Penn CASE
Consumer Assistance, Support & Education

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Identity Theft

- Occurs when someone steals your personal information (e.g., credit card or social security number) and uses it fraudulently
- Thieves can hack your computer/email or physically steal information
- Teens are great targets because they have good credit that sits unused
- Can’t perfectly protect yourself but there are steps to minimize risk
  - You might be a target but you don’t have to be a victim!
Protecting Yourself

• **Deter:**
  1. Keep information secure – don’t carry your Social Security card with you!
  2. Don’t use obvious passwords
  3. Shred financial documents and credit applications before discarding them

• **Detect:**
  1. Be on the watch for denials of credit and missing mail or bills
  2. Inspect your credit at [www.annualcreditreport.com](http://www.annualcreditreport.com)
  3. Inspect your financial statements for unauthorized charges

• **Defend:**
  1. Place a fraud alert on your credit (Equifax, Experian, Trans Union)
  2. Close affected accounts

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Deceptive Sales Practices

- **Bait and switch**: Luring customer with inexpensive item, then trying to sell a more expensive one

- **Going Out of Business Sale**: Sales conducted under the belief that a store is going out of business when they actually are not
  - State law says once a going out of business sale begins the store cannot bring in new items and the sale can only last for 30 days
  - **Remember**: Products sold at stores going out of business are usually not returnable and may not have valid warranties!

- **Continuous Sale**: Stores may claim goods are always on sale when the “reduced” price is just the actual selling price.
  - Be sure to shop around various stores to compare prices!

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Spotting Scams: Key Signs

- Cash-only transactions
- Secret Plans: Information is not available to the public or you may not be allowed to talk with family or friends about the “deal”
- Ability to “Get Rich Quick”
- Getting Something for Nothing
- Sense of Urgency
- Last Chance to participate
- Left-Over Material: Usually stolen or damaged
Types of Scams

- **Door-to-Door Sales:** May just be a front to “case” your house or steal your property
  - Get everything **in writing**!
  - Under PA law, you have a **three days to cancel** goods and services sold in your home. The seller must provide this notice verbally, in the contract, and in a separate written disclaimer form

- **Online Scams:** Includes advertising for hyped up products or business opportunities – beware of exaggerated claims!

- **Work-at-Home Schemes:** Involves addressing/stuffing envelopes or assembly/craft work yet you might have to pay for all of the supplies
  - Find out exactly what you must do and the **costs involved**!

- **Grandparent Scams:** Receiving a phone call from a “relative in need” or “police officer” where you are asked to wire money
  - Establish a **family code word**

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More Scams

- **Lottery Scams**: Receive a notice in the mail that you won a prize and may even include a check which is usually fraudulent
  - May ask you to send money which is NEVER needed for a real sweepstakes
  - It is ILLEGAL to participate in a foreign lottery

- **Mystery Shopper Scam**: Given a check to be a mystery shopper and evaluate the service at a store
  - Told you have been overpaid and need to wire back a certain amount of money
  - After you wire the money, you find out the original check was fraudulent

- **Travel Scams**: May offer sensation deals but have many hidden fees or awful conditions
Key Takeaways

• If it seems too good to be true, it probably is
• Never share credit card information, your Social Security number, checking account information, or other personal data if you are not certain you are dealing with a reputable company
• Make sure to find out all of the details and get it in writing
• Contact Pennsylvania Bureau of Consumer Protection for any questions or concerns

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Debt Collection

• **The Fair Credit Extension Uniformity Act** (2000) regulates debt collection activities of debt collectors/creditors in PA by prohibiting unfair/deceptive practices

• Communication
  
  • Unless otherwise specified by you or a court, collectors/creditors may not contact you:
    
    • At odd times/places
    • Between the hours of 9 PM – 8 AM
    • At work, if they know your employer does not approve
    • If they know you are represented by an attorney

  • If you are contacted: request *written* affirmation of the debt

  • Collectors/creditors may communicate with third parties *only* for acquiring your *location information*. They are not allowed to indicate that you owe debt

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• Harassment
  • It is illegal for collectors to harass or abuse you or any third party during collection, including:
    • Repeatedly contacting you by phone in order to annoy
    • Threatening
    • Publication of consumers who aren’t paying
    • Indecent language
Debt Collection Continued

- **False Statements/Unfair Practices**
  - Collectors/creditors may convey false/misleading statements during collection, including:
    - Falsely implying you have committed a crime or will be charged with a crime for non-payment
    - Falsely indicating the legal status or amount of your debt
    - Falsely implying the documents sent to you are legal documents when they are not
  - Excessive/unreasonable means for debt collection are prohibited, including:
    - Collecting an amount greater than your debt (unless permitted by previous agreement or law)
    - Prematurely cashing/depositing a postdated check
    - Contacting you by postcard
    - Deceiving you into paying for collect calls

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Warranties & Guarantees

• All warranties must be: easy to understand, available for the consumer to read prior to purchase, and labeled as either “full” or “limited”
  • Limited warranties have less coverage (may not cover labor, may only apply to original owner, or may require effort by consumer)
• Products also come with implied warranties where they must be in working condition for ordinary use
• Watch out for products labeled “as is”
• Be sure to read the warranty before purchasing the item
• Be sure to get all verbal promises from the seller in writing or they may not be valid!
Rent-to-Own

• In a rent-to-own transaction, the person will rent the merchandise and, at a certain point, the person can obtain ownership of the item

• Benefits
  • Offers financing for people without enough cash to buy high-cost items or for people who have difficulty obtaining conventional credit (credit cards, store accounts, etc.)
  • Results in immediate use of the (new) item
  • Service for the item is usually provided by the rental company without charge (no repair costs during rental period)

• Problems
  • Final (total) purchase price is often much higher than retail price
  • Alternatives: save or buy a quality used item instead
Rent-to-Own Continued

• **Pennsylvania’s Rental Purchase Agreement Act** governs rent-to-own transactions

• Specifies requirements about written information that must be given to consumers
  
  • Applicable fees and late charges
  
  • Total dollar amount paid for ownership through the rent-to-own method
  
  • A way for the consumer to get ownership of the item earlier (and cheaper) than the original agreement
Many consumers, especially seniors, turn to online pharmacies to address rising drug costs.

Under PA law, prescriptions can only be dispensed by a licensed pharmacy.

Some websites may promise a “consult” with a doctor but the person may have no medical training.

These websites may sell foreign drugs which are likely to be fake or harmful.

These websites often feature extremely high hidden costs.

Others ask consumers to sign a waiver, giving up all their legal rights if they become sick – NEVER sign such a waiver.

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References

• Information in this presentation was derived from the following sources:
  • Consumer Protection Rights & Resources for Consumers of All Ages produced by the Pennsylvania Office of the Attorney General
  • Take Charge – Fighting Back Against Identity Theft produced by the Federal Trade Commission