Good afternoon and thanks for joining us I am Judy Simpson. Every year Vermont’s consumer assistance program receives more than 2000 consumer complaints. The complaints range from home improvement scams to phone problems and Internet Services. The biggest areas of consumer fraud reported to the Atty. general each year involve car fraud and consumer finances. Joining me this afternoon are two experts on the front lines of these consumer related issues. Devon green and Christine Speidel are both staff attorneys with Vermont’s legal aid. Devon works and specifically with seniors focusing on consumer and debt issues and Christine is the lead Atty. with legal aid's low income taxpayers clinic. Thanks to both of you for being with us. Devon let's start with car fraud. What kinds of things are you seeing and would you say there's a widespread problem?

Devon.: That's a good question. I'm seeing a lot of people getting into cars that they thought they wanted or we're going in with one thing in mind and coming out with a card they can no way afford then getting in trouble and having the car repossessed or having to really scrimp and pinch to make car paymen

Judy.: Can you give me some examples of some of the tactics that it used to get people to come in?

Devon.: To get people to come in you might see in the mail a card that has a fake key on it and it asks you to bring the key in and maybe you can win a car with that key. There are also cards sent out that say that have a scratch off and if you go in you can collect the prize. A lot of times these cards bring in people who had no intention whatsoever of buying a car and then they walk out with a car that they cannot afford necessarily.

Judy.: Are there other shady tactics that you see used in Vermont?

Devon.: Yes. A lot of times once the person is in the dealership. For one thing once the persons in the dealership the dealership may not be the person selling you the car.

Judy.: I was surprised to hear I didn't realize this.

Devon.: Yes. Sometimes dealerships hire independent contractors to come in and sell cars during the weekend or during a big sales event that sort of thing. I've even seen more than one case where a dealer one of these independent contractors have taken a person the side and say I want to do a deal personally with you. They signed some paper contract maybe even on a napkin or something and the seller sells his car to the person and the person cells their car to the person and the seller says that he will take all the payments over and then makes one payment on the car and doesn't make any more payments and the person stuck with two car payments.
Judy.: My goodness. Obviously if these things are happening those are major red flags.

Devon.: Yes. Do not do a personal deal was someone at the dealership. Make sure that there's official paperwork and don't go down to the bank with anyone from the dealership or do any sort of side deal.

Christine.: I have done a couple of questions in this area and it's mostly people who cannot afford a car that they ended up with asking me whether it's better to bring the car back to the dealership or let it be repossessed. What would you say about that?

Devon.: I think that depends. Unless you have a written agreement with the car dealership that in exchange for the car they will not pursue the rest of the amount of the loan or something like that. It's not necessarily any different bringing the car back then having a repossessed. You might have a little less in repossession fees in that sort of thing but won't necessarily help your credit or undo the deal unless you have that pre written agreement. If you bring the car back the car dealer could still or the bank could still go after you for the rest of the car payments.

Judy.: What are some of the other pressure tactics that might be used?

Devon.: Once you walk into the deal- ership if the dealer wants to take the keys to the car that you drove in as a trade in and says let me see how this works as a trade in let me have the keys this is called de-horsing. It has a psychological effect of making you feel like you can't leave because the seller might refuse to give you your keys back. Not outright but keep you there for hours and hours.

Judy.: As a way to wear you down.

Devon.: yes once they have the keys they can keep you there and you have no way of leaving and you can stay for hours. It ways you down and maybe they don't give you a price their way with they'll give you the paperwork right away and they keep you longer and longer have and a lot of times people get worn down by this. Another thing they do is they give you the car but they don't necessarily give you the paperwork so you drive off a lot with the car and then they call you back the next day and say there something wrong with the financing. The financing has been changed to a greater amount come back in and sign the papers but we sold your trade in so you're stuck with this car.

Judy.: Oh boy. What should people know about their rights when they buy a car. There some common misconceptions?

Devon.: Yes there's no law in Vermont that says you can give the car back within three days. A lot of people think there's a cooling off period. If you go to a dealership and buy a car there you can't give it back after three days unless is written down in a special agreement with the dealer. A lot of people think that there's a law that says you can do this and you can't. Once you drive the car off the lot it's yours.

Judy.: What can people do to protect themselves?

Devon.: I think what they can do is the wearer of what might be happening and make sure that they don't become a victim. Keep your car keys with you. Make sure you can walk away from the deal don't get yourself into a situation where you feel like this is the only thing you can do. There are tons of cars out there you can walk away from a deal.

Judy.: If the worst does happen what do you suggest a consumer do?

Devon.: If the worst does happen I suggest that consumers call the consumer assistance program. This is run by the Atty. general's office and they actually have a whole database of complaints that they received. If they receive a bunch of complaints against one company then they may pursue that company on these issues. The Vermont consumer assistance program is 1800-649-2424.
Judy.: It sounds like the big issues are not to be pressured into buying a car that you didn't intend to buy and take your time. Maybe go look at the cars but do not make a decision that day.

