



Ohio Attorney General's Consumer Advocate Newsletter



MAY 2013

Home Repair Scammers Indicted for Targeting Elderly Victims

In April, Ohio Attorney General Mike DeWine stood beside Central Ohio law enforcement officers to announce indictments against seven people who ripped off elderly victims in Fairfield, Franklin, Pickaway, and Ross counties with their door-to-door home improvement scheme.

The scammers preyed on people mostly in their 80s and 90s, with losses totaling \$102,000 for more than a dozen known victims.

The suspects typically approached a homeowner with a story about something that needed to be fixed, such as a roof or chimney. The homeowner would agree to the work, only to learn later the bill was much higher than expected and little or no work was performed. Sometimes the suspects would approach a homeowner declaring they already had fixed the issue on the home (without permission) and were owed money for the work.

After the payment check was written, the suspects would return later saying they had overcharged the homeowner. They would ask for a second check to be written, ensuring the homeowner that they had not cashed the first check when, in fact, they had. The suspects pulled the check story scam over and over. An 89-year-old woman wrote 14 checks totaling \$23,400, and an 86-year-old man lost nearly \$50,000 writing 29 checks.

Bruce McFarland, Herschel Mumaw, Mark Christman, Mark Kitchen, Michael Fausnaugh, David Ramey, and Thristian Harding, all from the Circleville area, were indicted in Fairfield County on multiple felony counts, including engaging in a pattern of corrupt activity, conspiracy, money laundering, and theft from an elderly person. McFarland and Mumaw, both of whom were sent to prison as part of the "Circleville 30" convictions more than a decade ago, now face a maximum of 57 years in prison if convicted.

In 2000, a task force led by the Attorney General's Office convicted more than 30 people for robbing senior citizens in this same kind of scam. The "Circleville 30" was a group of relatives and friends who stole hundreds of thousands of dollars from elderly homeowners after claiming they had done some type of home improvement work.

When Attorney General DeWine's office learned that individuals who had served their time were now committing the same crimes, it teamed up with law enforcement to put a stop to it.

The Attorney General's Office became involved in May 2012 when a victim contacted the Consumer Protection Section. Economic Crimes Unit investigators started digging — with great cooperation from the Columbus Police Department, Chillicothe Police Department, Circleville Police Department, Madison Township Police Department, Fairfield County Sheriff's Office, Pickaway County Sheriff's Office, Fairfield County Prosecutor's Office, and the Attorney General's Bureau of Criminal Investigation — and uncovered the pattern, the suspects, and the organized scam.

Attorneys from the Attorney General's Economic Crimes Unit have been appointed as special prosecutors in Fairfield County to handle the case. The unit has charged 64 suspects and obtained 35 criminal convictions in consumer-related cases since Attorney General DeWine created it in 2011.

The investigation is ongoing, and additional suspects may be charged.

How to Find a Good Contractor

If you are considering a home repair this spring or summer, make sure you know how to find a good contractor and how to avoid scammers.

Begin by asking family and friends for recommendations of reliable contractors. Word-of-mouth recommendations are one of the best ways to find reputable businesses. If possible, check out the work contractors have done for previous customers.

Be skeptical of contractors who show up to your door unexpectedly. The Attorney General's Office routinely takes legal action against door-to-door contractors who make great promises, take consumers' money, and then do no work or provide shoddy work.

Check contractors' reputations with the Ohio Attorney General's Office and the Better Business Bureau. A search for complaints filed against the business will help to determine whether it is trustworthy. Even if you don't find complaints, don't assume the contractor is reliable. Unscrupulous contractors and scam artists often change their business names regularly to fool unsuspecting consumers.

Once you narrow your selection to several contractors, get written estimates from each one for the work you want to have done. Compare the estimates before making a final decision.

Once you select a contractor, get everything in writing. A written contract should include:

- Your full name and address
- Contractor's name, address, and phone number
- Complete description of the work to be done
- Provision requiring your written approval for any changes
- Explanations of any guarantee or warranty
- Any verbal promises the contractor makes
- Total cost of the work
- Specific terms for payment of materials and labor
- Starting date and completion date
- Requirement for the contractor to obtain all necessary permits and inspections
- Your signature and the contractor's signature

The contract should not require you to pay a large down payment or payment in full until the project is complete and inspected. Avoid paying in cash, if possible, because cash will leave you with little paper trail if something goes wrong. Also, be aware that if the contract includes a mandatory arbitration clause, you may be waiving your right to sue.

Keep in mind that under Ohio's Home Solicitation Sales Act, you have three days to cancel most contracts signed at your home or at a location that is not a company's normal place of business, such as a home improvement show. All cancellations must be in writing.

Door-to-door salespeople must notify you of your right to cancel and provide a cancellation form. Don't do business with contractors who do not provide the cancellation form.

