# LAWRENCE G. WASDEN Attorney General

# **OFFICE OF THE ATTORNEY GENERAL**

# 2005 ANNUAL REPORT ON CONSUMER PROTECTION, COMPETITION AND TOBACCO ENFORCEMENT ACTIVITIES <<<\*>>

The Attorney General enforces various consumer laws, including Idaho's Consumer Protection Act, Competition Act, Telephone Solicitation Act, Pay-Per-Telephone Call Act, and Charitable Solicitation Act. These acts protect consumers, businesses, and the marketplace from unfair or deceptive acts and practices. The Attorney General seeks to fulfill this charge efficiently and economically through education, mediation, and enforcement.

The Attorney General also enforces and defends the State's Master Settlement Agreement (MSA) with the tobacco industry and has been delegated the duty of enforcing Idaho's Tobacco Master Settlement Agreement Act, Tobacco Master Settlement Agreement Complementary Act, and Prevention of Minors' Access to Tobacco Act. The MSA and these Acts seek to promote the public health and protect the fiscal soundness of the State.

The Attorney General reports to the public annually regarding consumer protection activities. This report covers the calendar year 2005.

## **2005 ACTIVITIES SUMMARY**

In 2005, the Attorney General recovered \$608,878 in restitution. This equates to \$1.25 for each taxpayer dollar appropriated for consumer operations. For the past 15 years, the Attorney General has recovered more money for Idaho residents and businesses than the Legislature has appropriated from the general fund for consumer protection operations. Salaries and benefits of those who are involved primarily in consumer protection efforts are expected to cost taxpayers approximately \$487,329 for the 2006 fiscal year. Another \$152,600 is budgeted from the Attorney General's consumer protection account for consumer education efforts. The consumer protection account is comprised of moneys obtained through the Attorney General's enforcement actions.

The Attorney General also recovered \$252,777 in civil penalties, fees, and costs. These amounts do not include the \$23,158,082 the State received in 2005 pursuant to the tobacco

Master Settlement Agreement negotiated between the Office of the Attorney General and tobacco manufacturers.

Activity this year related to consumer protection, competition act, telemarketing, and tobacco law enforcement.

The Attorney General settled significant consumer protection cases with DirecTV, Blockbuster Inc., TAP Pharmaceutical Products, Inc., and State Farm Insurance.

In the antitrust arena, the Attorney General concluded several cases involving the award of hundreds of thousands of dollars in restitution to Idaho consumers and businesses.

The year 2005 marked the Attorney General's fifth year of enforcement and administration of Idaho's No Call Law and was the third year of coordinating with the federal government's no call law. By year's end, there were 434,382 Idaho phone numbers registered on the Attorney General's No Call List. Citizens continue to report receiving fewer unwanted telephone solicitations.

The Attorney General undertook several actions related to enforcement and defense of Idaho's Tobacco Master Settlement Agreement Act and Tobacco Master Settlement Agreement Complementary Act.

The Attorney General's Consumer Protection Unit logged 7,111 instances of consumer assistance in 2005. 1,875 contacts were consumer complaints. The remainder consisted of information from consumers, requests for information and forms, and consumer inquiries about particular businesses. This number does not reflect the multitude of telephone calls and personal contacts that are not logged or tracked by the Attorney General's consumer database.

The Attorney General initiated a consumer education program to protect children from Internet sexual predators. <u>ProtecTeens</u> is an informative video presentation and resource kit. The resource kit includes the video, The Attorney General's <u>Internet Safety</u> manual, the Family Contract for Internet Safety and information about parental control software.

The Attorney General's staff educated thousands of people about consumer issues, attended fairs around the state, and worked on updating consumer information brochures. The Attorney General and his staff attended the Eastern Idaho Fair, North Idaho Fair, Twin Falls County Fair, and Western Idaho Fair to emphasize the prevention of identity theft. Staff spoke with thousands of Idaho residents during the fairs and distributed publications concerning identity theft and consumer credit and debt.

