

The Consumer Watchdog

CPB Newsletter
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A Newsletter from the New York State Consumer Protection Board (CPB)
Celebrating 40 Years of Results

Safeguard Your Social Security Number



SAFEGUARD YOUR SOCIAL SECURITY NUMBER

As the Social Security program marks its 75th anniversary this year, the New York State Consumer Protection Board (CPB) is emphasizing the importance of consumers safeguarding their Social Security number, which can be used by scammers to access other personally

identifying information and commit identity theft. Identity theft affects more than 10 million Americans each year.

“For millions of consumers, their Social Security number is key to financial protection,” said Mindy A. Bockstein, the CPB’s Chairperson

and Executive Director. “But for identity thieves, unguarded Social Security numbers are keys to the vault of information to access credit, benefits and services that are not rightfully theirs. For short-term and long-term security, we are reminding consumers of

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ARTICLES:

- Senior Information Line
- New Debt Settlement Rules
- Scam Alerts
- Prevent Medical ID Theft
- Time Capsule Suggestions
- Consumer Education at NYC Libraries
- Statewide Shredding Events
- Turkey Tips

New State Laws Protect Consumers

Two important new State consumer protection laws are taking effect in December. One will offer greater safeguards against telemarketing abuses, while the other will promote child safety by banning the manufacture, distribution and

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Welcome to the Fall Season



MINDY A. BOCKSTEIN
Chairperson and Executive Director

The NYS Consumer Protection Board (CPB) works to protect the safety and financial well-being of all New Yorkers through activities including:

- Resolving consumer complaints;
- Opposing utility rate increases;
- Enforcing the Do Not Call Law;

- Publicizing the latest product recalls;
- Conducting recall awareness checks in the marketplace;
- Issuing scam alerts for individuals and businesses;
- Informing about major data breaches;
- Advising about credit and debit card industry practices;
- Providing identity theft prevention and mitigation services; and,
- Collaborating with industry to advance

compliance with consumer protection laws and ensure a fair marketplace for consumers.

In this newsletter, you will read about some of the latest CPB initiatives that are reinforcing New York State’s leadership and innovation in consumer protection, such as our new Senior Information Line and our tips on how to avoid the growing problem of medical identity theft. You’ll also learn about new laws that offer greater protection again telemarketing abuses,

promote child safety, and provide greater transparency about rebate offers.

As always, we urge you to check our website, www.nysconsumer.gov, regularly for updates on scams, recalls, data breaches and other empowering information for your life, and contact us if you have a marketplace problem requiring our assistance.

Thanks for your interest and best wishes. ●

Safeguard Your Social Security Number ... continue from page 1

all ages of the importance of safeguarding this valuable personally identifying information.”

Over the past several years, the CPB has received complaints and inquiries from consumers and businesses with respect to data security and identity theft prevention. Many of these dealt with how to safeguard Social Security numbers. This has led the CPB to issue scam alerts warning consumers about phishing and other incidents where con artists are looking to trick individuals into revealing their Social Security number.

Since the creation of the Social Security program, the use of Social Security numbers has expanded. The original purpose of this number was to track individuals’ accounts within the Social Security system. It has since become an identifier for employee, patient, student, credit and other records. This expanded use of the number has increased identity theft risks. ●

The CPB urges consumers to consider the following tips to protect their Social Security number:

- Keep your Social Security card in a secure place, and never carry it with you unless there is a unique circumstance requiring the card.
- Provide your Social Security number only when necessary. When someone directly inquires about your number, ask:
 - o Why is the number needed?
 - o How will the number be used?
 - o What are the consequences of declining to provide the number?
- Ask to use another type of identifying number whenever possible.
- Only transmit your Social Security number via the Internet to reputable companies that use a secure server.
- Do not provide your Social Security number over the telephone unless you initiated the call, are certain with whom you are speaking, and the number is necessary to complete the transaction.
- Do not respond to unsolicited e-mails that ask for your Social Security number or direct you to a website where you are asked to input your number, even if they seem to be from a legitimate company with which you do business.

