



Office of the

# Maine Attorney General

Consumer Alerts

Tired of telemarketers? Sign up for the DO NOT CALL list.

## Consumer Protection Bulletin

Fall 2003

### Attorney General Urges Seniors to Check It Out!

Earlier this year, Attorney General Rowe, in partnership with the Area Agencies on Aging, Legal Services for the Elderly, and TRIAD (a nationwide program that forms local partnerships between seniors and law enforcement for the purpose of preventing crimes against seniors), announced a new campaign called "Check It Out."

Check It Out enables seniors to call a toll-free number to check on offers that seem too good to be true. By calling, seniors can get a second opinion before signing a contract, making a major purchase, responding to a solicitation, or giving money to charities, friends, or family members. Its purpose is to reduce victimization of older Mainers who may be pressured into hasty decisions to make large purchases, cooperate with telemarketers, contribute to charities, contract for home repairs, or make other transactions that are unwise or even fraudulent.

Seniors are encouraged to call **1-877-ELDERS-1 (1-877-353-3771)** to request assistance before making a decision. Callers will receive impartial information from those who handle such calls at the five Area Agencies on Aging. If the caller needs more detailed information or law enforcement assistance, the responder will offer to have the Attorney General's Consumer Protection Division or Legal Services for the Elderly review the matter. The senior will receive a prompt return call with additional information and suggestions.

### A Message from the Attorney General



The Legislature's support for consumer protection laws has made Maine one of the safest states for consumers. This Consumer Protection Bulletin provides important information that should help protect Maine consumers.

Our office's website contains additional consumer protection resources, including the latest edition of the Maine Consumer Law Guide and an on-line complaint form. Please visit us at [www.maine.gov/ag](http://www.maine.gov/ag) to find other useful information. Thanks, and remember, a well-informed consumer is a well-prepared consumer.

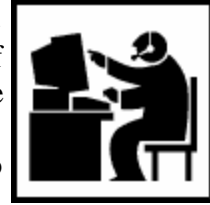
G. Steven Rowe  
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#### Contact Information

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## Consumer Alerts: Professional Scam Artists Target Maine Consumers through E-mail and Telephone

Reports of Maine residents falling victim to professional scam artists are on the rise. Professional scammers dupe unknowing Maine citizens out of their savings through clever, well delivered cons. Consumers receive these requests through a variety of mediums, including email, web sites, unsolicited telephone calls, and bulk mailings. Many of these scams are hard to distinguish from legitimate offers. Learn more about consumer scams in Maine by visiting our office's Consumer Alerts at [www.state.me.us/ag/?r=consumeralerts](http://www.state.me.us/ag/?r=consumeralerts).



**Canadian Lottery** Many consumers in Maine have been tricked into believing that they have won the Canadian Lottery. Contacted by fraudulent telemarketers, consumers are told that they have won a lot of money, but to collect their winnings they first must pay a tax. The con artists employ several actors in their scam, sometimes calling the consumer repeatedly and identifying themselves as Customs agents, attorneys, or lottery officials. Consumers are urged to send a money order or wire money via Western Union, and to keep their winnings a secret. Often, the elderly are targeted. Recently, a Mainer lost nearly \$150,000 to scam like this.

**Lost Credit Info** In one of the most recent scams in Maine, a scam artist phoned Maine senior citizens living in an elderly housing complex and claimed to represent their credit card companies. The scam artist claimed that due to computer problems, a consumer's account information had been deleted from the system, and the company needed personal information in order to reactivate the account. Once the consumer provided the information and a few days had gone by, the crook called the phone company, pretended to be the consumer and had the consumer's calls forwarded to the crook's cell phone. The scam artist then proceeded to call Western Union and wired money using the consumer's credit card. When Western Union phoned the consumer to confirm that the transfer was authorized, the crook answered and confirmed the withdrawal.

**Nigerian Letter Scam** Finally, Maine consumers are still receiving emails from con artists pretending to be government or banking officials from Nigeria and other foreign countries who need assistance in transferring large sums of money to an American bank account. (Stories run the gamut from a foreign government official who is being deported and needs help in taking his money with him to a bank official who has access to an abandoned property account and needs help in transferring the funds to an American bank.) The con artist promises to give the consumer a share on the money if the consumer helps. The consumer is asked to reply by email or phone for further instructions about how to help with the funds transfer. If a consumer responds, the crook solicits personal financial information which is then used to drain the consumer's bank account or run up charges against the account.

