



# Ohio Attorney General's Consumer Advocate Newsletter



JULY 2014

## Ohio Cracks Down on Military Identity Theft

The Federal Trade Commission ranks identity theft as one of the top military consumer complaints in the nation, prompting Ohio Attorney General Mike DeWine to push for harsher penalties for those who commit identity fraud and theft against active-duty service members and their spouses.

Effective Sept. 16, amendments to Ohio's identity fraud, theft, and securing writings by deception statutes increase penalties for felons who target active-duty service members or their spouses. Until now, the felony enhancement was reserved only for victims 65 and older or disabled. State Reps. Mike Dovilla, Al Landis, and the late Terry Blair partnered with the Ohio Attorney General's Consumer Protection Section to develop the legislation.

"These changes will make Ohio one of the toughest states for punishing felons who commit identity fraud against active-duty service members," Attorney General DeWine said. "I applaud the Governor and the General Assembly for recognizing the importance of this issue. Military service members and their families sacrifice so much to protect our country, and it's our job to do all we can to protect them."

The changes also create a private right of action for all identity fraud victims, allowing them to pursue civil lawsuits against offenders and potentially recover up to \$5,000 for each violation or three times the amount of actual damages, whichever is greater.

Another protection afforded to active-duty service members allows them to place an active-duty alert on their credit report. This informs creditors of the service member's status and requires creditors to take action to verify the service member's identity before issuing credit. An active-duty alert also deletes service members' contact information from pre-approved credit offers for two years, preventing identity thieves from stealing the offers from service members' mailboxes and using them to apply for credit.

Since many service members are overseas or difficult to contact for similar reasons, a credit reporting agency may permit another individual (such as an immediate family member) to place or lift an active-duty alert. Active-duty alerts are free and last for one year.

To place an active-duty alert on a credit report, service members must contact one of the three credit reporting companies, which will notify the other two:

- Equifax: 800-525-6285
- Experian: 888-397-3742
- TransUnion: 800-680-7289

Consumers who have issues with identity theft should contact the Ohio Attorney General's Identity Theft Unit by calling 800-282-0515 or visiting [www.OhioAttorneyGeneral.gov](http://www.OhioAttorneyGeneral.gov).

## **There's No Better Time to Learn about the Patriot Program**

To commemorate today's observance of Military Consumer Protection Day, celebrated this year on July 16, the Ohio Attorney General's Office encourages active-duty service members to learn about the office's [Patriot Program](#).

Through the program, volunteers from the Attorney General's Office provide free legal services for military personnel and their families for particular issues.

Services include assistance with:

- Exercising your rights under the Service Members Civil Relief Act, such as canceling leases or cell phone contracts
- Drafting wills (including living wills)
- Delegating power of attorney (including for health-care decisions)
- Notary services

In another service of interest to military personnel and veterans, the Ohio Attorney General's Office provides all Ohioans with an informal dispute resolution process to resolve complaints between consumers and businesses. When filing a consumer complaint as an active-duty service member or immediate family member, be sure to indicate that status as part of the initial complaint. Ohio law requires the Attorney General's Office to expedite certain cases or issues raised by those deployed on active duty or their immediate family members.

The Attorney General's Office also provides educational consumer presentations for active-duty military members and veterans. The Consumer Protection Section's presentations address scams targeting the military, laws designed to protect military personnel, and tips for avoiding identity theft.

Consumers can receive Patriot Program assistance, file a complaint against a business, or schedule a presentation by calling 800-282-0515 or visiting [www.OhioAttorneyGeneral.gov](http://www.OhioAttorneyGeneral.gov).

## **How to Avoid Debt-Collection Scams**

Complaints filed with the Ohio Attorney General's Office suggest that scammers continue to contact military families and other Ohioans with phony debt-collection ploys. Recently, people who have applied for or inquired into payday loans have been targeted.

Using information possibly obtained from online payday loan applications, the scammers attempt to trick consumers into paying for loans they may never have taken out or have already paid off.

Phony debt collection scams aren't limited to payday loans. The Ohio Attorney General's Office has also received complaints about phony debt collections for utilities. In this scam, "debt collectors" contact consumers or businesses and threaten to shut off utilities if a payment isn't immediately sent via wire-transfer or prepaid credit card.

Fortunately, many consumers notice one or more signs that the tactic is a scam and avoid getting duped into paying for loans they do not owe. A debt collection call may not be legitimate if the caller:

- Requests personal information, such as a consumer's name, address, credit or debit card number, bank account number, or Social Security number
- Requests payment via wire transfer or a pre-paid money card
- Refuses to provide specific information regarding the alleged debt
- Uses vulgar language or threatens arrest if payment isn't immediately provided

If a third-party debt collector contacts you about a debt you supposedly owe, you have a number of legal rights, such as those provided under the [Fair Debt Collection Practices Act](#). For example, a third-party debt collector must send a letter within five days after contacting the consumer by phone. The letter must specify the amount of money owed, the lender the debt is owed to, and the amount of time the consumer has to dispute the debt.

Third-party debt collectors also cannot contact consumers without identifying themselves, tell others about the debt, or contact consumers at work if they or their employer disapprove.

If you suspect a scam or an unfair business practice, report it to the Ohio Attorney General's Office at [www.OhioAttorneyGeneral.gov](http://www.OhioAttorneyGeneral.gov) or 800-282-0515.

## Understanding Short-Term Loans

Wherever they currently call home, military service members are sure to see advertisements and storefronts promoting payday advances and other types of short-term loans. Generally, payday loans are between \$100 and \$500. If service members are tight on cash, it may be tempting to get a short-term loan, but they should carefully consider the loan's terms and conditions as well as other alternatives.

The interest rates for short-term loans are typically very high, so these types of loans can be hard to pay back immediately. Like other Ohioans, service members may struggle to pay off the balance while covering other expenses. If the loan is extended, consumers will likely be charged additional fees, resulting in higher amounts of money owed.

When considering a short-term loan:

- Shop around. Before doing business with a particular company, check for any complaints filed against it with the Ohio Attorney General's Office and Better Business Bureau.
- Verify that a lender is properly registered or licensed by the Ohio Department of Commerce.
- Read and understand the terms and conditions of the loan. Check the payback dates and find out if you can make partial payments or if the loan must be paid off in one payment.
- Make sure you understand all costs, including interest rates. Be especially aware of any extension fees if you are unable to repay the loan within the original time period.
- If you don't feel comfortable with the terms of a loan, walk away.

Also consider alternatives such as:

- Working with a nonprofit credit counseling agency
- Cutting back on expenses

- Going to a bank or credit union for a short-term loan
- Borrowing from friends or family members
- Contacting your creditors to create an alternative payment plan

If you suspect a scam or an unfair business practice, report it to the Ohio Attorney General's Office at [www.OhioAttorneyGeneral.gov](http://www.OhioAttorneyGeneral.gov) or 800-282-0515.



For more information, contact Ohio Attorney General Mike DeWine's Consumer Protection Section at **800-282-0515** or **[www.OhioAttorneyGeneral.gov](http://www.OhioAttorneyGeneral.gov)**.