



Consumer Federation of America



**Consumer Federation of America
North American Consumer Protection Investigators
2012 Consumer Complaint Survey Report
July 31, 2013**

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Table of Contents

Introduction	3
Key Findings	4
Top Ten Complaints in 2012	5
Fastest-Growing Complaints in 2012	6
Worst Complaints in 2012	6
New Types of Consumer Problems	7
New Laws Needed	8
Real World Complaints and What Consumer Should Do	10
Auto	10
Credit/Debt	13
Fraud	18
Health	21
Home Improvement/Construction	22
Home Solicitations	26
Household Goods	27
ID Theft	28
Internet Sales	28
Landlord/Tenant	31
Real Estate	33
Retail Sales	34
Services	35
Schools	38
Towing	38
Utilities	39
Consumer Agencies' Biggest Achievements in 2012	41
Consumer Agencies' Biggest Challenges in 2012	46
Methodology	50
Appendix A: Agencies Participating in the Survey	51
Appendix B: How Consumers Can Protect Themselves	54

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Introduction

This report highlights the importance of state and local consumer protection agencies and the work they do to protect the public. **State and local consumer protection agencies save consumers and businesses money, protect public safety, reduce the burden on courts, help ensure that the marketplace is free and fair, and demonstrate the positive role of government at a time of skepticism about its value.**

Consumer Federation of America and the **North American Consumer Protection Investigators** conduct this annual survey of state and local consumer protection agencies to ask about the top complaints they received the previous year, the worst and fastest-growing complaints, new types of complaints, their biggest challenges and achievements, and their suggestions for new laws needed to better protect consumers. Forty agencies in 20 states across America responded.

These agencies operate “where the rubber meets the road,” providing direct information and assistance to the public. Unlike most federal agencies, state and local consumer protection agencies often mediate individual complaints. Some have administrative, civil and/or criminal authority to stop unfair, deceptive or fraudulent practices, obtain restitution, and ensure that the marketplace functions properly. Many also have special responsibilities such as operating new car lemon law programs, ensuring that scales and meters are accurate, or regulating or licensing certain businesses and professions. We surveyed general consumer protection agencies that handle a broad range of complaints; we did not survey federal agencies, nor did we survey state agencies that have only one function such as regulating securities, insurance or banking. Those agencies also receive many complaints every year.

Because of the wide spectrum of issues that the agencies we surveyed cover, their staffs must develop expertise in everything from auto repairs to mortgage modifications, construction to gold sales. When tight budgets force layoffs, institutional memory and expertise is lost. Some agencies are shuttered entirely because of budget cuts; the **Somerset County Division of Consumer Protection** in New Jersey closed its doors on June 30, 2013, shortly after submitting its survey response.

In addition to budget constraints, new types of businesses, new payment methods, new technologies, and new variations on old scams can make it hard for state and local consumer protection agencies to keep pace. Another challenge is the increasing globalization of the marketplace, which makes it difficult for agencies to investigate complaints, track down scammers and assets, and assert their legal authority.

Yet the public depends on state and local consumer protection agencies, especially in times of disaster. They are often among the first responders in floods, blizzards, and other emergencies, helping to ensure that consumers’ safety is protected, that they aren’t gouged for essential supplies, that they’re treated fairly by service providers, and that they’re not victimized by fraudulent contractors. These agencies are also on the front line in man-made disasters, such as the foreclosure crisis, helping consumers cope with the impact and rebuild their lives.

Key Findings

- The 40 agencies in the survey received a total of 360,538 complaints last year. In some cases, many more consumers benefitted from enforcement actions that agencies took than the number that filed complaints. The complaint numbers also do not reflect the number of consumers who contacted the agencies for advice.
- \$97,832,511 was saved or recovered for consumers as a result of these agencies' complaint mediation, administrative procedures and other enforcement actions.
- Some trends stood out: the persistence of complaints related to economic hard times, from foreclosure problems to landlords skimping on the heat; the boundless creativity of scammers to find new ways to fleece consumers; and the growing use of cash reload cards that are designed for loading funds onto prepaid cards as means for fraudsters to get their victims' money.
- The top five fastest-growing complaints last year were: towing disputes; landlord/tenant problems; abusive debt collection practices; telephone service billing issues; and unlicensed contractors.
- The top five worst complaints last year involved: foreclosure issues; problems with home repairs after disasters; sweepstakes scams and other frauds targeting elderly consumers; business opportunities and work-at-home offers; and violations of do-not-call and other telemarketing rights.
- New types of consumer problems that agencies dealt with last year covered a wide spectrum of subjects. Among the most interesting were: an offer for a payday loan that was actually a line of credit to spend at an online shopping mall; mortgage assistance scams perpetrated by individuals who are part of the "sovereign citizenship" movement and claim not to be subject to the law or the courts; charges for disputing bills; a website posting misleading information about individuals' traffic convictions and offering to remove it, for a fee; third party billing intermediaries holding up deposits of payments and charge-backs for cancelled transactions; rent payments being stolen from drop-boxes at apartment complexes and mobile home parks; door-to-door meat sales out of the back of a truck; and timeshare resale "splinter cells."
- While budget cuts and limited resources continue to squeeze many state and local consumer protection agencies, they faced other challenges as well: dealing with disasters, maintaining and improving services, serving diverse populations, and keeping up with the evolving nature of fraud.
- To meet these challenges, agencies improved their internal systems to gain greater efficiency, used new media such as Twitter and online forums to educate the public, and partnered with other agencies and organizations on enforcement and educational initiatives.

Top Ten Complaints in 2012

Following are the top complaint categories that most frequently appeared in the agencies' top ten lists. Their ranking in the top ten in 2011 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:** (3) Shoddy work, failure to start or complete the job
3. **Credit/Debt:** (2) Billing and fee disputes, mortgage modifications and mortgage-related fraud, credit repair, debt relief services, predatory lending, illegal or abusive debt collection tactics
4. **Utilities:** (5) Service problems or billing disputes with phone, cable, satellite, Internet, electric and gas service
5. **Retail Sales:** (4) False advertising and other deceptive practices, defective merchandise, problems with rebates, coupons, gift cards and gift certificates, failure to deliver
6. **Services:** (6) Misrepresentations, shoddy work, failure to have required licenses, failure to perform
7. **Home Solicitations:** (10) Misrepresentations or failure to deliver in door-to-door, telemarketing or mail solicitations, do-not-call violations
8. **Landlord/Tenant:** (7) Unhealthy or unsafe conditions, failure to make repairs or provide promised amenities, deposit and rent disputes, illegal eviction tactics
9. **Internet Sales:** (tied with Landlord/Tenant at 7) Misrepresentations or other deceptive practice, failure to deliver online purchases
10. **Household Goods:** (10) Misrepresentations, failure to deliver, faulty repairs in connection with furniture or appliances;

Auto sales and repairs, credit and debt, and home improvement and construction continue to be the most common subjects of complaint to state and local consumer protection agencies, though the order in which they appear often changes from year to year. Problems with real estate (not related to the mortgage and foreclosure crisis) ranked at #9 in the last report but did not appear in the top 10 this time, nor did fraud, which was #8 in the last report.

Examples 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. There are also tips to help consumers avoid these problems and know what to do if they encounter them.

Fastest-Growing Complaints

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

- 1. Towing disputes**
- 2. Landlord/Tenant problems**
- 3. Abusive debt collection practices**
- 4. Telephone service billing issues**
- 5. Unlicensed contractors**

Other fast-growing complaints that were cited included free trial offers, imposter scams, fraud against seniors, door-to-door sales, online magazine sales, business opportunity/work-at-home schemes, deceptive practices targeting immigrants, ID theft, used car sales, bogus offers of loans, utility billing issues, billing disputes with dentists and optometrists, and scams in which payments are made via cash reload cards that are designed for loading funds onto prepaid cards.

Worst Complaints

Agencies were also asked about the worst complaints they received last year. This could be based on the number of complaints about a particular subject, the dollar amount involved, the impact on particularly vulnerable consumers, the outrageousness of the situation, or any other factors that agencies chose.

The top 5 worst complaints were:

- 1. Foreclosure issues**
- 2. Problems with home repairs after disasters**
- 3. Sweepstakes scams and other frauds targeting elderly consumers**
- 4. Business opportunities and work-at-home offers**
- 5. Violations of do-not-call and other telemarketing rights**

Other complaints that were described as the worst last year involved auto repairs, payday loans, internet sales, home improvement and construction, condominium association disputes, prisoner services, faulty appliances, cell phone billing issues, scams targeting veterans and immigrants, extended warranties, auto loans, debt collection abuses, new car malfunctions, problems with off-airport parking lots, and towing .

New Types of Consumer Problems

New types of consumer problems that agencies dealt with last year covered a wide spectrum of subjects:

- An offer for a payday loan that was actually a line of credit to spend at an online shopping mall (see page 13).
- Mortgage modification and foreclosure rescue scams perpetrated by individuals who are part of the “sovereign citizenship” movement and claim not to be subject to the law (see page 14).
- Third party billing intermediaries holding up deposits of payments and charge-backs for cancelled transactions (see page 17).
- Charges for disputing bills (see pages 14 and 30).
- Scams taking advantage of news about the Affordable Care Act (see page 19).
- New variations of scams against businesses (see page 21).
- Prepayments for health clubs that never opened (see page 22).
- A health clinic offering hormone replacement services to help with low energy and libido (see page 22).
- Door-to-door meat sales out of the back of a truck (see page 26).
- Sudden closings of appliance stores (see page 27).
- Skimming devices on gas pumps and ATMs stealing consumers’ financial information (see page 28).
- Phony property rentals advertised online (see page 29).
- A website posting misleading information about individuals’ traffic convictions and offering to remove it, for a fee (see page 29).
- Rent payments being stolen from drop-boxes at apartment complexes and mobile home parks (see page 32).
- Timeshare resale “splinter cells” (see page 34).
- Businesses closing because of overwhelming responses to discount coupons offered on social media (see page 35).
- The use of parking meters on private lots (see page 39).

New Laws Needed

When asked what new law should be passed in 2013 to protect consumers, the agencies made many suggestions.

- Online businesses should be required to have customer service phone numbers with live personnel to make it easier for consumers and consumer agencies to resolve complaints.
- To protect consumers from high-pressure sales tactics there should be automatic cancelation rights for vacation travel clubs, consumer transactions costing more than \$1,000, and transactions for which the consumers are not able to obtain financing, such as car purchases.
- The federal Used Car Rule should prohibit or at least limit “as is” sales to protect consumers who rely on their vehicles for transportation as well as the interests of honest used car dealers who are at a competitive disadvantage when they sell cars at higher prices with warranties.
- For-profit colleges and universities should be barred from using federal funding for advertising, marketing and recruiting to ensure that taxpayers’ money is used for educational purposes.
- A comprehensive federal law should be enacted that protects consumers’ privacy by limiting online tracking and requiring simplified privacy disclosures.
- To prevent cramming, wireless carriers should be barred from billing for third party services.
- Mandatory arbitration clauses, which are now being used by auto dealers as well as retailers and credit issuers to prevent consumers from enforcing their rights in court, should be prohibited in all consumer contracts.
- Telemarketers should be required to keep recordings of the entire calls, not just the portions where consumers agree to the purchases, to capture all representations that were made.
- Consumers should be entitled to free credit scores when they request their free annual credit reports.
- Every county in New Jersey should be mandated to have a consumer protection agency, which should have the power to hold administrative hearings to enforce the law.
- Consumer contracts and terms of service should be limited to a certain length and required to be written at a 6th grade reading level.
- Florida law should be changed to prohibit subcontractors from placing liens on a consumer’s home for nonpayment by a contractor if the consumer has paid the contractor in full.
- Federal and state law should prohibit businesses from assessing penalties against consumers that have complained about them to third parties.

- Federal law should empower parents and guardians to open credit records for their children and freeze them to prevent identity thieves from using their personal information to open accounts.
- To help consumer agencies combat do-not-call violations, phone carriers should be required to respond to state and federal subpoenas for information about calls and there should be a national registry of VoIP (Voice over Internet Protocol) phone service providers.
- Companies that provide “coaching services” to help consumers set up online businesses should be regulated to make it easier for consumer agencies to prevent and halt abusive practices.
- Debt collection agencies should be licensed or registered in every state in which they attempt to collect from consumers, giving consumer protection agencies more authority over them.
- Federal law should be enacted to prevent abuses by payday lenders and should not enable federally regulated financial institutions to avoid complying with state payday loan restrictions.
- State and local consumer protection agencies should be able to cite businesses for violations and levy fines.
- Used car lemon laws should be enacted in every state, giving consumers the right to demand refunds if the number of repair attempts or days in the shop exceed a certain limit.
- Tougher penalties should be implemented for identity theft in specific situations such as when the victim’s stolen personal information is used to fraudulently obtain a tax refund.
- Ohio law should be amended to enable the Attorney General’s Office to issue subpoenas and compel testimony in identity theft cases. The office is a repository for identity theft complaints and provides informal assistance and information to Ohio victims.

Real-World Complaints and What Consumers Should Do

Auto

Auto Repair Angst

An elderly Florida woman asked the **Broward County Permitting, Licensing and Consumer Protection Division** for help with an auto repair problem. She had paid \$1,141 for transmission repairs, but the transmission still wasn't operating properly and she was worried that the car might be unsafe to drive, so she took it to another garage. She was distressed to learn that the transmission needed to be replaced. She decided not to have the work done, but now she legitimately owed the second garage \$500 for the diagnosis (and her car, which was in pieces, was undriveable). An employee at the garage agreed to buy the car from her to settle the bill, and the complaint against the first shop, which did not have an auto repair license, has been referred for legal review.

It may be a good idea to get a second opinion about a car repair, but you'll probably need to pay for the mechanic's time. Get a written estimate so you won't be surprised by the charge for the diagnosis.

Mileage Mischief

Used car sales were the fastest-growing category of complaint last year at the **Georgia Governor's Office of Consumer Protection**. Acting on a tip from a business associate of Atlanta Broker and Auto Sales, the agency found that the company was selling cars with the odometers rolled back and giving purchasers the federally required Odometer Disclosure Statements with lower mileage stated than the vehicles actually had. Seventeen Georgia consumers were able to either revoke the transactions or receive compensation for the reduced value of their vehicles, at their option, for a total savings of \$155,887.87.

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. You'll find approved companies that sell car histories at www.vehiclehistory.gov. Look at what each offers carefully before choosing.

Shake, Rattle and Roll

The **Los Angeles County Department of Consumer Affairs** in California also cited used car sales as the fastest-growing complaints in 2012. One consumer noticed problems with the muffler and catalytic converter in her car within the first week that she owned it. She returned to the dealer, who claimed to fix the problems, but they only got worse, and then problems started with the alignment, brakes, and ignition. The car was shaking so badly when it came to a stop that the woman feared for the safety of her children, but the dealer refused to help. Once the agency got involved, the dealer agreed to take the car back, refund the consumer's down payment, and rescind the contract.

Before you buy a used car, have it checked out by a mechanic you trust to look for problems that may not become obvious to you until weeks after the purchase.