The Attorney General deposits money from civil penalties, fees, and reimbursed costs into the consumer protection account. Funds from this account pay for the Attorney General's educational activities, pursuant to legislative appropriation. The Attorney General transferred \$181,292 in surplus funds to the General Fund at the end of fiscal year 2005. Prior year transfers were \$746,861 in fiscal year 2004; \$503,129 in fiscal year 2003; \$1,128,516 in fiscal year 2002; \$510,948 in fiscal year 2001; and \$700,000 in fiscal year 2000.

# **APPLICABLE LAWS**

In the field of consumer protection, competition, tobacco, and telephone and charitable solicitations, the Attorney General enforces the following Idaho statutes and rules:<sup>1</sup>

- Consumer Protection Act
- Competition Act
- Charitable Solicitation Act
- Pay-Per-Telephone Call Act
- > Telephone Solicitation Act, including the Idaho No Call Law
- Tobacco Master Settlement Agreement Act
- Tobacco Master Settlement Agreement Complementary Act
- Prevention of Minors' Access to Tobacco Act
- Consumer Protection Rules
- > Telephone Solicitation and Pay-Per-Telephone Call Services Rules
- Tobacco Master Settlement Agreement Complementary Act Rule

The Attorney General also enforces provisions of other consumer-related statutes, including those dealing with chain and pyramid distribution schemes. In addition, the Office of the Attorney General provides information regarding Idaho's Lemon Law and Mobile Home Park Acts, as well as Idaho's landlord tenant laws.

## LEGISLATION

In 2005, the Attorney General proposed two pieces of legislation related to Idaho's Tobacco Master Settlement Agreement Act and Tobacco Master Settlement Agreement Complementary Act. The Idaho Legislature adopted both proposals, and the Governor signed them into law.

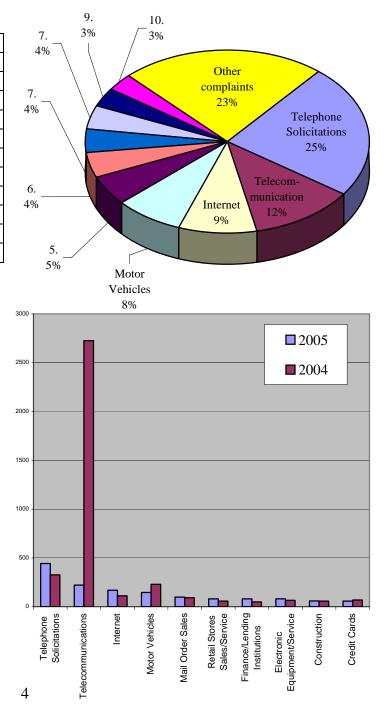
HB 46 clarifies that roll-your-own tobacco is considered a "unit sold" under the Tobacco Master Settlement Agreement Act. HB 47 authorized the Attorney General to require, as a condition of certification, that a tobacco manufacturer consents to be sued in Idaho court for violations of Idaho law.

<sup>&</sup>lt;sup>1</sup> The listed Idaho statutes and rules are codified, respectively, as follows: <u>Consumer Protection Act</u>, title 48, chapter 6, Idaho Code; <u>Competition Act</u>, title 48, chapter 1, Idaho Code; <u>Charitable Solicitation Act</u>, title 48, chapter 12, Idaho Code; <u>Pay-Per-Telephone Call Act</u>, title 48, chapter 11, Idaho Code; <u>Telephone Solicitation Act</u>, title 48, chapter 10, Idaho Code; <u>Tobacco Master Settlement Agreement Act</u>, title 39, chapter 78, Idaho Code (Supp.); <u>Prevention of Minors' Access to Tobacco Act</u>, title 39, chapter 57, Idaho Code; <u>Consumer Protection Rules</u>, IDAPA 04.02.01000 et seq.; <u>Telephone Solicitation and Pay-Per-Telephone Call Services Rules</u>, IDAPA 04.02.02000 et seq.; and <u>Tobacco Master Settlement Agreement Complementary Act</u> Rule, IDAPA 04.20.01000 et seq.