**The Office of the Attorney General is working with the Federal Trade Commission and the Internet Fraud Complaint Center (a partnership between the FBI and the National White Collar Crime Center) to investigate these types of consumer scams.**

**To avoid becoming a victim of consumer fraud, call 1-877-353-3771 to *Check It Out* prior to responding to any offer. If it sounds too good to be true, it probably is!**

## Beware of Pyramid Schemes or “Gifting Clubs”

Pyramid schemes are tempting because they appear to offer a huge financial return for very little investment or work, but the vast majority of participants lose money to pay for the rewards of a very few. Pyramid schemes are illegal in Maine, so participants also risk prosecution. To stay safe:

- △ Avoid any plan that offers commissions to recruit new distributors.
- △ Beware of plans that ask you to spend money on costly inventory.
- △ Be cautious if you make money by recruiting members, instead of making sales.
- △ Beware of promises about high profits or claims about "miracle" products.

The Attorney General has successfully pursued several people for organizing illegal pyramid schemes. **Anyone asked to participate in any kind of 'gifting club' or pyramid scheme should immediately report it to Linda Conti, Chief, AG's Office Consumer Protection Division, at 207-626-8591.**

## Identity Theft

What is identity theft? Simply put, identity theft is the taking of a consumer's identity to obtain credit, steal money from the consumer's existing accounts, establish accounts with utility companies, rent an apartment, file bankruptcy, or even obtain a job using the consumer's name. Nationally, identity theft affects nearly 900,000 new victims a year. The Maine Office of the Attorney General seeks to protect Maine's consumers from identity theft through public outreach and education. See box at right.

The Federal Trade Commission is the agency that most often helps consumers resolve issues related to identity fraud. A victim of identify fraud should immediately notify local police, contact the three credit reporting agencies and notify credit card companies. See box at right.

### *5 Steps to Prevent Identity Theft*

- ✓ Don't carry your Social Security number on your person.
- ✓ Reduce the number of credit cards you use.
- ✓ Review credit card bills and report bogus charges immediately.
- ✓ Don't give your Social Security, bank account, or credit card numbers to anyone over the phone unless you initiate the call.
- ✓ Check your credit report once a year.

### *Credit Reporting Bureaus*

Equifax: 800-525-6285  
Experian: 800-397-3742  
Trans Union: 800-680-7289

### *Useful Web Sites*

U.S. Federal Trade Commission  
[www.ftc.org](http://www.ftc.org)  
Privacy Rights Clearinghouse;  
Identity Theft Resources  
<http://www.privacyrights.org/identity.htm>

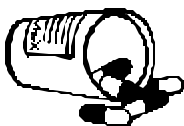
***Did you know*** Maine law requires credit reporting agencies to provide any Maine consumer one free copy of his or her credit report annually. Get the report request form at the Bureau of Consumer Credit Regulation's website: [http://www.state.me.us/pfr/ccp/ccp\\_creditrpt.htm](http://www.state.me.us/pfr/ccp/ccp_creditrpt.htm)

## Maine Consumers Protected by Implied Warranty Law

Maine law provides automatic warranty protection in addition to any "express" written or verbal warranty provided by a seller or manufacturer. In general, the implied warranty law applies to new or used consumer items that:

- \* Are seriously defective;
- \* Have not been abused; and
- \* Were purchased less than four years ago and still within their normally expected "useful life" (*i.e.*, not simply worn out).

All new and used goods purchased for family, household or personal use (clothes, new cars, appliances, sports equipment and more) are warranted by law to be fit for the ordinary purpose for which such goods are used. Used cars sold "as is" are not covered. In order to preserve your warranty rights you should *always* give both the dealer and the manufacturer *written notice* of the defect. Learn more about this and other consumer laws by viewing the AG's Consumer Law Guide at <http://www.state.me.us/ag/index.php?r=clg>.



## Consumer Claims Deadlines in Drug Pricing Cases

Attorney General Rowe and other state attorneys general have sued several drug companies on behalf of consumers for drug pricing violations. Some of these cases have been settled. The settlements allow eligible consumers to seek refunds. You or someone you know may be entitled to a refund. Here is important information related to these settlements.