Give Me a Brake

New car defects were the worst problems reported to the **Consumer Assistance Office – Metro West** in Massachusetts last year. In one case, the consumer complained that the car would brake without warning. The dealer could find nothing wrong, so the agency contacted the manufacturer. It installed a monitor in the car for a few weeks to try to detect the problem, and when the sudden braking did not occur, it agreed to leave the monitor in a little while longer. Unfortunately, the problem still did not manifest itself. The consumer has now reported it to the National Highway Traffic Safety Administration in the hope that others will also complain about sudden braking and the problem can be resolved.

At the National Highway Traffic Safety Administration website, www.nhtsa.gov, you can look for information about car recalls, search for complaints from other individuals about the same problem, and report auto safety defects. You can also get information and file complaints by calling 800-424-9153.

Reining In Rogue Auto Dealer

Last year based on an anonymous tip, the **Montgomery County Office of Consumer Protection** in Maryland began to investigate a man for selling used cars without a dealer's license. Records subpoenaed from the four closest auto auctions revealed that he was operating in ten states and had sold more than 50 cars in Maryland alone. The agency identified ten consumers who were willing to testify in court and is working with the Office of State's Attorney to prosecute the man.

Unlicensed dealers sell cars in parking lots, on streets, in driveways, at gas stations and online. These sales may seem like good deals, but the cars are often not reliable and carry no warranties. Check with your state or local consumer protection agency about your rights if something goes wrong.

On the Road Again

Auto financing and repossessions are also high on the list of complaints that state and local consumer protection agencies handle. In one case described by the **Ohio Attorney General's Office**, a family's car was repossessed after the breadwinner lost his job and fell behind on the payments. Reviewing the paperwork, the agency found problems with the original contract and was able to convince the car lot to return the car, renegotiate the terms of the contract, forgive all fees, and give the consumer a check for \$200 to compensate for his inconvenience.

When you're financing a car through the dealer, don't be rushed or pressured into signing the agreement right away. Take the time to read it carefully, ask questions, and if there is anything you don't understand, show it to someone you trust before you sign on the dotted line and drive the car away.

Lease Larceny

A New Jersey woman complained to the **Union County Division of Weights and Measures/Consumer**

Affairs about a problem with a car lease. She had returned car at the end of the lease period, with 1,000 fewer miles on it than the limit provided under the contract, and she had photographs to prove that the car was in immaculate condition, inside and out. The dealer even remarked on what fine shape the car was in. Nonetheless, six weeks later she received a bill for \$1,600 for damage to the vehicle. When the agency contacted the dealer, it was referred to the company's leasing division in another state. From there agency was referred to the legal division in yet another state. Finally the company acknowledged that New Jersey law gives the consumer the right to get an independent appraisal for any excessive wear or damage that a lease company claims. Since the consumer had never been given that opportunity, the company agreed to drop the charges.

When you return a car at the end of a lease, keep a copy of the lease agreement, note the mileage on it, and take photos so you'll have proof if there are any questions later about the terms of the lease or the condition of the vehicle.

No Lemon Aide

A used car advertised on Craig's List for \$1,300 seemed like a good deal, but the woman who bought it soon discovered that it was a lemon. Since the seller was a private individual, not a car dealer, the **Broward County Permitting, Licensing and Consumer Protection Agency** could not intervene and referred the woman to civil court.

It can be risky to buy a car online from a stranger, especially if the seller is an individual, not a dealer, as you may have little recourse if something goes wrong. Check to see if the website where the car is being offered provides buyer protection. If it doesn't and you can't see the car in person and have it checked out by a mechanic, it may be better to look elsewhere for your next set of wheels.

Driven, Pushed and Pulled into Bad Deal

Complaints against car dealers were the worst reported to the **Union County Division of Weights and Measures/Consumer Affairs** in New Jersey last year. One elderly man was so upset about his car problem that he couldn't eat or sleep. The problem began when he responded to a dealer's advertised promise to give a \$4,000 credit toward the purchase of a new vehicle for any car that was driven, pushed or pulled into the lot. The same ad listed the new car that he wanted for \$14,999. Once at the dealership he was told that that car was no longer available but there was another one that was the same model. There was no Monroney sticker or price on the car, but he believed it was the same price. With the \$4,000 credit and \$2,000 that he was going to use as a down payment, he would only need to finance the remaining \$9,000. But by the time he left the lot he owed \$46,000. When the agency questioned the dealer about why there was no Monroney sticker or price on the car, it admitted that the sticker was in the trunk and that the listed price was \$20,000. The deal was unwound and the man got the car for \$14,999.

Federal law requires the Monroney sticker to be posted on a side window or the windshield of all new cars for sale. It tells you the Manufacturer's Suggested Retail Price, the price of any optional equipment

on the vehicle, the miles per gallon, the crash rating, and other important information. If you don't see it, walk away. And if you suspect that a dealer is using false advertising to lure you in and switch you to a more expensive deal, don't take the bait – report it to your state or local consumer protection agency.

“As Is” Means Tough Luck

Used car sales were the worst complaints to the **Vermont Attorney General's Office** last year, and in many cases they involve “as is” sales, which are legal in the state. One man reported that when he went to a dealership with his son, a veteran, to buy the son a car, the dealer clapped and thanked the son for his service to the country. But the car he sold them turned out to need more in repairs just to pass state inspection than it was worth, and had no guarantee. The man testified before a legislative committee that was considering prohibiting “as is” sales, but the auto dealers successfully blocked the measure.

Before you buy a used car from a dealer or an individual, get information about your warranty rights from your state or local consumer protection agency. Some states allow dealers to sell used cars “as is” as long as that is clearly disclosed, which means that the seller may have no responsibility—another reason why it's important to have the car checked out by a mechanic you trust before you commit.

Credit/Debt

A Loan or Not a Loan, That is the Question

A Massachusetts consumer applied online for what she thought was a payday loan, but instead of receiving money, she got a line of credit to spend at an online shopping mall, with an annual percentage rate of 1000%. She contacted the **Cambridge Consumers' Council** for help when she began to be billed for fees to maintain the line of credit even though she had never used it. To make matters worse, she had received a call from someone claiming to be from a law firm threatening legal action if she didn't pay (the law firm whose name was used denied ever hearing of the consumer or the company). The agency got the fees withdrawn and the account closed.

Payday loans and other short-term loans are typically very expensive and can trap you in a never ending cycle of debt. Be sure you understand how the loan works and how much it costs. For more information, go to Consumer Federation of America's website about payday loans, www.paydayloaninfo.org

Bungled Billing

Tuition fees can be expensive, but it's even worse when you're charged for classes you never took. In fact, the consumer who complained to the **District of Columbia Attorney General's Office** about being dunned for classes by a university had never attended the school, but he was being threatened with collection activity if he didn't pay the bill of more than \$9,000. Once the agency got involved, it was determined that a glitch in the school's data system caused a billing error and it was fixed.

Resist pressure to pay a debt that you don't think you owe. If you're not sure of your rights, check with your state or local consumer protection agency.

Extra Charge for Complaining

Last year, the fastest-growing complaints to the **Fairfax County Department of Cable and Consumer Services** in Virginia were about billing disputes with dentists and optometrists. In one complaint, a father brought his child to an optometrist to be fitted for contact lenses. The father was presented with an agreement to sign, in 8-point type, containing a provision that there would be a penalty, in an unspecified amount, if he made a complaint about the bill to any third party. He had not brought his glasses and couldn't read the agreement, but even if he had read it and refused to sign, he would have been denied service and charged for a missed appointment. He initialed the agreement, which he was not given a copy of, and the fitting proceeded. Later, a dispute arose when the optometrist charged for a service that was not authorized. Unaware of the agreement that her husband had signed, the girl's mother refused to pay for the service and contacted the consumer agency and the Better Business Bureau for help to resolve the matter. The optometrist refused to cooperate and is pursuing the parents through a collection agency for \$135 in "penalties" for complaining to the agency and the BBB.

Stand up for your right to question bills that you think are incorrect or charges that you feel are unfair. If you can't resolve the issue, ask your state or local consumer protection agency for help.

Dirty Debt Collection Tactics

Debt collection abuses were among the worst complaints that the **Georgia Governor's Office of Consumer Protection** received last year. One of the most egregious cases involved a debt collection agency, Mauconduit & Luna, LLC, which allegedly threatened and harassed consumers by leaving messages that implied a connection with a law firm, divulging information to third parties about debtors' accounts, failing to verify disputed debts, and continuing to contact consumers after being asked to stop. The company entered into a settlement that required it to shut down operations and forgive over \$11.9 million in consumer debt. It also paid investigative costs and civil penalties.

Under federal law, you have the right to tell debt collectors, in writing, not to contact you again. It's also illegal for debt collectors to call with annoying frequency, falsely say they're going to take legal action, use obscene language, threaten you with bodily harm, or reveal information about your debt to someone else. The Federal Trade Commission provides information about your debt collection rights at www.consumer.ftc.gov/articles/0149-debt-collection. You may also have rights under state law; check with your state or local consumer protection agency.

"Sovereign Citizens" Bilk Consumers

The worst problem that the **Johnson County District Attorney's Office** in Kansas dealt with last year concerned bogus offers to help consumers who were struggling to make their mortgage payments. What was especially interesting, and new, in two major cases that the office prosecuted was that some of the defendants claimed to be "sovereign citizens" and thus not subject to the laws of Kansas or the courts (see www.sovereign-citizenship.net). In one case, more than 500 desperate homeowners were bilked out of their money with false promises that the company, The Azize Group, could get their

mortgage payments lowered and save their homes from foreclosure. An individual claiming to be from the company's "legal department" provided legal advice that he was neither trained nor licensed to dispense. A related company, D & K Holdings, misrepresented its ability to challenge the interest rates and status of consumers' loans. Advised to stop making their mortgage payments, consumers were left in worse situations than before and poorer because of the upfront fees they paid. The other case, against Reaper Investment Partners and related companies and individuals, was similar. Among other things, the defendants offered to refinance consumers' homes and provide clear title, but they simply pocketed the money, failing to pay off the mortgages and leaving the consumers facing foreclosure. Some ultimately lost their homes. The agency obtained default judgments against the defendants in both cases and permanent injunctions prohibiting them from doing business in Johnson County.

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.

Consumers Lose in Blame Game

The **Pinellas County Department of Justice and Consumer Services** in Florida also cited loan modification and foreclosure scams as the worst complaints it received last year. In one example, a local law firm contacted several consumers with promises to lower their monthly mortgage payments and prevent foreclosure. The consumers paid an average of \$3,000 each for help, and never received any. Instead, the firm closed, and the attorneys denied any responsibility, claiming that the individual who operated it, who was not an attorney, was to blame.

Lawyers are exempt from the ban against taking upfront fees for mortgage relief assistance services, but only under specific circumstances, and they must place your money in a client trust account to safeguard it. The Federal Trade Commission provides more information at www.consumer.ftc.gov/articles/0100-mortgage-relief-scams.

Foreclosure Rescuer is a Fake

Foreclosure rescue scams were also the worst complaints reported to the **Los Angeles County Department of Consumer Affairs** last year. In one case, a homeowner in foreclosure was approached by an individual representing himself as a real estate broker who said that a group of investors wanted to buy the house and would rent it back to the man until he was ready to take back ownership and resume making the mortgage payments. The homeowner paid an upfront fee and monthly fees that eventually totaled more than \$10,000. When he realized that the "investors" had actually done nothing, he asked the agency for help. It tracked down the phony broker and got the homeowner's money back. The case has been referred to other regulators for possible additional action against the individual.

Fraudsters take advantage of people in desperate situations. If someone offers to buy your house to help you avoid foreclosure, get the offer in writing and consult with an attorney or your state or local

consumer protection agency before you agree to anything.

Serial Scammer

Parry Donaldson first came to the attention of the **Louisiana Attorney General's Office** at the beginning of the economic crisis for mortgage foreclosure rescue scams, credit repair, and other schemes. One of his scams involved offering to help consumers repair their bad credit records and refinance their homes. He convinced them to make their mortgage payments to him rather than their lenders with the promise that he would pay the lenders and report the positive payment information to the credit bureaus, improving the consumers' credit scores and enabling them to finance at lower rates. In reality, he pocketed the money, and when the homes were foreclosed on, he bought them at auction and offered to lease them back to the homeowners. In 2008 the agency obtained a stipulated judgment and assurance of discontinuance from Donaldson and several of his associates. Last year, however, the agency began to receive new complaints indicating that Donaldson was up to his old tricks. Working with other local law enforcement agencies, the agency was able to identify several instances in which Donaldson had been arrested and released on bond, but no further court action had taken place. He was arrested again and his bond was revoked, leaving him where he can do no more harm, in jail.

Need help modifying your loan or avoiding foreclosure? For information about your options and to find out if you are eligible for help from the government, go to www.makinghomeaffordable.gov. You can also take to a housing counselor certified by the U.S. Department of Housing and Urban Development by calling 888-995-4673, TTY 877-304-9707. There is no charge for these services.

Misapplied Payments Mess Up Consumer's Credit

Mortgage problems were the fastest-growing complaints to the **Louisiana Attorney General's Office** in 2012 and the reason for this was the National Mortgage Settlement that state and federal regulators obtained last year from several financial institutions. In one complaint example, the consumer was making timely mortgage payments online to Bank of America but the bank was misapplying them, resulting in fees for late payment and delinquencies on his credit record. With the agency's help, the consumer got the money back that he had paid for late fees and his credit record was cleared.

The National Mortgage Settlement offers relief to certain consumers, including principal reductions, refinancing and payments to those who lost their homes to foreclosure. For information about who is eligible and what assistance is available go to www.nationalmortgagesettlement.com.

Real Help to Fix Foreclosure Problems

Mortgage-related complaints also kept the **Montana Attorney General's Office** busy last year. The agency shared several compelling stories: the cancer victim who received an Emergency Home Loan Program loan from the federal government *after* her home was sold in foreclosure (the agency helped to get the sale rescinded and the mortgage loan reinstated); the retired couple with serious health problems who were about to be evicted from their home after foreclosure but with the agency's help

were able to get a 3-month extension, which allowed them to complete some medical treatments and arrange to move to another state where family members could take care of them; the couple with a squeaky-clean credit record who had to file bankruptcy after a medical emergency and were misadvised by their bank to stop making their mortgage payments in order to become eligible for a loan modification (the agency's intervention stopped the foreclosure and got their loan modified at affordable terms that will allow them to remain in their home).

A Helpful Hand for Homeowners

To address the needs of families affected by the foreclosure crisis in Massachusetts, in April of 2012 the **Massachusetts Attorney General's Office** established its HomeCorps Program. The agency was the first in the nation to offer such individualized assistance. In one such situation, a single mother of three fell behind on her payments when she lost three separate jobs and racked up late fees. By the time she found work again, the damage was done. In an attempt to get a loan modification, she sent paperwork back and forth to her mortgage company for more than a year, but it always informed her that something was missing. After receiving a foreclosure notice and auction date in the mail, she finally reached out to the agency for help. She now has a successful loan modification with affordable payments that enable her to stay in her home.

