



Consumer Federation of America

Tenth Annual NACAA/CFA Consumer Complaint Survey Report November 19, 2001

The tenth annual survey conducted by the National Association of Consumer Agency Administrators (NACAA) and the Consumer Federation of America (CFA) reveals that retail purchases of household goods and other items caused more problems for consumers than ever before. Internet complaints have made the top ten list for the first time, after being reported for the last two years as the area with the largest increase in consumer complaints.

Home improvement not only came in as the third most common complaint to consumer agencies this year, but was also named as the type of industry in which a company is most likely to go out of business *and* to reopen under another name.

NACAA is a membership organization of consumer protection agencies at all levels of government. This survey report is based on NACAA members' responses to questions about their 2000 complaint records. Almost all of the 45 respondents were city, county or state consumer agencies. NACAA member agencies vary considerably in size and resources. Some agencies have only two staff people; others have hundreds.

CFA, a non-profit federation of 280 pro-consumer organizations, has worked with NACAA on the survey since it was first initiated in 1992.

Most Frequent Complaints

Consumer agencies were asked to list the top categories that generated the most complaints in 2000. Below are the top 11 problem areas for 2000, with the percentage of agencies that listed each as a major complaint category.

| | | |
|-----------|------------------|-----|
| 1-2 | Auto Sales | 73% |
| 1-2 | Household Goods | 73 |
| 3. | Home Improvement | 70 |
| 4. | Auto Repair | 65 |
| 5. | Credit/lending | 55 |
| 6. | Collection | 25 |
| 7. | Utilities | 20 |
| 8-9-10-11 | Internet | 15 |
| 8-9-10-11 | Landlord-Tenant | 15 |
| 8-9-10-11 | Mail Order | 15 |
| 8-9-10-11 | Telemarketing | 15 |

Trends

2000

1/2 Auto Sales 73%
 1/2 Household Goods 73
 3. Home Improvement 70
 4. Auto Repair 65
 5. Credit/Lending 55
 6. Collection 25
 7. Utilities 20
 8/9/10/11 Internet 15
 8/9/10/11 Landlord/Tenant 15
 8/9/10/11 Mail Order 15
 8/9/10/11 Telemarketing 15

1999

1. Home Improvement - 82%
 2. Auto Sales – 75
 3. Household Goods – 66
 4. Auto Repair - 64
 5. Credit/Lending - 57
 6. Utilities – 32
 7. Mail Order – 27
 8/9. Collection – 16
 8/9. Landlord-Tenant - 16
 10. Leisure/Travel - 11

1998

1. Auto sales - 72%
 2. Auto repair – 70
 3. Home improvement - 68
 4. Household goods – 48
 5. Credit/lending – 40
 6. Mail order – 24
 7/8 Auto leasing – 20
 7/8. Landlord-tenant – 20
 9. Utilities – 18
 10. Travel/tourism – 16

1997

1. Auto Sales - 74%
 2. Home Improvement – 61
 3. Auto Repair – 48
 4. Credit/Lending – 46
 5. Household Goods – 41
 6. Other – 41
 7. Telemarketing – 28
 8. Mail Order – 20
 9. Collections – 17
 10. Landlord/Tenant – 15
 11. Cable TV – 11

1996

1. Auto repair – 77%
 2. Auto sales – 74
 3. Home improvement – 70
 4. Retail sales – 53
 5. Mail order 23
 6. Collections – 21
 7. Credit – 19
 8. Telemarketing – 19

Five-Year Trends Summary

- *Household goods* has moved into (a tie for) top place. It has moved up steadily for the past four years: from fifth to fourth to third place. The category of household goods includes big-ticket items, such as appliances, electronic equipment and computers, and furniture, as well as other retail items. The complaints involve defective goods, failure to honor warranties, refunds and deceptive advertising.
- *Auto sales* complaints, the other top place winner, is consistently at or near the top of the list. Many of the complaints involve suspect financing deals. NACAA members also once again reported cases in which consumers thought they were buying vehicles, when they were actually leasing them.
- *Home improvement* complaints have been in the top three for the past five years, though the ranking for these complaints has varied. Home improvement contractors were also named as the type of business most likely to go out of business (and most likely to reopen under another name.)

