

CONSUMER EDUCATION TRAINING MANUAL



55502

STATE OF ALABAMA
OFFICE OF CONSUMER PROTECTION

CONSUMER EDUCATION –
TRAINING MANUAL

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ACQUISITIONS

STATE OF ALABAMA
Office of Consumer Protection
138 Adams Avenue
Montgomery, Alabama 36130

April, 1976

CONTENTS

	Page
FACT SHEET OF GOVERNOR'S OFFICE OF CONSUMER PROTECTION ---	1
History and Goals -----	1
Main Purpose -----	1
Services -----	1
Complaint Handling Procedures -----	2
Major Areas of Consumer Complaints -----	2
RESOURCES -----	3
Consumer Education Packets -----	4
Films -----	5
Newsletters -----	6
Publications -----	9
AGENCY HELP -----	11
State Consumer-Oriented Agencies -----	12
Federal Trade Commission -----	13
Food and Drug Administration -----	14
Consumer Product Safety Commission -----	15
Office of Consumer Affairs -----	16
Other Federal consumer agencies -----	16
CONSUMER FRAUDS -- A THROUGH Z -----	17
SUGGESTED CONTENT AREAS FOR -----	21
CONSUMER EDUCATION PROGRAMS	
WAYS TO COMBAT CONSUMER FRAUD -----	23

FACT SHEET OF THE GOVERNOR'S OFFICE OF CONSUMER PROTECTION
STATE OF ALABAMA

HISTORY AND GOALS OF GOVERNOR'S OFFICE OF CONSUMER PROTECTION

The Office of Consumer Protection was created in February, 1972, by Executive Order of Governor George C. Wallace.

As the state agency designated to represent the interests of consumers, we act as a clearinghouse for complaints and also seek to inform and educate consumers of possible frauds in order to create an atmosphere in which consumers will be in a more equitable position in consumer transactions.

MAIN PURPOSE

Consumer law enforcement in the marketplace and correcting or preventing unfair business practices. The wide general purpose is to promote a healthy competitive business climate with mutual confidence between buyers and sellers.

WHAT SERVICES CAN YOU EXPECT?

The Governor's Office of Consumer Protection serves you by:

Investigation and mediation of individual complaints.

Investigation into the business practices of a particular business or industry when patterns of fraud appear.

Referral to the proper agency for assistance or necessary action.

Supplying information concerning product safety.

Educational programs through speaking engagements and publications warning consumers of common unfair and deceptive practices, and suggesting ways the consumer can protect himself.

Presenting the interest of the consumers before administrative and regulatory agencies and legislative bodies.

Cooperation with businesses who also wish to promote good consumer-business relations.

WHAT CAN YOU NOT EXPECT?

The Governor's Office of Consumer Protection is not allowed to:

Advise whether or not a business is reputable or whether to use a particular business or service.

Recommend specific products, brands, services or firms.

Act on the pricing of goods and services, unless there is a question of misrepresentation related to price.

WHAT SHOULD YOU DO IF YOU HAVE A COMPLAINT?

The first step in resolving a complaint is to first try to solve it yourself by making sure the business is aware of the problem, and giving them an opportunity to remedy the situation.

If you don't receive satisfaction from the business after a reasonable amount of time, gather your facts together and call the Governor's Office of Consumer Protection. Ask that a complaint form be sent to you. We must have your complaint in writing before any action can be taken. It is also helpful to send copies of all contracts, advertisements, or other written agreements to prove who, what, when, where and how.

HOW ARE THE COMPLAINTS HANDLED?

When a complaint is received by our office, the information is carefully reviewed to determine what action should be taken. If appropriate, the complaint is referred to the state or federal agency having primary jurisdiction in the area of the complaint. If the complaint appears to involve a private dispute or a matter which is not reasonable for our office to mediate, the complainant is advised to consult with his personal attorney regarding his private rights and remedies.

If it appears that our office can benefit through mediation, we will endeavor to assist you in the settlement of this complaint. A letter accompanying your complaint will be mailed to the business requesting a reply stating their position in regard to your complaint. Therefore, our office will have on file the position of both parties which will be helpful in determining a fair and amicable settlement.