Devon.: Do your research if you have a access to the Internet go online go to Edmonds.com go to Kelley blue book. Look at what your current car is worth. Another red flag is if their offering or inflating the trade in amount that probably means they're going to hit you on the financing and too. Look at what your car is worth what the car you want to buy is worth and go in there and power with knowledge and be ready to walk away.

Judy.: Christine you deal with tax problems are there any similar issues going on in that area as well.

Christine.: Yes there are. There are consumer issues in this context because people who have tax debts are very vulnerable. They're scared they don't know what to do and there's a lot of misleading advertising solicitations that go out. Mail phone calls to people who have tax debts.

Judy.: What are some of the things that people are seeing?

Christine.: What I'm seeing a lot is companies that purchase tax preparer information after a lien has been filed. Because the liens are public record and there are companies that just by that information and then they'll send solicitations looking lot like IRS notices. Saying this is a Federal lien a notification when it's not actually. Claiming that you must call now or you won't have any rights in the future. These companies to some of them charge a lot of money. There are reputable tax professionals who help people with tax issues but people need to be very careful when they get notices in the mail.

Judy.: Because it looks like it's coming from the IRS.

Christine.: It does. It has legal citation. Their formatted differently. I brought in a few examples.

Judy.: Was wrong with that language?

Christine.: It's just wrong.

Judy.: It's very misleading.

Christine.: Some of them are misleading some of them are outright false. I had one client who had already resolved his tax issue. One thing about purchasing the liens is that the IRS files leans after they've granted an installment agreement or after they've granted hardship status because the IRS wants to protect itself that the person has actually resolve their issue. They don't need to call anybody for help. I've had clients after I've resolved their case get one of these notices and call me up in a panic thinking of the IRS's after them again and it's just not true.

Judy.: So what should someone do in that type of situation if they're not sure it's an IRS problem or not.

Christine.: They can always go into an IRS walk in center and say I got this notice what does it mean is a really from you. I know it's hard for people but usually on some of the fine print on the notices it will say that is not from the IRS. The other thing they can do is call a low income tax clinic. If there are lower income people we can help them figure out what's going on with their case.. They have a problem or is this a false misleading notice.

Judy.: I know we've talked about this in programs passed that the worst thing you can do is ignore anything that comes to your house and says is from the IRS or if you suspect it isn't that the best thing is to call.

Christine.: It's better to check and better to be sure.

Judy.: Why you think it is people are so intimidated by some of the language that is used.
Christine.: I think it's intentional. Of course the IRS wants to collect the debt and the companies that are using these really intimidating tactics and want you to call. They want you to spend 3 to 5000 dollars up front before they'll help you. That's a lot of money.

Judy.: That would probably be another red flag because the IRS doesn't do that.

Christine.: The IRS notices are sometimes threatening also or they feel threatening to people. But when you call up they don't say things like I need $3000 to help you. Or they shouldn't be.

Judy.: Speaking of available help Devin you're running a new project that's called the telephone legal advice clinic. What is that?

Devin.: We're doing this for seniors is going to be on Wednesdays between January 18 to March 21 between the hours of 9:00 AM and 2:00 PM. It's for people who are 60 and older and it's for basically a 10 minute free consultation. It will be for anyone who has legal problems that's are not criminally related. We also can't do a landlord questions because we've represent a lot of tenants and that would not work for us but otherwise it's pretty wide open. We will take your legal questions and talk to you for 10 minutes.

Judy.: What are some of the things that you expect to hear or have heard in the past from seniors that are pretty big issues?

Devin.: I think I expect to get some questions about wills I hear a lot of seniors wanting to see if their wheels need updating. Powers of Atty. or other planning issues. I'd also received questions about how to protect farm animals from family members and that sort of thing so any question is wide open.

Judy.: Do you get a lot of consumer issues have with seniors as far as being particularly vulnerable to some issues.

Devin.: I want to stress that a lot of times seniors feel ashamed that this happen to them. That might impede them from calling us but it happens to everyone no matter what class are in and no matter education so certainly give us a call about these issues.

Judy.: Even if you think there's nothing that can be done sometimes there is something that can help.

Devin.: Yes and if there's nothing that can be done then at least we can let you know or direct you to someone who might be able to help.

Judy.: We're just about out of time any final words for our viewers?

Christine.: I just want to emphasize that everything legally as does including the hotline is completely free. We don't charge believe that are not I get a couple questions once in awhile what do I owe you?.

Devin.: Know that's it. We love to talk to seniors so give us a call.

Judy.: Excellent thanks to both of you. That's our program for today I'm Judy Simpson we will see you again next time on Across the Fence.

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