#### 2005 TOP TEN CONSUMER COMPLAINTS

Telephone solicitation complaints increased for the first time since 2002. This category includes deceptive telemarketing offers and violations of Idaho's No Call Law. The largest portion of these complaints related to violations of Idaho's No Call law. Telecommunications complaints and total complaints dropped greatly, primarily as a result of a change in how the office records unwanted unsolicited fax ads sent in by consumers. Telephone solicitation complaints have held the first or second position on the Top Ten Consumer Complaint List for more than ten years.

2005 Total	1,875
1. Telephone Solicitations	443
2. Telecommunications	222
3. Internet	169
4. Motor Vehicles	146
5. Mail Order Sales	99
6. Retail Store Sales/Service	81
7. Finance/Lending	80
7. Electronic Equip./Service	80
9. Construction	59
10. Credit Cards	58
Total of all other complaints	438



2004 Total	4,079
1. Telecommunications	2,726
2. Telephone Solicitations	326
3. Motor Vehicles	229
4. Internet	111
5. Mail Order Sales	92
6. Credit Card	69
7. Electronic Equip./Service	66
8. Construction	58
9. Retail Store Sales	57
10. Finance/Lending	50
Total of all other complaints	295

### **ENFORCEMENT**

#### THE ATTORNEY GENERAL'S NO CALL LIST

Idahoans continue to add phone numbers to the Attorney General's No Call List. By the end of 2005, Idahoans had registered 434,382 telephone numbers. Idahoans who have registered on the No Call List continue to report that unwanted telephone solicitations have decreased significantly or have been eliminated completely.

For the first time since 2002, complaints concerning Idaho's No Call Law increased in 2005. In 2001, consumers filed 1,481 No Call complaints. In 2002, the number dropped to 968. In 2003, the number dropped to 404. In 2004, the numbers dropped further to 362, an overall reduction from 2001 of 76%. In 2005, however, No Call complaints rose to 391, a 7% increase over 2004. The Attorney General continues to monitor complaints and oversee compliance with Idaho's No Call Law.

## **CONSUMER PROTECTION**

The Attorney General undertook a variety of consumer protection matters. Several were noteworthy in scope and impact. The matters include:

**IDENTITY THEFT.** Some computer experts designate 2005 as the worst year ever for known computer-security breaches. These breaches, which approximate 130 nationwide, exposed thousands of Idahoans to possible identity theft. During the year, the Attorney General wrote to more than 5,000 Idahoans whose personal information was disclosed through security breaches. The Attorney General warned consumers about the breaches and provided each potential victim with a copy of the Attorney General's <u>Identity Theft</u> manual. The most prominent security breaches involved ChoicePoint, Inc., and LexisNexis, two data-brokering companies.

**LUPRON.** The Attorney General reached an agreement with TAP Pharmaceutical Products, Inc., settling potential claims surrounding the pricing practices of its drug Lupron. Lupron is used to treat prostate cancer and endometriosis. The potential claims did not relate to the safety of the drug. Under the agreement, Idaho will receive \$198,000. These funds will first be used to assist Idaho consumers who purchased the drug. Remaining funds will be used to support Idaho's Comprehensive Cancer Control Program. In addition to the \$198,000, state agencies and universities that purchased the drug will receive a partial reimbursement for such purchases.

**GASOLINE PRICE INQUIRY.** After Hurricane Katrina, gasoline prices jumped dramatically in Idaho as they did across the country. In September, the Attorney General commenced an inquiry into the causes of the price increases. The inquiry focuses on price increases at both the wholesale and retail levels.

