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## Department of Law

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# Consumer Fraud Awareness

Brought to you by Colorado Attorney General John Suthers

Welcome to the Colorado Attorney General's Consumer Fraud Awareness Newsletter. The purpose of this new initiative is to provide timely information to help consumers identify the types of fraud affecting our state, as well as to provide valuable resources which are available to assist consumers in protecting themselves against fraud. We hope you will find this beneficial.

## Highlights

- \* Common Scams
- \* Partner's Corner
- \* Consumer Resources

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## Fraud Prevention & Awareness

"Investigating companies that defraud Colorado consumers is one of the most important jobs of Colorado's attorney general,

form consumers about the types of fraud and how to report these scams to our office as well as our federal counterparts.

Thanks to our aggressive outreach, warning consumers about prevalent scams and informing Coloradans on how to protect themselves, we have made great progress over the past five years.

Information is the best weapon we have to combat fraud. Through this new initiative aimed at keeping Colorado consumers apprised of the latest scams targeting the state's residents, Colorado consumers will be able to better prepare themselves to recognize and not fall victim to scams."  
- AG, John Suthers

The growing number of complaints Coloradans submit to us highlights the strides we have made to in-

## Spring Seasonal Fraud Awareness

As spring time approaches and the weather begins to warm, Coloradans are eager to take advantage of all of the activities our great state has to offer.

Along with this eagerness comes the unwelcome opportunity for Colorado consumers to be defrauded out of their hard earned money by scam artists.

Many of these scam artists take the opportunity to use the changing weather to entice consumers into mortgage refinancing, loan

modifications, home repair fraud schemes, lower credit card rates, and unwelcome phone solicitations, to name a few.

Included in this issue are helpful hints and resources available to consumers for use in protecting themselves and their family members from the actions of these scam artists.

If you or anyone you know has been affected by fraud, you may file a formal complaint with our office via our website at:

[www.coloradoattorneygeneral.gov](http://www.coloradoattorneygeneral.gov).



"As a native Coloradan and attorney with more than three decades of experience in the public and private sectors, I am dedicated to helping keep Colorado a great place to live."



**ElderWatch**  
A Program with the  
Colorado Attorney General  
and the AARP Foundation



The best resource available to consumers facing foreclosure is the Colorado Foreclosure Hotline which can be reached at 1-877-601-HOPE (4673) or via their website at: [www.coloradoforeclosurehotline.org](http://www.coloradoforeclosurehotline.org)

Colorado was one of the first states to feel the brunt of the foreclosure crisis. In 2006, Colorado led the nation in foreclosures per capita. Although Colorado has since dropped to fifth in 2007, 2008, and 2009 as the foreclosure crisis has affected other parts of the country, Colorado has been at the forefront of dealing with this crisis.

The best resource available to consumers facing foreclosure is the Colorado Foreclosure Hotline which can be reached at 1-877-601-HOPE (4673) or via their website at: [www.coloradoforeclosurehotline.org](http://www.coloradoforeclosurehotline.org).

Homeowners who contact the Colorado Foreclosure Hotline stand a better chance of saving their home compared to those who go it alone. The hotline is an immediate resource that distressed borrowers can call to receive counseling from nonprofit, HUD-approved housing counselors. The counselors may also negotiate modifications for borrowers.

## Mortgage & Loan Modification Fraud

Consumers facing foreclosure might be tempted to retain the services of a loan modification company to help them to obtain more favorable terms on their loan. Before doing so, the Office of the Attorney General encourages consumers to bear in mind several facts about Colorado law and the fact that they may be able to accomplish a modification *without* hiring anyone.

Before retaining an outside company or firm to attempt to modify your home loan, Colorado consumers are advised they should first obtain free help from the Colorado Foreclosure Hotline.

It is illegal in Colorado for a loan modification or renegotiation company to charge you an upfront fee if you are more than 30 days behind on your mortgage. Ongoing or monthly service charges also are forbidden under Colorado law. These companies can only charge you once their services are completed.

Never stop making your monthly payments. Consumers who do so could find themselves in foreclosure. Also, do not ignore communication from your lender. Most lenders have loan modification programs that can help you save your home. In some cases, all a borrower needs to do is call the lender and provide some current financial information.

