

Consumer Alert

Educating South Carolina's Consumers

A Publication of the South Carolina Task Force on Fraud



www.scconsumer.gov

November 2007

Volume 2, Issue 11

Gift cards are great, just keep these tips in mind

In case you haven't noticed the change in store decorations, the holiday season is fast approaching.

Consumers are projected to spend \$25 billion on gift cards in the 2007 holiday season. The Federal Trade Commission tells consumers that gift cards, whether purchased from a retailer, a restaurant, or a financial institution, may come with strings attached.

In particular, consumers should know that some gift cards have expiration dates; others have fees that can lessen the card's value, including activation fees,

transaction fees, monthly maintenance fees, balance inquiry fees, replacement fees for lost or stolen cards, and inactivity or non-use fees.

A 2004 law signed by Governor Mark Sanford requires retailers to state the terms and conditions on all gift cards. Fees and value changes must also be printed clearly on the card, envelope, or its covering, or they're not applicable. Finally, expiration dates must be stated or the card is automatically valid for one year.

Other tips to consider:

Gift cards are on everyone's holiday wish list.

* Buy from sources you know and trust.

Avoid buying gift

cards from online auction sites; the cards may be counterfeit.

* Read the fine print. If you don't like the terms/conditions, don't buy.

* Ask about expiration dates and fees. This information may appear on the card itself, the accompanying sleeve or envelope, or on the issuer's website. If you don't see it, ask. If the information is separate from the



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Going blind to look good



Cosmetic contact lenses can be bad for your eyes

The demand for cosmetic contact lenses continues to increase, particularly among teenage girls and young women. Colored contact lenses are one of the fastest growing segments of the contact lens industry. Demand for the cosmetic contact lenses, however, has created a market for non-licensed vendors to sell the contacts without a prescription.

Consumers should be cautious

when considering purchasing and using cosmetic contacts. Consider the following:

The Law: In S.C. it is illegal to sell or dispense contact lenses without a valid, current contact lens prescription from a licensed optometrist or ophthalmologist, even if you are selling color contacts or special effect contacts for cosmetic reasons only.

The Health Risks: There are several health risks associated with wearing cosmetic contact lens that are not professionally prescribed,

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Consumer Spirit Award nominations being accepted

The Department of Consumer Affairs is now accepting nominations for the 2008 Consumer Spirit Awards. The Consumer Spirit Awards are presented annually to recognize individuals and organizations that empower South Carolinians through consumer protection and education initiatives.

All individuals, organizations, and businesses are encouraged to participate. The deadline for

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The Help Desk: *Deciding on a Continuing Care Retirement Community*

As the leaves turn brown and the doldrums of winter fast approach, it is only natural our mind shifts to thinking of our mortality and the prospect of getting older. Preparing for the future is best done well in advance, and one way to prepare for senior living is to begin researching continuing care retirement communities. These living environments offer a host of benefits for many people, but you should educate yourself before deciding if they are best for you.

What are Continuing Care Retirement Communities?

Continuing Care Retirement Communities (CCRC) provide living assistance and services for

the elderly. These services are often distinguished by levels of care and may include the following:

Independent Living – Residents live independently and operate out of individual living units. Some services are generally provided to these residents such as housekeeping, meals and laundry service.

Assisted Living – Residents receive some assistance with daily activities such as bathing, dressing, eating or taking medications.

Skilled Nursing Care – Residents generally require round-the-clock care in a nursing facility.

Types of contracts

The following are the three most common agreements used by

CCRCs. Be sure to check the specific health care coverage in your CCRC contract before signing.

1. Extensive agreements include housing, residential services and amenities, and unlimited, specific health related services with little or no substantial increase in monthly payments.

2. Modified agreements include housing, residential services and amenities, and a specific number of long term nursing care days with no substantial increase in monthly payments. After using the specified number of days, you are charged the daily rate for each additional nursing care day.

3. Fee-for-service agreements

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Franchise opportunities can be rewarding if you do your homework

Legitimate distributorships and franchises can be profitable forms of business enterprise. Examples include fast-food franchises and new car dealerships, which offer great opportunities to those willing to invest substantial amounts of money and time to operate such businesses.

