Good afternoon and thanks for joining us I'm Judy Simpson. When the Vermont legislature adjourned this past may it had considered 571 different bills. Less than 100 were ultimately signed into law by the governor. Some of the new laws have a direct impact on consumers in the form of increased protection. Vermont Atty. general Bill Sorrell is here today to talk to us about the recent legislative session and current consumer issues affecting Vermonters. Thanks for being with us.

Bill.: I'm happy you ask me.

Judy.: Tell me a little bit about this recent legislative session and some of the changes we're going to be seeing.

Bill.: I think the legislature did some really good work for Vermont consumers. One of the laws that was passed prohibits what we call cramming. Cramming is a problem that Vermonter all over the state have experienced in the last few years. Really what it's all about is unauthorized charges for services that show up on your phone bill or your land line bill. These are unauthorized charges usually fairly small in terms of amount. They can easily be under $10.00 sometimes up to as much as $25.00 and the reality is many consumers don't even know those charges are on their bills. Legislators heard from a couple Vermont businesses that said when they went back it was several years of charges that they hadn't noticed and the amounts even small amounts monthly when you start to do it over years can easily end up in the thousands of dollars. When we started getting complaints about cramming we started investigating and we've been investigating 30 different companies for cramming on Vermonters phone bills. We've reached settlements with eight of the 30 and we've already recovered over $600,000 back to two Vermont consumers and we have 20 or more companies who we are still working with. The legislature out right prohibited cramming and it's interesting that the U.S. senate the Congress has been looking at these issues. They just had one of my assistants down to testify in the U.S. Senate and it's possible that there will be national legislation on this issue prohibiting it nationally. Its big business and a lot of Vermonters have been taken in by this and have lost a lot of money without being aware of it.

Judy.: When you get your phone bill there's a whole list of different axes and functions and so forth. What are some of the buzzwords they use that might be a red flag that it's cramming.

Bill.: The oftentimes sound like their phone related services. It will be something about voicemail services or tech support something like that and the main thing that we would advise is first of all
take a hard look at your phone bill and if it's sometimes they call it fees. There are fees that are sometimes authorized to be put on bills but other times not. What we would say is that on your phone bill there's usually a number to call to question charges that are on the bill and do so. The other thing to do is to call our consumer assistance program because that's really how we find out typically about consumer problems or complaints and including cramming for us to focus on it and bring to the legislature a proposal to change the law was by questions and complaints that came into our consumer assistance program to find out the magnitude of the problem here in the state.

Judy.: Which is important because if you suspect it's happening to you it's happening to other people as well and are helping them by complaining about it and alerting your staff.

Bill.: That's the thing and obviously it applies to cramming but across the board in terms of the consumer problems are issues that we see and hopefully we'll talk about today everything from home improvement fraud to lottery scans and things like that is that the consumers are our eyes and ears on the ground if you will and to the extent that even if you don't know something is wrong but you think it might the and have a question about it and call in to us it alerts us for what's going on out there and I remember for example one time getting one person call with a question about a long distance carrier issue and it ended up that 14,000 Vermont households $100 checks which was the penalty under the statute it related to your credit history and credit scores. We wouldn't have known this was going on but for this one Vermonter who called with a question to us about the legitimacy of what she had found out what was happening to her.

Judy.: That's pretty powerful.

Bill.: It's very powerful and we typically see when we find a problem that we address in the consumer arena that we will have one to a handful of complaints but hundreds or sometimes thousands of Vermonters are similarly situated but those ones who brought it to our attention with a question or complaint are really doing great public service. You're not bothering us by calling a guess you could be helping fellow Vermonters out by doing that.

Judy.: Now propane is another one of the major consumer issues.

Bill.: Yes a starting in December of last year again through our consumer assistance program we started getting complaints by Vermonters about undisclosed minimum usage fees with certain propane companies. You have a tank out there and maybe it was a summer camp or maybe it was your year round home but if you were using a lot of propane you all the sudden end up getting a charge indicating that you had used way more than you had thought or then what happened was as the consumers communicated with the company that was providing propane to them says you're going to get charged x dollars if you never turn on your gas stove.

Judy.: So if you don't use enough you get charged.

Bill.: That's right and you would think in the days when energy efficiency is important and high cost of fuel generally in everything that those who are prudent and turn down the thermostat a little bit or whenever would benefit from that well under these practices of these minimum usage fees you're going to get charged x whether you've used x amount of gas or not. Then when we started investigating we found other issues that still leaves are stifling competition in the propane industry in tank rental amounts but the inability if you terminated your contract you had to pay
termination fees and such so there was a disincentive for you to switch from company a to company b.

Judy.: Right because you call around to see if someone has lower rates you want to switch to them but it is a huge hassle.