MAJOR AREAS OF CONSUMER COMPLAINTS

1. Automobile — repairs and sale
2. Home Repairs
3. Mobile Home Problems
4. Mail Orders
5. Business Practices
6. Appliances
7. Credit/Loans
8. Housing/Real Estate
9. Books/Magazines

RESOURCES

There are worlds of consumer education information available from various sources many times free-of-charge. It might take some search and writing of numerous letters of inquiry, but you can find it.

Also in planning programs, don't overlook resources in your own community. Libraries are packed full of books waiting to be used by you. Banks, credit unions, and other financial institutions many times have materials and often will come out and present programs for you.

Experts in their various fields can provide first-hand information and give programs for you. Doctors, attorneys, pharmacists, insurance representatives and businessmen will often take time to speak to groups. Agency people from Social Security offices, county extension service, Chamber of Commerce, Better Business Bureau, etc. make it a part of their jobs to perform this service for local groups. Look around—your resources are there if you simply look for them.

The following pages list some resources useful in consumer education programs.

CONSUMER EDUCATION PACKETS

Consumer education packets are available free of charge from the Governor's Office of Consumer Protection. The packets include pamphlets and fact sheets on many topics pertaining to consumer protection from various sources and agencies. Limited quantities of handouts can be obtained for distribution to groups.

Included in packets are the following pamphlet and fact sheets developed by this office:

"This Is Your Office of Consumer Protection" — contains general information on functions and activities of the Governor's Office of Consumer Protection, gives HOT-LINE number.

"Consumer Tips" Fact Sheets

- No. 1 Mobile Home Sales and Repairs
- No. 2 Bait and Switch
- No. 3 Home Improvement
- No. 4 Buying by Mail
- No. 5 Appliances
- No. 6 Credit
- No. 7 Door-to-Door Selling
- No. 8 Auto Repair
- No. 9 Phony Contests and "Free" Gifts
- No. 10 Freezer Meat Sales

NEWSLETTERS

Consumer News subscription \$4.00/year

Twice-a-month newsletter from Office of Consumer Affairs; relates national consumer news and recent Federal Proposals.

Order from: Consumer Information Center
Pueblo, Colorado 81009

FTC News Summary FREE

Weekly release from Federal Trade Commission.

Write: Office of Public Information
Federal Trade Commission
Washington, D. C. 20580

FDA Consumer \$8.55/year

Magazine published ten times a year by Food & Drug Administration.

Order from: Consumer Information Center
Pueblo, Colorado 81009

Food & Home Notes FREE

Weekly newsletter from U.S. Department of Agriculture.

Write: Press Division
Office of Communication
U. S. Department of Agriculture
Washington, D. C. 20250

Finance Facts FREE

Published monthly as public service by Finance & Loan Companies of the United States.

Write: National Consumer Finance Association
Educational Services Division
601 Solar Building
1000 Sixteenth Street, N.W.
Washington, D. C. 20036

NEWSLETTERS (con'td)

The Family Banker

FREE

Published six times a year by Continental Bank.

Write: Continental Illinois National Bank and
Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60693

Service

FREE

Monthly newsletter from U. S. Department of Agriculture for those who report to consumers.

Write: Lillie Vincent, Editor of Service
U. S. Department of Agriculture
Special Reports Division
Room 459-A
Washington, D. C. 20250

Food, Price & Profit UPDATE

FREE

From Grocery Manufacturers of America, Inc.

Write: Grocery Manufacturers of America, Inc.
1425 K Street, N. W.
Washington, D. C. 20005

Consumer Newsweek

\$15.00/year

Published weekly by Consumer News, Inc., an independent organization.

Write: Consumer News, Inc.
813 National Press Building
Washington, D. C. 20045

Of Consuming Interest

\$72.00/year

Published weekly by Federal-State Reports, Inc.

Write: Jane S. Wilson, Editor
Federal-State Reports, Inc.
P. O. Box 986/Court House Station
Arlington, Virginia 22216

Alabama Business

FREE

Issued monthly from Alabama Business, University of Alabama.

Write: Alabama Business
University, Alabama 35486

NEWSLETTERS (con'td)

ACCI Newsletter

\$10.00/year

Published nine times a year (September through May) by American Council on Consumer Interests. Also receive membership in organization.

Write: American Council on Consumer Interests
162 Stanley Hall
University of Missouri
Columbia, Missouri 65201

COCO Intercom

\$30.00/year

Published monthly by Conference of Consumer Organizations.