Beware of any advice from a loan modification company urging you not to contact your lender. If any company promised they *will* get rid of your debt, they are making a promise they cannot keep.

Check out any loan modification company that you are seriously considering hiring. The Better Business Bureau maintains ratings of businesses. Any company with an "F" rating should be avoided.

To learn more about mortgage fraud and loan modifications, please visit our Mortgage Fraud Information Center at: [www.coloradoattorneygeneral.gov](http://www.coloradoattorneygeneral.gov).

## Home Remodeling, Roofing, Maintenance, and Repair

Never allow an uninvited contractor into your home to "look around" or make an "inspection" and never get pressured into making an immediate decision whether to hire a contractor to do any work on your home.

Phony home repair contractors victimize too many homeowners. A typical scenario involves an uninvited door-to-door solicitation from a contractor claiming to have a "special price" on roofing, siding, windows, asphalt, etc.

Of course, the price is only good "right now" and the contractor will need all or most of the price paid "up front." Some of these phony contractors work alone and others travel together in roaming groups or clans (thus, the name "Travelers"). Once they get your money, they usually disappear having completed little or none of the promised work. The work that is done is usually of poor quality.

There are some easy things you can do to protect yourself from this type of home repair fraud:

Never allow an uninvited contractor into your home to "look around" or make an "inspection" and never get pressured into making an immediate decision whether to hire a contractor to do any work on your home.

Before you spend any significant amount of money on home repairs, obtain bids from at least 3 different contractors. Before you select a final contractor, check the complaint and business history with your local Better Business Bureau. Demand that your final selection sign a written contract that spells out when the work will be

started, the quality and type of all materials to be used, and when the work will be completed.

Insist on making partial payments under the contract as specific work is completed to your satisfaction and require your contractor to obtain mechanic's lien waivers from all suppliers and subcontractors.

If a phony home repair contractor has victimized you, contact your local law enforcement agency or District Attorney.

To learn more about protecting yourself from home repair fraud, please visit our consumer resource guide at: [www.coloradoattorneygeneral.gov](http://www.coloradoattorneygeneral.gov).



A Program with the Colorado Attorney General and the AARP Foundation



## Phone Solicitations

Despite the best efforts of the Colorado Attorney General's Office, other states, and the Federal Trade Commission, consumers nationwide continue to receive unwanted calls for various services or products, many of which are designed to fraudulently capture your personal or financial information.

The most prevalent of these are "robo" calls that consist of pre-recorded messages from "Account Services," "Cardholder Services," or "Card Services," supposedly offering a lower credit card interest rate.

*In no case should consumers sign up for these so-called debt reduction services.*

The "robo" calls usually offer the consumer an option to speak with an agent or to have their telephone number removed from the telemarketer's calling list by pressing a number. Pressing the number won't stop the calls and may actually ensure additional ones.

If a consumer actually talks with someone and complains about the call or asks where the person is located, typically the person will just hang up. Any information actually provided by an agent will most likely not be true.

Other solicitations target the senior population. Among those currently active are termed the "*Grandparent Scam*," claiming a consumer's grandchild is in legal trouble and locked up abroad in a foreign country. The caller will typically request the grandparent send money immediately so the child can be released from custody.

Along with a request for money, the caller also insists the grandparent not contact the grandchild's actual parents. This tactic is typically used to instill fear of delaying the grandchild's release from jail along with getting in additional trouble with the parents.

These calls are phony. If you receive such a call, contact the parent to the whereabouts of the child immediately and never send money without taking extra steps to verify the legitimacy of the situation as, in almost every case, this is fraud.

Additional phone solicitations involve offers that an individual won a foreign lottery. With the excitement that goes along with being a winner, consumers are told all that needs to be done to "claim their winnings" is to send in money for processing fees, taxes, etc.

These telephone offers are fraud along with similar emails and letters, claiming that you have won a foreign lottery.

*Never send money to anyone claiming to represent a foreign lottery and never give out personal financial information over the phone to an unknown caller.*

In almost every type of fraudulent phone solicitation, the caller requests money to be sent via a money transmitter service and not through typical banking methods.

Further complicating this issue is finding out who may be making these calls. In most cases, the Caller ID number is either a completely fake number or it's an out-of-service number. In those cases where the Caller ID number is a valid number, the account often belongs to a person or entity outside of the United States.

