and other businesses were complying with legal requirements. If there are violations the agency can issue fines, which go to the county.
- The **Utah Division of Consumer Protection's** enforcement of disclosure requirements for business opportunities that promise consumers they can make money working at home reduced the number of companies selling bogus work at home products.
- The **Vermont Attorney General's Office** expanded its outreach to businesses as consumers last year and brought several cases against credit card payment processors that were using unfair and deceptive practices to target business customers. The agency obtained \$169,000 in settlements and restitution.
- The **Virginia Attorney General's Office** brought many cases last year, but it said that its biggest achievement was an amicus brief that it filed in a case in the Virginia Supreme Court, *Owens v. DRS Automotive Fantomworks*, in which aspects of the Virginia Consumer Protection Act were being challenged. The court ruling clarified that it was not necessary to prove in every case that misrepresentations were made knowingly or with intent to deceive.

Internal Improvements

- Handling the many complaints against Frontier Communications (see page X) was the **Connecticut Department of Consumer Protection's** biggest achievement. By creating a dedicated email system for those complaints, the agency was able to dramatically cut the time it would normally take to process them and get them to the company for response. The average time from when the agency received the complaints to when they were resolved for the consumer was reduced to 5.8 days.
- The **Cuyahoga County Department of Consumer Affairs** in Ohio, which was only recently created, vastly improved the efficiency, accuracy, and productivity of its weights and measures functions by moving from paper inspections to using computers to record inspections.
- The biggest achievement for the **Office of Consumer Affairs** in the **Jacksonville, Florida Regulatory Compliance Department** was its very existence; there had not been a consumer office as part of city government for many years and the new agency is just getting started handling complaints and educating residents.
- The **Maryland Attorney General's Office** opened a new office in Prince Georges County to offer consumer protection services to residents there. The agency found a good location, hired new employees, and brought on volunteers and interns to round out the staff.
- The biggest achievement for the **Consumer Assistance Office – Metro West** in Massachusetts was moving to new office that provides space for private conversations with consumers and businesses.

Legislation

- Last year the **Florida Department of Agriculture and Consumer Services** passed new legislation concerning charitable organizations, professional solicitors, and fundraising consultants. It

enhances the reporting requirements, enabling donors to get more information to make better-informed decisions. It also increases penalties for various violations, requires employees of professional solicitors to be licensed if they have access to donors' sensitive financial information, and added two financial investigators to the staff.

- The **New York State Department of State's Division of Consumer Protection** reported that a new state law was passed by the governor this year that cracks down on immigration assistance fraud by enhancing translation requirements, increasing civil penalties for violations of the law, and barring the use of job titles that aim to mislead an assistance-seeker into believing that a service provider is an attorney or otherwise specialized professional when the provider has no such credential. It creates two new crimes, felony and misdemeanor immigration assistance fraud, and creates a private right of action.
- The **Wisconsin Department of Agriculture, Trade and Consumer Protection** reported that a new state law that enables parents to authorize credit bureaus to create and instantly freeze a credit record for their child will help to prevent child identity theft.

Outreach to Consumers and Businesses

- The **Cambridge' Consumers Council** in Massachusetts provided two "shredding days," which enabled more than 400 local residents to safely dispose of 16,000 pounds of sensitive documents and learn about how to protect themselves from identity theft.
- The **Fairfax County Department of Cable and Consumer Services** launched an initiative last year to inform the public about the activities of the county's Consumer Protection Commission and Tenant Landlord Commission by posting the minutes of their meetings on the agency's website. In another major achievement, the Board of Supervisors accepted the agency's recommendation to increase the number of taxicabs that can operate in the county, including doubling the number of taxicabs that are wheelchair accessible.
- The **Hillsborough County Consumer Protection Agency** in Florida is embarking on a plan to improve its investigation and mediation efforts and to increase quantity and quality of its consumer outreach programs. The staff is actively engaged with management in this process.
- The **Howard County Office of Consumer Affairs** in Maryland created two new pages on its website, one called "Scam Alert!" that provides information about the latest frauds and a link to report them, and the other, "Information for Landlords and Tenants," which has the answers to frequently asked questions and provides access to the agency's Landlord Tenant Guide. The page also enables both landlords and tenants to ask questions, which are then added to the FAQs, and provides a link for tenants to make complaints.
- The **Los Angeles Department of Consumer Affairs** in California launched a comprehensive financial literacy consumer education program last year. In one element of the program, it partnered with the Consumer Financial Protection Bureau and the Los Angeles County Department of Public Social Services in the national rollout of "Your Money, Your Goals," a project to educate social service case workers, who play a critical role in connecting low-income families to financial services and resources, with financial empowerment concepts. The consumer agency trained nearly 400 case workers in the Department of Public Social Services. Other elements of the initiative include providing training and information on financial decision-making to community college students and foster youth, and holding workshops for individuals who are in court for unpaid debts to help them learn how to deal with debt problems.