- *Auto repair* held onto its fourth place showing for the second year in a row. This is a drop from its traditional place in the top three. Consumers complain about repairs that are not done correctly, or not done at all.
- *Credit/lending* has been in fifth place for the last three years. However, it has been joined by *collection*, a related problem, in sixth place this year. This is not surprising as, according to Federal Reserve statistics, outstanding consumer debt rose from \$1,356,093.86 (millions) in July 1999 to \$1,470,658.14 (millions) in July 2000.
- *Utility complaints* dropped slightly from sixth place last year to seventh place this year. It first appeared in the top ten three years ago in ninth place. This category includes complaints about telecommunications companies as well as other utilities. Complaints included billing disputes and allegations of deceptive advertising of service.
- *Internet* complaints made it to the top ten this year for the first time, in a four four-way tie for 8th through 11th place. This is not surprising as Internet complaints have been the complaint area showing the most growth for the last two years. (This category is discussed in more detail below.)
- *Telemarketing* has made it back to the top ten after being gone for the last two years. Many states brought actions for violations of their do-not-call lists.
- What dropped from the list is also important. *Leisure/travel* fell from its tenth place listing, which it held in the past two years.

Largest Increase in Complaints

NACAA member agencies were asked to name the subject that generated the biggest increase in complaints in 2000 compared to the same subject in 1999. The two subjects named by the most agencies were Internet complaints (with an average increase of 128%), and complaints about utilities (with an average increase of 52%.) Internet was also named last year as the subject that had generated the greatest increase in complaints, with an average increase of 146%.

Internet

As the use of the Internet increases, so do complaints about it. All agencies were asked to compare the number of Internet complaints received in 1999 to those received in 2000. Among *all* agencies, the average increase was 62%. (This follows a 38% increase from 1998 to 1999, a 39% increase from 1997 to 1998 and a 23% increase from 1996 to 1997. The cumulative growth during this period is therefore 382%.)

NACAA members were also asked to indicate the most common types of Internet complaints among auctions; Internet Service Providers; merchandise ordered over the Internet; Securities/investment fraud; lotteries/sweepstakes; credit cards/credit repair; business opportunities; loans; and 'other.' Merchandise ordered over the Internet came in first with 83% of the agencies indicating it as a common type of complaint; problems with auctions came in second at 80%; and problems with Internet Service Providers (ISPs) came in third at 69%. It is worth noting that the numbers drop significantly for fourth place and below, with business opportunities and credit cards coming in next at 29%.

Trends in Going Out of Business

NACAA members were asked to name the industry in which companies are most likely to go out of business. Companies that go out of business may leave a consumer with no recourse after the consumer makes a deposit for a good or service. It can also be quite difficult for consumer agencies to track down companies that close down, even if they reopen under another name. In times of economic downturn, it can be expected that consumers' problems with folding companies will only multiply.

NACAA members ranked the industries most likely to go out of business as follows:

1. Home Repair Contractors
2. Furniture Stores
3. Health Studios
4. Travel Agencies
5. Internet Service Providers

NACAA members were also asked to choose the industry in which a company that has gone out of business is most likely to reopen under another name. The clear "winners," in order, were:

1. Home Repair Contractors
2. Furniture Stores
3. Health Studios

These are the same top three industries that were named as most likely to go out of business in the first place.

Worst Scams of 2000

Many of the worst scams reported for 2000 were in the areas of home improvement and credit, although as usual there is a wide range. It is worth noting that many of the cases listed below were brought by local agencies acting on behalf of consumers across the country.

Auto

The Montgomery County (MD) Division of Consumer Affairs reached a settlement agreement with Rosenthal Automotive under which Rosenthal made refunds totaling about \$22,000 to forty four consumers and paid \$10,000 to DCA's consumer education fund. DCA alleged that Rosenthal charged consumers who were leasing vehicles an "acquisition fee" when they tried to purchase the vehicle at the end of the lease term. Under standard new vehicle leases, consumers are entitled to purchase the vehicle at the end of the lease by paying the "purchase option price" stated in the lease contract. DCA determined that under the lease contract, Rosenthal had no legal right to charge an "acquisition" fee.

The West Virginia Attorney General's Office received complaints about Ideal Motors (which is now out of business.) The company routinely inflated the interest rate charged to consumers, failed to properly disclose charges and pocketed the additional yield on the loan – all with the knowledge and consent of five individual lenders. The Office sued the *lenders*, which resulted in \$162,448.38 in cash and value being returned to consumers. The value was the recalculation of the loans at a lower interest rate and the cancellation of debt.