The Attorney General initiated the inquiry after President Bush and Governor Kempthorne each issued emergency declarations for Idaho. Once an emergency is declared, Idaho's consumer protection laws authorize the Attorney General to investigate fuel prices to determine if, during the emergency period, fuel was sold to consumers "at an exorbitant or excessive price." The focus of the inquiry is to determine whether there is an economically sound explanation for the pricing patterns observed, both at the wholesale and retail levels.

Over the past several months, the Attorney General has gathered gasoline price information from the federal government, private information services, and Idaho retailers. The Attorney General also consulted with experts in the industry, as well as economists. The inquiry is ongoing. It is interesting to note that by mid-January of 2006, Idaho had the second lowest gasoline prices in the country.

**BLOCKBUSTER, INC.** Attorney General Wasden joined by five other Attorneys General, led negotiations that resulted in a settlement agreement with Blockbuster, Inc., and 46 other states and the District of Columbia. The settlement resolved allegations that consumers were misled by Blockbuster's "No Late Fee" promotion. Blockbuster's "No Late Fee" promotion was misleading because, while most Idaho stores did not participate in the program, it was promoted in Idaho. Further, while Blockbuster advertised "no late fees," it did not tell consumers that if they do not return a movie within seven days from its due date, the consumer would be deemed to have bought the movie unless he or she returns it within 30 days, in which case the consumer would then be charged a restocking fee.

Under the settlement, Blockbuster agreed to provide refunds or credit to eligible customers. Under the terms of the settlement, Blockbuster also agreed that future advertising would correct the deficiencies identified in the offending promotion. As part of the settlement, Blockbuster also paid Idaho \$23,000 for attorney fees, costs of investigation and consumer education.

**DIRECTV.** The Attorney General and 21 other state attorneys general entered into a \$5 million settlement agreement with satellite television provider DirecTV. Under the settlement, DirecTV agreed to make refunds to eligible customers and to change some of its marketing practices related to various promotional activities.

Consumers complained that DirecTV used small, unreadable print in its advertising to change the company's advertised subscription and equipment offers. Under the terms of the settlement, DirecTV agreed to pay restitution to consumers who complained that they were charged a fee for not activating their subscription, did not receive local channels as promised, or were charged a termination fee for canceling their service before the "free programming offer" ended. In addition to the refunds, DirecTV also agreed to modify its advertising to provide clear and conspicuous disclosure of all requirements and restrictions of its advertised offers.

Finally, DirecTV agreed to pay Idaho \$100,000 to reimburse the Attorney General's costs.

**STATE FARM INSURANCE.** The Attorney General joined with a number of other states in an innovative agreement with State Farm Mutual Insurance Company that will result in \$40 million in compensation to thousands of vehicle owners nationwide. State Farm initiated discussions after the company learned from an internal review that it could not confirm that it had properly titled vehicles in a small percentage of cases. State Farm had taken ownership of

the vehicles from policyholders due to damage or theft. After discovering the problem, State Farm brought the matter to the attention of the attorneys general.

Under the settlement, approximately 30,000 consumers nationwide are eligible for payments ranging from about \$400 up to over \$10,000. Payment amounts will vary, depending on the current average value of their vehicle and the number of consumers who participate in the compensation program. The Attorney General believes most payments are likely to range from \$800 to \$1,850.

In most states, depending on factors such as vehicle age and extent of damage, insurance companies taking ownership of vehicles must obtain "branded titles," indicating the vehicles are "salvage," "damaged," or similarly described. State Farm's records showed that it had properly titled many vehicles in recent years that may have required a "branded title," but State Farm could not confirm whether a smaller number may not have been properly titled. Payment will go to the current owners of vehicles that may require branded titles.

Under the settlement, State Farm spent much of 2005 working with state motor vehicle titling departments to determine the specific vehicles that require a branded title. Current Idaho owners of those vehicles then received a letter and a claim form from the Attorney General. These owners had until November 18, 2005 to submit their claims. All claims are now being processed. At present, the amount each consumer will receive is being finalized. It is expected State Farm will begin mailing restitution checks to consumers in early 2006.