- The **Massachusetts Office of Consumer Affairs and Business Regulation** also expanded its efforts to educate consumers about personal finance, reaching out to college and other post-high school students, partnering with community development organizations to reach first-time homeowners, and working with other agencies, consumer groups and organizations to hold events that provide information about the importance of credit and money management.
- The **Montana Office of Consumer Protection** initiated a program, Keep My Montana Home, to assist consumers with mortgage problems and help them avoid foreclosure.
- The **New York State Department of State Division of Consumer Protection** implemented the governor's executive order that requires state agencies to provide language access to residents that have limited proficiency in English.

Consumer Agencies' Biggest Challenges in 2014

Several agencies said that budget cuts and limited resources were their biggest challenges. These problems increase the time that it takes to handle consumers' complaints and conduct investigations, and decrease the time that agency staff have to conduct public outreach. Agencies faced many other challenges as well.

Coping with Internal Challenges

- Because the **State of Hawaii Department of Commerce and Consumer Affairs** does not presently allow its investigators to exercise their authority as sworn law enforcement officers, they are prevented from taking appropriate action to deter criminal activities.
- Several retirements of long time staff members at the **South Carolina Department of Consumer Affairs** resulted in loss of institutional memory, but this was offset by the fact that new hires brought fresh perspectives to their work. To assist in the transition, the agency held numerous trainings and knowledge transfer sessions. Training new staff was also cited as a challenge for the **Cambridge Consumer' Council** in Massachusetts given the varying nature and complexity of the questions and complaints that it receives.
- Staff turnover and the need for training new hires was also a challenge for the **Wisconsin Department of Agriculture, Trade and Consumer Protection** last year.

Dealing with Disasters

- In the aftermath of Hurricane Sandy, the **Ocean County Department of Consumer Affairs, Weights and Measures** in New Jersey is still being challenged by volume of complaints that it is receiving about home improvement and construction work.

Keeping Up with Changes in the Marketplace

- The **Broward County Environmental Licensing and Building Permitting Division** cited the entry of Uber and Lyft into the local marketplace as the biggest challenge this year, since they operate outside of the existing taxi and limo ordinance and their business models conflict with it.
- Dealing with data breaches and fraud were challenging to **Connecticut Department of Consumer Protection** because the culprits were often overseas and hard to find through a maze of untraceable Internet connections and phone lines.
- The **District of Columbia Attorney General's Office** cited dealing with Internet fraud as its biggest challenge because it is so difficult to find the physical location of the perpetrators.
- The **Georgia Department of Law's Consumer Protection Unit** (formerly the Georgia Governor's Office of Consumer Protection) said that its biggest challenge was helping consumers get their mugshots removed from the many non-government websites that have sprung up displaying people's arrest photographs and extorting them to pay to have them removed. While a 2013 Georgia law gives residents the right to demand that these websites remove their mugshots at no charge, as a practical matter the website operator is usually in another country and it's very difficult to even find registered agents through whom such requests would be made. One partial fix to the problem is a new Georgia law that limits open records access for mugshots to news agencies, cutting off the supply for these websites.
- The **Consumer Assistance Office – Metro West** in Massachusetts said that some consumer transactions, such as contracts for wireless telephone service and financial services, are

becoming so complex that some consumers report being overwhelmed by the details. They often don't understand the agreements that they have entered into and sometimes there is no legal basis on which to challenge them.

- The **Ohio Attorney General's Office** said that its biggest challenge was the rise in scams using Voice over Internet Protocol (VoIP) and Caller ID spoofing, which make it extremely difficult for investigators to track down the origin of scams, and also complicate consumer education efforts. It's hard to make consumers understand that a call from across the globe can be spoofed to appear as though it is a local call and that the caller's identity can't be relied on.
- The **San Francisco District Attorney's Office Consumer Protection Unit** also cited the globalization of fraud as the biggest challenge it faced last year.
- The **Utah Division of Consumer Protection** said that aggressive competition in the alarm business has led to consumer abuses. Alarm companies whose customers have been victimized by other companies are now actually encouraging them, and in some cases helping them, file complaints with the agency. It took legal action against several alarm companies last year (see page 21).
- The **Virginia Attorney General's Office** noted that the proliferation of fraud from outside its jurisdiction presents a challenge when it prioritizes the use of its limited enforcement resources. Its first priority is to focus on preventing companies and individuals operating from Virginia from abusing residents or consumers in other states.