Held in Suspense

The proliferation of payment intermediaries is a new challenge that can make resolving billing issues complicated. In one case reported to the **Consumer Assistance Office – Metro West** in Massachusetts, the consumer paid for a transaction with a credit card and then became convinced that he was overcharged. The merchant denied overcharging him but agreed to issue a refund as a goodwill gesture. When the consumer did not see the money credited back to his account, however, he complained. The merchant insisted that it had returned the money. It turned out that the merchant used a third-party billing service to process credit card transactions for small businesses that aren't set up to accept them directly, and the third-party processor had disputed the charge-back. The money was being held in a "suspense" account, so neither the consumer nor the merchant had it. Once this was determined, the chargeback was allowed to go through and the consumer got his money back.

If you are expecting a chargeback on your credit card or a credit for a debit to your bank account, check your statement carefully and contact your credit card issuer or bank if it does not appear within a reasonable time. You can also monitor your financial accounts online to be sure they are correct.

Let the Games Begin

The **San Francisco District Attorney's Consumer Protection Unit** in California also dealt with problems concerning payment intermediaries last year. For instance, it received a frantic call from the producer of a nationally-televised sporting event who was worried that a San Francisco-based payment processing service had not deposited the money from online ticket sales into his company's account. The event was ten days away and he needed funds to put it on. With the agency's help, the issues that were holding up

releasing the funds were resolved.

Businesses that are considering using payment processing services should get clear information in advance about exactly how they work, including how and when funds are transferred to their accounts.

Reversal of Fortune

One of the worst complaints that the **Orange County Consumer Fraud Unit** in Florida received in 2012 was from an elderly woman who was seeking help because she and her disabled daughter were being evicted from their home. After paying off her mortgage, the woman had entered into what she thought was a reverse mortgage through a friend of a friend, but it was actually a new loan for which her property was used as collateral. She did not understand the paperwork or realize that she would have to make payments and fell into arrears, prompting the foreclosure and eviction notice. The consumer office referred her to other agencies for help but it was too late to save her home.

Be careful when you are entering into a reverse mortgage or any type of loan agreement. Read the paperwork and ask questions about anything you don't understand. You might want to consult with a lawyer or other trusted advisor. The Federal Trade Commission provides information about reverse mortgages and what to watch out for at www.consumer.ftc.gov/articles/0192-reverse-mortgages.

Lender Wins Title for Worst Complaint

The worst consumer problems that the **Virginia Attorney General's Office** dealt with last year concerned Dominion Management Services, Inc., doing business as CashPoint, which made loans to consumers using their vehicles as collateral. Between October 2010 and early December 2010, during the time that CashPoint had applied for but not yet received a car title lender license, the company made loans to 913 consumers. The interest rates charged on those loans greatly exceeded the legal limits set by state law. The matter was settled last year with an agreement that CashPoint would make refunds totaling nearly \$600,000 to more than 850 borrowers, that it would not collect interest or other fees above the principal loan amount from any borrower who received a loan during the time that it was unlicensed, that it would return the car titles to those borrowers whose payments covered the principal amounts, and that it would not repossess any vehicles belonging to consumers who got loans in that period. It also paid penalties and for costs of the investigation.

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.

Fraud

Scammers Strike a Pose

“Imposter scams” were the fastest-growing complaints to the **Connecticut Department of Consumer**

Protection last year. In some cases, scammers posing as representatives of Connecticut Light and Power Company called consumers demanding immediate payment to avoid disconnection. Consumers were instructed to pay via cash reload cards such as the Green Dot MoneyPak that are used to reload prepaid cards, and then providing the serial number to the scammers. With that information the scammers can move those funds to prepaid cards and cash them at ATMs. Consumers also reported receiving emails, supposedly from the FBI, containing a web link which, when opened, downloaded a virus on their computers. It immediately locked the computers and displayed a screen warning that they had been identified as having been used to view child pornography and commit other crimes. The message then demanded money to pay a “fine,” again through cash reloads system. In addition to new imposter scams, an old one has resurfaced – bogus Yellow Pages. Pretending to represent the legitimate Yellow Pages directories, the scammers call businesses demanding payment for their listings. One complainant said the caller asked her to respond “yes” to several questions about whether she was the contact person for her company, even though she insisted that she could not authorize any services or payments. She was transferred between two “Yellow Pages” reps who behaved impatiently until she agreed to say “yes” to the scripted questions. Several months later she received a call from a third “Yellow Pages” rep who told her that her bill was now 120 days overdue, that he had a tape of her saying “yes” to authorize the service, and that she would face court action if she did not pay. Of course, these culprits have no connection to the real Yellow Pages. Another imposter scam targeted state agencies and school districts in Connecticut. They received fraudulent invoices for computer maintenance services purporting to be from a company called US Telecom.

Fraud is no laughing matter, but at www.consumerfed.org/fraud you'll find a series of short, funny videos as well as tips from Consumer Federation of America that will help you learn about scammers targeting new payment methods, the “grandparent scam,” phishing and other types of fraud.

Help for Consumers to Avoid Health Reform Scams

Scammers often take advantage of current news, and the Affordable Care Act has given them a new angle for fraud. In one scam reported to the **Los Angeles County Department of Consumer Affairs** in California last year, a senior was tricked into providing her Social Security numbers and medical information by a caller who pretended to be from the federal government and claimed to be checking her eligibility for the new health care program. Another scam that the agency has heard about involved telemarketers selling low quality health insurance and misrepresenting it as part of healthcare reform. The agency is working to increase its public outreach about healthcare reform and warn consumers about these kinds of scams before they become victims.

Remember that whenever there are natural disasters, new government programs, or other major events in the news, fraud is likely to follow. Tips about health reform-related scams are available from the Better Business Bureau at www.bbb.org/blog/2013/05/scammers-use-launch-of-affordable-care-act-insurance-for-id-theft-con/ and the Federal Trade Commission at www.consumer.ftc.gov/blog/affordable-care-act-when-scams-follow-news.

Long-Distance Robbery

The worst complaints to the **North Dakota Attorney General's Office** last year were telemarketing scams emanating from foreign countries. Jamaica has been a popular location for these scammers lately and repertoires include everything from bogus sweepstakes and lotteries to the grandparent scam to collections for non-existent payday loans. One victim lost more than \$220,000 over a 5 month period and it only stopped when she was admitted to the hospital for stress caused by the scam. The problem was uncovered when a friend who was helping her take care of personal matters while she was hospitalized found receipts, notes of calls and other evidence showing that she had been wiring money and purchasing MoneyPak cash reload cards to pay Jamaican scammers.

It's illegal for companies to ask you to pay a fee or buy anything in order to win or claim a prize – and it's a sure sign of fraud. It's also important to know that if you send money to someone in another country who turns out to be a crook, you'll probably never be able to get it back. The National Consumers League's Fraud Center provides good descriptions of common scams at www.fraud.org.

Borrowers Lose on Bogus Loans

Online scams continue to be the fastest-growing complaints to the **Orange County Consumer Fraud Unit** in Florida. Many of them are bogus offers of personal loans, for an upfront fee. One advance fee loan scammer used an Orlando address, resulting in numerous complaints from consumers all over the country who lost anywhere from \$400 to \$3,500, depending on the amounts they sought to borrow.

Watch out for offers to lend you money, even if you have bad credit, as long as you pay a fee upfront. Legitimate lenders will never guarantee to give you a loan before you apply, but scammers will. At www.consumer.ftc.gov/articles/0078-advance-fee-loans the Federal Trade Commission offers tips to help you avoid losing your last dime to advance fee loan scams.

Crackdown on Coaching Services

Coaching services continue to be the fastest-growing subjects of complaint at the **Utah Division of Consumer Protection**. They often start with emails to consumers purporting to be from friends (in some cases the friend's email accounts have been hacked to send out the messages) selling information for \$49 to \$99 about how to do affiliate marketing. Once consumers have taken the bait, they usually receive phone calls offering coaching services to help them succeed in setting up online businesses. The coaching services, at \$1,500 to as high as \$20,000, are sold on the basis of various misrepresentations, including that building websites for the consumers is included and that they will soon be making \$3,000 to \$6,000 per month. It turns out that the websites cost extra and the promised profits never materialize. The agency is now working with the state Attorney General's Financial Crime Division and the Federal Trade Commission to crack down on these coaching service scams.

Be suspicious of any claims that you can earn big profits easily by setting up your own business, especially if someone contacts you out of the blue and asks you to pay a fee for helping you.

Stop Sending Money, Please!

Sometimes it's hard to convince consumers that they're being scammed despite the best efforts. The **Vermont Attorney General's Office** tried to help a resident who was targeted by a phony sweepstakes scam last year. Working with the US Postal Inspection Service, the money orders the woman sent were tracked to an address in Texas, from where they were being forwarded overseas. Even though the woman had been informed of the scam, she sent another money order that arrived at the Texas address while the Postal Inspectors were there.

Crooks are very skilful in convincing people that it's their lucky day. Who wouldn't be excited about the prospect of winning millions? It can be hard to convince people that the promises these con artists make are lies. If you know someone that you think is falling for sweepstakes or other scams and may not be competent to tell fact from fiction, Adult Protective Services may be able to help. Go to www.napsa-now.org for a directory of the services that are available in every state.

Businesses Beware

The **Vermont Attorney General's Office** also reported that fraud against businesses appeared to be on the rise in 2012. In addition to the usual phony invoice scams, there were new scams like the one in which businesses were contacted by a company offering advertising space on a folder that would be delivered to local schools. Funds from the advertising would supposedly go to support drug use prevention and other local programs. The schools were unaware of the project, however, and the funds apparently went into the scammer's pockets, not to support any local initiatives.

Individuals aren't the only targets of fraud – businesses are vulnerable as well. If you operate a business, make sure that your employees know how to recognize common scams. The U.S. government website offers tips at www.usa.gov/topics/consumer/scams-fraud/business/small-business-scams.shtml and there is also helpful information from the National Consumers League's Fraud Center at www.fraud.org/scams/business-fraud.

Health

Dangerous Drug Sales Tactics

The **District of Columbia Attorney General's Office** joined with 37 states in the biggest multistate consumer protection-based pharmaceutical settlement in history. Janssen Pharmaceutical, Inc. and its parent company, Johnson & Johnson, were accused of promoting powerful antipsychotic drugs for purposes for which the Food and Drug Administration had not approved them. This kind of "off-label" drug use can endanger patients. Janssen was also charged with concealing and misrepresenting the side effects of one of the drugs. Under the settlement, the companies agreed to change their marketing practices and paid \$181 million, of which the District of Columbia received more than \$4 million.

Using drugs for purposes for which they have not been approved can be dangerous to your health. The U.S. Food and Drug Administration's MedWatch program provides drug safety information and enables

consumers to report possible problems. Go to www.fda.gov/Safety/MedWatch/.

Health Clubs Die Untimely Deaths

Complaints about fitness clubs were new at the **Louisiana Attorney General's Office** last year, and the biggest problem was with Powerhouse Gym, which was supposed to open in January 2012 but never did. The health club had already signed consumers up and was charging them for memberships, but the grand opening was repeatedly delayed, and ultimately the construction was never completed and the business was evicted from the property. The agency obtained an injunction and order for restitution.

A similar problem occurred in Virginia when SportsQuest, LLC presold memberships in a health club that was never built and failed to refund customers of a second facility that was abruptly closed. Because health clubs in the state are required to maintain surety bonds, the **Virginia Attorney General's Office** was able to collect those funds. The amount of claims that consumers filed, however, exceeds the amounts of the bonds, so they will only get partial refunds.

Using a credit card is the best way to pay for goods or services in advance of receiving them because you have the legal right to dispute the charges if you never get what you were promised. Some states require health clubs to post bonds to protect consumers, but there is no guarantee that the bonds will be enough to cover all claims. Finding a health club that allows you to "pay as you go" may be the safest bet.

Hormone Replacement Horror

Last year the **Tennessee Consumer Affairs Division** began to receive complaints about the medical and billing practices of HRC Medical Centers, Inc., which claimed to be the largest provider of "bio-identical" hormone replacement therapy in the country. Based on those complaints, the Tennessee Attorney General's Office sued the company in October 2012, alleging that it violated the Tennessee Consumer Protection Act by, among other things, making unsubstantiated claims about the safety, benefits, and side effects of the therapy and failing to disclose possible side effects including increased risks of endometrial cancer, breast cancer, high blood pressure, and other serious health risks. HRC was placed into receivership in December 2012 and action against the company and its principals is ongoing.

Be careful when you see claims for health products and services. Some could actually make your health worse, not better. Consult with your doctor before you sign up for any health treatments.

Home Improvement/Construction

You Get What You Pay For

Resurfacing pools is a common home repair in Florida. The **Broward County Permitting, Licensing and Consumer Protection** agency received a complaint from a woman who hired her neighbor to fix her pool for \$1,500, lower than other estimates she had gotten. But it soon became clear, as holes popped up and the pool walls began to discolor, that the work was shoddy, and the man who did it was not properly licensed. With the agency's help, she got her money back.

It's a good idea to get at least a few estimates for home improvement work, but the best price may not always be the best deal. It's also important to get references so you can ask previous customers if they were happy with the contractor's work and to check on any licensing or registration requirements.

Luck Ran Out

Acting on a telephone tip, an investigator for the **California Department of Consumer Affairs Contractors State Licensing Board** raced to a house to find a man and his three employees cutting tree limbs from unsecured ladders placed on the roof. The man did not have a license – he had failed the license exam every time he took it – but he did have a business card with a phony license number on it. He was cited for the licensing violation and issued a stop order prohibiting him for working on any job with employees until he obtained a workers' compensation insurance policy. When he failed to show up in court on the licensing charge, the agency worked with the local district attorney's office to spring a trap: he was invited to a house to give a bid, and promptly arrested when he showed up. In another enforcement action, the agency nabbed a pool plasterer who had been operating for years without a license or insurance. He was turned in by legitimate contractors who were upset because he had been underbidding them by hundreds of thousands of dollars.

Many states require contractors to be licensed, not only so they can be tracked down if there is a problem but to ensure that they know what they're doing and are operating safely.

Flapping in the Wind

The **Gloucester County Office of Consumer Affairs, Weights and Measures** in New Jersey received several complaints against The King of Awnings, all with a similar MO. The company owner would come out to give an estimate and have the consumer sign a contract that lacked the required registration number, start and end date, and notice of the 3-day right to cancel. After taking a \$1,300 deposit, he promised to be back next week, but next week never came. Months later, when the consumer ran out of patience and tried to cancel, he wouldn't return their calls or he would refuse to refund the money because it was "tied up in the awning and metal framework." The agency has filed charges against him for failing to be a registered home improvement contractor as required by New Jersey law. Frustratingly, he continues to do business, leaving customers flapping in the wind like the awnings that he sells.

Federal law gives you the right to cancel purchases for more than \$25 that you make at your home or somewhere else other than the seller's normal place of business, and if you are not given notice of that right at the time of the sale, your right to cancel continues. There are some exceptions. For more information, go to www.consumer.ftc.gov/articles/0176-protections-home-purchases-cooling-rule. You may also have specific cancellation rights under state law; check with your state or local consumer protection agency.