If you believe you have been treated unfairly, or if you notice any suspicious home improvement contractors in your neighborhood, contact the Ohio Attorney General's Office at www.OhioAttorneyGeneral.gov or 800-282-0515.

Buying a Used Car? Beware of Title Problems

When a used car is purchased from a motor vehicle dealer, you expect the dealer to provide a valid certificate of title that transfers ownership of the vehicle. But what happens if the dealer fails to deliver the title? The Attorney General may be able to help.

The Ohio Attorney General's Office administers a program called the Title Defect Rescission Fund (TDR), which helps individuals who experience title problems after buying a used car from a dealer. If you buy a vehicle and the dealer fails to obtain a title in your name within 40 days, or if there are other problems with the title, you may have the right to cancel the transaction and get a refund.

Under the Certificate of Motor Vehicle Title Law, a retail purchaser has an unconditional right to rescind (or cancel) the transaction, and the dealer is obligated to refund the purchaser all money paid, if one or all of the following applies:

- The dealer fails to obtain a certificate of title in the purchaser's name on or before the 40th day following the sale
- The certificate of title for the vehicle indicates it is a rebuilt salvage vehicle, and the fact was not disclosed to the purchaser in writing before the execution of the purchase agreement
- The certificate of title for the vehicle indicates it is a lemon buyback, and that fact was not disclosed to the purchaser in writing before the execution of the purchase agreement
- The certificate of title for the vehicle indicates that the dealer has made an inaccurate odometer disclosure to the purchaser

If the purchaser notifies the dealer of one or more of the circumstances listed above and the dealer fails to provide a full refund or reach a satisfactory compromise within three business days, the purchaser may apply to the Attorney General for a refund through the TDR Fund.

In April, Ohio Attorney General Mike DeWine announced a lawsuit against Dads Car Lot Inc. and its owners, William D. Taylor Sr. and Gary Jones. The lawsuit charged the Columbus-area used car dealer with multiple violations of Ohio's consumer laws.

The Attorney General's Office had received dozens of consumer complaints against Dads Car Lot. Consumers cited problems with certificates of title, repossessions, misrepresentations, and repairs and services. To resolve title complaints, the office provided more than \$9,000 in consumer restitution through the TDR Fund.

To avoid title problems in the first place, research a dealership carefully before you sign an agreement. Check complaints filed with the Ohio Attorney General's Office and the Better Business Bureau, and ask family members and friends about their experiences. Once you are ready to make a purchase, be sure to get everything in writing. Don't sign anything until you fully understand the agreement, especially the financing terms.

To ask questions about your rights or to file a complaint, contact the Ohio Attorney General's Office at www.OhioAttorneyGeneral.gov or 800-282-0515.

Mother's Day Shopping Tips

Mother's Day is Sunday, May 12, and if you are planning a last-minute gift for the moms in your life, be sure to make smart shopping decisions and avoid scams.

If you are ordering flowers or gifts online:

- Stick to reputable online retailers. Research the company or website with the Ohio Attorney General's Office and Better Business Bureau to see if other consumers have had problems with the business.
- Verify delivery dates and make sure you get a detailed description of what is ordered. For flower orders, the description should include the type of flowers, arrangement size, total cost, and message on the card.
- Place your order on the company's website; do not click on links in e-mails or social websites in order to protect yourself from possible malicious software (malware).
- Make sure that up-to-date security software is installed on your computer.
- Ensure that the website is secure. When entering any type of credit card or payment information, look for the "s" in the web address (https).
- Be careful about making purchases from your smartphone or tablet. By entering credit card or debit card information on mobile devices, you may be putting personal information at risk.
- Consider using a credit card instead of a debit card. When you pay by credit card, your transaction is protected by the Fair Credit Billing Act — a federal law that gives you the right to dispute unauthorized charges. If you use your debit card, you may not have the same protections.

If you are buying gifts at a store, check the store's return policy before purchasing. Under Ohio's Consumer Sales Practices Act, sellers must clearly disclose their return policies before purchases are made. Also, read the fine print in advertisements to make sure you understand all the terms and conditions of a sale.

Beware of potential scams, such as an e-mail claiming to be from a flower company and saying the flowers you ordered will not be delivered unless you log in and re-enter credit card information. If you receive an e-mail that makes these claims, contact your florist directly, using a number you know to be legitimate, to see if a problem truly exists.

E-card scams are another concern during the holidays. In this scam, you receive a card that appears legitimate, but you are prompted to download new software that installs a virus on your computer. E-cards often have spelling errors and may not include the sender's name in the subject line. Keep in mind that even if the card does contain the sender's name and your name, it still could be a scam. When in doubt, don't click on links in e-mails.

If you suspect a scam or an unfair business practice, report it to the Ohio Attorney General's Office at www.OhioAttorneyGeneral.gov or by calling 800-282-0515.



For more information, contact Ohio Attorney General Mike DeWine's Consumer Protection Section at **800-282-0515** or www.OhioAttorneyGeneral.gov.