Maintaining and Improving Systems and Services

- The biggest challenge for the **Kansas Attorney General's Office** was implementing a new law that requires roofers to register with the agency. The law was enacted to curb fraudsters from canvassing storm-hit areas and offering cut-rate roofing services, then pocketing the money and disappearing. It was estimated that 700 roofers would register; the number is already 1,100.
- The **Los Angeles Department of Consumer and Business Affairs** in California is having an unusual problem – how to deal with its success in improving public outreach. Last year it launched a Consumer Education and Public Outreach Unit, and as a result complaints to the agency have increased by 90 percent. In order to work efficiently the agency has implemented a paperless, cloud-based case management system and increased its pool of volunteers who assist with counseling consumers, helping investigators, and mediating complaints.
- The **Maryland Attorney General's Office** would like to accommodate public demand for better access to the agency through technology, but its computer system is not up to the job. For instance, there is no way for consumers to go online to check the agency's records for complaints about businesses or to transmit documents to the agency electronically to support complaints that they have already made. The agency is working to rebuild the system.
- Florida attracts transient fraudulent home improvement contractors and catching them before they move on is one of the biggest challenges for the **Pinellas County Department of Justice and Consumer Services**. It is collaborating law enforcement agencies in other jurisdictions to share information about victims and work together to apprehend the perpetrators.

Effectively Reaching Constituents

- Reaching and vulnerable consumers with information about the constantly changing scams that target them was the biggest challenge for the **Delaware Department of Justice** and the

Montana Office of Consumer Protection. Despite all of the community outreach that consumer agencies do, it is hard to ensure that people will recognize scams or will call for advice before they fall for them.

- **Howard County Office of Consumer Affairs** in Maryland is coping with a dramatic increase in the number of immigrants and the language and cultural barriers that make it difficult for these consumers to get advice and other county services. While the county has contracted with an interpreter service to help callers who do not speak English, the interpreters are not experts in consumer law and it is sometimes hard for them to explain things correctly. The consumer agency is trying to improve its outreach through partnerships with ethnic, faith-based and nonprofit organizations (see page 25), but this requires much time and attention.
- Getting and holding consumers' interest in educational information was the biggest challenge facing the **Massachusetts Office of Consumer Affairs and Business Regulation** last year. Subjects such as credit and debt are not generally very exciting, but the agency has found that consumers are most receptive when the information is presented in conjunction with larger outreach efforts in which they can partner with others.
- The **Montgomery Office of Consumer Protection** in Maryland said that its biggest challenge was the perception that it advocates exclusively against merchants. The agency is seeking to inform businesses about the ways that they benefit from its services: helping them learn how to comply with the law; providing them with information about how to avoid scams that target businesses; and ensuring that there is a level playing field for all.
- The **New York City Department of Consumer Affairs** made a similar observation and said that one step in an effort to gain trust from city businesses was its Small Business Relief Package, which reduces onerous fines, increases regulatory transparency and fairness, and expands outreach and education. These nearly two dozen reforms are aimed at reducing the number and cost of fines for law-abiding businesses that make an honest mistake and where there is no significant consumer harm.
- As some other agencies mentioned, the **New York State Department of State Division of Consumer Protection** said that reaching new immigrants with consumer information to help them navigate the marketplace and avoid scams was its biggest challenge last year. It launched a comprehensive effort to fight fraud against immigrants by using a multilingual public service campaign, expanding a hotline for new Americans, helping local nonprofits that serve immigrants become federally accredited to provide certain immigration services, and strengthening enforcement against the unauthorized practice of immigration law through a statewide taskforce with other agencies and community-based organizations.

Methodology

Thirty-seven agencies from twenty-one states (nineteen are state entities, including for purposes of this report the District of Columbia; fourteen are county; three are city; and one covers a region within a state) participated in the survey, which was conducted from March to June 2015. They represent a cross-section of the state and local consumer protection agencies that serve the public across the United States (see Appendix A for the list of participating agencies). All are government entities except the Consumer Assistance Office - Metro West in Massachusetts, which is a nonprofit organization that receives state funding to handle complaints and educate the public in a certain geographic area.

The survey covers a one-year period, in most cases January through December 2014 (some agencies keep records on a different basis, such as July through June; all were asked for data for the most recent 12-month period available).

Since there is no uniform set of complaint categories that all agencies use, the survey posed open-ended questions such as “List the top ten subjects of complaint to your agency received during the survey period.” Some agencies use general complaint categories, while others break complaints into more specific categories. For instance, some record all car-related complaints in “Auto,” while others have separate categories for new car sales, used car sales, auto repairs, and auto leasing. Complaints about telephone services may be in utilities or in a separate category for communications services. In the report, complaints were grouped under general subject headings as necessary.