Construction Crackup #1

Last year the worst complaints that the **Hillsborough County Consumer Protection Agency** in Florida

received were against a national home builder for shoddy construction work. Two complaints involved new townhouses in a development that had defects causing the stucco to crack, shift or separate near the windows, doors and wall openings. The cracks allowed water to seep in. The home builder initially blamed the home owners association for failing to properly maintain the stucco, but after months of negotiation and expert opinions, the agency got him to agree to make extensive repairs inside and outside of the townhouses. A third complaint against the builder is even more serious: it involves a new single family home built without footers, allegedly causing it to crack, move and sink. Again, the builder blamed the homeowner for not maintaining the exterior properly, but an engineer inspected the house and confirmed that it was built without footers. Mediation is ongoing to try to resolve the problem, but in the meantime, the homeowner's insurance was canceled and the mortgage company has force-placed insurance on the home at higher rates than she can afford to pay.

Construction Crackup #2

The **Howard County Office of Consumer Affairs** in Maryland received a growing a number of complaints last year about new home defects, including several from homeowners in one community who were alarmed because their upstairs ceilings were cracking. The builder initially believed that it was a "cosmetic" problem, but when it became obvious that many homes were affected and the county building inspector got involved, he agreed to re-inspect the homes and acknowledged that there was a structural problem with the roof. The consumer agency is monitoring the repairs to ensure that the fix is effective.

New home defects can be expensive to repair and dangerous to ignore. Contact your builder immediately if you suspect that there may be structural problems and if they're not resolved, ask your local building inspector and state or local consumer protection agency for help.

Shady Shoring Up Practices

The worst complaints to **the Louisiana Attorney General's Office** continue to be about work to shore up consumers' homes after the devastation of Hurricane Katrina. To prevent flooding damage in future storms, parishes in the state began to institute elevation requirements for homes that were damaged in certain vulnerable areas. The homeowners have received grants to help pay for this work, but unfortunately some contractors have taken the money and run. In one 2012 complaint, the homeowner agreed to pay \$3,000 for the shoring up work and signed his grant check for that amount over to the contractor. Nine months later, after no work had commenced, he asked the agency for help. It got his money back from the contractor and the complaint has been referred for a criminal investigation.

Never pay the full amount for home improvement work before the job is done. Some states impose limits on what percentage of the total price the contractor can request upfront; ask your state or local consumer protection agency.

Criminal Contractors

Unlicensed contracting was the fastest-growing complaint to the **Hillsborough County Consumer Protection Agency** in Florida in 2012. One case involved two brothers, neither licensed, who solicited contracting jobs by passing out flyers at the Florida State Fairgrounds, golf tournaments, and door to door in residential neighborhoods. Both have extensive criminal records. They took deposits but never did any work. While the agency's investigation was ongoing, one of the brothers was arrested for beating and robbing an 83 year-old woman. Both have now been convicted. In another complaint, an unlicensed contractor offered to help an elderly man after a storm damaged his mobile home. The contractor had his eye on the insurance settlement money but was stopped before he could get it. After he took money from another victim and did nothing in return, he was finally charged with criminal offenses, but the case has been delayed because he has been found incompetent to stand trial. And in another heartbreaking case, a group of elderly women who attended the same church were victimized by an unlicensed contractor. He hired laborers to do the work, which, though it was shoddy, prevented the agency from bringing theft charges against him.

Before you agree to home improvement work, ask your state or local consumer protection agency if licensing or registration is required for that type of job and how you can find out if the contractor has complied. Failure to comply may be a danger sign that the contractor has something to hide, such as previous unresolved complaints or even a criminal record.

Persistence Pays Off

The worst complaints to the **Massachusetts Office of Consumer Affairs and Business Regulation** last year were about home improvement problems. In one typical complaint, the contractor took too much money upfront (state law limits the amount of payment before the work begins to one-third of the total contract price unless it is spent on special-order materials). He started the kitchen remodeling job but never finished it. Finally, the consumer hired another contractor to complete the work, at considerably higher expense. Fortunately, the original contractor was registered with the agency, so the homeowner was able to go through the state home improvement arbitration program to get a favorable decision and then used it court to obtain a judgment against the contractor.

One important reason to only do business with contractors that follow the legal requirements in your state is that if something goes wrong, you may have a better chance of resolving the problem. For instance, if there is a state-run home improvement arbitration program or bonding for contractors, it might only apply if your contractor has met the licensing or registration requirements.

Homeowners on the Hook

Another problem that can arise with home improvement contractors is failure to pay subcontractors. For example, three consumers complained to the **Pinellas County Department of Justice and Consumer Services** in Florida about a pool contractor who took their final payments for the work but never paid the outstanding balances due to subcontractors. The subcontractors exercised their rights to place liens on the consumers' property. The contractor was prosecuted for misapplying construction funds, found guilty, and sentenced to probation and ordered to pay \$30,000 in restitution to the victims.

Before you make the final payment on home improvement work, ask the contractor for documentation that all of the subcontractors have been paid. If they haven't been, you may be on the hook for the money.

Home Solicitations

Watch Out for the Meat Wagon

The **Howard County Office of Consumer Affairs** in Maryland saw a new twist last year in an old scam involving door to door meat sales. Typically, these have involved plans for quantities of frozen meat, tailored to the size of the family, to be delivered at intervals throughout the year. But in the latest version, the salespeople actually have the meat with them in a truck and are trying to sell whatever quantity the consumers' refrigerators or freezers will hold. The basic concerns are the same: high pressure sales tactics and misrepresentations about quality and value of the meat. In this case, the sellers did not have the solicitor's license or food handler's licenses required by the county. The agency is working with the police to locate and stop these con artists.

Ask your state or local consumer protection agency if door-to-door sellers must be licensed or registered; if the answer is yes, whenever salespeople unexpectedly appear at your door, demand to see proof that they have complied. Resist pressure to buy something that you don't really need or want.

Sealing Deal was a Steal

Door-to-door sales were the fastest-growing complaints to the **Kansas Attorney General's Office** last year. One individual approached several homeowners offering to seal their driveways for a specific price and then demanded more money halfway through the job. Feeling pressured, the consumers paid. The agency got their money back, and the man also paid civil penalties and investigative fees.

If someone comes to your house uninvited offering driveway sealing, paving, house painting or any other home improvement work, it's probably a scam. Legitimate contractors do not go door-to-door looking for work. Get the person's license plate number and call your local police.

Reverse the Charges

The **Ohio Attorney General's Office** reported that it received complaints last year about telemarketing solicitations for business opportunities and work-at-home schemes. Frequently these take advantage of consumers who don't have expendable money but have excellent credit. Using high-pressure sales tactics, the callers persuade consumers to sign up for programs that cost thousands of dollars, charging them to credit cards or even opening up new credit accounts to cover the transactions. Often the programs don't live up to the promises of big profits that the salespeople made. Telephone solicitors doing business in Ohio must register with the Attorney General's Office; if they're not registered, the telephone contacts with Ohioan consumers are in violation of state law. This gives the agency more leverage to resolve complaints – for instance, getting one consumer's contract canceled for a full refund of \$1,454.

Beware of telemarketers' claims that they can help you win, borrow or make money. One clue that it's probably a scam is if your phone number is on the National Do Not Call registry and the caller is not from a company that you have done business with before. For more information about your telemarketing rights under federal law and how to spot scams, go to www.consumerfed.org/fraud. Your state may also have laws concerning telemarketing; check with your state or local consumer protection agency.

Household Goods

Consumer Got the Cold Shoulder

Two months after buying a new refrigerator, a woman on Cape Cod found that freezer wasn't working. Maytag sent a repairman to fix it, but after he left, the refrigerator stopped working completely, and hundreds of dollars worth of food was lost. The refrigerator and freezer broke down six more times. It was difficult for the woman, a single mother of three, to take time off to be home for the repairs, and she lost more food. Finally, the **Consumer Assistance Council** in Massachusetts convinced the Whirlpool Corporation to replace the refrigerator.

If you have a problem with a new appliance and you can't resolve it through the store or the manufacturer, ask your state or local consumer protection agency for help. You may have rights, beyond what the warranty provides, to get the appliance replaced or a refund.

Suspicious Warranty Sales Practices

The **Maryland Attorney General's Office** launched an investigation that began with a complaint from a consumer that the extended warranty he purchased with some new furniture was not being honored. It appears that the retailer might not have been turning in the warranties, and the warranty company's share of the payments for them, until claims were made. While the consumer's claim was covered, the investigation is ongoing into the store's warranty sales practices.

Retailers push extended warranties because they make money from them. Resist pressure to buy one. In most cases, if someone goes wrong with a product it will be covered by the manufacturer's warranty and by other rights that you may have under state law to expect that a product will work as it should for a reasonable period of time.

Appliance World has Happy Ending

The **Wisconsin Department of Agriculture, Trade and Consumer Services** encountered a new type of consumer problem last year when Appliance World suddenly closed all of its locations in the southwestern part of the state. More than 200 consumers filed complaints about orders they had placed and not received, layaways that they were paying on, and service that they were entitled to under extended warranties that they had purchased. Fortunately, the company's lawyer contacted the agency immediately after the closings were announced and cooperated to ensure that consumers received the merchandise or refunds that they deserved. All of the claims, worth more than \$89,000, were resolved.

Businesses can close without warning. When you buy merchandise that will be delivered later, pay with a credit card so you can dispute the charges if you don't receive it. Keep order forms, layaway agreements and other documents about the transaction in case there is a problem and they are needed.

ID Theft

Skimming Scams

The **Bucks County Consumer Protection, Weights and Measures Office** in Pennsylvania received complaints for the first time last year about skimmer devices that identity thieves surreptitiously affixed to ATMs and gas pumps in order to copy consumers' financial account information.

Notice something that looks odd on a gas pump or ATM machine? It could be a skimming device that identity thieves have attached to steal your account number. Report your suspicions immediately to the gas station or financial institution, and use a different machine. If you find an unauthorized charge or debit on your account, tell your financial institution immediately.

Stolen Data Leads to Stolen Merchandise

Complaints to the **North Dakota Attorney General's Office** from residents employed by a national company revealed that a security breach which had occurred several years earlier had compromised the personal information of company employees, not only in North Dakota but across the country. Victims first discovered the problem when they began to receive bills from GE Capital Retail Bank/PayPal for online purchases that they had never made. The shipments all went to an address in San Jose, California, from which the fraudulently-purchased merchandise was forwarded to China. Some victims also received notifications from Capital One with prepaid cards enclosed and bills from Web Bank/Bill Me Later. The agency helped consumers resolve the billing problems.

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, notify the credit bureau immediately. And if you receive bills for purchases you never made, don't ignore them – they may signal that someone is using your personal information fraudulently. To learn more about identity theft visit Consumer Federation of America's www.IDTheftInfo.org website.

Internet Sales

Free, for a Fee

The fastest-growing complaint to the **Cambridge Consumers' Council** in Massachusetts has been problems with free trial offers. In one case, a consumer signed up online to try a natural sleep aid, paying only for the shipping. The merchandise never arrived, but the bill did, for \$80. When the consumer contacted the company, she was told that she had to pay because she failed to cancel before

the trial period ended, even though she never got to try anything. The agency got her money back, including the shipping charge.

Free trial offers don't mean that you get something for free, no strings attached. You will be charged unless you cancel by the end of the trial period, and depending on the terms of the deal, the charges may go on and on every month indefinitely. Be sure you know exactly what you're getting into if you agree to a free trial offer and report any problems to your state or local consumer protection agency.

Painted into a Corner

The worst complaint to the **Gloucester County Office of Consumer Affairs, Weights and Measures** in New Jersey received last year was from a senior citizen who bought 2 gallons of a special basement waterproofing paint online in 2007 from Industrial State Supply. In 2012, the man started to receive threatening calls from the company accusing him of breach of contract and stating that he had to buy 18 more gallons of paint, at a cost of more than \$500. He had no contract that he was aware of, but he was bullied into paying and the unwanted cans of paint sat in his basement. The agency found that there was another company whose name was on the cans, Warehouse Distribution Center. After speaking with the manager and asking for a copy of the supposed contract, which was never produced, the agency was able to arrange for the paint to be picked up at no charge to the consumer and his money refunded.

When you buy something online, make sure you know the terms of the deal and print out the information about the transaction to keep in case any questions or problems arise later.

Rental Rip-Offs

The Internet provides a platform for new scams, and one that the **Kansas Attorney General's Office** encountered last year involved scammers advertising property for rent on Craigslist that they didn't own. Using the real owners' names, they gave various reasons why they needed to act quickly and asked consumers to wire them the money. One Kansas resident paid upfront for a Florida vacation rental, but when he got there the owners had no idea what he was talking about.

Making rental arrangements with individuals on the Internet can be risky. Go through a real estate agency or use a rental website that provides customers with protection in case something goes wrong.

Your Money or Your Reputation

Another new Internet-related problem reported to the **Maryland Attorney General's Office** involved a company that collected and posted information about individuals' traffic convictions on its website. Implying that the offenses were more serious criminal matters than they really were, the website offered to remove the information for a fee. Consumers who complained to the agency were able to get the misleading information about them taken off the site at no charge.

As technology makes it easier to get public information such as court records, enterprising companies will find ways to use it. If you believe that information about you is inaccurate or being used in a

misleading manner, ask your state or local consumer protection agency for advice.

Beware of the Fine Print

Buying online is convenient and you don't have to talk to a salesperson, but it also places the burden on you to find and understand the terms of the deal. For instance, one consumer complained to the **Consumer Assistance Office – Metro West** in Massachusetts that a website promised “orders processed the next day,” but that didn't mean next-day delivery, as the consumer belatedly discovered. When the merchandise did not arrive promptly, the consumer called the company and discovered that while the paperwork was processed within a day, deliveries could take up to 30 days, and if consumers canceled within that time, there was a \$50 fee. In addition, if the consumer filed a dispute with the credit card issuer, a fee of \$100 would be imposed if the issuer found in the business' favor – a new wrinkle that the agency had not encountered before. A careful reading of the terms and conditions showed that orders could be canceled at no cost after 30 days, however, which is what the consumer did.

To avoid surprises, read the terms of online offers carefully. Federal law requires orders made by phone, by mail or online to be delivered by the time promised or, if no delivery time was stated, within 30 days.

Subscription Scams

At the **Summit County Office of Consumer Affairs** in Ohio, the fastest-growing consumer problem last year concerned fraudulent online magazine sales. Most of the complaints were due to a local company that advertised discounted subscription prices on its website but never delivered the magazines. Consumers who paid by credit card were able to dispute the charges and get their money back, but many of the complainants paid by debit and the agency is still trying to help them resolve the problems.

Sometimes deals are just too good to be true. Shop online with companies you know and trust, or if they are unfamiliar, check with the Better Business Bureau (if you know the state that the business is in, that Better Business Bureau office may be the most likely to have information about complaints, see directory at www.bbb.org/us/list-all-bbb-locations/). But remember, no complaints is no guarantee that a company is legitimate.

