

# Consumer Corner

## Better Business Bureau Consumer Foundation



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### Senior Scam Jam Tops 700 Attendees!



NC Secretary of State, Elaine Marshall talks to Senior Scam Jam attendees.

Cindy Liebes, assistant regional director of the Federal Trade Commission in Atlanta, GA called it the largest single event she's ever seen for seniors.

What started out three years ago as a nice little event aimed at educating seniors and their caregivers about scams in the community has now turned into one of the premier senior events of the year.

The 3<sup>rd</sup> Annual Senior Scam Jam was held Tuesday, May 11 at Calvary Church in

Charlotte with over 700 in attendance. Guest presenters included NC Attorney General Roy Cooper who talked in depth about the state's fastest growing white-collar crime – identity theft; NC Secretary of State Elaine Marshall who presented a program on fraudulent charities and investment fraud; and Federal Trade Commission representative, Cindy Liebes who discussed credit repair and advance fee loans.

In addition, other speakers included NC Consumer Protection representative Jane Feather, whose props of fake flowers and cheap trinkets served as excellent visual aids for those tempted by lotteries and sweepstakes solicitations; Legal Services of the Southern Piedmont attorney Beth Bebbler who focused her presentation on predatory lending and shop-

*(Continued on page 3)*

### Medicare Discount Drug Program Attracts Con Artists

You may be one of the millions of Americans interested in the new Medicare Discount Drug Program. With the high cost of medicine, the new government program is supposed to help cut prescription costs for seniors and people with disabilities who have no other drug coverage. The Medicare Discount Drug Program will begin this month, allowing seniors to pick and choose from a number of discount drug cards approved by Medicare.

If you have Medicare and do not have outpatient prescription drug coverage through Medicaid, you can obtain a Medicare-approved drug discount card. You were eligible to enroll as early as May 2004. The discount cards are good until December 31, 2005. Medicare's new prescription drug benefit starts on January 1, 2006.



True to form, con artists are already taking advantage of the program. The Better Business Bureau urges you to be wary of scams masquerading as solicitations for the new Medicare Discount Drug Program. According to the Centers for Medicare and Medicaid Services (CMS), illegal door-to-door or telephone solicitation scams selling "Medicare-approved" discount drug cards, have been reported across the country. You are advised to be suspicious of any solicitation that asks for your banking, Social Security, Medicare or credit card information.

It is illegal to sell any Medicare product over the phone or door-to-door. Medicare has contracted with private companies and some state pharmacy assistance programs to offer drug discount cards until the Medicare

*(Continued on page 3)*

### Inside this issue:

- 1 Senior Scam Jam Tops 700 Attendees!
- 1 Medicare Discount Drug Program Attracts Con Artists
- 2 BBB's Compile Data for National Inquiries/Complaints
- 2 Prepaid Cell Phone Service—Is it Right For You?

## BBB's Compile Data for National Inquiries/Complaints

Better Business Bureaus in the United States and Canada logged 56 million instances of service in 2003. This is the first year that data for both countries was collected and compiled into one report.

You can access BBB services by phone, fax, postal service, e-mail or BBB Web sites. In 2003, you also had the option to file a complaint or access BBB business reliability reports online through the central BBB Web site at [www.bbb.org](http://www.bbb.org).

"With the growth in e-commerce, it's not unusual for buyers to consider doing business with merchants in other countries. The BBB system is a rich source of helpful information on reliable businesses in the U.S. and Canada. Before doing business with a company, check with the BBB," said Tom Bartholomy, president and CEO of the Better Business Bureau.

Bob Whitelaw, president and CEO of the Canadian Council of Better Business Bureaus (CCBBB), noted that BBB reports contain complaint data that can help consumers avoid becoming victims of cross-border fraud.

"Canadian BBBs are well aware of the scam artists and fraud perpetrators who take advantage of those who reside in the U.S. Consumers can save themselves time, money and heartbreak by checking with the BBB before they make a commitment to buy a product or sign up for a service. Use the Internet and you needn't pay for a long-distance phone call."

By visiting [www.bbb.org](http://www.bbb.org), you can search for business reliability reports from BBBs in the U.S. and Canada, as well as U.S. charity reports from the BBB Wise Giving Alliance. The BBB Wise Giving Alliance Web site

*(Continued on page 3)*



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## Prepaid Cell Phone Service—Is it Right for You?



*Some long-distance calls can cost twice as much as with a prepaid plan compared to a monthly plan. Be sure you check the plan's details **before** buying.*

If you need a cellular phone, but do not want to commit to a year-long contract, a prepaid cellular phone may be a good option for you.

With prepaid cellular phone plans users prepay for the airtime, much like they would buy prepaid long-distance phone cards. There is typically no credit check, activation fees, monthly fees or early termination fees to pay.

A prepaid cellular phone comes with a specified number of airtime minutes. Once you use all your minutes, you can purchase more or "recharge" your minutes online or by calling the toll-free number on your prepaid phone. The minutes you purchase are credited to your account in your cell phone and are automatically deducted when you make calls. With most plans, you will receive an automatic warning letting you know when you need to purchase more airtime minutes. Once your airtime minutes have run out, you will no longer be able to make or receive calls.