All agencies that participated in the survey provided the number of complaints that they received during the survey period. Thirty-five provided the amount of money recovered or saved for consumers, which totaled \$123,489,981. It is important to note that the number of consumers who benefitted from enforcement actions taken by the agencies may in some cases be higher than number of complaints they received. The complaint numbers also do not reflect the millions of consumers who contacted the agencies for advice.

Agencies were asked to provide examples of complaints. Not all did so, and in the examples that were provided, the names of the businesses were not always included. In some cases, that information is not publicly available because the investigation is ongoing or because of the terms of a settlement.

Agencies were also asked for their suggestions for new laws needed to better protect consumers and to describe their biggest achievements and challenges. The report provides their answers to these questions and does not purport to express the views or opinions of Consumer Federation of America or the North American Consumer Protection Investigators.

The report shows the most common complaints made to state and local consumer protection agencies during the survey period. Since it is not based on a random survey of consumers, it does not necessarily provide an accurate measure of the problems that consumers encounter in the marketplace. Some consumers do not complain about their problems to anyone, and of those who do, some may complain to other entities such as federal agencies or Better Business Bureaus. There are also specialized agencies at the state and federal level that take certain types of complaints, such as those against securities dealers. We did not survey federal agencies, nor did we survey state and local agencies that only have one function such as regulating insurance or banking.

Appendix A
Agencies Participating in the 2014 CFA/NACPI Consumer Complaint Survey

California

Los Angeles County Department of Consumer and Business Affairs
www.dcba.lacounty.gov

San Francisco District Attorney's Office Consumer Protection Unit
www.sfdistrictattorney.org

Connecticut

Connecticut Department of Consumer Protection
www.ct.gov/dcp

Delaware

Delaware Department of Justice
www.attorneygeneral.delaware.gov/

District of Columbia

District of Columbia Attorney General's Office
www.oag.dc.gov

Florida

Broward County Permitting, Licensing and Consumer Protection Division
www.broward.org/permittingandlicensing

Florida Department of Agriculture and Consumer Services
www.800helpfla.com

Hillsborough County Consumer Protection Agency
www.hillsboroughcounty.org/consumerprotection/

Jacksonville Regulatory Compliance Department Office of Consumer Affairs
www.coj.net

Orange County Consumer Fraud Unit
<http://www.orangecountyfl.net/Families,HealthSocialSvcs/ConsumerFraud.aspx#.VaZozLWAtQI>

Pinellas County Department of Justice and Consumer Services
www.pinellascounty.org/consumer

Georgia

Georgia Department of Law's Consumer Protection Unit (formerly the Georgia Governor's Office of Consumer Protection)
www.consumer.ga.gov

Hawaii

Hawaii Department of Commerce and Consumer Affairs
www.hawaii.gov/dcca/ocp

Kansas

Kansas Attorney General's Office
<https://ag.ks.gov/>

Maryland

Howard County Office of Consumer Affairs
www.howardcountymd.gov/consumer

Maryland Attorney General's Office
www.oag.state.md.us

Montgomery County Office of Consumer Protection
www.montgomerycountymd.gov/OCP

Massachusetts

Cambridge Consumers' Council
www.cambridgema.gov/consumercouncil.aspx

Massachusetts Attorney General's Office
www.mass.gov/ago/

Massachusetts Office of Consumer Affairs and Business Regulation
<http://www.mass.gov/ocabr/>

Consumer Assistance Office - Metro West
www.caomw.org

Northwestern District Attorney's Office
<http://northwesternda.org>

Montana

Montana Office of Consumer Protection
www.doj.mt.gov/consumer/

New Jersey

Ocean County Department of Consumer Affairs, Weights and Measures
www.co.ocean.nj.us/consumer/

Union County Division of Weights and Measures/Consumer Affairs
www.ucnj.org

New York

New York City Department of Consumer Affairs
www.nyc.gov/consumers

New York State Department of State Division of Consumer Protection
<http://www.dos.ny.gov/consumerprotection/>

Ohio

Cuyahoga County Department of Consumer Affairs
<https://fiscalofficer.cuyahogacounty.us/en-US/ConsumerAffairs.aspx>

Ohio Attorney General's Office
www.ohioattorneygeneral.gov

Oregon

Oregon Department of Justice
www.oregonconsumer.gov

Pennsylvania

Bucks County Consumer Protection, Weights and Measures Office
www.buckscounty.org/government/communityservices/ConsumerProtection

