

# Consumer Alert



A publication by the South Carolina Department of Consumer Affairs



## Shredding, Sharing: SCDCA Sponsors Shred Day & Food Drive

The season of hustle and bustle is upon us. It's also a great time to help a less fortunate neighbor. Given the financial toll the economy has taken on many, during a time when plenty is to be celebrated charitable giving just seems more relevant.

With this in mind, the South Carolina Department of Consumer Affairs invites you to participate in their Midlands Shred Day & Food Drive on November 19. The Department has partnered with Harvest Hope Food Bank to collect non-perishable donations during their upcoming Shred Day. Donations are not a requirement for Shred Day participation, but consumers are encouraged to bring a donation. As always, free on-site shredding will be available for consumers' sensitive documents.

Identity theft is still one of the fastest growing white collar crimes nationwide. The two-fold crime attacks both active lines of credit and seeks to establish new lines of credit. Thanks to some key state legislation, consumers now have greater protection on both ends.

The Financial Identity Theft and Identity Fraud Protection Act entitles every SC residents to free security freezes. Placing a freeze is the single best preventative measure for all new credit. It prevents anyone from open a line of credit in your name. You maintain access to new credit through an assigned PIN. The law also makes identity theft a crime. Activities like dumpster diving for personal information that can be used to steal identities is now a criminal offense. With these new provisions, SC consumers can do more to keep their identity secure. Just the same, shredding documents remains one of the best ways to protect information.

**Quick Event Facts:**

<b>What?</b>	Shred Day & Food Drive
<b>Where?</b>	3600 Forest Drive & 6952 St. Andrews Road
<b>When?</b>	Thursday, November 19 8 a.m. - 12 p.m. 2 p.m. - 6 p.m.

Come participate in Shred Day, learn how to freeze your credit, and help a family in need. Information on Census 2010: You Count, You Matter will also be available. It's a win-win. For more information, contact the Department at 803.734.4200. You can request to be added to our Shred Day e-mail list at [maudas@scconsumer.gov](mailto:maudas@scconsumer.gov).

Many thanks to our sponsors: Shred 360, Carolina Records & Information Mangement, Cintas, St. Andrews Presbyterian Church, Harvest Hope Food Bank, and Richland County Government.

### In this issue

Fall 2009

#### CENSUS 2010

Census 2010: You Count, You Matter. That's the theme this year to encourage residents to fill out their census forms. But why should you care? Read why the survey is more than just a lot of questions.

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#### HALLOWEEN

Costume parties and contests have many shopping for inexpensive, but fashionalbe accessories. Before you put the final touches on your costume, learn about the one accessory that just isn't worth it.

On Page 4

#### PRODUCT RECALLS

In cooperation with the U.S. Consumer Product Safety Commission, SCDCA brings you the latest in product recalls, inspections, and safety news. This issues addresses new legislation affecting resale stores. The addition of a new "Recall Round-Up" is also available.

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# Now Playing: Travel Club May Not Provide Desired Escape

Without fail, the holiday season has a way of bringing a little drama, wanted or unwanted, with it.

The fast-paced, shopping-laden time of year has more than a few thinking of ways to exit the scene. You know, slow the pace. Avoid crowded malls. Reduce spending. In short, if you asked any number of consumers, "Wanna get away?", you'll get a resounding "Yes!" But unlike the commercial, the ideal escape takes more than a candy bar.

Enter Travel Clubs stage right. They seem to present themselves at just the right time, offering just the right price, and with just the right words. Some travel club memberships may be the best way to treat yourself this holiday season. A vacation you don't have to plan. But sign on the wrong dotted line, and....

Enter Disaster stage right.

If you really want to avoid the drama this season, keep in mind that a scam travel club membership is NOT the answer. Lost time. Lost vacation. Lost dollars. But no worries...that's what this short read is all about preventing.

Enter Prevention Tips stage left.