Unfortunately, not all franchise opportunities are legitimate. Con artists seeking to capitalize on the franchise boom create their own "investment" opportunities, which they promote to inexperienced investors. To induce the unwary to invest, these con artists promise the world, but deliver little to nothing. Be cautious if you are given the following typical come-ons:

Promises of unrealistic profits. Use your common sense when evaluating such claims. Will it really be as easy as it is claimed to make the substantial profits promised?

Promises of guaranteed earnings in a "protected market area." A bona fide business opportunity will usually not make such a sweeping guarantee. An investor in a fraudulent promotion often finds that there are other unwary investors operating in the same "protected market area."

Guaranteed money-back refund if not completely satisfied, as long as the investor "operates according to instructions." Such guarantees are usually worthless. The promoter determines what "operating according to instructions" means, and the investor is often judged not to have met the criteria -- hence, no refund.

Be wary if the promoter is more interested in selling the distributorship or franchise than in marketing a product or service. Also, if you are not encouraged or allowed to contact other investors

to ask about their experience and results with the promotion, think twice about investing.

In addition to the South Carolina Department of Consumer Affairs, your local Better Business Bureau may have information on the reputation of the promoter of any distributorship or franchise operation you are considering investing in. You may also wish to check with the newspaper or magazine where you saw the promoter's advertisement to see if there are any complaints against the promoter. If you have been victimized in a fraudulent distributorship or franchise promotion where the U.S. Mail was used, contact your local postmaster or the nearest Postal Inspector.



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include housing, residential services and amenities for the fees stated in your agreement. You also pay for any health related services you need at the current daily or monthly rate.

Review the available services, operations and financial statements of the CCRC you are considering.

Consult an attorney or financial advisor to review the CCRC contract to ensure it's appropriate for your lifestyle and financial situation. Spend at least one night and fully participate in its activities. Visit several facilities and compare. While visiting, talk to residents and staff. Evaluate the services and amenities based on your lifestyle.

Share the details of the CCRC contract with someone you trust to get an objective evaluation.

For more information, contact the SC Department of Consumer Affairs and ask for a copy of "Just the Facts on CCRCs."

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gift card, give it to the recipient with the card to help protect the card's value. It also is a good idea to give the recipient the original receipt to verify the card's purchase in case it is lost or stolen.

* Check on purchase exceptions. For example, can the recipient use a store-specific gift card at either the physical store or the store's website? Can an "all-purpose" card really be used to buy groceries or gasoline?

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nominations is December 14, 2007. Winners will be honored at a ceremony in February 2008.

Awards will be given in the following categories: Organization Leadership Award, Dublin/Robinson Consumer Champion

Award, Governmental Excellence Award, and Media Partnership Award.

A panel of representatives from various communities, governmental agencies, media outlets and past winners will serve as judges.

A Well Deserved Award!



Columbia attorney Sharon Bramlett, Chairman of the SC Department of Consumer Affairs' Council on Consumer Credit, presents a token of appreciation to former Council Chairman Brian McLane, attorney, also of Columbia.

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including but not limited to: eye infection, corneal swelling, allergic reaction, corneal abrasion, contrast sensitivity, eyesight reduction, sensitivity to light, and Tight Lens Syndrome, where the lens actually begins to stick to the eye because it is too small. In the most severe cases health problems caused by these contacts can result in blindness or eye loss.

The Right Way to Get Cosmetic Lenses:

- Get an eye exam from a licensed professional.
- Obtain a prescription that includes the size, shape, power, and brand of lenses. Many problems occur from cosmetic contact lenses that are too small and constrict the eyeball.
- Follow instructions for cleaning and wearing the lens.

Shredding identity theft: SCDCA *Shred Day* a success

The South Carolina Department of Consumer Affairs teaming once again with shred partner Shred 360, hosted its most successful *Shred Day* yet on October 25.

The event was well attended with an estimated 1,500 South Carolina consumers taking advantage of the free shredding, which ran from 8 a.m. until 6 p.m. In all, more than 10 tons of sensitive personal and financial documents were destroyed.

SCDCA holds *Shred Days* throughout the year as a way of raising awareness about the need to destroy sensitive documents that could be used to steal one's identity.

The next *Shred Day* is tentatively being planned for January 2008. For more information about *Shred Day* or to request being placed on our notification service for future *Shred Days*, please contact SCDCA's public information division at 803-734-4296.