Write: COCO Intercom
Box 4277
Tucson, Arizona 85717

Consumer Survival Kit

booklets to supplement "Consumer Survival Kit" television program. Good information on many topics. Booklets are \$1.00 each. For more information write:

Consumer Survival Kit
P. O. Box 1975
Owings Mills, Maryland 21117

Council of Better Business Bureaus, Inc.

many publications available at reasonable costs.

Write:

Council of Better Business Bureaus, Inc.
1150 17th Street, N. W.
Washington, D. C. 20036

AGENCY HELP

Particular problems and information requests can often be obtained more readily from the agency specializing in that area.

A list of STATE CONSUMER-ORIENTED AGENCIES follows, as well as a description of the four major FEDERAL CONSUMER AGENCIES.

STATE CONSUMER-ORIENTED AGENCIES

1. Department of Agriculture & Industries
Beard Building, Federal Drive
P. O. Box 3336
Montgomery, Alabama 36130
832-6687
2. Alabama Dairy Commission
Beard Building, Federal Drive
Montgomery, Alabama 36130
832-3775
3. State Banking Department
651 Administrative Building
64 North Union
Montgomery, Alabama 36130
832-6255
4. Hearing Aid Board
State Office Building
501 Dexter Avenue
Montgomery, Alabama 36130
832-3253
5. Insurance Department
Administrative Building
64 North Union
Montgomery, Alabama 36130
832-6140
6. Public Service Commission
State Office Building
501 Dexter Avenue
Montgomery, Alabama 36130
832-3353
7. Real Estate Commission
501 Dexter Avenue
Montgomery, Alabama 36130
832-3266
8. Secretary of State
Capitol Building
Montgomery, Alabama 36130
832-3570
9. State Approving Agency
235 South McDonough Street
Montgomery, Alabama 36130
832-3462
10. State Fire Marshal's Office
445 South McDonough Street
Montgomery, Alabama 36130
832-5844

Send Mail To:
887 State Office Building
Montgomery, Alabama 36130

FEDERAL CONSUMER AGENCIES

FEDERAL TRADE COMMISSION

Address-Washington: Federal Trade Commission
6th St. and Pennsylvania Ave., N.W.
Washington, D. C. 20580

Atlanta Regional Office:
Federal Trade Commission
Room 720
730 Peachtree Street, N.E.
Atlanta, Georgia 30308

The Federal Trade Commission is the federal agency having authority over the broadest scope of business practices. Its mission is to promote free and fair competition in the American marketplace by enforcing the antitrust laws and other statutes. FTC functions include:

Enforces antitrust laws; acts to curb deceptive advertising, packaging and selling; assures truthful labels on wool, fur and textile products; requires proper disclosures in credit transactions.

In performing these functions, the FTC (1) monitors television, radio and printed advertisements for possible deception and fraud; (2) investigates complaints on false advertising, oral misrepresentation, misbranding, restraint of trade and unfair business practices; (3) holds industry conferences and issues advisory opinions and guidelines designed to achieve voluntary observance of the law through improved business practices; (4) makes economic studies of anti-competitive practices where they are found to exist.

Consumer education activities are conducted primarily through the FTC's 11 regional offices. Alabama is in the Atlanta Regional Office. Consumer protection specialists provide guidance to business, consumers, consumer groups and state and local officials as to the requirements of the laws prohibiting false advertising, misrepresentation and other deceptive acts and practices and unfair restraints of trade.

Anyone accused by the FTC of using an unlawful practice may agree to a consent order and stop the practice without admitting any violation of law. If an agreement to a consent order is not made, the FTC may issue a formal complaint and hearings would be held before an administrative law judge who makes an initial decision. A respondent may appeal an adverse decision to the full Commission. The FTC's decision, in turn, may be appealed to the courts. Violation of an FTC order carries a potential \$10,000 fine for each violation each day. The FTC is authorized to act in the interest of the public to require discontinuance of practices that violate the laws it administers.

FOOD AND DRUG ADMINISTRATION

Address-Washington: Food and Drug Administration
5600 Fishers Lane
Rockville, Maryland 20852

Atlanta Regional Office:

Food and Drug Administration
880 West Peachtree Street, N.W.
Atlanta, Georgia 30309

The Food and Drug Administration was really the nation's first consumer protection agency. Its functions are to protect consumers by enforcing laws and regulations to prevent distribution of adulterated or misbranded foods, drugs, medical devices, cosmetics, and veterinary products. To do this, the FDA does the following:

Maintains continuous surveillance over the industries and the products we regulate by inspecting 80,000 food and drug plants in the United States to make sure they are using good manufacturing practices;

Test foods, drugs, cosmetics, and household and electronic products;

Act to prevent hazardous products from being sold;

Ensure that products are labeled and packaged so they can be used safely;

Go to court to seize illegal products, or to prosecute the manufacturer or shipper of misbranded or adulterated products.