New York State continues to be a leader in Social Security number protection by enacting laws limiting the collection, display and/or transmission of these numbers by businesses, educational institutions and even government. For example, New York State law prohibits the printing of Social Security numbers on identification and membership cards, and on certain documents mailed to customers, and bars the e-mailing of unencrypted Social Security numbers. Further, schools cannot use Social Security numbers for posting or public listing of grades or class rosters. Consumers can access more information about Social Security number safety and identity theft protection by visiting the CPB’s website at www.nysconsumer.gov. ●



CPB CHAIRPERSON MINDY BOCKSTEIN AND STAFF MEET WITH THE SENIOR LEADERSHIP OF THE CONSUMER PROTECTION AGENCY OF KOREA

CPB and Korean Counterparts Exchange Best Practices

A delegation from the consumer protection agency of Korea recently visited with the New York State Consumer Protection Board to discuss best-practices, learn about CPB programs, identify emerging trends and determine how best to partner to better serve the public. ●

CPB Joins with Weinberg Center and State Office for Aging to Launch Toll-free 'Senior Information Line'

The New York State Consumer Protection Board (CPB), the State Office for the Aging (SOFA) and the Harry & Jeanette Weinberg Center for Elder Abuse Prevention at the Hebrew Home at Riverdale (Weinberg Center) have launched a toll-free "Senior Information Line" which allows callers from across the State to access the latest news and updates about issues of interest to them.

Seniors can access the line by dialing **1-800-503-9000**. All information will be available in English and Spanish. Topics will change on a monthly basis.

A telephone format was chosen to make the information available to the many seniors who do not use the Internet.

"The Senior Information Line transforms the

telephone into a source of news, knowledge and support for seniors throughout the State," said Governor David A. Paterson. "We are extremely pleased to partner with the Weinberg



SENIOR INFORMATION LINE LAUNCHED AT HARRY & JEANETTE WEINBERG CENTER FOR ELDER ABUSE PREVENTION AT THE HEBREW HOME AT RIVERDALE. NY STATE SENATOR REV. RUBEN DIAZ SR. AND ASSEMBLYMEMBER JEFFERY DINOWITZ WERE IN ATTENDANCE

Center on this important initiative."

"Seniors can now connect to the latest information via telephone from any location in the State,

including the comfort of their own home" said Mindy A. Bockstein, the CPB's Chairperson and Executive Director. "The Senior Information Line will make it easy for seniors to stay informed

and keep current and empowered."

Each month, the line will offer free information that seniors can use to stay safe, maximize their

financial and physical independence and improve their everyday lives. The line will cover topics such as:

- how to reduce unwanted telemarketing calls and avoid telemarketing fraud
- tips for preventing falls
- how to reduce the risk of identity theft
- how to avoid the latest scams
- how to choose the right cell phone without busting your budget
- changes to the New York Power of Attorney Law

The audio and text of Senior Information Line messages -- and more -- are also available online at www.nysconsumer.gov.

New Debt Settlement Rules Take Effect

With many consumers struggling to pay bills in these tough economic times, some are turning to "debt settlement companies" that claim they can renegotiate what consumers owe their creditors and/or get lower interest rates on outstanding balances. However, most consumers find that signing up with a debt settlement company is fraught with risk. The companies collect big fees from consumers, but often fail to deliver on their promises to reduce or eliminate debt -- leaving the consumers worse off and pushing them deeper into debt.

How Debt Settlement Companies Work

Debt settlement companies usually advise consumers to stop paying their bills and, instead, to set up a special escrow account to build savings that will be used to negotiate settlements with creditors. The problem is that many debt settlement companies then withdraw money from the account to cover their fees, even though they haven't reached settlements with any creditors.

What's more, consumers who follow the advice of debt settlement companies to stop paying their bills and ignore collection letters often find themselves subject to collection efforts by creditors, including lawsuits. In addition, the consumers' credit histories are damaged when they stop paying their bills. And because the promises made by debt settlement companies are often unrealistic, many consumers fail to see their payments substantially reduced or eliminated.

New Debt Settlement Rules Take Effect ... continue from page 3

New Rules

The Federal Trade Commission (FTC) recently adopted rules that will help put an end to debt settlement rip-offs and make sure that consumers don't pay big fees without getting relief. The new rules apply to for-profit debt settlement companies that make outbound calls to contact potential customers as well as to companies that receive phone calls from potential customers in response to advertisements and other solicitations.