Above, Shred 360 works quickly to keep the line moving during *Shred Day*. Right, consumers gather their materials for demolition. SCDCA would also like to thank Shay Noah and *Espresso-ETC* for providing free hot beverages.



Lifesmarts competition gearing up for 2008

The South Carolina Department of Consumer Affairs (SCDCA) encourages high school students, teachers, and parents to participate and enter a team in the 2008 *LifeSmarts* competition.

The contest begins today and is open to all teens in 9th – 12th grades.

The program also launched a new addition to its website today called *Techno Lab*, which offers groups activities and learning lessons about technology issues to be used in and out of the classroom.

Students and teachers may visit the site at www.lifesmarts.org.

SCDCA hosts the annual

LifeSmarts competition that tests students' knowledge of the following consumer areas: personal finance, health and safety, environment, technology, and consumer rights and responsibilities.

During the online competition, teams across the state compete for one of six positions at the State Competition held in Columbia during March 2008.

The winning team at the State Competition will represent South Carolina at the National *LifeSmarts* Competition that will be held April 12-15 in Minneapolis, Minnesota.

LifeSmarts, established by the National Consumers League, is



South Carolina children are all superstars in the *LifeSmarts* competition.

designed to supplement classroom curriculum or be used as a learning activity in clubs and organizations outside the classroom.

It is important to note players and teams may come from a variety of sources, not limited to schools.

After Hours: Scams to be held on Nov. 20



Donna DeMichael, Director of Consumer Services and Education, offers After Hours workshop on debt management and credit repair.

The South Carolina Department of Consumer Affairs will present a special session of *After Hours: Scams* on Nov. 20.

After Hours is an after-business-hours program aimed to educate South Carolina consumers. *After Hours* is typically held every third Tuesday of the month and features free consumer education seminars.

This month's *After Hours* will focus on how to identify scams and other fraudulent practices.

Specialists will be on hand to instruct you on ways to avoid being deceived and to answer questions about fraudulent practices.

After Hours is held on the second floor at the SCDCA office, 3600 Forest Drive, Columbia.

Got Questions???

Ask Consumer Affairs with online chatting

Think you have been a victim of a scam or just need general information about fraud protection?

Are you an athlete agent or pre-need burial provider in need of additional instructions about licensing? Or are you a business that has questions about the Buyer Beware list?

Then log on to *Ask Consumer Affairs*, an interactive forum that provides you with great consumer information.

Visit the South Carolina Department of Consumer Affairs

website at sconsumer.gov and click on LIVE CHAT.

A communication specialist is there to assist you with any questions you may have Monday through Friday from 8:30 a.m. until 5:00 p.m.



"Late Nights" offers extended hours for more convenience



"Late Nights" allows consumers with especially busy schedules a few extra hours to reach Consumer Affairs.

Office hours are extended from 5:30 p.m. until 7:00 p.m. on the third Tuesday of every month.

The program is designed to give consumers the convenience of after-work hours.

Consumers are welcomed to call during the additional hours at 803.734.4200 or toll free in S.C. at 1.800.922.1594.

For more information about "Late Nights" please contact the Public Information Division at 803.734.4190.

S.C. Department of Consumer Affairs Mission and Values Statement:

To protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

The Department strives to be a **CREDIT** to our State by holding the following values as essential in our relationships and decision-making:

Competence **R**espect **E**quality
Dedication **I**ntegrity **T**imeliness

The Commission on Consumer Affairs

- Dr. Lonnie Randolph Jr., Chair, Columbia
- The Honorable Mark Hammond, Secretary of State, Columbia
- Barbara B. League, Greenville
- Louis Mayrant Jr., Pineville
- Rev. Tony Macomson, Cowpens
- Wayne Keith Sims, Columbia
- Wayne Powell, Gaffney
- David Campbell, Columbia
- Carole C. Wells, Woodruff
- Brandolyn Thomas Pinkston, Administrator
- Alice Brooks, Director of Public Information
- Charles Ellison, Editor

About the South Carolina Department of Consumer Affairs: Established by the Consumer Protection Code in 1974, the South Carolina Department of Consumer Affairs represents the interest of South Carolina consumers. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement, and education. For more information on the SCDCA, visit www.sconsumer.gov.