South Carolina

South Carolina Department of Consumer Affairs
www.consumer.sc.gov

Utah

Utah Division of Consumer Protection
www.dcp.utah.gov

Vermont

Vermont Attorney General's Office
www.uvm.edu/consumer

Virginia

Fairfax County Department of Cable and Consumer Services
www.fairfaxcounty.gov/consumer

Virginia Attorney General's Office
www.ag.virginia.gov

Wisconsin

Wisconsin Department of Agriculture, Trade and Consumer Protection
<http://datcp.wi.gov>

Appendix B

How Consumers Can Protect Themselves: Tips from the 2014 CFA/NACPI Consumer Agency Survey

Auto

Eyeing a used car? Get its previous history so you'll know what you're bargaining for. Most states participate in the National Motor Vehicle Administration, through which you can get information about the title, whether the mileage that shows on the odometer is accurate, and whether the car was previously declared a total wreck. Approved companies that sell car histories are listed at its website, www.vehiclehistory.gov. But be aware that not every problem may show up in these reports, so you should always bring the vehicle to a mechanic to be inspected before you sign on the dotted line.

When you're buying a car, read the contract and any financing agreement carefully to make sure you understand the terms and cost of the deal. Don't leave the dealer's lot with the car until everything is finalized and you have a copy of the paperwork in hand.

It can be risky to buy a car online from someone far away because resolving problems long-distance may be difficult. Find a local mechanic to inspect the vehicle. You may also want to consider paying the seller through an escrow service, which holds your money and releases it to the seller when the vehicle is delivered. If you're buying a car through an online auction, check whether it provides buyer protection.

New car defects can be more than inconvenient—they can be dangerous. Contact the National Highway Traffic Safety Administration at www.nhtsa.gov by calling 800-424-9153 to get information about auto recalls, check for complaints from other individuals about the same problem, and report safety defects. If there are problems with your new car that substantially affect your ability to use it, ask your state or local consumer protection agency about your lemon law rights.

You may have the right to return a car if the dealer concealed information about previous damage or other problems that could have affected your decision whether to buy it. Ask your state or local consumer agency for advice.

Is it a good idea to buy an extended warranty? In most cases it isn't necessary because the car or appliance you're buying usually comes with a warranty, plus you may have "implied warranty rights" to expect that the product you buy will function properly for a reasonable period of time.

When you bring your car to the shop for repairs, ask for a written estimate. Sometimes after starting the work a mechanic discovers that additional repairs are needed, but it's a good industry practice – and in some states it's a requirement – for the shop to contact you and get your permission before going ahead with them. Your state or local consumer agency can give you information about your auto repair rights.

Have a problem with a repair shop's work? Give the owner or manager a chance to resolve it. If you can't come to an agreement, contact your state or local consumer agency for advice and assistance.

Buying a car "as is" doesn't always mean that you're out of luck if something goes wrong. There may be a basis for holding the dealer responsible for the problem. But the best bet is to save your money for a better car that comes with a warranty.

Credit/Debt

If someone calls about a debt that you don't think is yours, it could be a mistake, a sign that you're the victim of identity theft, or a fraudster trying to steal your money. Don't send any payment or provide any financial or other personal information. Tell the person to send you the information in writing. Be very suspicious of unexpected emails about debts. If they have attachments, don't open them, as they could contain malware – a

program that would allow scammers to get into your computer. Look online for contact information for whoever the email appears to be from and check directly with them.

Under federal [law](#), you have the right to tell debt collectors not to contact you again. It's illegal for them to call with annoying frequency or at certain hours, falsely say they're going to take legal action, use obscene language, threaten bodily harm, or reveal information about your debt to someone else. You may also have rights under state law; check with your state or local consumer protection agency.

Payday loans are typically very expensive and can trap you in a never ending cycle of debt. Be sure you understand how the loan works, how much it costs, and if that kind of loan is legal where you live. Go to www.consumerfinance.gov/askcfpb/search/?selected_facets=category_exact:payday-loans for more information about payday loans.

Federal law bans upfront fees for mortgage relief assistance services. Companies that offer these services can only charge you when they have gotten an offer in writing from your mortgage lender to modify your loan and you have accepted it. The Federal Trade Commission provides more information at www.consumer.ftc.gov/blog/mortgage-relief-provides-none.

Need help modifying your loan or avoiding foreclosure? For information about your options and eligibility for help from the government, go to www.makinghomeaffordable.gov. To talk to a housing counselor certified by the U.S. Department of Housing and Urban Development call 888-995-4673, TTY 877-304-9707. These services are free. Your state or local consumer agency may also be able to help you.

