



GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

## State of Utah Department of Commerce

FRANCINE A. GIANI  
Executive Director

THAD LEVAR  
Deputy Director

KEVIN V. OLSEN  
Director, Division of Consumer Protection

March 9, 2010

### MEDIA ALERT

**Division of Consumer Protection and U.S. Postal Service focus on scams, scoundrels and schemes during 12<sup>th</sup> annual National Consumer Protection Week**  
(For immediate release...)

**SALT LAKE CITY, Utah** - Francine A. Giani, Executive Director of the Utah Department of Commerce, and Randy Tuckett, U. S. Postal Inspector, announced today that both agencies are joining federal, state and local government agencies to announce the 12<sup>th</sup> annual National Consumer Protection Week, from March 7-13, 2010.

"Scams, scoundrels and schemes continue to grow in today's economy. We ask that all consumers, no matter whether they are young or young at heart, to take that extra step, ask those extra questions before they open their wallets," said Francine A. Giani, "An educated consumer is always a scam artist's worst nightmare."

This year's theme, "Dollars & Sense; Rated 'A' for All Ages", highlights the importance of using good consumer sense at every stage of life, from grade school to retirement. The National Consumer Protection Week website offers tips, games and blogs for consumers of all ages at: [www.consumer.gov/ncpw](http://www.consumer.gov/ncpw)

"It's never too early or too late to become a more empowered consumer. There are useful lessons to learn about protecting privacy, avoiding scams and fraud schemes that anyone at any age can benefit from," said Randy Tuckett, U.S. Postal Inspector.

A recent consumer survey by the Alliance for Consumer Fraud Awareness, found that:

- Two out of three adults say they receive at least one potential scam contact per week.
- 18% percent of adults say they or a family member has fallen for one of these scams.

Below are some anecdotal examples of recent reports received by the Utah Division of Consumer Protection and the U.S. Postal Service;

**Reshipper scams** – consumers are targeted by criminals who send them stolen goods, work-from-home job offers or others to try to get consumer to participate in scheme.

**Business kit scheme** – companies charge consumers a fee to file a complaint with the Utah Division of Consumer Protection when in fact this is a free service.

**Free Weight loss samples** – consumers are signing up for “free” offers involving acacia berry and other popular supplements only to find their credit cards are charged for hundreds of dollars in merchandise.

**Land sale offers** – consumers buy land only to find that their investment doesn’t come with a deed to the land because the landowner never had water rights to the land.

**Charity scams** – unregistered charities and others are soliciting donations in relation to the earthquakes in Haiti and Chile.

According to the Federal Trade Commission’s state-by-state Consumer Sentinel report, Utah consumers reported 8,168 complaints to the federal agency between January 1- December 31, 2009 in the following categories;

Rank	Top Categories	Complaints	Percentage
1)	Third Party and Creditor Debt Collection	855	10%
2)	Internet Services	689	8%
3)	Foreign Money Offers/Fake Check Schemes	546	7%
4)	Shop-at-Home and Catalog Sales	540	7%
5)	Prizes, Sweepstakes and Lotteries	438	5%
6)	Internet Auctions	367	4%
7)	Credit Cards	335	4%
8)	Health Care	309	4%
9)	Telecom Equipment	281	3%
10)	Advance-Fee Loans and Credit Protection/Repair	277	3%

The Utah Division of Consumer Protection saw consumer complaints increased to 3,995 during fiscal year 2009 versus 3,758 over fiscal year 2008. The Division released a Top List of Consumer Complaints for Fiscal Year 2009 which is as follows;

**Utah Division of Consumer Protection Top Ten Consumer Complaints FY2009**

1. **E-Commerce/Internet Offers**: Deceptive practices conducted over the Internet continue to dominate the types of scams that the division sees. These complaints represent 27% of the top ten complaints. Con artists are able to use the Internet to exploit the consumer’s vulnerability. There are several reasons for this vulnerability. The pitch is made in the privacy of the consumer’s home where the consumer is less guarded. Consumers tend to believe what they read. The method of payment is quick and easy. Finally, consumers have little recourse if they find themselves victims of deceptive practices. Some of the more common tactics used are the unauthorized debiting of a consumer’s bank account, the automatic billing of a

monthly fee until notice of cancellation is received (negative option), and the failure to provide a three-day right of rescission.

2. Coaching Services: When a consumer purchases a business opportunity, it is not uncommon for the seller or one of its associates to follow up and offer the purchaser coaching services to make the business opportunity more profitable. These services tend to cost many thousands of dollars more than the purchase of the original business opportunity. Some of the deceptive practices common to this type of complaint are the misrepresentation of potential earnings and the qualifications or experience of their coaches. They often encourage consumers to contract for services that the consumers cannot benefit from.
3. Retail Sales: The deceptive practices that are common to this category of complaints include the failure to deliver products in the time represented, the failure to make refunds when required, the failure to disclose refund policies, and the failure to honor warranties.
4. Health Spas: The bad economy during the year caused many health spas to close their doors. The closures have resulted in refunds becoming due to members.
5. Alarm Systems: Alarm system companies usually sell their products by going door-to-door where aggressive sales tactics are used. In many instances, the company sells a new service as if it were an upgrade to an existing service resulting in the consumer being obligated to pay on two separate contracts.
6. Personal Services: Personal services are those economic services involving the personal effort of an individual as opposed to the sale of a product or commodity. Common deceptive practices are the unauthorized withdrawal of money from the consumer's bank account and the representation of an understated or misstated price, delivery date or other material term with the intent to induce the consumer to enter into a contract knowing that the provider will not honor the bid.
7. Home Improvement/Repair: The deceptive practices include the failure of the contractor to provide the service after receiving the consumer's deposit, the failure of the contractor to honor its warranties, the misrepresentation of the work of another as being the work of the contractor, and the refusal by the contractor to continue working until the consumer agreed to a higher price.
8. Debt Collection: The deceptive practices include the debt collector attempting to collect a debt from someone other than the debtor, attempting to collect more than what the debtor owes, or misrepresenting its legal status.

9. Auto Repair: Some of the deceptive practices common to this group are that the repair shop performed unneeded repairs, failed to disclose refund policies, and failed to obtain the consumer's express authorization for the repairs.
10. Billing Fraud: The deceptive practices include the unauthorized charge on the consumer's credit card and advertising that deceptively presents itself to the consumer as a bill.

For more information, contact the Utah Division of Consumer Protection at (801) 530-6601 or log on to; [www.consumerprotection.utah.gov](http://www.consumerprotection.utah.gov)

**From the U.S. Postal Service:**

*What should you do if you've been tricked into reshipping fraud?*

- Don't respond to suspicious mail
- Don't accept packages at your address for people you don't know.
- Be wary of anyone asking to send you a mailing label purchased online.
- Stop all communication with operators who try to solicit your help in reshipping items.
- If you already have merchandise from such an offer, don't mail it.
- Keep all correspondence (e-mails, faxes, etc.) related to these scams.
- Contact Postal Inspectors at 877-876-2455.

To file a complaint with the U.S. Postal Inspector, report the incident to Postal Inspectors at 1-877-876-2455 or file a report online at <https://postalinspectors.uspis.gov/forms/MailFraudComplaint.aspx>.

---

---

For more information contact:

**Jennifer Bolton**  
Public Information Officer  
Utah Department of Commerce  
(801) 530-6646 office  
(801) 652-8322 cell

**Ron Hubrich**  
Consumer Affairs Manager  
U.S. Postal Service  
(801) 974-2505 office  
(801) 580-8624 cell