- Don't be fooled by free plane tickets, loaded gas cards, and other gimmicks.
- Don't pay the entire contract upfront.
- Make sure you have a reasonable cancellation policy.
- Don't sign a contract with blanks.
- Remember: you do NOT have a 3-day right to cancel if the contract was signed at the travel club's regular place of business.
- Determine if annual maintenance fees or other re-occurring fees exist.
- Identify the locations and times that are available during any given time period. (You don't want to end up on the slopes when you intended to be on the beach.)

- Money paid upfront may not be refunded if the company goes out-of-business or bankrupt.
- Keep in mind that you can do much of the travel planning online at little cost and minimal inconvenience.

Tips in head, you're ready to deal because now you know what the scammers know. That makes you one savvy consumer.

Exit Holiday Drama & Disaster stage right.

Go ahead.  
Take a bow.



## Why "Census 2010: You Count, You Matter" Is More Than Another Survey

They come in the mail and almost immediately receive groans from the recipient. Funny thing, though...we're not talking bills, or fundraisers, or even junk mail. We're talking about a survey that takes less than 10 minutes. So, why the reluctance? Perhaps it's because many of us don't understand the benefits of the U.S. Census.

While participation in the U.S. Census is required by law, it's an obligation that could reap dividends. Still wondering what your participation has to do with it? Read on.

Census 2000 data estimates that South Carolina was undercounted by 48,335. Richland County alone accounted for 5,131 of that total.

Ok, so we weren't too responsive. What's the big deal?

South Carolina lost \$2 billion in money that would have been distributed to the state, county, and tribal councils. In fact, \$2.5

million would have gone right to Richland County. Ahh....money....now we're talking. An accurate 2010 Census count for South Carolina means more federal and state funds. Three trillion dollars in federal and state dollars will be distributed over the next 10 years. That's roughly \$9,711 per person or \$39,000 per family of four. And an accurate count from South Carolina in 2010 means we may even add a 7th Congressional Seat. In summary, census data are used to determine how some \$400 billion will be distributed annually and how Congressional seats will be assigned. More money in pockets. More voices in government. Clearly, a lot more is at stake this Census than just a few facts and figures. That said, those facts and figures are pretty impressive, too.

Did you know? The census is a count of everyone living in the U.S. every 10 years and is mandated by the U.S. Constitution. Your participation is required by law, but it takes less than 10 minutes to complete the survey. Federal law protects the personal information you share.

# Recalled Products No Longer “Resold Products”

We have all become a little more creative with our dollars lately. We have learned how to stretch, spread, and bundle savings. Just take a look at your pantry. Carbs like potatoes, pasta, and rice aren't quite so forbidden. After all, moderation is key, and have you seen how far a bag of rice goes?

But even a bag of rice has its limitations. Things like clothes, household appliances, furniture and a host of other necessities, just require more money. Or do they?



The CPSIA aims to eliminate unsafe products, particularly children's toys.

Many consumers are finding great savings and quality buys at resale locations. And why shouldn't they? Thrift stores, consignment shops, and even a yard sale can provide a gently-used but noticeably cheaper alternative.

But have you ever wondered - or worried - that you didn't know everything you needed to know about that product? Without the packaging and labeling, how could you be sure you weren't dealing with a recalled or defective product? Thanks to some key federal legislation, you can now resume your shopping foot-loose and fancy-free.

The recently passed Consumer

Product Safety Information Act (CPSIA) prohibits the sale of any product that has been recalled. But, if a product is recalled - literally pulled off the shelves - how could it be sold in the first place?

Consider that some products actually make it past the register and into homes before the recall notice comes down to retailers. Consumers may not hear about the recall, or a retail location may not have record of who purchased a recalled product. Consequently, these recalled products are in consumers' hands and may then be sold at yard sales, flea markets, consignment stores, thrift stores, and a host of other places.