The Connecticut Department of Consumer Protection receives over 500 complaints a year concerning auto repair. As a result of this problem they have set up auto repair stings in which they bring specially prepared vehicles to auto repair shops across the state. Several shops were found to be in violation of the Connecticut Unfair Trade Practices Act, and signed assurances of voluntary compliance that included penalties and fines.

Bankruptcy

The Somerset County (NJ) Division of Consumer Affairs has received more than 250 complaints from consumers across the country, following the bankruptcy filing of Fountain Technologies et. al. Consumers attempted to buy "name-brand" computers through the company, but many ended up either with no computers at all, or with partial or defective systems. The consumers' claims total thousands of dollars, which includes useless extended warranties. The DCA is challenging the federal bankruptcy filing.

Carpet Cleaning

The New York City Department of Consumer Affairs received over 100 complaints against New York Carpet Cleaning Co, which habitually holds carpets for ransom unless consumers agree to pay more than the price that they were quoted. Two of the owners have been criminally indicted. The DCA issued civil violations and will be filing a lawsuit unless a settlement is reached.

Credit

The Orange County (FL) Consumer Fraud Unit reported that they received 231 complaints from consumers across the country, against Comcard America in Orlando. The victims paid a high fee (around \$200) to obtain a credit card that they never received. The Office obtained restitution for all complainants, totaling \$47,000.

The Johnson County (KS) District Attorney's Office reported that they received more than 25 complaints about Chatan Corporation, a company that promised to obtain financing for people with 'bad credit or no credit,' to purchase a home. The company took large down payments for credit reviews, appraisals, etc, but no one was ever successful in obtaining financing to purchase a home. The President, Joseph Michael Matthews was convicted of 6 counts of violation of the loan brokerage act, 6 counts of theft and one count of unauthorized mortgage brokerage. He was ordered to pay \$92,355 in restitution to the victims and sentenced to 36 months.

The Virginia Department of Agriculture and Consumer Services filed an advance fee lawsuit against The Tungsten Group, which uses the trade name, "American Savings Discount Club," or ASDC. Since May 1999, the Department has received more than 215 written complaints against ASDC from consumers across the country, with more than 100 of these complaints filed in just the past few months. According to the suit, ASDC telemarketers telephone consumers and tell them that, in exchange for an advance-fee of \$100, an enrollment fee of \$40 and first and last months' payments of \$30 each, consumers will, or are highly likely to, receive a loan or other extension of credit. Some consumers who pay the advance fees receive materials describing a plan under which they qualify for rebates on various purchases and might qualify for a loan if they remain in good standing with ASDC after 90 days. In effect, the fees only bought membership in defendants' buying club.

The South Carolina Department of Consumer Affairs has received 185 written complaints from consumers across the country against First Freedom Financial. The company deceptively advertised a credit card and credit line. Consumers had to first pay \$119 to receive a “merchandise charge card” that only entitled them to make purchases from a catalogue. They could then apply for the MasterCard upon payment of additional advance fees, including an \$8 per month membership fee, nonrefundable \$59 processing fee, a \$96 annual fee and a \$500 refundable reservation. Consumers claimed that First Freedom obtained the fees through unauthorized debits of their bank accounts. The DCA has filed a civil law suit and the court has granted a preliminary injunction.

Employment

The New York City Department of Consumer Affairs received over 50 complaints against U.S. Government Career Center, Inc. The company typically charges \$1000-\$3000 for supposedly providing information about and access to federal job opportunities. In fact the company provided no information or only minimal information. The DCA issued violations and settlement discussions are pending.

Health Fraud

The Maryland Attorney General’s Office reported an enforcement action against T-Up, an aloe vera product sold as a cure for AIDS, cancer and other diseases. The Office won the case at trial. T-Up was ordered to stop selling and promoting the products as a cure for diseases, and to pay full restitution to consumers and 3.7 million in penalties. T-Up has appealed.

Home Improvement

The Connecticut Department of Consumer Protection receives over 3000 complaints a year about home improvement contractors. As a result of this problem, they have an ongoing enforcement effort that includes the use of a home that they set up and invite unregistered or fraudulent contractors to work on: a “sting house.” The Department arrested 21 contractors under the sting operation. All 21 were convicted of criminal charges under the state home improvement law. As part of the criminal plea, the Office also obtains restitution for consumers with outstanding complaints.