Consumers should register and file formal complaints with the Colorado no-call list by going online to [www.coloradonocall.com](http://www.coloradonocall.com) or by calling 800-309-7041. In addition, complaints should be filed with the federal no-call list at [www.donotcall.gov](http://www.donotcall.gov) or by calling 888-382-4222.

**In almost every type of fraudulent phone solicitation, the caller requests money to be sent via a money transmitter service and not through typical banking methods.**

## Identity Theft

Identity Theft is the fastest growing crime in America. Each year, millions are victimized by this senseless crime. Technological advances and the proliferation of the Internet have only enhanced our exposure to thieves seeking to steal our identity.

Identity theft may come in multiple forms, but its impact is always frustrating and often times devastating. In fact, anyone can be a victim of identity theft. For this reason, it is vital that Coloradans understand how

to protect themselves.

Visit the Colorado Attorney General website and utilize our Identity Theft Repair Kit to help you avoid becoming a victim of identity theft and to

guide you through the important steps



of repairing the damage done in case you do fall victim.

If you become a victim of fraud, you may contact the Colorado Bureau of Investigations Identity Theft Hotline at: 855-443-3489.

You may find our Identity Theft Handbook and other ways to help protect you and your family from identity theft on our website at:

[www.coloradoattorneygeneral.gov/cp](http://www.coloradoattorneygeneral.gov/cp).

**Identity theft is the fastest growing crime in America.**

**Technological advances and the proliferation of the internet have only enhanced our exposure to thieves seeking to steal our identity.**



**A Program with the Colorado Attorney General and the AARP Foundation**



## Colorado Attorney General Consumer Protection Section Highlights

The Office of the Attorney General's Consumer Protection Section is charged with protecting consumers from deceptive trade practices, anti-trust infringements, and a wide range of other violations of the Colorado Consumer Protection Act (CCPA).

With the assistance of consumers and the outreach of our partners, the Attorney General's Office has vigorously prosecuted companies in violation of the CCPA and continues our efforts in the prevention and education of deceptive trade practices for consumers.

Through the efforts of consumers, our partners, and the dedicated efforts of our staff, the Office of Consumer Protection has recently engaged in the following settlements, assurances of discontinuance, judgments, and current cases which include:

### Settlements, Assurances of Discontinuance, and Judgments:

- Adopt A Miracle
- Alternative Lending
- American Mortgage Consultants
- At the Beach Tanning Salon
- Colorado Humane Society
- Corporate Acquisitions Group
- David Faith Company
- DirecTV
- The Dannon Company (Activia Brand)
- Independence Planning
- Legal Aid US

- Legal Aid National Services (LANS)
- Liberty Legal (Immigration Center)
- Matell
- National Energy Rebate Fund
- NutraPills
- Payday Everyday
- Pfizer
- Publishers Clearing House
- Security Finance
- Sherron L. Lewis (www.illegalforeclosures.com)
- Wells Fargo (Wachovia and World Savings Bank)

- 5280 Financial
- Pending Litigation and Judgments:**
- Assurity Financial Services
- Claims Specialist International
- Fortune Financial Group and Platinum Financial Group
- Home Mortgage Solutions
- Leo Shrifrin (Mortgage Planning & Lending Specialists)
- Loan Modification Solutions
- I.J. Consultants and Loan Busters
- Real Talk Network
- Regent Asset Management Solutions
- Superior Financial Group

To learn more about the active efforts our office is taking to combat fraud, or to file a formal complaint against a business, please visit us at [www.coloradoattorneygeneral.gov/cp](http://www.coloradoattorneygeneral.gov/cp)

## Partner's Corner -AARP ElderWatch

AARP ElderWatch is a program with the Colorado Attorney General's Office and the AARP Foundation. Started in 2001, ElderWatch fights the financial exploitation of seniors through education, consumer assistance, and extensive community outreach.

In 2009, ElderWatch significantly increased outreach to the elderly community in Colorado. We assisted over 1,350 Coloradans in protecting themselves from identity theft by providing four free shredding events statewide, in addition to the daily shredding service in select cities.

Volunteers provided consumer assistance and mediation to over 1,215 at-risk clients and their families; edu-

cated close to 7,000 Coloradans through consumer presentations and provided information to more than 9,115 consumers through events.