State Farm also made payments totaling \$1 million to participating states for consumer education, future consumer litigation, public protection, local consumer aid funds, and attorney fees and costs.

**FRIENDS UNITED NETWORK (FUN).** The Attorney General received information from consumers alleging that FUN was operating a pyramid scheme in Idaho. Following his investigation in October, the Attorney General and FUN entered into a settlement, which stops FUN from doing business in Idaho. FUN also refunded money to consumers and paid the Attorney General \$1,111 for his attorney fees and expenses.

**LARRY MILLER SUNDANCE DODGE.** After investigating allegations that certain Sundance Dodge advertisements offering dealer rebates violated the Consumer Protection Act, the Attorney General entered into a settlement agreement with the business. Idaho law prohibits advertising dealer rebates because such rebates are illusory. Dealers are permitted to advertise manufacturer rebates. As a part of the November agreement, Sundance Dodge has changed its advertising practices and paid the Attorney General \$1,193 for his attorney fees and expenses.

**MOUNTAIN HOME AUTO RANCH.** The Attorney General alleged that Mountain Home Auto Ranch violated the Consumer Protection Act when it sent consumers misleading direct-mail ads. The business agreed to change its advertising practices, and it paid the Attorney General \$750 for his attorney fees and expenses.

**RIVERSIDE FUNERAL SERVICE, INC.** A consent judgment was entered against Riverside Funeral Service in October. The judgment resolves the Attorney General's consumer

protection lawsuit, which alleged that the business's owners, Mitchell and Kimberly McBride, failed to set up trust accounts for clients who purchased pre-paid funeral arrangements. In accordance with the terms of his federal criminal sentence, the consent judgment requires Mr. McBride to pay restitution to his victims.

**TRAVEL MANAGEMENT, INC. (TMI).** After investigating allegations of unlawful business practices, the Attorney General entered into a settlement agreement with TMI, a Post Falls travel agency. The June settlement allows the Attorney General to monitor TMI's future business practices to ensure it complies with the Consumer Protection Act. In addition, TMI paid the Attorney General \$1,154 for his attorney fees and expenses.

**WESTERN UNION.** In November 2005 Idaho joined 46 other states in an agreement with Western Union that will fund an \$8.1 million national consumer awareness program. The program will provide warnings to help prevent consumers from becoming victims of telemarketing scams. As a result of the agreement, Western Union will educate and provide prominent warnings to consumers who might be convinced to wire money because of a telemarketing scam, such as to claim a prize.

## **COMPETITION ACT**

In enacting Idaho's Competition Act, the Legislature stated that the Act's purposes are to maintain and promote economic competition in Idaho commerce, to provide the benefits of that competition to consumers and businesses in the State, and to establish efficient and economical procedures to accomplish these purposes and policies. The Attorney General took action in 2005 under the Competition Act to realize these purposes.

The Attorney General resolved three lawsuits with drug manufacturers. The cases involved anti-competitive acts used to keep generic versions of the manufacturers' brand drugs off the market.

**CARDIZEM CD.** A settlement, with Aventis Pharmaceuticals, Inc., and Andrx Corporation involved Cardizem CD, a drug widely used for treatment of chronic chest pain, high blood pressure, and the prevention of heart attacks. Under the settlement, 343 Idahoans received, in the aggregate, \$108,000 in restitution. The State also received \$130,000 to recover damages incurred by the State, including attorney fees, costs, and interest while the settlement was pending.

**REMERON.** The Attorney General reached a settlement with Organon USA and Akzo Nobel N.V. concerning the anti-depressant drug Remeron. The \$36 million settlement was the subject of several appeals, which are now resolved. The participating states are completing their review of consumer claims. Consumers should receive restitution checks in 2006.

