



NETWORK NEWS

NETWORK NEWS IS A PUBLICATION OF CONSUMER SENTINEL, LAW ENFORCEMENT'S SOURCE FOR CONSUMER COMPLAINTS

CONSUMER SENTINEL – UP AND RUNNING

The new and improved Consumer Sentinel Network is open for business. An even more effective tool for immediate and secure access to consumer complaints about identity theft, the National Do Not Call Registry (DNC), Internet fraud and deceptive telemarketing, the new Sentinel now includes all complaints filed with the FTC about financial issues, such as credit reports, debt collection, financial institutions, and lending. Sentinel will enable you to find complaints faster and more easily, store search results in your own 100 MB storage space, search within searches, and connect with other law enforcers. Learn more about the new Sentinel at www.ftc.gov/sentinel. Then, join the list of law enforcers who are already there at Register.ConsumerSentinel.gov. ■■

MEMBER SPOTLIGHT

The Office of the Idaho Attorney General (AG) Lawrence Wasden is a member of the new Sentinel network and a partner in Operation Tele-PHONEY. The AG's office employs 185 staff in eight divisions; 13 are in the Consumer Protection Division. That Division enforces laws that protect consumers, businesses and the marketplace from unfair or deceptive acts and practices. Division staff also attend fairs around the state to inform consumers how to protect themselves against scams. In 2007, the Division received 1,614 consumer complaints and assisted at least another 4,000 consumers who requested information or made other inquiries.

During the same year, the Consumer Protection Division returned more than \$660,000 in restitution to harmed consumers. The Division also recovered over \$1.7 million in civil penalties, fees and costs. In addition to litigating or settling cases, the Division mediated more than 1600 consumer complaints.

The Division uses Sentinel to review consumer complaints and to check out what their targets may be doing in other jurisdictions. "Consumer Sentinel is a valuable tool that allows us to investigate complaints filed by Idaho citizens," Attorney General Wasden said. "It also allows us to discern trends in false and deceptive practices in the marketplace so we can focus our resources where the needs are greatest."

AG Wasden completed his term as President of the National Association of Attorneys General on June 20 and will serve on its Executive Committee. Learn more about the Idaho AG's office at www.ag.idaho.gov. ■■■

OPERATION TELE-PHONEY

The FTC and its partners announced Operation Tele-PHONEY, a landmark sweep involving more than 180 civil and criminal actions in the U.S. and Canada, including 80 state actions, against fraudulent telemarketers. The FTC said its 13 cases alone stopped fraudsters who cheated more than 500,000 consumers out of over \$100 million. Read more: www.ftc.gov/opa/2008/05/telephoney.shtm. ■■



COOL TOOLS

Re-registering to access the new Sentinel system is as easy as 1-2-3. Here's how:

1. Sign on the dotted line. The head of your organization or sub-group must sign a new confidentiality and data security agreement with the FTC.
2. Check it off. Use this [check list](#) to make sure you meet the requirements for registering your organization in the Consumer Sentinel Network.
3. Then, register online at Register.ConsumerSentinel.gov. Contact the Sentinel team at sentinel@ftc.gov or by phone (877-701-9595) if you have any questions.



STAT-O-SPHERE

In 2007, Consumer Sentinel logged more than **800,000** new consumer and identity theft complaints. In the same year, Sentinel held over 4.3 million complaints altogether. Check out the Consumer Fraud and Identity Theft Complaint Data report: www.ftc.gov/opa/2008/02/fraud.pdf.

GIVING THEM THE BUSINESS

At the FTC's request, a federal judge has ordered Bernard Fromstein and Judy Provencher to pay more than \$49 million for their role in a scheme based in Canada that duped American businesses into paying for business directories and listings they didn't order. The two are the remaining defendants in the Datacom Marketing, Inc. case, which was part of an international effort against cross-border fraud. The default judgment bars the pair from claiming – falsely – that businesses have preexisting relationships with them or that they agreed to buy directories or listings. The case was brought with assistance from the U.S. Postal Inspection Service, Canada's Competition Bureau, the Service de Police de la Ville de Montréal, and the Toronto Strategic Partnership. Read more at www.ftc.gov/opa/2008/05/datacom.shtm.

According to John Hallerud, an FTC attorney, "The Datacom defendants were very careful and tried to cover their trail by resolving potential complaints. We had only a few Sentinel complaints but we were able to make our cases."

A \$26 MILLION SETTLEMENT

The marketers of a debit and credit card processing services operation have agreed to pay \$26 million to settle FTC charges that they deceived small businesses throughout the country. According to the FTC, Merchant Processing, Inc., and its affiliates falsely promised to save merchants up to thousands of dollars a year in processing fees by offering rates lower than the merchants' existing services. In addition, the Commission alleged that MPI failed to disclose fees and hid pages of fine print until after the merchants had signed contracts. Read more: www.ftc.gov/opa/2008/05/mpi.shtm.

WHO'S CALLING?

As part of Operation Tele-PHONEY, the FTC unveiled "Who's Calling?" – a consumer education campaign that features a website and two short videos at ftc.gov/phonefraud and YouTube.com/ftcvideos. Use these resources to help people in your community recognize telemarketing fraud and know where to report it. Asking themselves these questions can help:

- * **Who's calling - and why?** If telemarketers don't tell you it's a sales call, the name of the seller, and what they're selling before they make their pitch, say "no thanks" and hang up.
- * **What's the hurry?** Fast talkers who use high pressure tactics could be hiding something. Take your time.
- * **If it's free, why are they asking me to pay?** Free is free. If you have to pay, it's not a prize or a gift. It's a purchase.
- * **Why am I "confirming" my account information – or giving it out at all?** Don't give out your account information to anyone unless you know who you are talking to and what you are buying.
- * **What time is it?** The law allows telemarketers to call only between 8 a.m. and 9 p.m.
- * **Isn't there a National Do Not Call Registry?** Yes, and putting your number on the Registry will stop most telemarketing calls – but not all.

Consumers can report phone fraud online at www.ftc.gov or by phone at 1-877-FTC-HELP. They can report violations of the National Do Not Call Registry online at DoNotCall.gov or by phone at 1-888-382-1222. It helps if they can supply the phone number or name of the company that called, and the date of the call.

For more tips on avoiding telemarketing fraud, visit www.ftc.gov/phonefraud.

COMMENTS, QUESTIONS, OR KUDOS

Got a success story? Should we profile your agency? Want to share an article idea? Email sentinel@ftc.gov.

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