Coin Con

With the increase in prices for precious metals, consumers have been buying gold and silver, hoping to resell it later at a profit. It's not surprising, then, that the **Virginia Attorney General's Office** began to receive complaints last year about precious metal sales. Some of those complaints were about a company that advertised gold coins for sale online. Many consumers who bought the coins paid by wiring the money, usually \$1,000 or more. But the coins were never delivered. The agency was able to get refunds totaling \$6,000. During the course of the investigation, however, the agency discovered that the company was also receiving checks for coins; one consumer had sent a check for \$17,000 for silver coins that he never received. This information was passed along to the US Postal Inspection Service, leading to the arrest of the individual behind the company.

Buying coins as an investment can be risky. The Professional Numismatists Guild provides information about what you need to know and links to dealers who have pledged to follow its code of ethics. Go to www.pngdealers.com.

Landlord/Tenant

Amateur Landlords

Though problems with landlords have always been among the most common complaints to state and local consumer protection agencies, the **Fairfax County Department of Cable and Consumer Services** saw a rise of complaints last year against individuals who were renting out rooms in their houses. Because they aren't in the rental business – they may just be trying to make extra money to help pay the mortgage – these individuals aren't necessarily knowledgeable about the landlord/tenant laws that apply to them. In one such complaint, the tenant said that the landlord unfairly restricted the hours in which the laundry room could be used and entered the tenant's room without any prior notice. The landlord denied the claim but agreed to let the tenant move out without penalty and returned the \$500 security deposit. To help educate this new type of landlord, the agency is working with the county Department of Housing and Community Development on a tip sheet about renting rooms.

Thinking about renting out a room in your house? Do your homework first. Get information from your state or local consumer protection agency about the laws and regulation that landlords must follow.

Lessons Learned

In another sign of the tough economic times, some landlords are putting off making repairs or completely ignoring maintenance problems that tenants report. In response, tenants may withhold their rent, but sometimes they don't follow the law in doing so. The result is that the relationship between landlord and tenant deteriorates, the repairs remain unaddressed, and the tenant leaves or is evicted. A complaint to the **Hillsborough County Consumer Protection Agency** in Florida illustrates this scenario. The tenants were a single mother, her boyfriend and her young son. The boyfriend lost his job; the mother made little more than the minimum wage. One of the many repairs that the landlord had neglected was to a water leak, resulting in high water bills, which were the tenants' expense. Prompted by the consumer agency to remedy the problem, the landlord hired his manager's husband, who was not a licensed plumber. The repairs weren't done properly and the water bills continued to soar. Because the landlord didn't use a licensed plumber, he was unable to provide repair receipts that the tenants could use to receive a credit from the water company. Meanwhile the young son was sickened by mold caused by the water leak and had to be hospitalized. The floors and the walls close to the leak were compromised and the water bills were so high that the water company threatened to turn the water off. The tenants were using the rent money to pay the water company and the landlord was threatening eviction. But with the agency's help, there was a happy ending. The tenants were informed about the proper procedures for withholding rent and referred to social service agencies and organizations for help finding an affordable apartment, budgeting their money, and dealing with family issues. The landlord agreed not to evict them and credited the amount that they had spent on water and

medical bills toward the rent, and allowed them to stay for an additional month free while they waited to move into their new apartment. And he was educated in his responsibilities as a landlord.

Stinky Situation

The **Los Angeles County Department of Consumer Affairs** in California also noticed a rise last year in complaints involving the habitability of rental properties. In one case, the tenant reported that her landlord was not responding to her complaints about the toilets not working properly and pests in the apartment. Working with the Department of Public Health, the agency got the landlord to make the repairs.

Turn Up the Heat

Economic hard times may also be driving landlords to turn the thermostats down too far to save on heating costs. The **Massachusetts Office of Consumer Affairs and Business Regulation** received a growing number of complaints last year from tenants whose rentals lacked adequate heat, a serious habitability violation that must be fixed immediately. In one typical complaint, the woman who called for advice didn't know that a minimum temperature is required; all she knew was that her apartment was freezing and the landlord was ignoring her. The agency provided her with the information she needed about her rights under state law and how to contact the local Board of Health to enforce them.

Many states require landlords to ensure that their rental property meets specific safety and health standards. If you call your landlord about a problem, you may want to follow up with a letter and keep a copy so you'll have a record. The time limits for landlords to make repairs sometimes depend on the seriousness of the problems; your state or local consumer protection agency can give you information about your rights and how to enforce them if the landlord doesn't cooperate.

The Check is Not in the Mail

The **Hillsborough County Consumer Protection Agency** in Florida encountered a new type of landlord/tenant problem last year: rent payments being stolen from management drop-boxes at apartment complexes and mobile home parks. These boxes are provided for the convenience of the tenants, but it became clear that there was a security problem when the agency began to get complaints from consumers who said they had deposited their rent checks and money orders in the boxes but were getting notices of nonpayment. As many as a dozen complaints from residents at one mobile home confirmed that this was not an isolated case; tracking the canceled money orders and looking security camera footage confirmed the thefts. The checks and money orders were being sent out of state, "washed" and then made out to other names that were used to cash them. Law enforcement agencies are investigating, but meanwhile the question is who is responsible for the unpaid rent? The landlord/tenant law does not address this, and some landlords insisted that the tenants pay again, others forgave it. The agency is using the media to encourage tenants to pay their rent directly to management during office hours or to mail it, and several apartment complexes and mobile homes are removing the drop-boxes.

A drop-box may not be the safest place to put your rent payment since it may be a tempting target for thieves. If there is a management office nearby, you may want to hand-deliver your rent, or get an address to which you can mail it.

Dubious Deductions

Arguments over what is normal wear and tear are one of the most common sources of landlord/tenant complaints. In an example from the **Howard County Office of Consumer Affairs** in Maryland, after the tenant moved out the landlord deducted damages from the security deposit and demanded an additional \$3,213 for things such as touching up paint, caulking countertops, grouting tile, and replacing toilet seats, light bulbs, and smoke detector batteries. He also listed repairing the dishwasher, which had never worked. The agency helped the tenant determine what items were legitimate damages versus normal wear and tear, and the landlord reduced his demand to \$400.

Tenants are usually only responsible for damages that they have caused beyond normal wear and tear. Ask the landlord to do an inspection with you before you move out so that you can discuss anything that might be a problem. If you feel that the landlord is trying to charge you for repairs improperly and you're not able to resolve the issue, contact your state or local consumer protection agency for advice.

Rent Conundrum Resolved

The **Maryland Attorney General's Office** interceded in a dispute between a landlord and his bank that left the tenants caught in the middle. The landlord had agreed to assign his rents to the bank if he failed to pay a loan. When he defaulted, the bank notified the tenants that it would now be collecting the rent, but the landlord threatened to evict them if they didn't pay the rent to him. The agency confirmed that the bank had a valid claim to the rents and the landlord agreed to cease demanding payment.

When rental property is foreclosed on or sold, the tenant will usually receive notice and payment instructions from the lender or the new owner.

Real Estate

Can't We All Just Get Along?

The worst consumer problem that the **Fairfax County Department of Cable and Consumer Services** in Virginia dealt with last year concerned disputes between condominium owners and their association board. The unit owners were upset about fees that they were being charged for calling management after hours with complaints, utility service being cut off due to unpaid assessments, and fines that were being levied for arbitrary rules violations. There was no reasonable process for unit owners to air their concerns, and the board wouldn't budge. When unit owners refused to pay what they felt were unfair charges, the board sued them, forcing them to spend money for legal defense. Things came to a head when a county agency, which owned one of the units, was sued by the board for refusing to pay the fines. The matter went to the state Supreme Court, which ruled that the association did not have the authority to assess them. That's when the consumer agency got involved. It reached out to the unit

owners to educate them about their rights and how to enforce them. Empowered with that information and a common goal, the unit owners elected new members to the board.

The board of directors of a condominium association sets the rules that owners must follow. Federal, state and local laws may dictate what can and cannot be included in the rules, however, and owners can seek changes through the established procedures and the electoral process. State or local consumer protection agencies may be able to help condominium owners find information about their rights.

Splinter Cell Scammers

The **Pinellas County Department of Justice and Consumer Services** in Florida noted a new twist on timeshare resales last year. Typically, these services offer to unload consumers' unwanted timeshares, for a fee upfront. But even if they try to sell them, they don't always find buyers. In the new complaints, consumers were contacted individuals claiming to be from legitimate time share resale companies and that they had buyers lined up. But while they provided the names, addresses and websites of real timeshare resale companies, they weren't working for them. It appears that there may be "splinter cells" of former employees of timeshare resale companies who have taken information about customer leads with them when they left and to use for their own fraudulent purposes.

Have a timeshare you want to unload? Your best bet is to ask the timeshare management company if it can help, or consult with a realtor in the area where the property is located.

Retail Sales

Agency Helps Consumers Get Closure

A wave of store closings kept the **Bucks County Consumer Protection, Weights and Measures Office** in Pennsylvania busy last year. The agency retrieved a \$200 tennis racket for its owner from a defunct repair shop and had some success helping consumers who had brought items to a consignment store get them back after it went out of business. But the biggest challenge was Payless Drycleaners, which closed with more than 460 consumers' belongings locked inside. It turned out that the business owner had been locked out by the landlord for failure to pay the rent. The agency was able to arrange for consumers to claim their clothing, the total value of which exceeded \$11,650.

Even well-established local businesses can close suddenly. The police in the city or town where the business was located may be able to tell you how to contact the owner. If you can't reach the person, ask your state or local consumer agency for help.

Case of the Disappearing Diamond

The **Fairfax County Department of Cable and Consumer Services** in Virginia is fortunate to have a staff member who is a certified gem expert to help with complaints about jewelry. In one case last year, a consumer brought his .80 carat diamond to a jeweler to put into a new setting. Somehow both the diamond and the new setting disappeared while in the jeweler's care. The jeweler offered to replace the

diamond with a larger stone, 1.10 carats; the consumer wanted the cash value of the missing diamond and setting. The jeweler offered the money back for the setting but not the diamond; the consumer said no. With the agency mediating, they finally agreed that the consumer would receive an even larger stone, 1.15 carats, and a replacement setting, the value of which totaled more than \$6,000.

When you bring jewelry to a shop for repairs, be sure to get a receipt that describes it in detail in case of theft, fire or other calamity.

Return Rights

When the camera that a woman bought at an electronics store didn't work, she returned it and was given a replacement. That camera didn't work, either, and the store refused to take it back or refund her money. The **Massachusetts Office of Consumer Affairs and Business Regulation** helped her write a 30-day demand letter to the store explaining that under state law, stores can't refuse a refund, repair or replacement for defective goods regardless of their return policies, and the problem was resolved.

You may have rights concerning defective merchandise beyond the terms of the warranty or the store's normal refund policy. If you can't resolve the problem, ask your state or local consumer protection agency for help.

Too Much of a Good Thing

A new problem that the **San Francisco District Attorney's Consumer Protection Unit** noticed last year is restaurants, spas, and personal services using social media to offer discount coupons and then struggling to honor them when too many people responded. In some cases the negative profit margins have forced businesses to close, leaving the prospective new customers holding worthless coupons. One example was a day spa in downtown San Francisco that overextended its capabilities when it offered coupons for massages at half price. The response was so overwhelming that the business could not accommodate everyone and closed shop.

Business owners should carefully consider whether to participate in a coupon promotion and what limits they might want to place to ensure that they can afford to honor the discounts they promise. All limitations should be clearly spelled out in advertisements for the coupon.

Services

Inmates Get Justice

The worst consumer abuse reported to the **Connecticut Department of Consumer Protection** last year involved two related companies based in the state, Sentencing Solutions, LLC and Parole Advocates, that offered to provide parole and correctional advocacy services to prisoners and their families around the country. Sentencing Solutions promised full refunds if specific results were not achieved, and often instructed clients to make their payments directly to the owner. On at least one website it was listed under the "Lawyers" section, though neither the owner nor the company was licensed to provide legal services. And in fact, no services were ever provided. Furthermore, many of the issues for which services were offered, such as obtaining a transfer to another facility and advocating in parole hearings, are

matters that inmates and their families can deal with at no charge and are typically not open to outside influence. Nonetheless, victims were duped into paying as much as \$2,500 and were left not only without their money when the company refused to make the promised refunds but with their hopes of being reunited dashed. The agency issued an administrative complaint and settled with an order halting the man's operations and banning him from offering similar services in the future. It also required restitution to 28 victims totaling \$37,416.

Prisoners and their families can usually get information about how parole hearings work, how to request transfers, and other matters directly from the state corrections department, at no charge.

Immigration Exploitation

Last year after the U.S. Department of Homeland Security issued a directive granting temporary deportation relief and work permits to eligible undocumented immigrants under the age of 30 who had lived in this country for at least 5 years and stayed out of trouble, the **Connecticut Department of Consumer Protection** began to get complaints about scammers offering legal services that they were not equipped or authorized to provide. Advertising in newspapers and radio stations serving immigrant communities, they described themselves using the term "notario publico," which in many Latin American countries means a lawyer but in the United means a notary public, someone who is not authorized to practice law or represent clients in immigration proceedings. The agency issued a warning and provided advice to immigrants about where to get free information about the new rules.

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.

Household Goods Held Hostage

Responding to a pattern of complaints about a moving company, the **Massachusetts Attorney General's Office** obtained a judgment which required the company to pay \$75,000 in restitution to consumers and up to \$110,000 in penalties, and which enjoined unfair practices in the future. The company allegedly low-balled its estimates and then raised the prices once consumers' property was loaded into the trucks, demanding cash and threatening to auction off the items if payment wasn't made. It also sold storage and warehousing services that it was not licensed to provide.

Always get a written estimate for moving services and be sure you know what is included in the price. If the mover has your belongings and tries to change the price without justification, contact your state or local consumer protection agency immediately for advice. And if you must pay in the meantime, demand a receipt showing the amount and any explanation for the extra charge.

Costly Con

Instances in which elderly people were ripped off by service providers were the worst problems

reported to the **Montgomery County Office of Consumer Protection** in Maryland last year. In one particularly egregious case, an older man was fleeced out of more than \$80,000 over a four year period by an individual who performed overpriced and unnecessary yard, landscaping and tree work. His property is about a quarter of an acre in size and is located adjacent to parkland that is maintained by the park service. Nonetheless, the individual charged him an average of \$20,000 a year for mulching, tree fertilizing, and trimming. Criminal charges are being pursued for unlicensed tree work, theft, and taking advantage of a vulnerable adult.

Get a least a few estimates and ask for references to previous customers before you choose a yard service to use.

Shipping Scams

The worst complaints to the **San Francisco District Attorney's Consumer Protection Unit** in California in 2012 were from Central American immigrants who paid several local transport companies hundreds of dollars to ship boxes containing personal items and household goods to family members and institutions, such as churches, back home. The shipments never arrived. Working with an intermediary shipper in Los Angeles, the agency was able to locate some of the missing boxes and arrange for them to get to their final destinations. The main company that received consumers' payments is under investigation.