Bill.: Exactly to the extent that you had to pay the extra to make that transition is less attractive for you to do this so we went to the legislature and presented a lot of evidence and testimony about the problems and to their credit of propane dealers association of the fuel dealers association recognize the extent of the problem and were supportive of changes so now our law has been changed so that these minimum usage fees that are undisclosed is not a problem. If you have or are dealing with one company for at least a year for at least 12 months then you don't have to pay any extra fee to switch dealers. Another thing that we saw when companies were holding your money for a deposit or whenever that they weren't mentally returning those and now there's real teeth in. I think the first day beyond the time that the company has to get the money back to you it's a $250 fine for that first day that they don't get the money back to you the consumer and then $75.00 a day thereafter. So there's some real teeth in this and I think that we're going to have much more competition and consequently much better consumer service in the propane industry as a result of this law that was passed.

Judy.: Let's talk a little bit about the consumer assistance program because it does play an important role. How does it work?

Bill.: The consumer assistance program is one that we operate jointly with the University of Vermont and it situated on the UVM campus. I have one of my assistant Atty. general's direct it and we have a couple of assistance for her but then really the worker bees if you will all are UVM students who get credit are trained each semester in the applicable law and also fielding questions and complaints. We have a computerized system there so we can track how many complaints about what kind of business and can go back historically in such and really as I go around the state I probably get more positive feedback about our consumer assistance program or what we call CAP that almost anything else we do because over 5000 calls questions and complaints a year come in to cap and it's a real benefit to consumers and it's free.

Judy.: It's free that's a big word. The word we don't hear very much. Let's talk about the top 10 complaints.

Bill.: Sure I think we have a pie chart. This is a range of the complaints that we get out of the top 10 these days and this is with the recession in such the number one biggest piece of the pie chart here is credit and finance area and that's access to credit it's everything from debt collectors to debt adjustment companies. Obviously mortgage issues foreclosure issues and such. We get a lot of questions and complaints in the credit and finance arena as number one these days and then number two not too far way is the fuel arena and that as I said most recently hopefully to be vastly improved as a result of a Law that was just passed was primarily propane but also oil dealers and seasonal contracts and firewood but fuel is right up there as number two and then the third issue relating to cars and trucks and mostly that's purchase and sales of used cars and auto repair issues. Then we see a number of questions and complaints about satellite systems DirecTV and such and some issues related to phones cramming obviously but other issues of phone service and then we have these wire transfer scams and the reality is if you're doing something that requires you to wire money particularly if your wiring it out of the country what we've seen
nationally is that a very large percentage of those transfers are scams. So it's a buyer beware situation and we the AG's around the country have worked closely with western union on this to have better consumer disclosures whether it's to buy something or sending fees or taxes because you supposedly won a lottery that you didn't play or those kinds of things. We've seen some heartbreaking stories out of Vermont of Vermont are sending thousands of dollars off because they think they've won the Australian lottery or you get an e-mail from your best friend who says lost my wallet last night on in Paris or something like that could you send. It sounds so legitimate from somebody you know really well 99 at of 100 of those are scams. Then you see a lot of home improvement fraud and a lot of complaints about that and those are the top ones I guess in terms of subject areas that we hear at cap.

Judy.: Let's talk about the best way to protect herself obviously is before you hire someone to do a home improvement project or you have questioned call cap.

Bill.: Yes and particularly if you don't know this individual you don't know this company you don't have a Queens is who have used this particular outfit for whenever it is to repair your roof or pay their driveway or do tree work on your property furnace repair those kinds of things then call cap and ask about john doe roofing or whenever. You can go online we now have a registry of those who have been convicted of crimes relating to home improvement fraud but the main thing is if they're knocking on your door or offering a service that you weren't out there looking for that service that's one red flag and to have you don't know the outfit call us to find out whether we have complaints that they've taken deposits or a check for materials and not shown up. A shot up one day and have done half the job and then you can get them back to complete the work and whenever it's a buyer beware situation particularly when it's not an established business that has been long in the area working and has a lot of your friends and neighbors saying yes and use them and their great and always respond when there is a problem.

Judy.: Let's talk about how people can find this information out. The Vermont Atty. general's consumer assistance program is online and the address is right there you can also sign up to get electronic consumer alerts.

Bill.: Yes we've got an email distribution list and you can get consumer alerts for the new scans were seeing or whenever things they should be looking out for or you can sign up and we now have a quarterly newsletter for consumers and we're happy to send those two Vermonters and that's also free.

Judy.: We love it thanks a lot bill.

Bill.: my pleasure.

Judy.: That's our program for today I'm Judy Simpson will see you again next time on across the fence.

Across the fence is brought to you as a public service by the University of Vermont extension and WCAX TV

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the United States Department of Agriculture. University of Vermont Extension, Burlington, Vermont. University of Vermont Extension, and U.S. Department of Agriculture, cooperating, offer education and employment to everyone without regard to race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or familial status.