



Ohio Attorney General's
**Consumer Advocate
Newsletter**

MARCH 2015

March 2015

Combat Fraud: Celebrate National Consumer Protection Week (Mar. 1-7)

In recognition of National Consumer Protection Week (March 1-7), Ohio Attorney General Mike DeWine's office has coordinated a wide range of activities to warn consumers about unfair business practices and scams and to help them understand their consumer rights.

Because scammers use cleverly designed phone calls to trick consumers into providing personal information or payment, the Attorney General is launching a new "Phone Scams" publication this week. The publication is designed for consumers to display next to their telephone, providing helpful information about common phone scams, warning signs, and how to handle suspicious calls.

In an effort to protect Ohio families, specifically older adults, the publication is being mailed to nursing homes throughout the state.

This week, Attorney General DeWine also is announcing the winners of the sixth annual Take Action Video Contest, which raises awareness about consumer issues by inviting high school students to create short videos about consumer scams, cybersecurity, or identity theft.

Ohio high school students submitted more than 200 video entries in the 2014 contest.

First place went to Morgan Gale from the Toledo School for the Arts, who won a \$2,500 scholarship. Second place went to Alissa Langguth from Mentor High School, who won a \$1,500 scholarship. Third place went to Jenny Jiao and Maeve O'Brien from Upper Arlington High School, who won a \$1,000 scholarship. Check out the top three winning videos on the [Ohio Attorney General's website](#).

Attorney General DeWine encourages Ohioans to celebrate National Consumer Protection Week by attending an upcoming consumer protection event their area. Presentations cover different topics, including cybersecurity, fraud targeting Ohioans, and identity theft. To find an upcoming event in your area, please visit www.OhioAttorneyGeneral.gov/events.

To request a consumer protection presentation in your area or to request free consumer protection publications, visit www.OhioAttorneyGeneral.gov or call 800-282-0515.

Better Credit Card Security for 2015

Swiping credit cards may soon be something of the past as the retail industry moves toward advance security protections that are already commonplace in Europe. The old swiping action – which allows the

magnetic strip on credit cards to be decoded by electronic card readers — will eventually be replaced by a computer chip embedded in every new credit card.

With the new chip technology, instead of swiping credit cards, consumers will insert credit cards into the bottom of the merchant's card reader where the card remains until the transaction is completed. During the transaction, a credit card reader processes information and creates a unique code for every purchase. The unique code is important, because it makes it extremely difficult, if not impossible, for identity thieves to take information off the magnetic strip and produce counterfeit credit cards.

In Europe, credit cards are embedded with a computer chip, and the cardholder is required to enter a Personal Identification Number (PIN) for each transaction. This system is referred to as "Chip and PIN." Eventually, all consumers will be required to establish and use a PIN, which will provide a better defense against unauthorized credit card transactions and identity theft.

In the near future, merchants will have an incentive to upgrade their credit card processing technology. Historically, banks and credit card companies have been responsible for the costs of unauthorized transactions. Beginning in October, merchants will be responsible if they have not upgraded their systems to process credit cards using the computer chip technology. Therefore, you will begin to see "Chip and PIN" machine readers at nearly every major retailer very soon.

Contact your bank or credit card company for information about how new cards will be issued or to find out if you can receive a new card embedded with a computer chip before your current credit card expires. During the transition, many terminals will come equipped with a magnetic reader and a chip reader to accommodate cards that have not switched over to chip technology.

If you suspect you are a victim of identity theft, contact the Ohio Attorney General's Identity Theft Unit by calling 800-282-0515 or visiting www.OhioAttorneyGeneral.gov.

What You Should Know About Warranties and Service Contracts

While warranties and service contracts may seem to be similar agreements, they have important differences. If you are buying a vehicle or making another high-ticket purchase, make sure you understand what you can expect from each.