A summary of the new rules is below.

Advance Fee Ban

Effective October 27, 2010, for-profit debt settlement companies are prohibited from charging any fees until they have successfully renegotiated, settled or reduced at least one of the consumer's debts. Fees cannot be collected until the customer has made at least one payment pursuant to the negotiated agreement.

If one portion of the consumer's debt is settled, but not the entire debt, the fee must be proportional to what the total fee would be if the entire debt was settled or a percentage of the amount saved by the settlement.

Escrow Accounts

If a debt settlement company requires a consumer to place funds in an escrow account, the company must disclose that the funds (and any interest earned) are owned and controlled by the consumer and that the consumer can withdraw from the service and get back all the money in the account other than fees lawfully earned by the company.

The debt settlement company cannot own, control or have any affiliation with the company that administers the account, and cannot exchange any referral fees with the company administering the account.

New Disclosure Requirements

Debt settlement companies must disclose to consumers:

- fundamental aspects of their services, including how long it will take for consumers to see results;
- the specific time by which offers will be made to each creditor;
- the cost of debt settlement services; and,
- the negative effects of not making payment to creditors, including a damaged credit rating and being subject to collections and lawsuits.

Other Options for Consumers

While the new FTC rules should help consumers avoid many of the pitfalls of using debt settlement companies -- especially advance fees -- they're not a cure-all. For example, the rules do not limit the amount of fees that can be charged for debt settlement services. So it's important for consumers to consider other options that are available.

- **Do it Yourself:** Consumers should consider negotiating directly with creditors. Why pay for something when you can do it for free? Creditors generally do not offer better deals to consumers who work through a debt settlement company than consumers who come to them directly.

- **Use a Nonprofit Credit Counselor:** These counselors help consumers set up a savings plan and a budget, and negotiate payment plans with creditors. Often, consumers make a set monthly payment that is apportioned among creditors to pay off the balance in full over time at reduced interest rates. Depending on financial circumstances, there may be a one-time setup fee and a monthly fee to administer the payment plan. You can find a nonprofit credit counselor through the National Foundation for Credit Counseling (www.debtadvice.org). ●

CPB Wraps Up Successful 2010 Shred The Word Program Year



More than 45,000 lbs of paper were shredded and recycled during the 2010 *Shred the Word* Program year.

The CPB acknowledges the shredding companies, community leaders and consumers who participated this year.

Shredding is a reliable way of safely and properly disposing of documents containing personally identifying information that, if discarded improperly, could be a conduit to identity theft.

Medical Identity Theft: A Growing Problem



MEDICAL IDENTITY THEFT: A GROWING PROBLEM

Medical identity theft is a crime involving the theft of your insurance ID, Medicare or Social Security number (SSN) and the use of this information to obtain treatment, equipment or drugs under your name. Larger cases may involve health insurance fraud and bogus payouts.

This crime can result in victims receiving improper treatment because their medical records contain inaccurate information. Victims of medical identity theft may find that their health insurance is exhausted. They are often billed for services they didn't receive. Depending on the sophistication of the thief, victims may not learn of these bills until they start receiving debt collection notices, or see unpaid charges listed on their credit report. Medical identity theft can ruin a victim's

credit and expose the victim to potential legal liability. In addition, medical identity theft often results in a decrease in medical privacy and the loss of time and added expense to clear one's record.

Evidence shows that medical identity theft is increasing. According to a recent study by the Ponemon Institute, approximately 5.8% of American adults - - or an estimated 1.42 million people - - have been victimized by medical identity theft. The average cost per victim is more than \$20,000, which includes out-of-pocket payments to a health insurer to restore coverage.

The New York State Consumer Protection Board offers the following recommendations to help reduce the threat of medical identity theft, detect when your medical identity has been stolen, and recover if you become a victim of this crime.

An Ounce of Prevention is Worth a Pound of Cure -- Don't Wait for Symptoms to appear!