The U.S. Consumer Product Safety Commission (CPSC), the regulatory and enforcement authority for this law, realizes that products may make it past the register the first time, but with this new legislation, that's as far as they are willing to let a potentially dangerous product go.

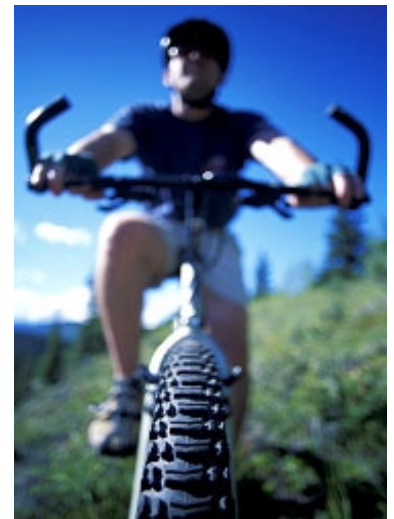
“The purpose of this campaign is to help resale stores comply with the new law and to keep consumers safe. Resale stores need to know that it is against the law to sell recalled products. They should also check to make sure they're not selling children's clothing with neck or hood drawstrings, cribs that do not meet current safety standards, and hair dryers that do not have immersion protection devices. All of these guidelines are in place because there is a potential hazard involved,” says Patty Davis, CPSC spokesperson.

CPSC's campaign is a targeted effort to lend a helping hand. “We don't want to see any resale stores have to shut down because of this new law. Our goal is to work with resale stores to comply and to help them sell the safest products possible,” says Davis.

This helping hand comes to resale store owners by way of a free workshop presented on-site to clarify expectations under the new law and address any questions and concerns. In South Carolina, CPSC has partnered with the South Carolina Department of Consumer Affairs to provide these workshops. Resale location owners interested in participating in a free workshop regarding compliance should contact the Department of Consumer Affairs.

One other key provision in the CPSIA furthers CPSC's efforts to create a safe environment for children. Lead limits. We're all familiar with the “lead scare” a couple years ago that had the media publishing every recall due to dangerous

*continued on page 5*



Some bicycles, which usually contain higher levels of lead than other products, may no longer be safe to buy or sell. Manufacturers have until June 30, 2011, to get them off the road.

# Halloween Costumes: Trick or Treat?



**Make sure your costume doesn't cost you more**

Halloween is a holiday typically accompanied by costumes, a few good thrills, and the morning-after "I shouldn't have had so much candy" regrets. Not taking heed to the warning below may have you regretting a whole lot more than a few too many milk duds. Tiger eyes, sports logos, devil red color....a variety of cosmetic contact lenses are often used to make the perfect costume pop. These lenses, however, could spell certain eye infection or possible blindness for the wearer. And if that's not

enough...they're illegal! So, before you go costume shopping this season, entertain a little Q&A to ensure your night out will be a treat, not a trick.

**Q:** Is it illegal to sell contact lenses without a prescription in South Carolina?

**A:** Yes. It is illegal to sell or dispense contact lenses in South Carolina without a valid, unexpired contact lens prescription from a licensed optometrist or ophthalmologist. This is true even if you are selling color contacts or special effect contacts for cosmetic reasons only.

**Q:** Do cosmetic contact lenses correct vision?

**A:** No. Cosmetic contact lenses do not correct vision. They are worn solely to change the appearance of the eyes. Some of these lenses, which are especially popular during this season display designs like animal eyes or sports logos.

**Q:** Should all contact lenses be fitted by an eye care professional?

**A:** Yes. all contact lenses -- even decorative lenses not intended to correct vision problems -- need to be fitted by an eye care professional.

**Q:** Are there risks associated with wearing cosmetic contact lenses?

**A:** Yes. There are several risks associated with wearing cosmetic contact lenses that



**Don't leave your health to chance.**

are not professionally prescribed. They include: corneal ulcers, eye infection, corneal swelling, allergic reaction, corneal abrasions, sensitivity to light, and even blindness.