The main difference between a warranty and a service contract is that warranties are provided by a manufacturer or seller and are included in the price of the product. In contrast, service contracts typically are provided by third-party vendors for an extra cost beyond the original cost of the product.

Typically, service contracts are offered when purchasing motor vehicles, homes, major appliances, and electronics. For example, a salesperson may offer you a service contract to cover your car after the original warranty has expired or to cover future repairs to your home or appliances.

Although the coverage from a service contract often is referred to as an "extended warranty," it is not a warranty at all.

Some service contracts may only provide the coverage already included in the original warranty. Other service contracts may be written to deny many types of repairs by offering very limited or partial services. In some cases, you will only be able to use specific mechanics or repair facilities under the contract.

When considering the purchase of a service contract, the key is to understand all of the benefits and limitations of the deal and to decide if the cost is worthwhile.

The coverage and costs of service contracts can vary greatly, so it is important to read the terms and conditions carefully. In particular, make sure the service contract offers more protection than what you already are receiving under the warranty.

Also remember, no matter if it's a warranty or a service contract, if it's not in writing, it's not guaranteed. Always get all verbal promises in writing.

If you suspect an unfair business practice in any consumer transaction, contact the Ohio Attorney General's Office by calling 800-282-0515 or visiting www.OhioAttorneyGeneral.gov.

Avoid Tax-Related Identity Theft

Imagine filing your taxes only to learn that someone stole your identity, filed your tax return, and received a refund in your name. Unfortunately, this scenario may be a reality for many consumers this tax season.

According to the Federal Trade Commission, "tax-related identity theft was the most common form of identity theft in 2014; the number of complaints from consumers about criminals impersonating Internal Revenue Service (IRS) officials was nearly 24 times more than in 2013."

In an effort to protect Ohioans from tax-related identity theft, Attorney General DeWine offers the following tips:

- **File your taxes as soon as possible.** The sooner you file, the less chance someone has to fraudulently file on your behalf.
- **Be on the lookout for tax-related mail.** While you should have received all of your tax-related documents by now, are you sure that you've received everything? In the future, be sure to keep track of your mail around the time that W-2 forms are distributed to ensure that your W-2 (or any other tax-related document) has not been taken out of your mailbox. You may want to have your W-2 provided to you electronically if your employer allows that option. If you have not yet received a tax-related document, call the employer or company responsible for issuing that document to see if it was sent.
- **Do your homework.** Find a legitimate tax preparer in your area by searching the IRS [Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#). The directory contains only professionals who hold appropriate credentials, such as an Annual Filing Season Program Record of Completion from the IRS or a Preparer Tax Identification Number.
- **Check the reputation of the business.** If you plan to use a tax preparation service, research the reputation of the business by contacting the [Ohio Attorney General](#) and the [Better Business Bureau](#). If you choose to use a Certified Public Accountant (CPA), check to make sure that person is licensed with the [Accountancy Board of Ohio](#).
- **Ask questions and never sign blank documents.** Review your tax return thoroughly before signing or filing anything with the IRS. In some cases, fraudsters pose as legitimate tax preparers in order to obtain your personal information — and possibly your refund. They may use your personal information to route your refund into their personal bank account. Beware of "tax preparers" who suggest issuing your refund on a prepaid credit card. Once your refund is loaded on the card, the "preparer" could use the card number to steal your refund.
- **Beware of "IRS" imposter scams.** Scammers may call and pose as "IRS representatives," claiming that you must first verify personal information, such as your Social Security number, before receiving a refund check. Know that legitimate government agencies will never contact you unexpectedly and request personal information. Hang up immediately and call the IRS using a number that you know to be legitimate to report the call.

Consumers who are the victims of tax-related identity theft should contact the Ohio Attorney General's Identity Theft Unit at 800-282-0515 or www.OhioAttorneyGeneral.gov, the Ohio Department of Taxation at www.tax.ohio.gov, or the IRS at www.irs.gov or through the IRS Tax Fraud Hotline at 800-829-0433.