

Ohio Attorney General's Consumer Advocate Newsletter

Keeping Consumers Safe and Informed



April 2024



Maximize your tax refund

According to recent IRS data, the average tax refund this year is \$3,182. Taxpayers use their refunds in many ways – often to increase their savings, pay down a debt, or make a major purchase or repair.

If you're contemplating a major purchase (say, a large appliance) or repair (to a vehicle, perhaps), consider the following:

- **Buying a car “as is”:** Exercise caution when purchasing a car “as is,” because you assume responsibility for any problems that occur after you drive it off the lot. Before finalizing the purchase, check the car’s history with the National Motor Vehicle Title Information System at www.vehiclehistory.gov and have it inspected by a trustworthy, independent mechanic.
- **No right to cancel:** Ohio law typically doesn't grant the right to cancel a car purchase.
- **Title Defect Recision (TDR) Law:** In Ohio, licensed dealers are permitted to sell used vehicles before obtaining their titles. If a dealer fails to provide your title within 40 days of the purchase date, you may have the right to a refund.

Also, be aware that you may be eligible for a refund from the Title Defect Recision Fund if you buy a rebuilt salvage vehicle but were not given a written disclosure prior to purchase, if the dealer makes an inaccurate odometer disclosure, or if the car is a Lemon Law “buyback” and you were not given a written disclosure.

- **Repairs:** Ohio law grants you the right to an estimate for car repairs that will cost \$50 or more, or for the repair of other products such as large appliances that will cost \$25 or more. Always get an estimate in writing, as it tells you the expected cost of the repair. If the cost later increases to more than 10 percent of the estimate, the shop must get your approval in advance to do the extra work.
- **Warranties:** Before purchasing goods and services that involve warranties, it’s important to evaluate and compare warranties. Also, some sellers may offer service contracts. The main difference between a warranty and a service contract: Warranties are provided by a manufacturer or seller and are included in the price of the product. Service contracts, on the other hand, typically are provided by third-party vendors for an extra charge beyond the product’s cost. Be sure to review what a warranty specifically includes to determine whether a service contract is worth the additional cost.
- **Payment:** Once you have decided to make a purchase, you need to decide how to pay for it. Some people choose to utilize a refund anticipation loan or pay for the item in installments.

Offers for instant or “fast” tax refunds may actually be costly refund anticipation loans or refund anticipation checks. These products might involve substantial fees. Avoiding these types of loans may save you money without diminishing the amount of your refund.

Rent-to-own payment plans usually involve a higher-than-average weekly or monthly payment for 36 to 78 months. Be sure you understand all terms and conditions of the loan, including taxes, fees, and the repercussions of late or missing payments.

Consumers who suspect a scam or an unfair business practice should contact the Ohio Attorney General’s Office at www.OhioProtects.org or 800-282-0515.

Watch out for home-improvement scams

Warmer weather ushers in the season of home-improvement projects, from staining decks to installing new roofs. Although many contractors do excellent work, others, unfortunately, are less than reputable. That's why it's crucial to do due diligence before hiring a contractor.

Home-improvement scammers often exploit unsuspecting homeowners by demanding large down payments, only to take the money and run, leaving homeowners with no repairs and no refunds. Others perform substandard work, which then leaves homeowners with costly repairs.

To avoid home-improvement scams, thoroughly vet potential contractors by:

- Getting recommendations. Successful contractors make it easy to access feedback on their work and related documentation.
- Researching multiple contractors. Obtaining at least three written estimates from three contractors can help weed out bad apples. Beware of contractors with only a few projects for you to review.
- Asking for licensing, certification and proof of insurance. Depending on the project, this may be vital to the safety of your renovation.
- Going online. Check out the company's reputation with the [Ohio Attorney General's Office](#) and the [Better Business Bureau](#). You can also search for any [previous lawsuits](#) filed by the Attorney General's Consumer Protection Section.

To further protect yourself:

- Do *not* make a large down payment. Instead, pay in increments – say, a third of the cost at the beginning of the job, a third after half of the work is completed to your satisfaction, and the final third at job completion.
- Avoid paying in cash. If something goes wrong, you'll have a limited paper trail.
- Get all promises in writing.
- Be cautious of contractors who want a payment check made out to them personally, instead of a business.
- Understand that Ohio's Home Solicitation Sales Act provides consumers with a three-day cancellation period for most contracts signed at their own home. The law also applies to contracts signed at any location that is not a company's normal place of business (such as a home-improvement show).
- Look for the red flags of a traveling scam artist. If a contractor claims to have leftover materials from a nearby job or offers unbelievably low prices, be suspicious. Have your guard up if you need storm-related damage repaired, as many fly-by-night contractors prey on homeowners in difficult situations who need work completed quickly.