The Pinellas County (FL) Department of Consumer Protection received eight complaints against Raymond Orlando, President and CEO of Studio Becker, RMO Services Inc., European Living Inc., Mobalpa Kitchens and European Kitchen & Design, Inc. He typically initiates expensive contracts with consumers that involve kitchen renovations such as the installation of imported cabinets and countertops. Orlando requires large deposits from consumers but completes very little, if any, work on the projects. Of the eight complaints received and investigated by the Department, six have been filed by the State Attorney's Office for prosecution of Grand Theft (4 counts), Unlicensed Residential Contracting, and Unlicensed Electrical Contracting. The six consumers lost \$133,719.26. The remaining two cases are still under investigation with additional charges expected.

The Suffolk County (NY) Office of Consumer Affairs reported that they had numerous problems with bogus chimney cleaning companies. Typically the cases involved false advertising of rates; failure to perform promised work; and deliberate scare tactics concerning non-existent carbon monoxide leaks or non-existent animals/nests. The OCA conducted a sting house operation, which resulted in the prosecution of 8 companies.

Immigration

The Los Angeles County Department of Consumer Affairs received complaints against Ramiro A. Lopez, dba Alianza Hispana, an immigration consultant who promised legalization, but didn't deliver. Ramiro A. Lopez, dba Alianza Hispana, failed to comply with the applicable California statutory regulations, including failure to give consumers a complying contract (i.e., description and cost of services to be rendered, 72 hour cancellation notice, and a statement that he is not an attorney); failure to file a fifty thousand dollar (\$50,000) bond with the California Secretary of State; failure to conspicuously display a notice that he is not an attorney; and failure to provide consumers with written evidence of his compliance with applicable bonding requirements. In addition, Ramiro A. Lopez has admittedly engaged in charging a fee for referring consumers to an attorney for services that he is unable to provide, which is expressly prohibited by California Business and Professional Code Section 22444(d). As a result of an investigation by the Los Angeles County Department of Consumer Affairs, the Los Angeles County District Attorney's Office filed a criminal complaint against Mr. Lopez. He is currently serving time in County Jail for his conviction of felony grand theft.

Internet

The Florida Department of Agriculture and Consumer Services received a large number of complaints about World Wide Web Institute, a company that purported to provide "free" website creation for businesses. The initial charges turned out to be \$893. Consumers were contacted via fax to obtain the "free" website, conditioned upon the consumer allowing the company to "host" the website for one year. The website was to be designed by students who wanted the experience to build up their portfolios. The process was supposed to take 6-8 weeks. Consumers complained about the company losing the information necessary to create the website, the website not being designed at all, and being charged additional undisclosed fees. World Wide Web Institute refused to honor consumers' requests for refunds. The Attorney General's Office is conducting a criminal investigation.

Nigerian Scams

The District Attorney's Office in Sedgwick County Kansas, received a large number of inquiries from consumers who received Nigerian scams letters. In these letters, someone claims to need to get a very large sum of money out of Nigeria and asks the intended victim to supply his or her bank account information to transfer the money into the United States, in exchange for a percentage of the money. As the scam progresses, the person is also asked for "taxes" and "bribe money" to get the funds out of Nigeria. The victim ends up losing quite a bit of money and can also end up in physical danger if he or she tries to recoup the funds by tracking the con artist down. Fortunately no one who contacted the DA's Office fell for it.

(The Missouri Attorney General's Office is currently prosecuting a "Nigerian scam" case in which the defendants arranged to meet the victim in Canada. The defendants were arrested and the Missouri Attorney General's Office is working to extradite the defendants for trial in the US.)

Photographers

The Los Angeles County Department of Consumer Affairs received 71 complaints against Continental Video Productions (Continental), aka Classic Video, a home-based business that offers videotaping services for special occasions such as weddings, Bar Mitzvahs, and retirements. The company charged as much as \$1500 per engagement, but the quality of their tapes was very poor and many consumers never even received their tapes. As a result of the investigation by the Los Angeles

County Department of Consumer Affairs, the Los Angeles City Attorney's Office – Consumer Protection Division filed a criminal action against the perpetrators for grand theft and false and misleading advertising. The County is seeking restitution, jail time and the return of the tapes.

Real Estate

The Los Angeles County Department of Consumer Affairs reports that apartment house rental listing businesses have been collecting hundreds of dollars from consumers in search of a place to live. The listing office charges for a list of addresses. When the consumer goes to see the listings, many of the apartments are already rented or have never been listed with the listing company.