Ask friends and family members who have had good experiences with shipping what companies they used. Keep your receipts for the shipping along with a list of all of the items and their value in case something is lost or damaged.

Perilous Parking

In 2007, the **Union County Division of Weights and Measures/Consumer Affairs** in New Jersey began to get complaints about an off-site parking facility near Newark Airport. Over the years the number of complaints grew exponentially. The service advertised that the parking lot was safe, with patrols and surveillance cameras, but items were being stolen from cars and at least one vehicle disappeared. Employees of the lot were apparently taking some cars for joyrides, as evidenced by toll charges that consumers received when they returned from their trips. Vehicles and luggage were damaged, car doors were left open, draining the batteries, and the business refused to honor prepaid reservations or discount coupons. Finally the consumer agency contacted the local police. They had received scores of complaints. A meeting was held with the owner of lot, whose permit was withheld until all the issues were addressed. With a new manager and new policies in place, there has only been one new complaint against the company.

Just as any other kind of business, parking services are responsible for the claims they make, the prices they advertise, and the actions of their employees. If you have a problem and can't resolve it with the manager, ask your state or local consumer protection agency for help.

Schools

Get Educated Before You Go to School

Some of the worst consumer problems reported to the **Massachusetts Attorney General's Office** last year involved abuses of the for-profit school industry. To deal with the specific problem of deceptive marketing by for-profit schools, the agency has launched a campaign called Eliminate Deceptive Education Business Tactics (Eliminate D.E.B.T.) which educates prospective students about the deceptive recruitment practices evidenced by some for-profit schools. The agency has sued one such school, Sullivan & Cogliano Training Centers, Inc., over allegations that it misrepresented job placement numbers and made other misleading statements about its training to students, leaving graduates with large amounts of debt and few opportunities. The complaint alleges that a number of students thought that they would receive clinical training and be certified in weeks to work directly with patients in hospitals and doctor's offices. Of 183 students that took part in S&C's "Medical Office Assistant" program – paying on average \$14,000 in tuition using federal loans – only 22 obtained medical office jobs. One of the hardest hit populations in this area is veterans. Individuals returning from military service are targeted by bogus offers for financial help, jobs and other services. One veteran complained that a trade school in which he enrolled promised that the hours he accumulated in class could be applied to a plumbing apprenticeship anywhere and would equip him to pass the licensing exam. The school did not live up to its promises and he was out \$1,500.

If a school recruiter tries to pressure you to enroll, makes promises that aren't in writing, or asks you to lie on the forms, steer clear! 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 complies. You may also be able to find out if it has received complaints about the school. Tips from the Federal Trade Commission are at www.consumer.ftc.gov/articles/0241-choosing-vocational-school.

Towing

Who You Gonna Call?

Disputes about trespass towing were the worst complaints to the **Howard County Office of Consumer Affairs** in Maryland last year. In one case, the consumer said that she saw no "no parking" signs when she parked in front of an apartment complex to visit a friend, but her car was gone when she came out. Despite the fact that Howard law requires the towing company to remain open at least one hour after its last tow, when she called within 20 minutes of the tow, no one responded, nor was anyone at the storage site. Several hours later, someone finally showed up at the site and told her she could not get her vehicle unless she paid cash. The agency's investigation confirmed that the area in which the consumer parked was not properly posted and that the tow company had removed the vehicle without the property owner's authorization. It got the consumer's money back and issued civil citations to the towing company for violating county laws.

If you believe that you were overcharged or unfairly charged for towing, pay the fee in order to avoid

storage charges, get a receipt and contact your state or local consumer protection agency for advice.

New Twist on Towing Issues

The **Montgomery County Office of Consumer Protection** in Maryland had previously reported that towing was the fastest-growing category of complaint to the agency, especially towing from shopping centers where individual stores contract with their own towing companies. Through a special task force convened to examine the problem, the agency found that often the stores own individual parking spaces within a lot, making it difficult to resolve problems. The agency has met with business owners, towing companies and local officials to implement procedural changes for towing. Now a new twist is the use of parking meters on private lots. This is a questionable practice and the agency has obtained refunds for dozens of consumers whose cars were towed from these metered parking spaces.

If you believe that you were overcharged or unfairly charged for towing, pay the fee in order to avoid storage charges, get a receipt and contact your state or local consumer protection agency for advice.

Utilities

Wrong Number

The fastest-growing complaints to the **Florida Department of Agriculture and Consumer Services** last year were about communications and wireless services. In one case, a consumer complained that he had been overcharged for his AT&T phone service every month for two years. Each time he called to have the bill corrected, however, the following month he was charged the wrong amount again. Tired of this, he notified the company that he wanted to cancel the service. After paying the final bill, a representative assured him that the account had been closed with a zero balance. The next month, he was billed again. With the agency's intervention his account was finally, and permanently, canceled.

If you think that there is an error on your phone bill, always try to resolve it with your carrier first. Note the date and the name of the person you talked to. If the problem isn't resolved, ask your state or local consumer agency for help.

Bundle of Trouble

Mediation of a single complaint against Verizon led to a large-scale investigation by the **Howard County Office of Consumer Affairs** in Maryland of the company's sales for bundled television, Internet and telephone services. Among the problems uncovered: after agreeing on the phone to buy the bundled services, consumers received email confirmations with prices that didn't match what they'd been told; consumers received "added value" services they never authorized such as games packages and Internet security; and Verizon failed to properly disclose that the "guaranteed" price for two-year contracts didn't include critical pieces of equipment. The agency issued a press release warning consumers to be vigilant when negotiating prices for Verizon bundled services and encouraging them to complain if they were being charged more than they agreed to. Ultimately, Verizon agreed to change its practices, including changing the compensation system for sales representatives to remove possible incentives to

include unauthorized services in consumers' orders, revising confirmation emails to make them clearer, implementing procedures to catch problems with unauthorized charges more quickly and remove them from consumers' bills, and providing clear and conspicuous notice of what is and isn't included in the "guaranteed price." Verizon also agreed to pay the agency \$30,000 for consumer education.

Bundled service is sometimes a good deal, but not always. Before signing up, ask questions and read the fine print to be sure you know how much you're going to be paying and what's included. Get a written contract or print out the information showing what you agreed to, and contact the company if your first bill does not align with your expectations. If you think you were misled, contact your state or local consumer protection agency.

Complaint Cracks Cramming Case

One complaint was also the key to unlocking another big problem in the utilities category, unauthorized charges for third party services billed to US Cellular's Wisconsin customers. It began when a man complained to the **Wisconsin Department of Agriculture, Trade and Consumer Services** that he was charged \$9.99 for text messages from an entertainment text service called "Gossiptexts." He had received a solicitation for the service but never took any action to purchase it (mobile industry guidelines call for a double opt-in to ensure that consumers have agreed to the services). The agency's investigation revealed that this was not an isolated incident; there were more than 6,500 unauthorized transactions billed to Wisconsin residents by US Cellular on behalf of the company, Silicon Investments Group, Inc. Last year US Cellular agreed to settle the case by refunding more than \$65,700 to Wisconsin customers and to suspend Silicon Investments Group from running the text services on its network.

Look at your landline and your wireless phone bills carefully. If you've arranged for auto-payment it's doubly important to check your bills before payments are made. Cramming charges can be small so you might not notice them if your bill is just a little higher than usual, but they can add up over time and you might not be able to recover all the money you paid. Contact your phone carrier immediately if you spot unauthorized charges; usually it will remove them. For tips about cramming from the Federal Trade Commission go to www.consumer.ftc.gov/articles/0183-mystery-charges-your-phone-bill.

Phone Frustration

Complaints about cell phone and cable/satellite television issues were the fastest-growing last year at the **South Carolina Department of Consumer Affairs**. One elderly consumer wanted to have the same number for his cell phone as he had for his landline. Instead of helping him arrange for that, the telephone company canceled his wireless service, and with that he lost the package deal he had. As a result, his bills for landline service dramatically increased. He failed to pay, and his service was terminated. The agency was able to get his services and the package deal reinstated.

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

Consumer Agencies' Biggest Achievements in 2012

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 Contractors State License Board in the **California Department of Consumer Affairs** joined a coalition of state and federal agencies to target construction sites as another way to fight the persistent problem of unlicensed contractors.

The **North Dakota Attorney General's Office** also cited dealing with contractor issues as its biggest achievement last year. With the increase in population and economic growth in the state due to the Bakken Oil Boom, the number of applications for contractor's licenses and complaints about construction are also increasing, and the agency is working hard to keep up.

For the **Orange County Consumer Fraud Unit** in Florida, its biggest achievement last year was finally getting the legal authority to issue citations to unlicensed contractors. The funds collected from those citations are used for consumer education and to conduct proactive activities such as stings to catch contractors that are working without licenses.

When a medical marijuana law was enacted in Connecticut last year, a division within the **Connecticut Department of Consumer Protection's** was tasked with implementing it. This required studying similar programs in other states and creating a structure and procedures for registering patients, caregivers and physicians. The agency also worked to prepare regulations, which were submitted to the state legislature for consideration earlier this summer, for licensing marijuana producers and dispensers.

The settlement with Janssen Pharmaceuticals for marketing drugs for unapproved purposes was the biggest achievement for the **District of Columbia Attorney General's Office** in 2012 (see page 21).

A significant case for the **Georgia Governor's Office of Consumer Protection** last year involved International Estate Brokers, LLC doing business as Watch Brokers and www.webuywatches.com. The company took expensive watches to sell on consignment and failed to give the owners their share of the proceeds or to return watches that had not sold. In a settlement with the agency, the company was ordered to pay restitution to 475 consumers in the total amount of \$651,258, to stop making false representations in its advertising, and to pay a \$20,000 civil penalty. But it failed to live up to the settlement, so the agency issued a consent judgment and got a court-appointed receiver to manage and control the company's assets. As a result, the company was shut down and 624 valuable watches belonging to consumers were recovered.

An effort in Hillsborough County, Florida to fight false insurance claims based on phony auto accidents by regulating certain clinics (referred to as PIP clinics for the state Personal Injury Protection law) that

are in league with the insurance scammers is paying off. Licensing and inspection of these clinics by the **Hillsborough County Consumer Protection Agency** significantly reduced their number last year and a corresponding number of false PIP claims. The clinics are not going down without a fight, however; a group of them have retained a lawyer and are suing the county.

An initiative to fight insurance fraud was also cited by the **Louisiana Attorney General's Office** as its biggest achievement last year. The Louisiana Insurance Fraud Prevention Act enacted in 2012 gives the agency the authority to institute civil actions and obtain restitution for insurance companies, fines and penalties. It formed a Civil Insurance Fraud Unit within its Consumer Protection Section and plans to increase the staff, currently one lawyer and two investigations, as resources allow.

The biggest achievement for the **Howard County Office of Consumer Affairs** in Maryland last year was the agreement with Verizon to resolve problems with its sale of bundled services (see page 39).

The **Kansas Attorney General's Office** was part of a landmark national settlement last year with the five largest mortgage servicers in the country regarding their lending and foreclosure practices. Its share of the multistate action was nearly \$53 million which will be used to help 1,400 Kansas homeowners (information about the settlement is at www.nationalmortgagesettlement.com).

Using the funds that Massachusetts received from the National Mortgage Settlement, the **Massachusetts Attorney General's Office** set up HomeCorps Program (see www.mass.gov/ago/homecorps), which has a website and hotline dedicated to providing information and assistance to residents facing foreclosure. The program is staffed by a statewide team of 30 loan modification specialists and support staff, 18 attorneys and 23 community action program advocates. To date the agency has achieved \$30 million in principal reduction, has resolved over 7,350 cases, prevented 608 foreclosures, helped 1,700 consumers obtain permanent loan modifications, assisted over 145 families resolve legal issues related to foreclosure and worked with over 200 families to stabilize their housing situation.

The **Massachusetts Office of Consumer Affairs and Business Regulation** worked with the Massachusetts Division of Banks to develop new mortgage and foreclosure regulations last year that will significantly help protect homeowners from the bad practices that lenders exhibited in the past.

The biggest achievement for the **Ohio Attorney General's Office** last year was successfully prosecuting a 41-state telemarketing fraud ring that swindled more than \$2 million from thousands of consumers. The victims, many of them elderly, owned inexpensive, vacant land across the county. Claiming that the land was worth far more than its assessed value, the scammers convinced the owners to pay fees as high as \$16,000 to guarantee the sale of their land at prices that were grossly inflated. In some cases, victims were told that a solar energy plant had agreed to buy their property but in order to finalize the sale they need to pay closing costs upfront. Eighteen members of this ring have been arrested and plead guilty.

Successful action against a bogus debt reduction company was the biggest achievement for the **Pinellas County Department of Justice and Consumer Protection** in Florida last year. Based in Clearwater, the

company made cold calls to consumers across the country promising to lower their credit card interest rates. It also promised to refund its fees, ranging from \$500 to \$2,000, if its efforts were not successful. None of those promises were kept. When the agency learned that the Federal Trade Commission was also investigating the company, they joined forces. Before the business closed under a Temporary Restraining Order, the agency was able to get more than \$37,000 back for consumers.

The biggest achievement in 2012 for the **San Francisco District Attorney Office Consumer Protection Unit** was the successful prosecution of two individuals for mortgage fraud in a sophisticated scheme to transfer ownership of the victim's three condominiums valued at \$5.5 million. The defendants were sentenced to prison, one for twenty years, and one was also fined \$14 million. This was the most severe punishment that the agency has ever achieved.

The **Tennessee Consumer Affairs Division** started an effort last year to coordinate and partner with all of the county sheriffs in the state. This includes meeting personally with each sheriff to discuss cooperation when immediate action is needed to stop scammers and to provide information about the consumer education resources that the agency can make available to the sheriffs' offices.

The **Utah Division of Consumer Protection** cited prosecutions of coaching services as its biggest achievement last year (see page 20).

Last year the **Vermont Attorney General's Office** helped to get legislation enacted that will provide substantial protections for consumers and make it easier for the agency to recover their money. For example, one new law holds payment processors liable for funds solicited by fraudulent means or by unlicensed entities. This will make payment processors more careful about the entities for which they provide services and will enable the agency to go after them for the funds that consumers lost to fraud.

The **Wisconsin Department of Agriculture, Trade and Consumer Protection** settled a major case last year against Element Mobile to resolve problems that occurred after Alltel wireless customers' accounts were transferred to Element. Consumers experienced service outages and interruptions. If they attempted to cancel, they were hit with early termination fees, and their accounts were referred to collection agencies if they refused to pay. Under the settlement, affected consumers will be eligible for refunds or fee waivers, collection activities will stop, and negative information on their credit reports resulting from the disputes will be cleared. Another significant achievement was enacting legislation that adds unsolicited text messages that are used for sales purposes to the state's Do Not Call Law.

Internal Improvements

The new TIGER data system that the **Broward County Permitting, Licensing and Consumer Protection Division** in Florida installed last year has a friendlier user interface, provides the ability to run comprehensive reports, and makes it easier to work cases.