**Cardizem Settlement** Consumers who took the popular heart medication Cardizem and/or its generic versions between January 1, 1998 and January 29, 2003 may be entitled to a refund. Consumers can find more information online at <http://www.cardizemsettlement.com/>

**BuSpar<sup>®</sup> Settlement** Consumers who purchased the anti-anxiety drug BuSpar<sup>®</sup> or buspirone HCl from February 5, 1995 through January 31, 2003 may be able to make a claim for a recovery for the purchases. More information is available at <http://www.busparsettlement.com/>

**Taxol<sup>®</sup>/Paclitaxel Settlement** Consumers who were treated with the cancer drug Taxol, or its generic version, Paclitaxel, between January 1, 1999 and February 28, 2003, and who paid all or part of the costs of the drug treatment may be entitled to make a claim for a cash recovery. Consumers can find claim forms and information online at <http://www.taxolsettlement.com/> Claim forms must be postmarked on or before **January 31, 2004**.

If you do not have access to the Internet and would like claim forms and information regarding these settlements, please contact Linda Conti, Chief, AG's Office Consumer Protection Division, at 207-626-8591.

## Consumer Mediation Statistics

The Attorney General's Consumer Mediation Service is a free service to Maine consumers who have problems with businesses. By offering this service, the Consumer Protection Division can monitor the types of problems consumers are having in the State. This enables the Office to help protect consumers from unfair and deceptive business practices.

During the fiscal year ending June 30, 2003, Consumer Mediator Services received over 10,000 consumer and Lemon Law inquiries. Volunteer Consumer Mediators mediated 1,477 serious consumer disputes. Mediators returned over \$612,405 to Maine consumers. Lemon Law arbitration recovered \$651,290 for consumers. During this time, 31 volunteers contributed over 6,100 volunteer hours. The consumer mediation website received nearly 20,000 hits last year. More information about Consumer Mediation Services can be obtained from the AG website at <http://www.maine.gov/ag>. People who are interested in being mediators should contact Assistant Attorney General Jim McKenna at 207-626-8842.

## Cases In the News

**State AGs Secure Refund For Household-Beneficial Customers.** Many Maine consumers who had home loans with Household Finance or Beneficial Finance will be eligible to receive a refund. This summer, approximately 2,150 Household and Beneficial borrowers in Maine received notice of their eligibility to share in the state's \$1.6 million settlement with Household International. This payment stems from the landmark settlement between Household International and state attorneys general that resolved investigations into allegations of unfair and deceptive mortgage lending practices. The settlement of \$484 million dollars was the largest ever obtained by state attorneys general in a consumer protection case. Household will institute new standards to prevent future lending abuses.

**Court orders over \$200,000 in restitution after finding Weinschenk Homes defective.** A Maine Superior Court found that Weinschenk Builders, Inc. violated the Maine Unfair Trade Practices Act by building and selling defective homes in Portland. Weinschenk was the builder of the Cottage Park, Summer Place, and Willow developments. The Court ordered restitution to consumers in specific amounts totaling \$221,256. In addition, the Court permanently enjoined Weinschenk from building homes in Maine without stringent oversight.

**Paint manufacturers must warn consumers about hazards of lead paint exposure during renovations.** State Attorneys General and the National Paint and Coating Association, agreed to require paint manufacturers to put warning labels on paint cans and educate consumers to the hazards of lead paint exposure and how to avoid it. The warning will read, in part: "WARNING! If you scrape, sand, or remove old paint, you may release lead dust. LEAD IS TOXIC. EXPOSURE TO LEAD DUST CAN CAUSE SERIOUS ILLNESS, SUCH AS BRAIN DAMAGE, ESPECIALLY IN CHILDREN. PREGNANT WOMEN SHOULD ALSO AVOID EXPOSURE...."

**Maine settles case against Ford over tire safety; \$300,000 paid to State.** Maine joined 52 other jurisdictions in settling with Ford Motor Company to resolve allegations of deceptive trade practices relating to the sales and advertising of Ford sport utility vehicles.

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**AVOID UNWANTED TELEMARKETING CALLS**

*Sign Up on Do Not Call Lists*



Both the State and the federal government have telemarketer  
Do Not Call lists that you can get on for free.  
Both take registrations online and over the phone.

Federal list sign-up: **[www.donotcall.gov](http://www.donotcall.gov)**  
**1-888-382-1222.**

State list sign-up: **[www.maine.gov/ag](http://www.maine.gov/ag)**  
Click on Do Not Call at the top of the page.  
**626-8800,**

**Press 1** for consumer options, then follow the instructions.

**You can also limit unwanted calls from particular sellers by telling the sellers to put your phone number on their do not call list.**