**Q:** What Should you do if you are considering getting cosmetic contact lenses?

**A:** Get an eye exam and valid prescription from a licensed eye care professional. Shop for lenses from an eye care professional or vendor that requires prescription information. Follow usage directions carefully and see your eye care professional for a follow-up exam.

**Q:** Anything else I should know?

**A:** Yes. NEVER swap, borrow, or buy someone else's lenses. NEVER use saliva on lenses.

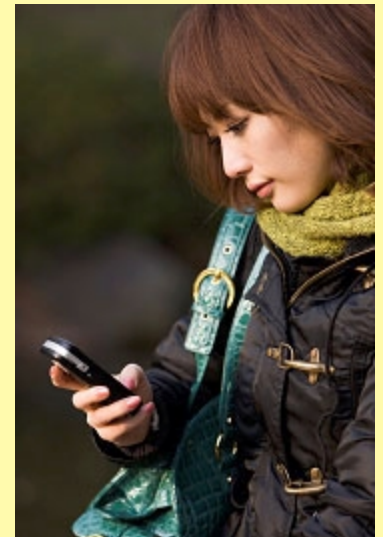
For a free brochure on cosmetic contact lenses, call the South Carolina Department of Consumer Affairs at 1.800.922.1594.

## Text Message Scams

Some text messages are worth reading. Some are even worth saving. Some are not.

The Department of Consumer Affairs is alerting South Carolina residents about an increasing number of text message scams targeting your debit or credit account. The Department first broke news of the scam during July of this year. Regular reports from consumers who receive text messages claiming their debit/credit card had been blocked indicates this scam won't be going

anywhere for a while. The consumer is provided a call-back number to "unblock" their account. Unfortunately, the text message is no more than another attempt by con-artists to obtain account numbers. Once entered by the consumer, account numbers are used by scammers to drain financial accounts and steal identities. If you receive one of these text messages, report it to your bank and the Department of Consumer Affairs. Then, delete it. After all, that's what it is...garbage.



# National Mortgage Licensing System Creates Public Database



Recent passage of Senate bill S.673 has ushered in a new licensing system for mortgage brokers and loan originators. The National Mortgage Licensing System (NMLS) will bring uniformity to an industry that has seen its variety of licensing forms and applicants over the years. The system will also benefit consumers by creating a searchable database.

## ***What does this mean for industry professionals?***

As each of the 50 states is incorporated, NMLS will serve as the central license processing center nationwide. Four uniform licensing forms will be used. These forms will ensure that mortgage brokers, loan originators, and lenders share the same license application information, regardless of state lines. States were brought into the system in waves beginning in 2008. South Carolina is expected to “go live” with the online system in January 2010. Mortgage industry professionals should refer to the NMLS website at

[www.stateregulatoryregistry.org/nmls](http://www.stateregulatoryregistry.org/nmls) or call the Department of Consumer Affairs for more information.

## ***Where’s the benefit for consumers?***

License information will be available in a public database. This searchable database means consumers can view and review all licensing information for brokers, originators, and lenders. “The NMLS will provide consumers and regulatory agencies with valuable and useful information concerning licensees. Consumers will be able to see if the person has a license in their state and the status of the license. In the near future, consumers will be able to find if a licensee has had any disciplinary action taken against them nationwide. The database will allow consumers to file complaints related to the mortgage industry and individual licensees,” said Staff Attorney Charles Knight. The accessibility of this information and the ability to report complaints should provide potential homebuyers an extra layer of confidence, knowing they can identify reputable players and those less reputable before they even enter South Carolina. The uniformity will reward those with a history of fair and equitable trade practices while seeking to eliminate fraudulent behavior. For more information on the NMLS, contact the South Carolina Department of Consumer Affairs at 1.800.922.1594.

## **Recalled Continued**

lead levels. While there were no more recalls that year than any other year, the large number of items involved in the recalls gave voice to CPSC’s call for tougher lead limits in products.