Many consumer education publications are available on these topics from the Food and Drug Administration.

CONSUMER PRODUCT SAFETY COMMISSION

Address-Washington: Consumer Product Safety Commission
5401 Westbard Avenue
Room 756
Washington, D. C. 20207

Atlanta Area Office: Consumer Product Safety Commission
1330 W. Peachtree Street, N. W.
Atlanta, Georgia 30309

The Consumer Product Safety Commission (CPSC) is an independent regulatory agency. CPSC's purpose is to protect consumers against unreasonable risks associated with consumer products; to assist consumers in evaluating the comparative safety of consumer products; to develop uniform safety standards for consumer products and minimize conflicting State and local regulations; and to promote research and investigations into product-related deaths, illnesses and injuries.

CPSC functions are to: set and enforce mandatory safety standards for consumer products; ban in certain instances, hazardous products or takes other action to remove dangerous products from the marketplace; conduct information and education programs to raise consumer awareness and to change behavior concerning product safety; operate the National Electronic Injury Surveillance System that monitors 119 hospital emergency rooms nationwide for injuries associated with consumer products; deals with over 10,000 consumer products—from architectural glass, stairs and power tools to stoves, ladders and lawnmowers. CPSC also has authority over the Federal Hazardous Substances Act, the Flammable Fabrics Act, the Poison Prevention Packaging Act and the Refrigerator Safety Act.

OFFICE OF CONSUMER AFFAIRS

Address:

Office of Consumer Affairs
Washington, D. C. 20201

The Office of Consumer Affairs (OCA), headed by a Director, who is also the Special Assistant to the President for Consumer Affairs, advises the President and the Secretary of HEW on matters of consumer interest, coordinates all Federal activities in the consumer field and seeks ways to aid and protect the consumer.

To do this, OCA: (1) conducts investigations, conferences and surveys on the problems of consumers; (2) handles consumer complaints; (3) encourages and coordinates research, consumer education programs and the development and dissemination of information to consumers; (4) assists State and local governments in the promotion and protection of consumer interests; (5) conducts regional meetings with State officials, consumer groups and individuals to discuss common problems and possible solutions; (6) gives special emphasis to the coordination of consumer programs to assist those with limited incomes, the elderly, the disadvantaged and members of minority groups.

**** Information on other Federal consumer-oriented agencies can be found in **GUIDE TO FEDERAL CONSUMER SERVICES**, a free pamphlet from the Office of Consumer Affairs. To order, write to Consumer Information, Pueblo, Colorado 81009.

CONSUMER FRAUDS – A through Z

A. Advertising Sales. A salesman or firm enters a community and sells ads in a proposed city directory, discount brochure, or city promotional pamphlet. The merchants pay cash, but the publication is never issued. The advertising prices are too small for each merchant to bring a lawsuit, and the advertising salesman can escape criminal liability by pleading lack of intent to steal on the grounds that he really intended to publish, however, he went broke, had problems with his printer, oversight, or other excuses.

B. Buying Clubs. During these inflationary times this has been a popular scheme for the selling of meat and other products. The idea behind the scheme is to convince the consumer that the "club" sells at wholesale or even less because it is an organization of consumers with no profits. The "clubs" almost invariably are organized by one who intends to make a healthy profit, and he often sells shoddy goods far above their retail market value.

C. Contest Winner. This deception usually begins with a telephone call in which the consumer is asked to answer a question (such as, "What is the state capitol of Alabama?"). A correct answer makes one a "winner" entitled to a \$100 certificate; however, the certificate is good only if applied against the price of a sewing machine or other item. The item is usually overpriced by at least \$100.