In 2012, Florida eliminated the fee to subscribe to the Florida Do Not Call list (\$10 initial fee, \$5 annual renewal fee) and the burden of maintaining the list was shifted from the subscribers to those

who violate the law. As a result of making the Do Not Call subscriptions free, the number of consumers subscribing to the list quadrupled. At the same time, new software was installed to make it easier for the **Florida Department of Agriculture and Consumer Services**, which oversees the Do-Not-Call program, to locate violators and increase the number of fines that it collects. Those fines are used to maintain the program.

Last year the **Los Angeles County Department of Consumer Affairs** in California was able to expand its online complaint intake and case management system to process new complaints and manage workflow more efficiently. The agency also reorganized its operations to use its staff and other resources more effectively – a necessity in times of budget constraints. In the second half of 2012, the agency increased the number of closed cases by 53 percent even while its staffing decreased.

The **Maryland Attorney General's Office** received a grant of nearly \$717,000 last August from the Center for Consumer Information and Insurance Oversight. The funds are being used by the agency's Health Education and Advocacy Unit to assist residents with their health insurance decisions and issues.

For the **Virginia Attorney General's Office**, the biggest achievement last year was integrating the complaint intake and investigative functions that used to be performed by the Virginia Department of Agriculture and Consumer Services (VDACS) into the agency. Previously, VDACS had mediated complaints and investigated cases, which were then referred to the Attorney General's Office for possible enforcement action. Some complaints will still go to VDACS for specific areas that it regulates, such as health spas, charities, membership campgrounds and certain other businesses (this integration also presented the biggest challenge to the Virginia Attorney General's Office last year, as it greatly increased the agency's workload).

Outreach to Consumers and Businesses

The State Board of Pharmacy within the **California Department of Consumer Affairs** became the first pharmacy board in the nation to establish requirements for patient-centered prescription labels to help consumers understand their medicine and how to take it properly, reducing the potential for error.

In response to the increasing number of complaints concerning wireless service, the **Cambridge Consumers' Council** in Massachusetts launched a new initiative to educate consumers about using the services and managing their use in the most cost-effective way. The agency also partnered with the local Council on Aging to provide one-on-one technical support to consumers for common tasks such as setting up voicemail and programming address books.

The **Fairfax County Department of Cable and Consumer Affairs** in Virginia expanded its ability to provide educational information and resources to consumers by creating a Facebook page.

For the small **Consumer Assistance Council** in Massachusetts, updating its website last year to make it more attractive and easier to navigate was a major achievement.

On the health care front, the **Massachusetts Office of Consumer Affairs and Business Regulation** began

a Healthcare Consumer Empowerment campaign last year to try to change the way that consumers and practitioners think about healthcare and focus it on serving consumers' needs rather than the system.

The **Consumer Assistance Office – Metro West** in Massachusetts developed an interactive quiz to use in presentations to groups of consumers. This generates questions and discussion and helps inform the agency's future outreach efforts.

One of the most significant achievements for the **Montgomery County Office of Consumer Protection** in Maryland last year was the launch of an interactive consumer education series that uses an online forum to discuss consumer issues with the public. The program, "Consumer Ed Café: Food for Thought," addresses the latest topics affecting consumers and businesses. Another innovative program is a partnership with other county agencies through which residents in danger of losing their jobs because their cars need emergency repairs that they can't afford can get grants to have the work done. The consumer agency's automotive expertise helps ensure that the funds are distributed appropriately.

The **Northwestern District Attorney's Office** in Massachusetts produced several public service announcements last year on consumer issues. They are airing on every community access channel in the area that the agency serves.

After a major security breach at the South Carolina Department of Revenue involving the data of 5.7 million people, the **South Carolina Department of Consumer Affairs** handled thousands of calls from consumers and businesses and implemented outreach programs to make people aware of the tools that were available to help mitigate the potential damage. These included holding ID Theft Tele-town Halls in partnership with AARP, the Federal Trade Commission, and the US Postal Inspection Service, releasing two YouTube videos, creating publications and hosting the agency's first Twitter chats (this effort was also the agency's biggest challenge, as it required considerable staff time and other resources).

The **Somerset County Division of Consumer Protection** in New Jersey conducted 11 "Operation Secure Shred" events in 2012. More than 2,600 consumers came to designated locations to learn about identity theft and use the machinery donated by a shredding company to safely dispose of personal documents that they no longer needed.

The biggest achievement last year for the **Summit County Office of Consumer Affairs** in Ohio was a new educational program for seniors, disabled people and their caregivers about how to deal with junk mail, which is one of the primary sources of fraudulent solicitations. In addition to providing about how to get off mailing lists, the agency is making a unique offer to seniors and disabled people: they can bring or send their junk mail to the agency once a month and the agency will write to the senders on their behalf asking them to remove them from their mailing lists. Nearly two-dozen people have taken the agency up on its offer.

Consumer Agencies' Biggest Challenges in 2012

While budget cuts and limited resources continue to squeeze many state and local consumer protection agencies, they face many other challenges as well.

Coping with Budget Cuts and Limited Resources

Because of staff cuts, personnel who used to only work in the consumer area at the **Broward County Permitting, Licensing and Consumer Protection Division** in Florida are now taking on responsibilities in other areas of the agency, requiring more flexibility and independent judgment.

With a staff reduction of 35 percent in 2012 and a minimal budget, the **Bucks County Consumer Protection, Weights and Measures Office** in Pennsylvania is having to rely more on an automated phone/voicemail system to handle some of the calls it receives.

The state's dire financial condition caused furloughs and escalating backlogs at the **California Department of Consumer Affairs** last year.

The **Fairfax County Department of Cable and Consumer Affairs** in Virginia lost another position by attrition when a staff member retired. Despite this, the agency is trying to maintain high quality of customer service and educational outreach that residents of the county expect and demand.

Budget cuts at the **Georgia Governor's Office of Consumer Affairs** mean that it has had to do more with less and has been unable to give employees raises for the last 5 years. To maintain quality services and staff morale, the agency has an "employee goal team" that engages employees in team-building activities and helps keep internal communications strong.

The reduction in staff at the **Montgomery County Office of Consumer Protection** in Maryland due to budget cuts has resulted in loss of extensive investigative knowledge and larger caseloads for the remaining staff. This makes it more difficult to research and resolve complex cases.

The **Wisconsin Department of Agriculture, Trade and Consumer Protection** noted that even when positions are filled, it takes considerable time and resources to train new investigators.

The biggest challenge for the **Somerset County Division of Consumer Protection** in New Jersey, staying open in the face of county budget problems, was one that it lost when its doors were shuttered on June 31, 2013.

Dealing with Disasters

Last year as Hurricane Sandy struck the New England coast, the **Cambridge Consumers' Council** in Massachusetts was challenged by the deluge of solicitations that consumers were receiving for charitable giving and for home repair work – some legitimate, some not – before the skies had even cleared. To meet that challenge it worked with other local, state and federal agencies and the media to provide consumer outreach.

The **Connecticut Department of Consumer Protection** was also challenged by the hurricane. It severely affected the state's supply of gasoline, heating fuel and other energy products. A notice of "abnormal market disruption" was issued and the agency made sure that consumers were not being gouged.

New York was also hit hard by the hurricane, and the **New York State Department of State Division of Consumer Protection** dealt with many of the consumer issues that resulted, from assisting consumers in getting their power restored to handling complaints about price gouging for gas and other supplies.

Keeping Up with Technology and the Evolving Nature of Fraud

The biggest challenge for the **District of Columbia Attorney General's Office** in 2012 was dealing with complaints about offers on the Internet for jobs, loans, and other kinds of goods and services. When there is no physical location, it is sometimes impossible to make real contact with the company.

The **Ohio Attorney General's Office** also cited the challenge of tracking down scammers, especially when their phone numbers or IP addresses originate from a foreign country or when consumers have wired payments out of the United States. To help combat fraud that originates from abroad, the Attorney General's Office shares complaints with the Federal Trade Commission's Consumer Sentinel Network.

Advanced phone and IP technologies posed the biggest challenge for the **Kansas Attorney General's Office** last year. MagicJack, Skype, and websites such as prankowl are abused by scammers to spoof their true identities and make it difficult to resolve complaints. To address this challenge, the agency is trying to develop relationships with the companies that provide these technologies.

The **Vermont Attorney General's Office** made similar observations and suggested that there needs to be a national effort to provide local, state and federal agencies with the technical training and resources they need to deal with the evolving nature of fraud.

The **Pinellas County Department of Justice and Consumer Services** in Florida also suggested that consumer agencies must learn how to use technological tools. For instance, its investigators are using social networks to locate fugitives.

It's consumers' lack of technical savvy on consumers' part that the **North Dakota Attorney General's Office** cited as its biggest challenge last year. Many consumers don't understand how to protect their online privacy and security, which makes them more vulnerable to online scams.

Another challenge related to consumers' technical vulnerabilities was described by the **Utah Division of Consumer Protection**: scammers hack into consumers' email accounts and use their list of contacts to send solicitations for coaching services and scams. Because the emails appear to be coming from friends or family members, consumers are more likely to read them and trust the information.

Maintaining and Improving Services

When the **Florida Department of Agriculture and Consumer Services** Division of Consumer Services

merged with another division within the agency and took on six new programs last year, it required significant IT programming and changes in procedures.

Making sure that consumers are aware of its services remains the biggest challenge for the **Howard County Office of Consumer Affairs** in Maryland. The agency's staff is using Facebook and Twitter, attending public events, issuing alerts, making radio and television appearances, and liaising with other agencies to get the word out that it is there to help consumers.

The biggest challenge last year for the **Consumer Assistance Council** in Massachusetts was attempting to assist consumers whose problems, at the root, were that because of the recession they did not have enough money to pay their debts, buy reliable cars or afford quality goods and services.

Dealing with disputes between landlords and tenants over what constitutes normal wear and tear versus legitimate damages that are appropriate to deduct from security deposits was the biggest challenge for the **Louisiana Attorney General's Office** last year. Louisiana law is particularly weak in penalizing landlords for illegally withhold tenants' deposits; the maximum fine is \$200 compared to twice the amount of the deposit plus damages in many other states. The agency has partnered with the Southern University Law Center's Mediation Clinic to help resolve these issues through free mediation.

The loss of long-time volunteers due to their advanced age and the increasingly level of complexity in consumer complaints posed the biggest challenge for the **Maryland Attorney General's Office** last year. Many agencies rely on volunteers to supplement their staffs and help mediate complaints. Just as with paid staff, when volunteers who have developed a high level of expertise leave, consumer protection agencies are hard-pressed to replace them.

Limitations in its own technology presented the biggest challenge to the **Consumer Assistance Office – Metro West** last year. The agency uses traditional modes of communication such as telephone, fax and mail, but consumers and businesses want to communicate with email, and the agency does not yet have a secure email system. Another communications challenge is that many financially distressed consumers have lost their phone services or have to move, making it hard to keep in contact with them.

The **Orange County Consumer Fraud Unit** in Florida said that the biggest challenge it faced last year was the need for training. The agency suggested that a national suite of training courses, which could be offered online, and national standards for complaint handling could help local consumer protection agencies improve their services and their ability to work in partnership with federal consumer agencies.

Serving Diverse Populations

The biggest challenge that the **Los Angeles County Department of Consumer Affairs** in California faces is the diversity of the population it serves, with so many differences in people's income, education, culture and language. Last year the agency translated more of its consumer education materials into Spanish and other languages, sometimes using college interns for whom those languages are native to help. It also sent staff out more frequently to speak at events in Spanish.

The **Massachusetts Office of Consumer Affairs and Business Regulation** also increased its efforts to reach vulnerable populations such as the elderly, young people, racial and ethnic minorities, and low-income people last year. One way it met that challenge was by partnering with organizations that already have a foothold in those communities. It also started work to make its website more interactive and easy to use, and began a concerted effort to make its consumer information more mobile-friendly.

Methodology

Forty state, county, and city agencies from 20 states responded to the survey, which was conducted from March to June 2013. Of the 40 agencies, 20 are state, 16 are county, and 4 cover a city or region within a state, such as Cape Cod. 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). Most are government entities; two in Massachusetts, the **Consumer Assistance Office - Metro West** and the **Consumer Assistance Council**, are nonprofits that receive funding from the state to handle complaints.

The survey covers a one-year period, in most cases January through December 2012 (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. CFA grouped complaints under general subject headings as necessary.

All 40 agencies that participated in the survey provided the number of complaints that they received during the survey period and the total amount of money recovered or saved for consumers. 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 number 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.

This 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 2012 Consumer Complaint Survey

California

California Department of Consumer Affairs
www.dca.ca.gov

Los Angeles County Department of Consumer Affairs
www.dca.lacounty.gov

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

Connecticut

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

Orange County Consumer Fraud Unit
www.orangecountyfl.net

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

Georgia

Georgia Governor's Office of Consumer Protection
www.consumer.ga.gov
www.consumered.com

Kansas

Johnson County District Attorney's Office
www.da.jocogov.org

Kansas Attorney General's Office
www.ag.ks.gov

Louisiana

Louisiana Attorney General's Office
www.agbuddycaldwell.com

Maryland

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

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

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

Massachusetts

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

Consumer Assistance Council
www.consumercouncil.com

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

Massachusetts Office of Consumer Affairs and Business Regulation
www.mass.gov/consumer

Consumer Assistance Office - Metro West
www.consumermetrowest.org

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

Montana

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

New Jersey

Gloucester County Office of Consumer Affairs, Weights and Measures
www.co.gloucester.nj.us/depts/c/cpwm

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

Somerset County Division of Consumer Protection
www.co.somerset.nj.us/division/consumeraffairs.html

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

New York

New York State Department of State Division of Consumer Protection
www.dos.ny.gov

North Dakota

North Dakota Attorney General's Office
www.ag.nd.gov

Ohio

Ohio Attorney General's Office
www.ohioattorneygeneral.gov

Summit County Office of Consumer Affairs
www.co.summit.oh.us/consumeraffairs

Pennsylvania

Bucks County Consumer Protection, Weights and Measures Office
<http://www.buckscounty.org/government/departments/communityservices/consumerprotection/index.aspx>

South Carolina

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

Tennessee

Tennessee Division of Consumer Affairs
www.tn.gov/consumer/

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

Auto

It may be a good idea to get a second opinion about a car repair, but you'll probably need to pay for the mechanic's time. Get a written estimate so you won't be surprised by the charge for the diagnosis.

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. You'll find approved companies that sell car histories at www.vehiclehistory.gov. Look at what each offers carefully before choosing.

Before you buy a used car, have it checked out by a mechanic you trust to look for problems that may not become obvious to you until weeks after the purchase.

At the National Highway Traffic Safety Administration website, www.nhtsa.gov, you can look for information about car recalls, search for complaints from other individuals about the same problem, and report auto safety defects. You can also get information and file complaints by calling 800-424-9153.

Unlicensed dealers sell cars in parking lots, on streets, in driveways, at gas stations and online. These sales may seem like good deals, but the cars are often not reliable and carry no warranties. Check with your state or local consumer protection agency about your rights if something goes wrong.

When you're financing a car through the dealer, don't be rushed or pressured into signing the agreement right away. Take the time to read it carefully, ask questions, and if there is anything you don't understand, show it to someone you trust before you sign on the dotted line and drive the car away.