**RELAFEN**. A settlement with GlaxoSmithKline Corporation involves Relafen, an antiinflammatory prescription drug. In this settlement, Idaho received \$64,000 to recover damages incurred by the State, including attorney fees and costs. The Attorney General is investigating several other anti-competitive acts related to brand and generic drugs.

#### **TOBACCO SETTLEMENT**

The Legislature has assigned the Attorney General enforcement duties under Idaho's Tobacco Master Settlement Agreement Act, Tobacco Master Settlement Agreement Complementary Act, and Prevention of Minors' Access to Tobacco Act. The Attorney General prosecutes and defends these laws against constitutional challenge in state and federal court actions. The Attorney General also enforces and defends the state's Master Settlement Agreement (MSA).

For the past two years, the Attorney General has served as co-chair of the Tobacco Committee of the National Association of Attorneys General, and in that capacity has spent significant time and resources working with the tobacco industry to address compliance issues with respect to the State's settlement with the tobacco industry and state laws governing the industry.

The Attorney General also serves on the Board of Directors of the American Legacy Foundation. The foundation was created by the Master Settlement Agreement to conduct ongoing national advertising to discourage youth tobacco use.

**MASTER SETTLEMENT AGREEMENT (MSA).** During 2005, the tobacco industry paid \$23,158,082 to Idaho, pursuant to its settlement agreement. In 2005, the Attorney General obtained a judgment against Parker Tobacco Company for failure to deposit moneys into escrow as required by Idaho's Tobacco Master Settlement Agreement Act. The judgment required Parker Tobacco to remit to the State more than \$30,000, which the Attorney General collected.

The Attorney General also continues to defend the MSA and Idaho's tobacco laws in state and federal lawsuits. The lawsuits assert that the MSA, as well as Idaho's Tobacco Master Settlement Agreement Act and Tobacco Master Settlement Agreement Complementary Act, violate constitutional provisions or are preempted by federal law. To date, the Attorney General has defeated challenges to Idaho law in actions arising in Idaho, California, Washington, D.C., Oregon, Kentucky, and New York. Several matters are still pending.

Pursuant to Idaho's Tobacco Master Settlement Agreement Complementary Act, the Attorney General maintains and administers a directory of tobacco manufacturers and brands in compliance with Idaho's Tobacco Master Settlement Agreement Complementary Act. At present, the Attorney General has certified 64 tobacco manufacturers and 366 tobacco brands. The directory is available at:

http://www2.state.id.us/ag/consumer/tobacco/directory\_index.htm.

The Attorney General also promulgated and enforces Idaho's Tobacco Master Settlement Agreement Complementary Rule.

**PREVENTION OF MINORS' ACCESS TO TOBACCO.** The Attorney General entered into an agreement with ConocoPhillips Corporation to implement new policies and procedures to reduce tobacco sales to minors in the company's stores in Idaho and throughout the country. Among other provisions, ConocoPhillips agreed to:

- Train employees on state and local laws and company policies regarding tobacco sales to minors, including explaining the health-related reasons for laws that restrict youth access to tobacco.
- Check the ID of any person purchasing tobacco products when the person appears to be under age 35 and only accept valid government-issued photo identification as proof of age.
- Use cash registers programmed to prompt ID checks on all tobacco sales.

The ConocoPhillips settlement is the result of an ongoing, multi-state enforcement effort. The Attorney General, along with other states, previously negotiated similar agreements with Wal-Mart, Walgreens, and RiteAid stores, as well as gas stations and convenience stores operating under the ExxonMobil and BP brand names. The goal of these settlements is to secure an agreement to adopt policies and practices to prevent youth access to cigarettes and other tobacco products. Preliminary research indicates that the agreements are meeting that goal.