ElderWatch staff works closely with the Financial Industry Regulatory Authority (FINRA), Securities and Exchange Commission, National Consumers League, Colorado Bar Association, Colorado Coalition for Elder Rights and Adult Protection, the Better Business Bureau and the Colorado Attorney General, in addition to extensive collaboration with aging networks and law enforcement agencies across Colorado.

Volunteers assisted with over 3,600 consumer calls. The total loss reported from consumers of \$7,721,192

more than doubled in 2009 compared to 2008 levels.

With the assistance of Colorado ElderWatch volunteers, consumers were able to recover and prevent losses of almost \$45,000 from companies and potential scam artists.

Coloradans who are 50+ or concerned family members can call 800-222-4444 and press option 2 to speak with an AARP ElderWatch volunteer who will assist. You may also visit AARP ElderWatch at: [www.aarpelderwatch.org](http://www.aarpelderwatch.org) to learn more about filing a complaint, additional services, and future events.

*By: Amy Nofziger, Director AARP-ElderWatch.*

"Recognize Refuse Report"



A Program with the Colorado Attorney General and the AARP Foundation



## Consumer Resources

### Colorado Attorney General

1525 Sherman Street  
Denver, CO 80203  
[www.coloradoattorneygeneral.gov](http://www.coloradoattorneygeneral.gov)

### Consumer Protection Line:

Toll Free: 800-222-4444  
Metro Denver: 303-222-4444  
[www.coloradoattorneygeneral.gov/cp](http://www.coloradoattorneygeneral.gov/cp)

### Collection Agency Issues

**Colorado Collection Agency Board**  
303-866-5304  
[www.coloradoattorneygeneral.gov/cp](http://www.coloradoattorneygeneral.gov/cp)

### Fraudulent or Unwanted Calls

**Colorado No-Call**  
303-776-2675  
800-306-7041  
[www.coloradonocall.com](http://www.coloradonocall.com)

### Uniform Consumer Credit Code

303-866-4494  
[www.coloradoattorneygeneral.gov/cp](http://www.coloradoattorneygeneral.gov/cp)

### AARP ElderWatch

Toll Free: 800-222-4444  
Metro Denver: 303-222-4444  
[www.aarpelderwatch.org](http://www.aarpelderwatch.org)

### Better Business Bureau

[www.bbb.org](http://www.bbb.org)  
Denver/Boulder  
303-758-2100  
Northern Colorado  
970-484-1348  
Southern Colorado  
719-636-1155  
Western Colorado  
505-346-0110

### Citizens Advocate Office

127 State Capitol  
Denver, CO 80203  
Toll Free: 800-283-7215  
Main Office: 303-866-2885  
[www.colorado.gov](http://www.colorado.gov)

### Colorado Foreclosure Helpline

1-877-601-HOPE (4673)  
[www.coloradoforeclosurehotline.org](http://www.coloradoforeclosurehotline.org)

### Colorado Coalition for Elder Rights and Adult Protection (CERAP)

c/o CO Non-profit Development Center  
1-800-773-1366 (message phone and FAX) [www.ccerap.org](http://www.ccerap.org)

### Federal Trade Commission (FTC)

877-382-4357  
<http://www.ftc.gov/>

### Identity Theft

Colorado Bureau of Investigations (CBI):  
Identity Theft Hotline: 855-443-3489  
[www.cbi.state.co.us](http://www.cbi.state.co.us)

### Legal Resources

Colorado Bar Association  
Toll Free: 800-332-6736 (in Colorado)  
303-860-1115  
[www.cobar.org](http://www.cobar.org)

### Colorado Legal Services

1905 Sherman St. Suite 400  
Denver, CO 80202  
303-837-1313  
[www.coloradolegalservices.org](http://www.coloradolegalservices.org)  
(restrictions may apply)

### Metro Lawyer Referral Services

303-831-8000  
970-226-2455 (Larimer County)  
(fees may apply)

Can't find what you're looking for? Please view the Colorado Attorney General Consumer Resource Guide for additional tools and resources at:

[www.coloradoattorneygeneral.gov](http://www.coloradoattorneygeneral.gov)



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*Not on the registration list? Visit us on the web to ensure receipt of future correspondence at:*  
[www.coloradoattorneygeneral.gov/fraudawareness](http://www.coloradoattorneygeneral.gov/fraudawareness)

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