New lower lead limits that have already gone into effect mean products manufactured in years or even months past may no longer be safe for selling. Unfortunately, testing for lead in products is quite intensive and expensive. Home testing kits provide faulty readings and should not be used by consumers or retailers. But again, in order to make compliance less cumbersome, retailers are required to verify with the manufacturer via a certificate of compliance that items meet the lead requirement. Resellers must also verify and should not sell the product if they can’t. To ease the burden, CPSC has granted a stay of enforcement on the lead limits for children’s bicycles manufactured through June 30, 2011.

If all goes as expected, these new changes will mean safer selling, safer shopping, and greater consumer confidence...priceless.

For more information, visit CPSC’s website at [www.cpsc.gov](http://www.cpsc.gov).

## ***SCDCA Refunds \$2.1 million for consumers***

During times when every dollar counts, the South Carolina Department of Consumer Affairs understands. The Department’s efforts in complaint mediation resulted in roughly \$2.1 million in consumer refunds and adjustment during this past fiscal year. That’s money going directly to individual pockets.

But consumers aren’t the only ones facing difficult financial times. Businesses, too, are struggling to stay afloat, which is why the Department has advocated in a number of insurance cases. Advocacy efforts this past fiscal year resulted in \$130 million in savings for businesses.



## Max Rate Schedule



Been waiting to make that major purchase until holiday sales roll around? Many consumers jump at the great deals offered this time of year, only to have their savings cut by costly interest rates. That's where the "Max Rate Schedule" may offer you a little help.

### What is it?

The maximum rate listing is available to the public. The listing, required by law, contains all companies that charge consumers more than 18% interest rates on any credit transaction. It also lists the closing fees that motor vehicle dealerships charge.

### Where is it?

You can find an updated max rate schedule by visiting: [http://www.sconsumer.gov/licensing/maximum\\_rate.htm](http://www.sconsumer.gov/licensing/maximum_rate.htm). Just click on the link for Maximum Interest Rates & Motor Vehicle Closing Fees by Company.

### Why does it exist?

Currently, a cap or limit does not exist on interest rates in South Carolina. Businesses, however, are required to file a Maximum Rate Schedule with the South Carolina Department of Consumer Affairs if interest rates exceed 18%. This schedule must be posted in the store. The provision helps consumers recognize the total cost involved in a purchase.

### Why haven't I heard about this before?

Stores often have multiple postings inside their store windows that consumers may overlook. Other stores may not have the posting displayed properly. Nevertheless, SCDCA is working even harder to spread the word by posting the list online. So, before you head out...scan the list. The extra info may mean extra dollars.

## SCDCA Administrator Given Top Honor



During a special luncheon September 24 at the Embassy Suites in Columbia, SCDCA Administrator Brandolyn Thomas Pinkston was announced the winner of the prestigious TWIN (Tribute to Women in Industry) Award for Government. Ms. Pinkston was among several nominees selected for recognition during the Palmetto Center for Women's annual award ceremony.

## Recall Round-Up from CPSC

This feature in the Consumer Alert will provide you a list of recently recalled items. Your retailer should have information for you, if you purchased a recalled product. If you find a recalled item still on the shelf, contact the U.S. Consumer Product Safety Commission immediately. For a complete list of recalled products and information, you can visit [www.cpsc.gov](http://www.cpsc.gov) to receive e-mail alerts.



### Durabrand DVD Players

**Hazard:** The DVD player's circuit board can overheat, posing a fire and burn hazard to consumers.

### 10 Speed SRAM Bicycle Chains with PowerLock connector links

**Hazard:** The recalled PowerLock connector links, used on bicycle chains, are brittle and can crack, allowing the chain to separate from the bicycle and posing a fall hazard to the rider.



### Office Max Task Chairs

**Hazard:** The back base post of the chair can break while in use, posing a fall hazard to consumers.

## 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](http://www.sconsumer.gov).

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