When you return a car at the end of a lease, keep a copy of the lease agreement, note the mileage on it, and take photos so you'll have proof if there are any questions later about the terms of the lease or the condition of the vehicle.

It can be risky to buy a car online from a stranger, especially if the seller is an individual, not a dealer, as you may have little recourse if something goes wrong. Check to see if the website where the car is being offered provides buyer protection. If it doesn't and you can't see the car in person and have it checked out by a mechanic, it may be better to look elsewhere for your next set of wheels.

Federal law requires the Monroney sticker to be posted on a side window or the windshield of all new cars for sale. It tells you the Manufacturer's Suggested Retail Price, the price of any optional equipment on the vehicle, the miles per gallon, the crash rating, and other important information. If you don't see it, walk away. And if you suspect that a dealer is using false advertising to lure you in and switch you to a more expensive deal, don't take the bait – report it to your state or local consumer protection agency.

Before you buy a used car from a dealer or an individual, get information about your warranty rights

from your state or local consumer protection agency. Some states allow dealers to sell used cars “as is” as long as that is clearly disclosed, which means that the seller may have no responsibility—another reason why it’s important to have the car checked out by a mechanic you trust before you commit.

Credit/Debt

Payday loans and other short-term loans are typically very expensive and can trap you in a never ending cycle of debt. Be sure you understand how the loan works and how much it costs. For more information, go to Consumer Federation of America’s website about payday loans, www.paydayloaninfo.org.

Resist pressure to pay a debt that you don’t think you owe. If you’re not sure of your rights, check with your state or local consumer protection agency.

Stand up for your right to question bills that you think are incorrect or charges that you feel are unfair. If you can’t resolve the issue, ask your state or local consumer protection agency for help.

Under federal law, you have the right to tell debt collectors, in writing, not to contact you again. It’s also illegal for debt collectors to call with annoying frequency, falsely say they’re going to take legal action, use obscene language, threaten you with bodily harm, or reveal information about your debt to someone else. The Federal Trade Commission provides information about your debt collection rights at www.consumer.ftc.gov/articles/0149-debt-collection. You may also have rights under state law; check with your state or local consumer protection agency.

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.

Lawyers are exempt from the ban against taking upfront fees for mortgage relief assistance services, but only under specific circumstances, and they must place your money in a client trust account to safeguard it. The Federal Trade Commission provides more information at www.consumer.ftc.gov/articles/0100-mortgage-relief-scams.

Fraudsters take advantage of people in desperate situations. If someone offers to buy your house to help you avoid foreclosure, get the offer in writing and consult with an attorney or your state or local consumer protection agency before you agree to anything.

Need help modifying your loan or avoiding foreclosure? For information about your options and to find out if you are eligible for help from the government, go to www.makinghomeaffordable.gov. You can also take to a housing counselor certified by the U.S. Department of Housing and Urban Development by calling 888-995-4673, TTY 877-304-9707. There is no charge for these services.

The National Mortgage Settlement offers relief to certain consumers, including principal reductions, refinancing and payments to those who lost their homes to foreclosure. For information about who is

eligible and what assistance is available go to www.nationalmortgagesettlement.com.

If you are expecting a chargeback on your credit card or a credit for a debit to your bank account, check your statement carefully and contact your credit card issuer or bank if it does not appear within a reasonable time. You can also monitor your financial accounts online to be sure they are correct.

Businesses that are considering using payment processing services should get clear information in advance about exactly how they work, including how and when funds are transferred to their accounts.

Be careful when you are entering into a reverse mortgage or any type of loan agreement. Read the paperwork and ask questions about anything you don't understand. You might want to consult with a lawyer or other trusted advisor. The Federal Trade Commission provides information about reverse mortgages and what to watch out for at www.consumer.ftc.gov/articles/0192-reverse-mortgages.

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.

Fraud

Fraud is no laughing matter, but at www.consumerfed.org/fraud you'll find a series of short, funny videos as well as tips from Consumer Federation of America that will help you learn about scammers targeting new payment methods, the "grandparent scam," phishing and other types of fraud.

Remember that whenever there are natural disasters, new government programs, or other major events in the news, fraud is likely to follow. Tips about health reform-related scams are available from the Better Business Bureau at www.bbb.org/blog/2013/05/scammers-use-launch-of-affordable-care-act-insurance-for-id-theft-con/ and the Federal Trade Commission at www.consumer.ftc.gov/blog/affordable-care-act-when-scams-follow-news.

It's illegal for companies to ask you to pay a fee or buy anything in order to win or claim a prize – and it's a sure sign of fraud. It's also important to know that if you send money to someone in another country who turns out to be a crook, you'll probably never be able to get it back. The National Consumers League's Fraud Center provides good descriptions of common scams at www.fraud.org.

Watch out for offers to lend you money, even if you have bad credit, as long as you pay a fee upfront. Legitimate lenders will never guarantee to give you a loan before you apply, but scammers will. At www.consumer.ftc.gov/articles/0078-advance-fee-loans the Federal Trade Commission offers tips to help you avoid losing your last dime to advance fee loan scams.

Be suspicious of any claims that you can earn big profits easily by setting up your own business, especially if someone contacts you out of the blue and asks you to pay a fee for helping you.

Crooks are very skilful in convincing people that it's their lucky day. Who wouldn't be excited about the

prospect of winning millions? It can be hard to convince people that the promises these con artists make are lies. If you know someone that you think is falling for sweepstakes or other scams and may not be competent to tell fact from fiction, Adult Protective Services may be able to help. Go to www.napsa-now.org for a directory of the services that are available in every state.

Individuals aren't the only targets of fraud – businesses are vulnerable as well. If you operate a business, make sure that your employees know how to recognize common scams. The U.S. government website offers tips at www.usa.gov/topics/consumer/scams-fraud/business/small-business-scams.shtml and there is also helpful information from the National Consumers League's Fraud Center at www.fraud.org/scams/business-fraud.

Health

Using drugs for purposes for which they have not been approved can be dangerous to your health. The U.S. Food and Drug Administration's MedWatch program provides drug safety information and enables consumers to report possible problems. Go to www.fda.gov/Safety/MedWatch/.

Using a credit card is the best way to pay for goods or services in advance of receiving them because you have the legal right to dispute the charges if you never get what you were promised. Some states require health clubs to post bonds to protect consumers, but there is no guarantee that the bonds will be enough to cover all claims. Finding a health club that allows you to "pay as you go" may be the safest bet.

Be careful when you see claims for health products and services. Some could actually make your health worse, not better. Consult with your doctor before you sign up for any health treatments.

Home Improvement/Construction

It's a good idea to get at least a few estimates for home improvement work, but the best price may not always be the best deal. It's also important to get references so you can ask previous customers if they were happy with the contractor's work and to check on any licensing or registration requirements.

Many states require contractors to be licensed, not only so they can be tracked down if there is a problem but to ensure that they know what they're doing and are operating safely.

Federal law gives you the right to cancel purchases for more than \$25 that you make at your home or somewhere else other than the seller's normal place of business, and if you are not given notice of that right at the time of the sale, your right to cancel continues. There are some exceptions. For more information, go to www.consumer.ftc.gov/articles/0176-protections-home-purchases-cooling-rule. You may also have specific cancellation rights under state law; check with your state or local consumer protection agency.

New home defects can be expensive to repair and dangerous to ignore. Contact your builder immediately if you suspect that there may be structural problems and if they're not resolved, ask your local building inspector and state or local consumer protection agency for help.

Never pay the full amount for home improvement work before the job is done. Some states impose limits on what percentage of the total price the contractor can request upfront; ask your state or local consumer protection agency.

Before you agree to home improvement work, ask your state or local consumer protection agency if licensing or registration is required for that type of job and how you can find out if the contractor has complied. Failure to comply may be a danger sign that the contractor has something to hide, such as previous unresolved complaints or even a criminal record.

One important reason to only do business with contractors that follow the legal requirements in your state is that if something goes wrong, you may have a better chance of resolving the problem. For instance, if there is a state-run home improvement arbitration program or bonding for contractors, it might only apply if your contractor has met the licensing or registration requirements.

Before you make the final payment on home improvement work, ask the contractor for documentation that all of the subcontractors have been paid. If they haven't been, you may be on the hook for the money.

Home Solicitations

Ask your state or local consumer protection agency if door-to-door sellers must be licensed or registered; if the answer is yes, whenever salespeople unexpectedly appear at your door, demand to see proof that they have complied. Resist pressure to buy something that you don't really need or want.

If someone comes to your house uninvited offering driveway sealing, paving, house painting or any other home improvement work, it's probably a scam. Legitimate contractors do not go door-to-door looking for work. Get the person's license plate number and call your local police.

Beware of telemarketers' claims that they can help you win, borrow or make money. One clue that it's probably a scam is if your phone number is on the National Do Not Call registry and the caller is not from a company that you have done business with before. For more information about your telemarketing rights under federal law and how to spot scams, go to www.consumerfed.org/fraud. Your state may also have laws concerning telemarketing; check with your state or local consumer protection agency.

Household Goods

If you have a problem with a new appliance and you can't resolve it through the store or the manufacturer, ask your state or local consumer protection agency for help. You may have rights, beyond what the warranty provides, to get the appliance replaced or a refund.

Retailers push extended warranties because they make money from them. Resist pressure to buy one. In most cases, if someone goes wrong with a product it will be covered by the manufacturer's warranty and by other rights that you may have under state law to expect that a product will work as it should for a reasonable period of time.

Businesses can close without warning. When you buy merchandise that will be delivered later, pay with a credit card so you can dispute the charges if you don't receive it. Keep order forms, layaway agreements and other documents about the transaction in case there is a problem and they are needed.

ID Theft

Notice something that looks odd on a gas pump or ATM machine? It could be a skimming device that identity thieves have attached to steal your account number. Report your suspicions immediately to the gas station or financial institution, and use a different machine. If you find an unauthorized charge or debit on your account, tell your financial institution immediately.

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, notify the credit bureau immediately. And if you receive bills for purchases you never made, don't ignore them – they may signal that someone is using your personal information fraudulently. To learn more about identity theft visit Consumer Federation of America's www.IDTheftInfo.org website.

Internet Sales

Free trial offers don't mean that you get something for free, no strings attached. You will be charged unless you cancel by the end of the trial period, and depending on the terms of the deal, the charges may go on and on every month indefinitely. Be sure you know exactly what you're getting into if you agree to a free trial offer and report any problems to your state or local consumer protection agency.

When you buy something online, make sure you know the terms of the deal and print out the information about the transaction to keep in case any questions or problems arise later.

Making rental arrangements with individuals on the Internet can be risky. Go through a real estate agency or use a rental website that provides customers with protection in case something goes wrong.

As technology makes it easier to get public information such as court records, enterprising companies will find ways to use it. If you believe that information about you is inaccurate or being used in a misleading manner, ask your state or local consumer protection agency for advice.

To avoid surprises, read the terms of online offers carefully. Federal law requires orders made by phone, by mail or online to be delivered by the time promised or, if no delivery time was stated, within 30 days.

Sometimes deals are just too good to be true. Shop online with companies you know and trust, or if they are unfamiliar, check with the Better Business Bureau (if you know the state that the business is in, that Better Business Bureau office may be the most likely to have information about complaints, see directory at www.bbb.org/us/list-all-bbb-locations/). But remember, no complaints is no guarantee that a company is legitimate.

Buying coins as an investment can be risky. The Professional Numismatists Guild provides information about what you need to know and links to dealers who have pledged to follow its code of ethics. Go to www.pngdealers.com.

Landlord/Tenant

Thinking about renting out a room in your house? Do your homework first. Get information from your state or local consumer protection agency about the laws and regulation that landlords must follow.

Many states require landlords to ensure that their rental property meets specific safety and health standards. If you call your landlord about a problem, you may want to follow up with a letter and keep a copy so you'll have a record. The time limits for landlords to make repairs sometimes depend on the seriousness of the problems; your state or local consumer protection agency can give you information about your rights and how to enforce them if the landlord doesn't cooperate.

A drop-box may not be the safest place to put your rent payment since it may be a tempting target for thieves. If there is a management office nearby, you may want to hand-deliver your rent, or get an address to which you can mail it.

When rental property is foreclosed on or sold, the tenant will usually receive notice and payment instructions from the lender or the new owner.

Real Estate

The board of directors of a condominium association sets the rules that owners must follow. Federal, state and local laws may dictate what can and cannot be included in the rules, however, and owners can seek changes through the established procedures and the electoral process. State or local consumer protection agencies may be able to help condominium owners find information about their rights.

Have a timeshare you want to unload? Your best bet is to ask the timeshare management company if it can help, or consult with a realtor in the area where the property is located.

Retail Sales

Even well-established local businesses can close suddenly. The police in the city or town where the business was located may be able to tell you how to contact the owner. If you can't reach the person, ask your state or local consumer agency for help.

When you bring jewelry to a shop for repairs, be sure to get a receipt that describes it in detail in case of theft, fire or other calamity.

You may have rights concerning defective merchandise beyond the terms of the warranty or the store's normal refund policy. If you can't resolve the problem, ask your state or local consumer protection agency for help.

Business owners should carefully consider whether to participate in a coupon promotion and what limits they might want to place to ensure that they can afford to honor the discounts they promise. All limitations should be clearly spelled out in advertisements for the coupon.

Services

Prisoners and their families can usually get information about how parole hearings work, how to request transfers, and other matters directly from the state corrections department, at no charge.

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.

Always get a written estimate for moving services and be sure you know what is included in the price. If the mover has your belongings and tries to change the price without justification, contact your state or local consumer protection agency immediately for advice. And if you must pay in the meantime, demand a receipt showing the amount and any explanation for the extra charge.

Get at least a few estimates and ask for references to previous customers before you choose a yard service to use.

Ask friends and family members who have had good experiences with shipping what companies they used. Keep your receipts for the shipping along with a list of all of the items and their value in case something is lost or damaged.

Just as any other kind of business, parking services are responsible for the claims they make, the prices they advertise, and the actions of their employees. If you have a problem and can't resolve it with the manager, ask your state or local consumer protection agency for help.

Schools

If a school recruiter tries to pressure you to enroll, makes promises that aren't in writing, or asks you to lie on the forms, steer clear! 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 whether the school complies. You may also be able to find out if it has received complaints about the school. Tips from the Federal Trade Commission are at www.consumer.ftc.gov/articles/0241-choosing-vocational-school.

Towing

If you believe that you were overcharged or unfairly charged for towing, pay the fee in order to avoid storage charges, get a receipt and contact your state or local consumer protection agency for advice.

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Utilities

If you think that there is an error on your phone bill, always try to resolve it with your carrier first. Note the date and the name of the person you talked to. If the problem isn't resolved, ask your state or local consumer agency for help.

Bundled service is sometimes a good deal, but not always. Before signing up, ask questions and read the fine print to be sure you know how much you're going to be paying and what's included. Get a written contract or print out the information showing what you agreed to, and contact the company if your first bill does not align with your expectations. If you think you were misled, contact your state or local consumer protection agency.

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