Consumers who suspect a scam or an unfair business practice should contact the Ohio Attorney General's Office at www.OhioProtects.org or 800-282-0515.

Beware of deepfake celebrity-endorsement scams

Recent news reports have unveiled a concerning trend involving famous personalities such as Jennifer Aniston, Taylor Swift and Selena Gomez. They and others have been the subject of “deepfake” celebrity endorsement videos spread on social media that have ensnared unsuspecting consumers. Aniston was supposedly giving away expensive Apple MacBook laptops, and Swift and Gomez appeared to be endorsing Le Creuset cookware.

In reality, none of these celebrity endorsements was legitimate. All were faked, likely through artificial intelligence (AI) software.

VERIFY, a team of journalists and researchers that work with newsrooms to fact-check supposed news stories, indicates that “a deepfake video is made using artificial intelligence technologies, like programs that can be used to replace or synthesize faces, speech or expressions of emotions.”

In the examples VERIFY found of celebrities appearing to be giving away items, all were deepfakes created to scam people into providing personal or financial information.

VERIFY recommends the following “litmus test” to help consumers determine whether a celebrity social-media endorsement is real or part of an AI-generated scam:

- **Movement:** How does the celebrity move in the video clip? Do you see any unusual facial expressions and/or body language?
- **Background:** Is the video background distorted or out of place?
- **Source:** Who published the video, and what method was used to share it? Does the video have any logos or watermarks?
- **Context:** Is enough context to explain the actions happening in the clip? Does the celebrity and/or product background make sense with what is shown in the video?

In addition, VERIFY reported that the Massachusetts Institute of Technology Media Lab has published [very specific tips to help spot deepfake videos](#), and noted that consumers can do a [reverse image search](#). VERIFY also recommends that consumers, before clicking on any suspicious links, closely verify where a link would take them by hovering over the link with their computer mouse. Also, look for the [red flags](#) published by the University of Denver.

As with any consumer deal, it's important to remember that if it seems too good to be true, it probably is. If goods are being offered at extremely low prices – by a celebrity or anyone else – consumers should be leery.

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Man indicted in Coshocton County for gift-card counterfeiting scheme

In January 2024, a Coshocton County grand jury indicted Ming Xue on 309 felony charges related to a gift-card counterfeiting scheme.

Xue, 32, of Hunan, Fujian, faces 308 counts of counterfeiting and one count of engaging in a pattern of corrupt activity after allegedly being seen hiding unloaded gift cards on his body at a Walmart in Coshocton.

Deputies later found hundreds of other gift cards in his vehicle.

Xue is suspected of participating in a scheme with others in which they stole unloaded gift cards, altered the card and placed them back into display racks. When consumers purchased the altered gift cards, Xue and others allegedly stole the funds placed on the cards.

When buying gift cards in a store, consumers should make sure that the PIN, generally found on the back of a card, isn't already scratched off or been tampered with. Some scammers go into stores, scratch off PINs, record the numbers, and put the cards back on shelves. Then they check to see whether a consumer has purchased (or put any funds on) one or more of the cards. If a card has money on it, scammers attempt to drain it. Some scammers even replace the security film sticker – which can be bought in bulk – so the PIN appears unexposed. Look for signs that the security film has been replaced (i.e., if it is crooked or has air bubbles).

Consumers should be sure to note when gift cards being delivered via the U.S. Postal Service are expected. It's a good idea to track delivery so the cards aren't snagged by mail thieves or accidentally disposed of. Likewise, when mailing gift cards to others, consider taking them directly to a post office instead of putting them in an unlocked mailbox to be picked up. Another option is sending an electronic gift card to an email address or phone number that you know belongs to the intended recipient. Remember that once a thief has control of a physical or electronic gift card with the PIN, it may be very easy for the thief to redeem or transfer the full card value.

Consumers who suspect a scam or an unfair business practice should contact the Ohio Attorney General's Office at www.OhioProtects.org or 800-282-0515.

BONUS TIP YOU CAN USE

April is Financial Literacy Month, an ideal occasion to consider a free credit freeze on your credit reports from the three major credit reporting bureaus – Equifax, Experian and TransUnion.

A credit freeze essentially puts a lock on your credit, so new creditors can't access your reports unless you temporarily unfreeze your report. This helps protect you from unauthorized accounts being opened in your name. A credit freeze does not block unauthorized charges to your existing credit cards, so it's still vital to closely review your account statements. A freeze will not impact your credit score.

To freeze or temporarily unfreeze your reports, you must contact each credit reporting agency individually.

- To freeze your credit with Equifax, click on its [website](#) or call: 1-800-685-1111.
- To freeze your credit with Experian, click on its [website](#), or call 1-888-397-3742.
- To freeze your credit with TransUnion click on its [website](#), or call 1-888-909-8872.