- Avoid carrying your Social Security, Medicare or insurance card in your wallet unless necessary.
- Be cautious when disclosing personally identifying and health information, especially online.
- Don't fall for offers of free health services or products in exchange for divulging health information such as your SSN, Medicare number or insurance code.
- Do not share health-related information, including your Medicare or Social Security card.
- Check the Explanation of Benefits statement from your insurer and question discrepancies.
- Keep health insurance and medical documents secure.
- Shred old health insurance and medical documents before disposing them.
- Destroy prescription labels on your medicine bottles when finished with the medicine.
- Obtain a listing of the benefits your insurer has paid under your name on an annual basis.
- Order a free copy of your credit report from www.annualcreditreport.com or 1-877-322-8228 to check for any medical debts that are not yours.

Fighting Back

- Obtain a copy of your medical records to check for inaccuracies. Generally, under federal and State law, you have a right to access your medical records for a reasonable fee.
- Request the removal of inaccurate information, an amendment to any altered medical records or the submission of a statement that you disagree with the information and the reasons.
- Obtain an accounting of medical record disclosures made by your health care provider.
- File a complaint with the Office for Civil Rights of the U.S. Department of Health & Human Services at 1-800- 368-1019 if you encounter a problem accessing or amending your health records.
- File an identity theft police report and send a copy to your health care providers, insurers and the three credit reporting agencies.
- Lodge a complaint with the Federal Trade Commission at 1-877-IDTHEFT or www.ftccomplaintassistant.gov.
- Consider placing a Fraud Alert and/or a Security Freeze on your credit reports. ●

Let's Talk Turkey



The holidays often mean planning large meals for family and friends. The New York State Consumer Protection Board is pleased to provide these useful tips to assist you in preparing your perfect holiday meal and save you money.

Shopping

- ✓ Always prepare a menu and shopping list before going to the store.
- ✓ Always check your cupboard for supplies, including spices and condiments, so not to duplicate.
- ✓ Always watch for sale items in store flyers and use coupons when available.
- ✓ Always shop early for the best and freshest food selections.
- ✓ Always look for the proper size turkey for your meal so you don't overbuy.



Cooking Preparation and Clean-up

- ✓ Always thaw turkey in the refrigerator.
- ✓ Always remove the wrapper and rinse well before cooking. Also, check the body cavity for giblets and remove them.
- ✓ Always keep raw meats separate from ready-to-eat foods.
- ✓ Always cook to proper temperatures.
- ✓ Always wash hands often while working with uncooked meats.
- ✓ Contact the USDA Meat and Poultry Hotline at 1-800-535-4555 with any questions concerning preparation and cooking.



Turkey Fryers

- ✓ Never leave fryer unattended.
- ✓ Always place a fryer outdoors in an open area away from any buildings and people.
- ✓ Never allow the oil to reach an excessive temperature.
- ✓ Always defrost the turkey completely, rinse and pat dry before placing it in the heated oil.
- ✓ Always raise and lower the turkey slowly - Splashing oil can cause serious burns.
- ✓ Always cover bare skin - Wear protective clothing including oven mitts.
- ✓ Contact 911 if a fire or flames occur. Do not attempt to put the fire out with water.



Serving and Leftovers

- ✓ Always remove stuffing from the turkey and carve within 2 hours after roasting.
- ✓ Always be careful handling hot items from your oven or stove, especially a heavy turkey.
- ✓ Always refrigerate leftovers within 2 hours after roasting.
- ✓ Always wrap leftovers separately.
- ✓ Never keep gravy or poultry longer than 3 days in the refrigerator - freeze leftovers if planning to store them for a longer period of time.



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New York State Consumer Protection Board



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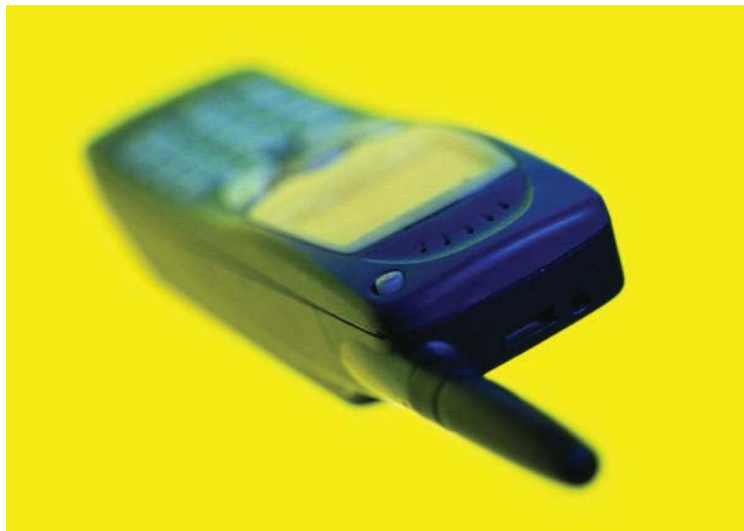
What Should We Store in the CPB Time Capsule?