**INTERNET TOBACCO SALES.** As co-chair of the Tobacco Committee of the National Association of Attorneys General, the Attorney General helped craft a joint public/private initiative to prevent the illegal sale of cigarettes over the Internet. Participants in the initiative include attorneys general from across the country, the federal Bureau of Alcohol, Tobacco, Firearms and Explosives, and credit card companies.

Part of the initiative includes agreements by the major credit card companies to take affirmative actions to prevent the illegal sale of cigarettes over the Internet and to work cooperatively with law enforcement in shutting down these illegal operations. The credit card companies have agreed to: (1) adopt policies to prohibit the use of credit cards for the illegal sale of cigarettes over the Internet; and (2) to investigate and take action against any Internet sellers who accept credit cards for illegal online cigarette sales.

Virtually all sales of cigarettes over the Internet violate state and federal law. Idaho laws regulating tobacco sales require sellers to verify the purchaser's age, regulate direct shipment of cigarettes to consumers and require collection of state taxes.

In addition to being illegal, Internet cigarette sales present a significant risk to public health. In particular, cigarettes sold on the Internet are much cheaper than cigarettes sold by brick-and-mortar retailers because the Internet sellers falsely advertise that their cigarettes are tax-free. It is well established that lower cigarette prices lead to increased smoking rates, which in turn lead to more smoking-related illnesses and deaths.

Moreover, while brick-and-mortar retailers check photo IDs to prevent children from buying cigarettes, the vast majority of Internet sellers have age verification systems that are inadequate. For example, many sellers simply require the purchaser to click a button stating that he or she is over 18 years old. Numerous studies show that the earlier an individual begins to smoke, the more likely it is that the person will become addicted to smoking. Thus, age verification through photo IDs is essential to protect children from a lifetime of addiction and smoking-related illnesses.

### **CONSUMER EDUCATION**

**PROTECTEENS.** The Attorney General initiated a consumer education program to protect children from Internet sexual predators. <u>ProtecTeens</u> is an informative video presentation and resource kit. The resource kit includes the video, The Attorney General's <u>Internet Safety</u> manual, the Family Contract for Internet Safety and information about parental control software.

The Attorney General and the Secretary of State formed a statewide coalition to develop and distribute <u>ProtecTeens</u>. The partnership includes First Lady Patricia Kempthorne, the Idaho Prosecuting Attorneys Association, the Idaho Sheriffs Association, the Idaho Chiefs of Police Association, the Idaho Internet Crimes Against Children Task Force, the Idaho Medical Association, the State Department of Education, the Idaho School Boards Association, the Idaho Association of School Administrators, and the Idaho Parent Teacher Association.

The Attorney General demonstrated <u>ProtecTeens</u> to service organizations in 10 Idaho communities. The Attorney General and <u>ProtecTeens</u> partners are available for further presentations on request.

The Attorney General produced 10,000 copies of <u>ProtecTeens</u> on compact disc. Compact discs are available to Idaho residents at no cost. Consumers may also download the entire ProtecTeens program from the Attorney General's Internet site. In addition, visitors to the Internet site may order a compact disc by mail or request a <u>ProtecTeens</u> presentation for interested groups.

**CONSUMER EDUCATION PUBLICATIONS.** The Attorney General expanded the library of consumer education materials with a new publication, <u>Credit and Debt</u>. The manual discusses credit reporting agencies, credit scores, consumers' rights if they are denied credit, credit repair services and other related topics.

Other consumer publications by the Attorney General include: <u>The Idaho Consumer</u> <u>Protection Manual, The Young Adult Handbook, Identity Theft, Idaho Lemon Law, Charitable</u> <u>Giving, Landlord and Tenant Guidelines, Internet Safety, Pyramids, Gift Schemes & Network</u> <u>Marketing, and Telephone Solicitation.</u>

The Attorney General offers Spanish translations of the consumer protection publications listed above. The Spanish materials were produced using grant funds. The Attorney General's Consumer Protection Unit continues to utilize the Language Line Service to enable Spanish-speaking consumers to obtain consumer information and referral by telephone.