Telemarketing

The Vermont Attorney General's Office reported on a rash of cross border telemarketing con artists who claim to be located in Vermont, but are actually located in Canada. The largest number of complaints have been filed against Helpline, Merchant Product Services and Datatel. Helpline offered a bogus credit card protection plan. Consumers found charges on their credit cards, but had no idea how the charges got there. Merchant Product Services was a "toner-phoner" scam. In these scams, someone calls the office, pretending that there's a pre-existing business relationship, and ends up saddling the office with much more toner than they could possibly use, usually at inflated prices. Datatel was a phony phone directory. People either thought that they were buying a listing in the Yellow Pages, or were going to get a "free listing." The listings were expensive and the directory did not have wide distribution. The Office has undertaken investigations and enforcement actions against the companies.

Tourist Scams

The Miami Dade Consumer Protection Department reported that stores in Miami and Miami Beach that cater to tourists have been overcharging for electronic equipment, including cameras, computers, and video cameras. They have also been overcharging on accessories, misrepresenting the intended use of products and selling refurbished merchandise as new. These cases are hard to prosecute as the victims usually live outside of the U.S., but the Department is conducting an ongoing investigation.

Travel

The Colorado Springs, (CO) District Attorney's Office, received 100 complaints from consumers who were scammed by Premier Travel Concept Inc. The defendant sold independent travel agent packets which he claimed entitled participants to get deals that travel agents would get: an ID card for discounts on plane tickets, rooms, time shares, rental cars, etc. The price of the program was approximately \$2000-\$2500 per person and did not require classes. Those targeted by the scam were simply instructed to purchase the packet and pay an annual fee for an instruction booklet. Consumers lost approximately \$500,000.

The Tennessee Division of Consumer Affairs investigated Wilson Tours, of Clinton Tennessee, a company that booked special trips to different destinations. They would arrange for transportation, rooms and tickets to special events. Consumers would book reservations and pay in advance. However, tours would suddenly be cancelled and rescheduled for additional fees by upgrading the package. Refunds were hardly ever given. The consumers were usually elderly persons who had invested an average of \$1000 each. The DCA received 80 complaints, totaling over \$100,000. The company declared bankruptcy while the DCA was investigating. The company signed an Assurance of Voluntary Compliance but the DCA was not able to get any consumer restitution. Wilson Tours will remain closed

and the owner can never own, operate or manage any travel or tour related business that offers travel services to consumers.

Utilities

The New Mexico Attorney General's Office participated in a multi-state action against Level Propane. The complaints against the company included: being quoted one price but charged a higher price, being charged fees without being told about them; having propane tanks filled without authorization; having tanks not filled when asked; and, being charged more for propane than the going rates. The company was ordered to pay \$700,00 and make additional direct payments to consumers. The settlement includes an additional \$500,000 civil penalty if the states determine that Level has failed to comply with the terms of the agreement to stop its deceptive and unfair business practices.

The New Mexico Attorney General's Office also received 107 complaints concerning the billing practices of Voicestream Wireless. One consumer received a bill for \$10,609. The company is resolving 90% of the complaints on file through mediation.

The Florida Public Service Commission received 115 complaints from consumers about prepaid calling cards. Consumers reported that the cards either didn't work, or didn't have the 'minutes' that they were represented to have. When the Public Service Commission investigated, they found 20 companies that were not registered with them as required. The company names were often "initials" (C.M.L. Inc., J.D.S. etc) making it even harder for the agency to track them down.

Worst Auto Financing Scams

NACAA members were asked to describe the worst auto financing scams that they had seen in 2000. These scams can be hard for consumers to detect, and often involve large sums of money. Some of the reported problems are noted below:

- Spot deliveries. This was by far the most common problem reported by NACAA members. In these scenarios, the consumer thinks that she has obtained financing for her car at a good rate, and takes home the new car. A short time later, the dealer calls for the car to be returned since the consumer "didn't qualify" for the low rate. The consumer may have trouble getting back her 'trade in' and is faced with a much higher rate of interest in order to retain the new car.
- Overpriced service contracts, unnecessary extra items (such as duplicative warranty coverage) and gap insurance.
- Failure to deliver title within the 30-day time frame.
- Trouble getting title after the final loan payment.
- Forgery or alteration of financing documents.
- Disappearing verbal promises that consumer can get out of a deal after the papers are signed.
- Leases disguised as purchases.
- Undisclosed "balloon" payments.
- Failure of dealer to pass on extended warranty payments to the finance company.