Title loans, like payday loans and other short-term loans, are very expensive, and you could lose your car if you don't make your payments. Set aside as much money as you can on a regular basis to cover your everyday needs and be prepared if you have unexpected expenses. See tips on how to save money at www.americasaves.org.

Want to buy a computer or other expensive item but don't have the cash or a credit card to pay for it? Avoid offers for financing that can significantly increase the cost and leave you in deep debt. Look for reputable local retailers who will let you pay on layaway, or save up to make the purchase.

Fraud

Scare tactics are one of the "red flags" of fraud. If someone claiming to be from the IRS or any government agency contacts you unexpectedly and demands that you send money immediately, it's a scam. Report it to the agency that the person supposedly represents and to your state or local consumer protection agency.

If someone contacts you claiming that you're been awarded a grant, won a sweepstakes or lottery, or gotten a loan, and you hadn't applied or entered your name in the first place, it's a scam! These crooks have no intention of giving you money – they want to steal your money.

Never let anyone who contacts you out of the blue have access to your computer. Learn more about the "tech support scam" and how you can keep your computer secure from hackers, malware and other threats at www.onguardonline.gov.

It's illegal for anyone to make robocalls to your cell phone unless you previously gave them permission to do so. The Federal Communications Commission is issuing new rules that allow exceptions in some cases, such as when banks want to notify customers about data breaches or other possible fraud involving their accounts. How can you tell if the message is legitimate or from a scammer who wants your account information? Don't follow instructions in the message to press certain digits on the keypad or call a number that's provided; hang up, look up the number of your bank, and call it directly.

Gift cards are the same as cash. Guard them carefully and use them quickly. If you lose a gift card or someone uses it without your permission, the money will be lost unless the card issuer voluntarily agrees to credit it back to the card.

Fuel

Prepaying for propane or heating oil may save you money, but make sure you know the size of your tank and how much fuel you typically need over a given time period, compare costs from different suppliers including any add-on fees that may be charged, and get a written contract that shows what you bought, how much you paid, and what the delivery arrangements will be. The safest way to prepay for fuel or other goods or services that will be delivered at a future date is by credit card, because federal law gives you the right to dispute the charges if you don't get what you paid for.

Health Products/Services

Businesses can close suddenly and it may be difficult to get money back that you've paid in advance for goods or services. If you're thinking of joining a health club, look for one that allows you to pay on a per-visit or monthly basis. Another way you can protect yourself is paying with a credit card. You have the right to dispute charges if the business doesn't provide the goods or services you were promised.

Bills for health care services often use codes, abbreviations, and words that make them difficult to understand. And sometimes health care providers and insurance companies make mistakes, resulting in charges that you shouldn't have to pay. If you have a question or problem with a bill for health care services, contact the company that sent it to you immediately to discuss it. If a bill is submitted to your insurance company, you will receive an Explanation of Benefits that itemizes the charges, explains what the codes mean, and shows what the insurance company will pay and what is your responsibility. Contact your state or local consumer agency for advice if there is a billing problem that you can't resolve.

You have the right to rely on any assurance that the seller makes that the product or service is suitable for your specific needs. It's best to get such promises in writing, since verbal statements can be hard to prove. Sellers are also responsible for promises they make in their advertisements. If you believe that you were misled about a health product or service, contact your state or local consumer agency.

Before you hire a contractor, get a few estimates and references. If it's an emergency and you don't have time to do that, at least ask your state or local consumer agency if there are licensing or registration requirements that apply and check to confirm that the contractor has met them.

Home Improvement/Construction

Before you hire a contractor, get a few estimates and references. If it's an emergency and you don't have time to do that, at least ask your state or local consumer agency if there are licensing or registration requirements that apply and check to confirm that the contractor has met them.

If someone shows up uninvited offering to repair damage to your home, pave your driveway, paint or do other work, beware. Legitimate contractors don't operate that way. If the work is covered by insurance, arrange for the money to go to you, not directly to the contractor, and never pay the whole amount before the job is completed.

Your state or local consumer agency can tell you if the work you want done requires a licensed or registered contractor. While having a license or registration is no guarantee that the contractor will do a good job, failure to comply with the requirements could be a sign that the contractor is irresponsible.

Have a home problem with home improvement work? Try to resolve it directly with the contractor and if you don't succeed, ask your state or local consumer agency for advice and assistance.

If you are buying a home, condominium, or vacation home that hasn't been built yet, consult with an attorney about whether a performance bond or other protections can be built into the sales agreement.

Home Solicitations

It's hard to keep track of subscriptions. Make a list with the name of the publication, the date and amount you paid, and the expiration date, and update it when you renew. If you're not sure it's time to renew or how much it will cost, look for the publisher's contact information and check with it directly.