In addition to the more detailed publications listed above, the Attorney General offers consumer tip sheets covering telephone solicitors, automobile repairs, mail fraud, construction fraud, charitable donations, and other subjects.

All of the Attorney General's printed written consumer education materials are available free of charge upon request or through the Attorney General's Internet site (www.ag.idaho.gov). The Internet site also contains Idaho's consumer protection laws and information for citizens who wish to file a consumer complaint. Consumers may obtain additional information on consumer issues by calling 334-2424 (Boise) or toll-free (in-state) 800-432-3545.

**CONSUMER OUTREACH.** Consumer Protection staff made consumer education presentations throughout the state. Attorney General staff spoke to hundreds of people in a number of different speaking engagements.

Last summer, the Attorney General highlighted the growing problem of identity theft at four major fairs in Idaho. The Attorney General and his staff talked about identity theft and other consumer issues and provided educational materials to thousands of consumers during the Western Idaho Fair, North Idaho Fair, Twin Falls County Fair and Eastern Idaho Fair.

The Attorney General's educational efforts do not use tax dollars. Money from civil penalties, fees, and reimbursed costs is deposited into the consumer protection account. Funds from this account pay for the Attorney General's educational activities, pursuant to legislative appropriation.

# **MEDIATION**

The Office of the Attorney General mediated 1,845 complaints in 2005 and, as a result of that effort, recovered \$153,249 for Idaho consumers.

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# **CONSUMER PROTECTION -- BY THE NUMBERS**

ACTIVITY	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Complaints*	1,243	1,614	2,525	3,367	3,130	3,228	3,627	4,497	5,451	5,678
Dollars Claimed Lost	\$735,731	\$680,172	\$489,467	\$831,437	\$1,042,885	\$1,268,28	3 \$960,19	1 \$528,945	\$920,285	\$882,486
Consumer Restitution Recovered	\$22,201	\$130,469	\$263,435	\$394,376	\$986,571	\$1,757,46	9 \$532,65	7 \$1,363,375	5 \$1,918,676	\$638,360
Civil Penalties & Costs Recovered	\$0	\$500	\$56,500	\$127,845	\$243,571	\$163,621	\$134,00	\$164,300	\$537,768	\$413,121
Enforcement Actions**	6	9	62	66	100	78	96	63	50	56
Telemarketers Registered	N/A	N/A	N/A	18	41	66	57	61	46	51
ACTIVITY	1999	2000	2001	2002	2003	20	04	2005	2006	2007
Complaints*	1,874	2,193	3,664	3,076	2,259	9 4,0	)79	1,875		
Other Consumer Contacts*	8,005	8,125	21,925	11,998	7,635	5 2,7	762	5,236		
Dollars Claimed Lost	\$793,493	\$765,555	\$1,190,849	9 \$860,54	42 \$967	,673 N/	A	\$1,380,717		
Consumer Restitution Recovered	\$376,972	\$905,055	\$1,429,325	5 \$1,147	,339 \$1,671,078 \$5,777,		,777,643	\$603,089		
Civil Penalties & Costs Recovered	\$962,019	\$546,136	\$209,560	\$1,569	,232 \$566,	,486 \$5	28,138	\$252,777		
Enforcement Actions**	29	23	32	45	30	15		22		
Telemarketers Registered	48	46	30	69	76	76		52		
Idaho Numbers on No Call List	N/A	N/A	33,731	45,968	256,1	82 36	2,061	434,382		

\* From 1989 to 1998, this category included all written complaints lodged, inquiries made, information provided and consumers' requests for written information. Implementation of a new database in 1999 enables the Unit to now track complaints and other consumer contacts separately.

\*\* Includes Assurances of Voluntary Compliance, Judgments, and Orders Compelling Response and Granting Injunctive Relief obtained. Lawsuits filed, but not yet concluded, are not counted.