While prepaid cellular phones can be great for

occasional use, the Better Business Bureau suggests you keep the following in mind:

- Be aware of the cost of a call. Calls can be more expensive on a per minute basis with a prepaid phone plan. Some long-distance calls can cost twice as much as with a prepaid plan compared to a monthly plan. Be sure you check the plan's details **before** buying.
- Not all services are included. You may not be able to get extra features, such as call waiting or caller ID, and you may not be able to surf the wireless web or use your phone in an analog area. Ask your service provider if there is a cost for these extra features.
- Pay attention to your expiration date. Be sure you know how often you must load new minutes. Most plans require you to use your airtime or purchase additional airtime within a

*(Continued on page 4)*

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Subscribe today at [www.SeniorGrapevine.org](http://www.SeniorGrapevine.org)**

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*(Continued from page 1)*  
 ping for credit; and Sgt. Paul Zinkann with the Charlotte-Mecklenburg Police Department’s Fraud Unit, speaking about home repair fraud and how the police departments in the region are helping residents bring unscrupulous business owners to justice. The program was capped off by a short presentation by Charlotte Observer Senior Issues Reporter, Pam Kelley. The awarding of two shredders as door prizes closed out the event.

Over 50 exhibitors were on hand to display their products and services to the senior

community.

In March the BBB Consumer Foundation sponsored a Community Scam Jam in Kannapolis primarily for displaced Pillowtex workers. The third and final Scam Jam this year will be held in October when the BBB Consumer Foundation hosts the first ever Scam Jam for the Hispanic/Latin American community. To reserve a seat for this next event, please call or e-mail Maryanne Dailey, 704.927.8625 or [Maryanne@charlotte.bbb.org](mailto:Maryanne@charlotte.bbb.org).

## Medicare Discount Drug Program Attracts Con Artists

*(Continued from page 1)*  
 prescription drug benefit begins. Some private companies have already started marketing the cards, which will offer discounts of up to 20 percent on prescription medications. Private companies may charge up to \$30 for the cards. Drug discount cards that have been approved by Medicare will carry a “Medicare-Approved” seal. You will be able to confirm that the cards are legitimate by checking the government’s Web site at <http://www.medicare.gov> or by calling 1-800-MEDICARE. The CMS fact sheet about

Medicare-approved drug discount card scams offers additional information. To read, go to <http://www.cms.hhs.gov/media/press/release.asp?Counter=101.8>

When considering a drug discount card, it is best to shop around. Do not jump at the first offer. Look for the card that will bring the best discount and can be used at local pharmacies. Finally, keep in mind that Medicare and the companies authorized to provide the drug discount card will never contact you by phone nor visit your home. They will send information.



## BBB’s Compile Data for National Inquiries/Complaints

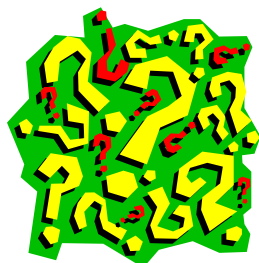
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[www.give.org](http://www.give.org) offers access to several hundred reports on charities that solicit nationally in the U.S. The BBBOnLine® Web site ([www.bbbonline.org](http://www.bbbonline.org)) has a safe shopping database of businesses in the U.S., Canada and elsewhere that participate in BBB seal programs to promote safe e-commerce.

**Pre-purchase Information:** Nationally, BBBs responded to 51.8 million requests from consumers and businesses for pre-purchase information in 2003. These requests included 32.5 million BBB reliability reports on businesses – BBB member companies and

non-member companies that have generated inquiries or complaints from the public.

Other pre-purchase inquiries included 14.7 million requests for general information on shopping wisely and avoiding questionable promotions, and 4.6 million instances of shoppers checking for confirmation that a business participated in BBBOnLine Reliability and Privacy programs. The BBBOnLine seal confirmations had increased 28 percent over the 3.6 million instances of shoppers checking for confirmation in 2002.

*(Continued on page 4)*



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*Ask if you will be charged for incoming or outgoing calls that are not answered.*

## Prepaid Cell Phone Service—Is it Right for You?

*(Continued from page 2)*

specific timeframe, usually 30 to 90 days. You can usually purchase air-time in 30, 60 or 90 increment minutes. If you do not recharge your air-time before the expiration date, your service will be deactivated. Be sure to read your carrier's policies carefully.

- Ask the service provider about their coverage area.
- Be aware that incoming calls and voicemail messages can deplete your minutes.

- Ask if you will be charged for incoming or outgoing calls that are not answered.

Before deciding on a service provider, be sure to check the company out with the Better Business Bureau ([www.bbb.org](http://www.bbb.org)).

## BBB's Compile Data for National Inquiries/Complaints

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**Complaints:** BBBs across the U.S. and Canada assisted consumers and businesses with more than 1.9 million complaints in 2003. That figure includes 930,121 complaints that were handled by local BBBs. Of these, approximately 63 percent (586,429) were filed online. In Charlotte, the BBB processed 6,717 complaints compared to 5,301 in 2002.

The BBB's online complaint form, which is accessible through the [www.bbb.org](http://www.bbb.org) Web site, makes it easy for consumers to seek assistance in resolving disputes with businesses located in the U.S. or Canada. This use of technology also permits BBBs to provide businesses with a speedier means to be responsive to customers and quickly address issues that are causing dissatisfaction.

In another 982,151 instances, the BBB system in 2003 assisted the public by providing complaint counseling or referrals to appropriate agencies or organizations. BBBs handled an additional 30,987 complaints through the BBB AUTO LINE program, which serves residents of the U.S. with warranty-related automobile disputes.

**Advertising Review:** Since its founding, the BBB has worked for "truth in advertising," asking businesses to voluntarily change or halt advertising or selling claims that appear to be false, misleading or deceptive, or that cannot be substantiated. In 2003, BBB advertising review experts evaluated 7,535 advertisements. Within the U.S., advertising is also reviewed at the national level through programs of the CBBB's National Advertising Division and Children's Advertising Review Unit.



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If you need more information about a topic mentioned in this issue, please contact the Better Business Bureau, [info@charlotte.bbb.org](mailto:info@charlotte.bbb.org), 704.527.0012 or 877.317.7236 toll free.

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*To Educate, To Inform, To Empower*