



Penn CASE

CONSUMER ASSISTANCE, SUPPORT & EDUCATION

Penn CASE is a student organization
at the University of Pennsylvania

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
 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
 3. File a police report & contact the Federal Trade Commission (www.ftc.gov)

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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!

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

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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Debt Collection Continued

- **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

Prescription Drugs

- 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

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