D. Door-to-Door Selling. Not all door-to-door selling is deceptive, but a reasonably high percentage is. There are three main reasons for this: First, the consumer is not psychologically ready to deal with a sales person as he might be when voluntarily entering a retail store. Second, the consumer is trapped in his own home. He cannot walk out. Finally, the large sales commission (often 50% of the purchase price) and the small number of contracts a door-to-door seller is able to make each day or each evening, induces the sales person to give a "hard-sell," or even use fraud and deceit. Encyclopedias, pots and pans, Bibles, aluminum siding and other products are well-known as both products sold door-to-door and products sold by high-pressure and deceptive practices. This combination is no accident. One protection in door-to-door sales is a "Buyer's Right to Cancel" on credit transactions. Under the Alabama Consumer Credit Act of 1971, commonly known as the "Mini-Code" you are given a 3-day "cooling off" period in which you can cancel your contract by notifying the company, if you change your mind.

E. Employment Agencies. Most employment agencies are honest, but a number have taken fees in advance and made no effort to find a job for the individual. The individual often, though, has no way of proving this, or obtaining a remedy under present law.

F. Freezer Plans. Another deception which has had a revival of popularity due to our present combination of inflation and recession involves this practice which has several variations. It usually involves the sale of a home freezer where meat for the next couple of years is thrown in free or at wholesale; or a free freezer if the consumer promises to buy his meat from the seller for the next year or two. Whatever the exact plan, these have invariably turned out to be deceptive, misleading and downright dishonest. The total price paid by the consumer is usually sufficient to buy a freezer and high-quality meat at retail prices, however, the meat sold to him, and sometimes the freezer, is of very poor quality.

G. Gruesome Stories. Sales persons, often posing as government inspectors, or honest business persons offering free inspection, tell the consumer horrible stories of fires, burglaries, rapes, furnace explosions, etc., in order to sell fire-and-burglar alarms, or furnace repair or replacement. The stories told may even be true, but are given in such a manner to insure a panic decision by the consumer.

H. Home Improvement. Deceptive stories of home improvement rackets can themselves fill a book. Antics are told of the "Terrible Williamsons," a "family" which travels throughout the United States spreading used motor oil on driveways and charging for a pavement sealing job or using whitewash to waterproof a basement. More typical examples include local individuals who are just sloppy and inefficient and often "judgment-proof" due to poor financial status, or regional sales and service outfits hawking aluminum siding, roofing, and other repairs.

I. Improvement of Mind and Body. A long list of deceptions, overcharges, and under-performance could be given against profit-making trade schools, correspondence schools, dance studios, health spas and similar enterprises. Promises of employment upon graduation, or low cost and great benefits, all too often are completely false. Actual cases include a 75-year old woman who was signed up for over \$5,000 in dancing lessons, health spas which advertised sessions at \$1.50 but had customers sign a promissory note for hundreds of dollars, and a correspondence school advertising a law degree which turned out to make one ineligible to take the bar examination in 49 states.

J. Justice, or the Lack of It, in Small Cases. In any case where the consumer has lost \$100 or less, and this probably includes well over 90% of all consumer complaints, the consumer has no effective legal remedies since it would cost him as much or more to hire a lawyer as he would win in a court action. Thus, the dishonest seller knows that as long as he cheats 1000 people out of \$100 each he is safe from practical legal liability.

K. King-Size Discounts. An all too common deception is the practice of a retailer placing an inflated retail price on an item so that he can place beside it a much lower sale price or discount price, thus implying large savings to the consumer. While this practice has been regulated and curtailed by the Federal Trade Commission as to large chains, there is no agency or law at present which prevents a local dealer from doing this in Alabama.

L. Large Contracts, Small Print. In the purchase of automobiles, large appliances and other items of value the consumer is often required to sign a contract, or promissory note and security agreement. These papers, which should be essential for the protection of both parties, usually protect only the seller (it is the seller who wrote the paper). Some sellers have been known to place extremely unfair provisions in the papers such as allowing repossession of everything the consumer had bought even though the consumer only failed to pay for the last item and had paid in full for, say 15 items in the past. This practice occurs since people do not read legal papers before signing them and even if they did, they might not understand what the paper really means due to the legal language in the fine print.

M. Mail Order. Due to the impersonal nature of this type of business, misunderstandings and lack of communication caused by the physical separation of buyer and seller, and frequent lack of effort to keep the firm's customers happy (since there are always more, a potential market of over 200 million), the mail order business is fraught with dangers for the consumer. From a simple case of non-delivery of goods ordered and paid for, to a case of outright fraud such as the sale of hair restoration products, complaints about mail order houses are numerous.