In celebrating the New York State Consumer Protection Board's (CPB) 40th anniversary this year, the Agency is planning to bury a time capsule in Albany, NY. We need your help!

We are calling on the public to send in suggestions for items to place in the time capsule chronicling 40 years of consumer protection achievements. E-mail your suggestions to webmaster@consumer.state.ny.us

Have You Signed Up for the Do Not Call Registry?



The National Do Not Call Law allows consumers to place their home landline and personal mobile telephone numbers on one central national Registry to reduce the number of unsolicited telemarketing calls they receive. The New York State Consumer Protection Board (CPB) is the enforcement agency for the New York State Do Not Call Law.

How Do I Register My Number?

- Online at: www.donotcall.gov

or

- From the phone you wish to register:
1-888-382-1222
(tty 1-866-290-4236) ●

New State Laws Protect Consumers ... continue from page 1

sale of any child care product containing bisphenol-A (BPA) intended for use by a child three years of age or under. A summary of the new laws appears below.

Do Not Call

The Do Not Call Law is one of the State's most important consumer protection statutes. More than 12.3 million New York telephones are registered in the program. Individuals who register their personal land and mobile phone numbers on the federal Do Not Call Registry are afforded some relief from annoying telemarketers. The new statute, which was proposed by Governor Paterson, sponsored by Senator Bill Perkins and Assemblywoman Audrey I. Pheffer, and supported by the Consumer Protection Board (CPB), augments New York's protections against many deceptive and bothersome telemarketing practices.

In particular, the law:

- Restricts unsolicited telemarketing calls to the hours of 8 a.m. to 9 p.m.;
- Requires telemarketers to disclose at the outset of the call the nature of the goods or service they are selling;
- Expands New York's "Do Not Call" Law provisions to "robo-calls" including those that only leave a telemarketing message; and,
- Expands the CPB's subpoena power to better investigate complaints.

"New Yorkers have the right to avoid harassment from telemarketers," said Governor David A. Paterson. "This law adds teeth to the existing law by expanding the definition of a telemarketing call to include prerecorded, unsolicited messages, and giving the Consumer Protection Board more authority to investigate companies using deceptive practices in the telemarketing industry."

"Restricting telemarketing calls to the hours of 8 a.m. to 9 p.m., and applying the State's Do Not Call Law to 'robo calls,' will help to further reduce unwanted telemarketing calls and safeguard the personal privacy of New Yorkers," said Mindy A. Bockstein, Chairperson and Executive Director of the CPB. "This new law, which also strengthens enforcement, provides all the more reason for consumers to place their telephone numbers on the Do Not Call Registry."

The law takes effect on December 11, 2010. For additional Do Not Call and other consumer information, visit www.nysconsumer.gov or call the CPB toll-free at 1-800-697-1220.

BPA

Effective December 1, 2010, the manufacture, distribution, sale or offer for sale of any child care product containing BPA intended for use by a child three years of age or under is prohibited. Child care products covered by the law include pacifiers, unfilled beverage containers, baby bottles, baby bottle liners and cups, cup lids, straws and sippy cups.

BPA is a chemical used in the production of epoxy resins and polycarbonate plastics and is the main ingredient in hard polycarbonate plastics. BPA has been linked to breast and prostate cancer, early-onset puberty and polycystic ovary syndrome. These plastics are used in many foods and drink packaging applications; BPA has been shown to be a hormone disruptor and is used in many products used by children, including pacifiers, baby bottles, sippy cups and cup lids, baby bottle liners and straws. Because of widespread use, BPA is found to be present in 93% of adults, according to the U.S. Centers for Disease Control and Prevention.