Have a timeshare you want to unload? Ask the timeshare management company if it can help, or consult with a realtor in the area where the property is located. Don't give money to anyone who contacts you unexpectedly claiming to have a buyer or guaranteeing that they can sell the timeshare for you.

Ask your state or local consumer protection agency if door-to-door sellers must be licensed or registered; if the answer is yes, when salespeople unexpectedly appear at your door, demand to see proof that they have complied, and report them to the proper authorities if they haven't. If they claim to be from a company that you already do business with, leave them on the doorstep while you call to check.

To protect consumers from high-pressure sales tactics, federal [law](#) provides the right to cancel purchases for more than \$25 made at home or somewhere else other than the seller's normal place of business. If you are not given notice of that right at the time of the sale, your right to cancel continues. There are some exceptions. You may also have specific cancellation rights and other grounds for terminating a contract under state law; check with your state or local consumer protection agency.

Household Goods

If the appliance you buy is defective, your rights are not limited by the store's normal return policy. If there is a manufacturer's warranty, the problem should be resolved according to its terms. But you may also have "implied warranty rights" under state law to insist on a repair or replacement if the appliance does not perform as you would reasonably expect. And if you think that the defect is dangerous, report it to the Consumer Product Safety Commission, www.cpsc.gov, 800-638-2772, TTY 301-595-7054.

Buy expensive antiques only from reputable dealers. Get a receipt that shows how much you paid and provides a detailed description of the item, including any claims about its age, what it's made of, or other characteristics. If you're going to have it appraised, do so immediately, before the seller skips town.

Identity Theft

The Internal Revenue Service provides information about what to do if you are the victim of tax-related identity theft at <http://www.irs.gov/uac/Taxpayer-Guide-to-Identity-Theft>. Resolving problems if your child is an ID theft victim can be even more complicated to resolve. The Federal Trade Commission offers advice about that at www.consumer.ftc.gov/articles/0040-child-identity-theft.

If you are an ID theft victim, get information about the steps you need to take at www.identitytheft.gov. You can also report identity theft through that site. The information goes into a database that local, state and federal government agencies can access to aid their investigations.

Warning signs that you may be the victim of identity theft include withdrawals from your bank account that you can't explain, not getting your bills or other mail as usual, debt collectors calling about debts that aren't

yours, unfamiliar accounts or charges on your credit report, and bills for medical services you didn't use. Learn more at www.consumer.ftc.gov/articles/0271-warning-signs-identity-theft.

Identity theft can have consequences that victims might not discover until long after their personal information was stolen. Monitor your credit record by requesting your free annual credit report from the major credit bureaus. Go to www.annualcreditreport.com or call 877-322-8228. In some states, you may have the right to additional free credit reports. If you find any problems on your report, contact the credit bureau immediately. It will notify the creditor, which is obliged to investigate and resolve the matter.

Internet Sales

The safest way to pay for goods that will be delivered to you later is by credit card because you can dispute the charges if you don't get the merchandise or it doesn't perform as it should.

It's hard to know for sure whether someone who is offering an item for sale on the Internet actually has it. If you are buying from an online auction, check before you bid to see what buyer protection, if any, it provides. If you are dealing directly with an unfamiliar company or individual, protect yourself by paying with a credit card or using an escrow service. Never wire to make the purchase; it's like putting cash in an envelope and sending it to a stranger, and just as risky.

Low, low prices can be a just a come-on to lure you to a website where you'll be steered to more costly merchandise. Read product reviews and shop around, in stores and online, to get the best value for the amount of money you want to spend.

If you're considering buying something online from an unfamiliar company, it pays to go to www.bbb.org first to check its rating with the Better Business Bureau.

Investments

Don't believe promises of big returns with little or no risk. Research investments or business opportunities carefully before you commit. Your state or local consumer agency can refer you to the right place to find out what information the company must provide to you and what other legal requirements apply to the kind of offer you're considering.

Some scammers take advantage of ethnic, religious or other kinds of relationships to gain people's trust and swindle them. Don't make an investment or other financial transaction based solely on the fact that the person is from the same country or has something else with you in common. Use the same precautions and common sense that you would in any business deal with a stranger.

Landlord/Tenant

Unsure of your rights as a tenant or your obligations as a landlord? Ask your state or local consumer protection agency.

Before you rent housing with the option to buy, have an attorney review the agreement and negotiate changes if needed to protect your interests.

Many states do not allow landlords to disclaim their responsibilities for ensuring that their property meets health and safety standards.