Needed Consumer Protections

NACAA members were asked in the survey to single out the most needed additional consumer protections.

A number of NACAA members noted the need for additional enforcement authority in the area of telecommunications. They also proposed simple methods of strengthening consumers' privacy interests.

Auto

- Support the creation of a national motor vehicle title information system to combat title fraud in the sale of automobiles.
- Extend motor vehicle warranty laws to leased vehicles.
- Establish used car lemon laws in all states.

Credit

- Establish statewide limits on interest rates of payday loans through all venues, including local vendors, financial institutions and through the Internet. Increase enforcement of requirements that payday lenders and title loan companies disclose their fees as an annual percentage rate and as a finance charge prior to closing or renewing the loan with the consumer.

Furniture

- Establish licensing and bonding requirements for furniture stores, to resolve complaints of late deliveries, undelivered or damaged furniture.

Home Improvement

- Establish state licensing or registration of home improvement contractors coupled with mandatory postings of bonds by contractors to protect consumers who have problems with contractors.

Internet

- Establish a three-day right to cancel purchases of goods and services from individuals and businesses online, coupled with an individual right of action.
- Require all Internet sellers (individuals and businesses) to disclose their physical location, phone number and legal name.

Privacy

- Require websites to conform to a simple disclosure box to indicate conformity with primary privacy concerns of consumers (similar to federal Truth in Lending disclosure boxes.)
- Forbid the use of social security numbers for single transactions between businesses and consumers.
- Limit the disclosure of social security numbers to healthcare providers and financial institutions.

Telecommunications

- Consumer protection agencies should have more authority to prosecute phone companies, cable companies and wireless service providers for unfair business practices.

- Increase regulation over Alternative Exchange Telephone Companies in order to level the playing field between them and the Incumbent Local Exchange telephone companies.
- Provide for state and local regulation of cell phone providers.

Utilities

- Enact federal and state regulation over pricing by liquid propane companies.

Misc.

- Revisit federal preemption in key consumer areas such as banking, so that states can protect consumers against exorbitant interest rates, pre-payment penalties and other excessive fees.
- Forbid the use of negative option sales offers.

Status of State and Local Consumer Agencies

The survey revealed that the trend of NACAA member agencies doing more with less continues on a downward spiral. On average, NACAA members handled 8% more complaints in 2000 than in 1999. They did this, on average, with no budget increase.

Over the last five years, the trend shows a sharp increase in cumulative caseload compared to increases in resources. Agencies are handling, on average, 58% more cases with only a 3% increase in budget.

| Year | Budget Changes | Caseload Growth |
|------------|----------------|-----------------|
| 2000 | 0% | 8% |
| 1999 | 1% | 2% |
| 1998 | 2% | 8% |
| 1997 | 2% | 5% |
| 1996 | -2% | 31% |
| Cumulative | 3% | 58% |

In other words, there has been a 19-fold increase in caseloads relative to budgets. Even with these increasingly strained resources, these agencies managed to resolve an average of 65% of the complaints that they received and returned an average of \$515 to each consumer who received restitution.

The number of complaints and dollars recovered vary widely from agency to agency. For example, the Johnson County District Attorney's Office handled 221 complaints and recouped \$83,504 for consumers (not including fees and fines.) The California Department of Consumer Affairs, a much larger agency, handled 55,921 complaints and recouped \$43,355,107 for consumers.

These statistics do not take into account the calls that agencies receive for advice and information, which usually total several times the number of formal written complaints. The value of the advice and information that consumer agencies dispense, both through their complaint lines and also through media interviews, newsletters, brochures, cable television shows, special events and other forms of public outreach is incalculable, but it is undoubtedly great.

Every complaint that a consumer is able to resolve him or herself, armed with information about the applicable rights and remedies, results in savings not only for the parties involved, but for the courts or

government agencies that would otherwise be called upon to intervene. Each time a consumer escapes being ripped-off because of advice or information from a consumer agency, not only does he or she avoid losing money, but that money can be used to buy goods or services from legitimate businesses. Further, each time a business asks a consumer agency for information about the rules and regulations that it must follow, the potential for disputes and legal action is reduced.

Moreover, every time that a consumer office provides information or assistance, or takes enforcement action to stop abuses in the marketplace, the public perception of government is enhanced. Public confidence in business is also boosted through oversight and enforcement by consumer protection agencies. Finally, publicity about enforcement actions helps to curb deceptive practices by would-be offenders who do not want to risk being the target of the next agency action.