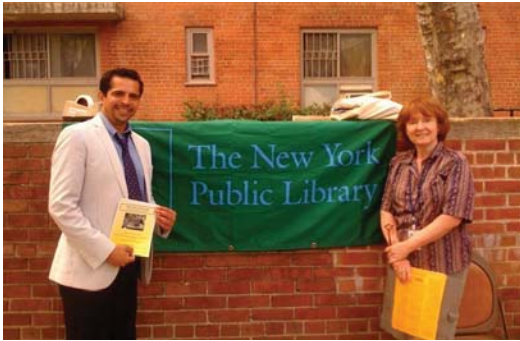


NEW STATE LAWS PROTECT CONSUMERS

"This law will ensure that a potentially harmful substance is no longer allowed in products used by our smallest and most vulnerable citizens," said Governor Paterson.

"This is a welcome and important piece of legislation that the CPB supported," said Bockstein. "It's a relief to know that we will no longer have to worry about whether or not products used by young children contain BPA and are unsafe for their sensitive systems and developing bodies." ●

Consumer Education In NYC Libraries



EDISON ALBAN OF THE NYS CONSUMER PROTECTION BOARD AND BRIDGET CALAHAN OF THE NEW YORK PUBLIC LIBRARY BEFORE ONE OF THE "CONSUMER CHOICE" EVENTS

The CPB has partnered with the New York State Department of Health, the New York City Department for the Aging and the New York Public Library to launch a series of bilingual consumer education workshops for older adults entitled: "Consumer Choices: A Collaborative Library Seminar Series 2010." The library series began on August 6, at St. George Library Center in Staten Island. Presentations were held at fifteen libraries in Manhattan and Staten Island throughout the month of August. Older adults were briefed on scams and fraud prevention, identity theft, healthcare choices and prescription drug plans. This empowering series will continue in public libraries in the Bronx during the month of November. Check the Consumer Protection Board's website at www.nysconsumer.gov for further information. ●

New Scam Alerts

TOPIC: Jury Duty Scam

WHO ARE THE TARGETED VICTIMS? Residents

WHAT IS THE SCAM? The caller identifies him/herself as an officer of the court. He/she says you failed to report for jury duty and that a warrant has been issued for your arrest. You say you never received a notice. To clear it up, the caller says he'll need some information for "verification purposes," such as your birth date, Social Security number, credit card number, etc.

WHAT STEPS SHOULD YOU TAKE? As a rule, court officers never ask for confidential information over the phone; they generally correspond with prospective jurors via mail. Protecting yourself is the key: Never give out personal information when you receive an unsolicited phone call.

TOPIC: Timeshare Scam

WHO ARE THE TARGETED VICTIMS? Timeshare owners

WHAT IS THE SCAM? Timeshare owners are being contacted by dishonest companies with legitimate-sounding names, such as International Timeshare Consolidators (ITC). These companies mislead consumers by offering to help to sell their vacation properties. Posing as an agent or broker, the fraudster will produce an appraisal or offer a very generous bid for the timeshare property. Before the sale is finalized, the consumer will be told that they owe taxes or administrative fees. Once the timeshare owner has provided their financial information, paid the "fees" or other charges, the broker or agent will vanish without a trace.

WHAT STEPS SHOULD YOU TAKE? If you are a timeshare owner and someone contacts you offering assistance with the sale of your share, take the following precautions to reduce the risk of falling for a scam:

- As a general rule, never give your credit card number or other personal information to someone who calls you over the phone;
- Be wary of companies that charge up-front fees of any kind. Consider opting for a company that takes a fee only after the timeshare is sold;
- Ask them to send you written materials and make sure they corroborate any offers made over the phone;
- Do your research before transacting business with any company and compare their offers to industry competition;
- Ask if the company's salespeople are licensed to sell real estate where your timeshare is located. Verify this by conducting a state real estate agency licensee search; and,
- Verify the business address and phone number and contact them yourself.

Consumers can protect themselves from receiving most unsolicited calls by registering their landline and mobile telephone numbers on the National "Do Not Call" Registry. Consumers may call toll-free at 1-888-382-1222 or sign up online at www.donotcall.gov. Registration is permanent and free. ●