N. Non-delivery. Whether the seller fails to deliver a product purchased by the buyer because of intentional fraud, a mix-up, or shortages is immaterial to the buyer. In any case he does not receive the goods for which he bargained, and often paid for in advance. While non-delivery, or at least delay in delivery, can occur in all types of businesses, there should be a way to take action against firms who repeatedly take orders and money for goods where there are repeated long delays in delivery.

O. Older Consumers. Several rackets are geared toward cheating older citizens. Common schemes include "miracle drug" cures and other false health claims, extra income schemes such as work-at-home plans and other methods to "get-rich-quick," misleading ads for retirement or vacation land, high pressure door-to-door salesmen, etc.

P. Pyramid Selling. The most well-known pyramid-selling operation of the past few years was conducted throughout the nation by Glen Turner Enterprises, Inc.; however, hundreds of other schemes have been practiced during the past few years. A pyramid selling scheme involves the sale of a franchise with the franchisee making a profit if he can sell additional franchises. On paper these franchises are to sell products, but the real money is to be made, at least it is represented, in selling other franchises and taking a cut of the franchise fee. A buyer of a franchise usually paying several thousand dollars, is usually unable to sell another franchise and recover his investment since he does not have the professional expertise of the people who sold him the franchise, and frequently, the pyramid seller has already successfully combed the local area and sold franchises to all the potential buyers, leaving no one for the franchisee to sell.

Q. Quick Switch. This practice, more often called "bait and switch," involves the advertisement of goods at a very cheap price; the bait, to lure the customer into the store. The seller then tells the customer that they are out of the sale item or runs down the sale item, and then attempts to induce the customer to buy another, more expensive item—the switch. A famous example of this practice involved a retailer who advertised \$49.95 Hoover Vacuum Cleaners for \$19.95. Thousands of customers responded over a period of several months; however, not one was allowed to buy the vacuum cleaner without a demonstration. The salesman would then tell the customer that they would not be happy with the vacuum (that was obvious) and then he would bring out another vacuum that picked up the dust perfectly. The customer would then be induced to buy the second vacuum; which, not incidentally, cost around \$200. One may ask, wouldn't a \$49.95 Hoover pick up dust? The answer is no—not if the nozzle is plugged with cardboard, as it was in this case. Most bait and switch tactics are not so obvious, or so easy to prove. They usually involve only claims of being out of stock on the low priced item, or oral statements which disparage the low priced goods and build up the high price goods.

R. Referral Selling. This practice is similar to pyramid franchising, but a sale of product is involved. A typical example would be in the sale of aluminum siding where the customer is told that he will receive a \$25 credit toward the purchase price for each person he writes a letter of introduction to for the company. This promise is oral and is not kept. The promise to pay for the siding is in writing, usually a promissory note, and it must be kept. The customer receives no credits, but has to pay the full price. Referral selling is against the law in Alabama, under the Alabama "Mini-Code."

S. Sales. All too often sales are not really sales at all. The most serious abuse in this area is the firm that constantly advertises fire sales, or going-out-of-business sales.

T. Termites and Furnaces. Free inspections often result in serious problems being found when they do not exist, and expensive solutions offered. Scare tactics are also often used in these schemes.

U. Unfair Advertising. Newspaper, T.V., radio and other forms of advertising can range from the intentionally untruthful advertisement to ads which are literally true but still misleading. Examples of the latter would include ads that guarantee car tires for life (but only for the life of the tire), or ads which state that two out of three doctors recommend this product (but only three doctors were surveyed), or sales that aren't really sales at all. Criminal statutes may be used in cases of obvious, intentional falsities, but most deceptive advertisements are not obviously intentionally false even though they still deceive consumers and steal sales away from competitors.

V. Vending Machine Routes and Other Business Ventures. Almost any newspaper's classified ad section offers business ventures such as vending machine routes, candy distributorships and others. Almost all take an initial investment of from \$500 - \$10,000. Many such ventures offer the possibility of making money—but only for the person who placed the advertisement. Too often the routes granted are not exclusive, not profitable, and never can be. Too often the financial prospects of the business venture are greatly exaggerated. This deceptive practice is especially loathsome when practiced upon a partially disabled person or retired person who invests his life's savings for the prospect of a steady income.

W. Wholesale. Although goods are almost never sold "wholesale" to consumers, firms continue to claim they are wholesale (or railroad salvage, unclaimed freight, etc.), and people continue to believe these claims. Many honest business people have lost substantial sales to such retailers, and many honest consumers have been induced to buy worthless goods.