Retail Sales

Businesses can close without warning. When you order merchandise that will be delivered at a future date, pay with a credit card so you can dispute the charges if you don't receive it or it isn't what you were promised. Keep the order form and other documentation in case there is a problem.

To be sure you're getting what you pay for when you buy expensive jewelry or watches, do your homework first. At the Council of Better Business Bureaus website, www.bbb.org/council/, you can research complaints against companies and how they have been resolved. Another good resource is the International Gemology Institute, www.igionline.com, where you can learn about jewelry certification. When you make a purchase, get a detailed receipt that shows what you bought and how much you paid, as well as any certificate or appraisal for the item so you can prove the claims that the business made.

Before you buy a pet from a store or a breeder, ask your state or local consumer agency about your rights if the animal turns out to be unhealthy. You can find information about buying dogs and dog breeders through the American Kennel Club, www.akc.org. For information about cats and cat breeders visit the American Cat Fanciers Association at www.acfacat.com/.

Natural disasters such as floods, hurricanes, blizzards and tornadoes can lead to increased demand for basic necessities such as water, ice, food, building supplies, batteries, and gasoline and other fuels. Some state laws prohibit sellers from raising prices for certain types of such products if an official state of emergency has been declared. If you suspect that price gouging might be going on in those circumstances, contact your state or local consumer agency.

Schools

Before you sign up with a career training school, ask the department of education in your state if there are any licensing or accreditation requirements and whether the school has complied with them. You may also be able to find out if it has received complaints about the school. The Federal Trade Commission offers [tips](#) on what to look for and what to avoid so you can get the education you paid for.

Services

When you hire someone to watch your children you want to be sure that they, and the service that you pay to get them, are reliable. Ask the company for references to other consumers who have used its services and as well as references for the au pair. Get a written contract that spells out what will happen if you or the au pair decide to part ways.

The U.S. Citizenship and Immigration Services office (USCIS) within the Department of Homeland Security can answer questions about immigration and supply the required forms. Go to www.uscis.gov or call 800-375-5283, TDD 800-767-1833. Only licensed attorneys or nonprofit organizations that are authorized by the USCIS can represent you or give you legal advice.

If a business that has items belonging to you shuts down without making arrangements to get them to you, ask the city or town clerk or the police if they have information about how to reach the owner. Contact your state or local consumer agency if you can't find the person or retrieve the items.

Paying for funeral expenses in advance is a good idea – it ensures that the arrangements that will be needed are covered and locks in the price. But it's important for preneed funds to be safeguarded in an account that is separate from the funeral home's business accounts in case it closes or has financial problems. Your state or

local consumer agency can tell you where to get information about any requirements for preneed funeral contracts in your state. Be sure to get documentation from the funeral home showing where the funds you've paid have been deposited.

Travel

Resist offers of prizes and high-pressure sales tactics to buy membership in travel clubs and other types of discount buying clubs. For advice about shopping for travel and avoiding travel-related scams, go to www.consumer.ftc.gov/articles/0046-travel-tips.

The safest way to pay for travel services is by credit card because you can dispute the charges if the trip was never provided or the transportation or accommodations were significantly inferior to what you were led to expect.

Utilities

When companies merge or service providers change, the transition can sometimes be a bumpy road for customers. Contact your state or local consumer agency for advice if there were promises made that weren't kept or other problems that you are unable to resolve yourself.

Telephone service is changing from using copper wires to fiber optics. Eventually wireless and Internet-based technology will replace the "plain old telephone service" that many consumers still have today. The nonprofit organization Consumer Action provides information about the "IP transition" at www.consumer-action.org/english/articles/ip_transition_making_the_switch. Your state or local consumer agency may be able to advise or assist you with problems resulting from these changes.

Problem with your telephone, television, or Internet service? If you can't resolve it, don't go without service – ask your state or local consumer protection for advice.

Read the terms of satellite radio or television carefully before you sign up so you understand how much it will cost, how the service will be renewed, and what the procedures are for cancelation. If you have a problem that you can't resolve with the company, contact your state or local consumer agency.

Look at your landline and your wireless phone bills carefully. Charges for third-party services you didn't agree to buy may be so small that you might not notice them, but they really can add up over time. Contact your phone carrier immediately if you spot unauthorized charge. For tips about cramming go to www.consumer.ftc.gov/articles/0183-mystery-charges-your-phone-bill.

When you're shopping for wireless service for your child, read the contract and ask questions to be sure that you understand the plans and any parental controls that the mobile carrier offers. CTIA, the wireless industry's trade association, provides a wealth of information for parents about their options. Go to www.growingwireless.com/learn-engage/parents-guide-to-mobile-phones.