X, Y, Z. Problems in Consumer Protection—Summary. One consumer pamphlet claims there are 15,000 different deceptive practices that are used against consumers and honest businesses in the United States. If we accept this claim as true, we would have to say that there are many more than 15,000, since each day more are invented. As long as people are not perfect there will be deceptive practices. As long as people are reasonably intelligent, new deceptions will be thought up. As long as people are not of perfect intelligence, deceptive practices will be successful. Guard yourself and others against these frauds.

SUGGESTED CONTENT AREAS FOR CONSUMER EDUCATION PROGRAMS

CONSUMER DECISION MAKING

- Personal values
- Time spent vs. monetary costs
- Family goals
- Comparison shopping
- Using sources of consumer information

FOOD BUYING

- Costs — How to get best buy
- Basic Nutrition
- Nutritional and ingredient labeling
- Standards and grades
- Food stamps — How to apply
- Special dietary considerations
- Unit Pricing
- Metric System

CLOTHING PURCHASES

- Wardrobe planning and budgeting
- Styles
- Care of Clothing
- Shopping Methods
- Regulations governing flammability, labeling, quality

HOUSING

- Types of dwellings
- Construction quality
- Ownership
 - Financing
 - Risks
 - Problems in purchase and sale
 - Closing costs
 - Maintenance and repair
- Renting
 - Costs vs. owning
 - Landlord and tenant responsibilities

TRANSPORTATION

- Automobile ownership
 - Financing
 - Insurance
 - Warranties
 - Depreciation
 - Service and repairs
- Public transportation
- Car pools

HEALTH CARE AND SERVICES

Basic health care components

Hospital

Medical costs

Dental costs

Nursing homes

Rehabilitation services

Preventive medicine

Health Insurance

Medicines and drugs

Generic and brand names

Over-the-counter drugs

Advertising

Medicare and Medicaid

Safety-accident prevention

INSURANCE

Life Insurance

Health Insurance

Automobile Insurance

Homeowners and renters insurance

HOUSEHOLD FURNISHINGS AND EQUIPMENT

Furniture

Appliances

Maintenance and repair costs

Financing

Labeling standards

Construction quality

Safety in design and use

CONSUMER CREDIT

Sources: credit unions, banks, consumer finance companies

Finance charges, APR

Credit cards

Billing procedures

Credit Bureaus

Truth-in-Lending

Alabama Consumer Credit Act of 1971 -- "Mini-Code"

Contracts

Bankruptcy

MONEY MANAGEMENT

Budgeting

Checking accounts

Planning estates, wills, trusts

10 WAYS TO COMBAT CONSUMER FRAUD

The most effective weapon against consumer fraud is an alert and informed consumer. The following reminders should be kept in mind when making purchases.

1. Know whom you are dealing with
Beware of the fly-by-night operator or the company without a permanent address. It's safer to deal with a local merchant whom you know.
2. Ask questions
Know exactly what you are buying. Find out what the product or service will cost.
3. Get it in writing -- don't rely on oral agreements
Be sure that promises can be found in the terms and conditions of the written contract.
4. Carefully investigate "free" or "bargain" offers
There is often a hidden trick or condition attached to the offer which means that the consumer must pay much more money.
5. Don't be rushed into signing any papers
Carefully read, examine and understand all conditions of any contract or agreements. Never sign a blank contract or a contract with blank spaces.
6. Beware of the smooth talking salesman who comes to your home unannounced
Also be on your guard for the phone call in advance to set up an appointment to come to your home to give you something or to ask you to participate in a survey.
7. Be on the alert for the operator who poses as an inspector
If you are approached in this way, ask the man to produce his credentials and call the agency he represents or your local law enforcement agency.
8. Watch out for bait and switch sales tactics
This is a scheme whereby the merchant will advertise a product at a certain price or as possessing certain qualities. After the customer attempts to buy it, he will be switched to a higher priced or off-brand product.
9. Fight the temptations of referral selling
This scheme offers the consumer the chance to make a quick killing by simply supplying names of friends and relatives as prospective customers.
10. Don't hesitate to shop around
You may find a better price for the same product elsewhere.

AN ALERT AND INFORMED CONSUMER IS THE BEST PROTECTED CONSUMER!

END