CONSUMER PROTECTION REPORT:
JANUARY 4 –31, 2014

This newsletter is the third of a monthly circulation that describes consumer protection activity announced by state attorneys general. This information was gathered solely from attorney general press releases. It makes no effort to prioritize or analyze the impact of any of these cases and initiatives.

The following press releases are organized by state and multistate activity. In addition, certain Medicaid fraud cases that touch on consumer protection and advocacy initiatives have been included.

If an office would like their activity to be included in subsequent newsletters, please notify attorneygeneral@law.columbia.edu.

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The National State Attorneys General Program at Columbia Law School is a legal research, education, and policy center that examines the implications of the jurisprudence of state attorneys general. Working closely with attorneys general, academics, and other members of the legal community, the program is active in the development and dissemination of legal information used by state prosecutors in carrying out their civil and criminal responsibilities.

For more information about the National State Attorneys General Program and resources, please visit our website [www.stateag.org](http://www.stateag.org).
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CONSUMER PROTECTION CASES, SETTLEMENTS AND ADVOCACY STATEMENTS

ARIZONA

January 17, 2014

Attorney General Tom Horne Obtains Injunctions Against Arizona Telemarketers Selling Home-Based "Business Opportunities"

In an ongoing effort to combat telemarketing scams, Arizona Attorney General Tom Horne announced today the recent filing of a lawsuit in Maricopa County Superior Court against several Arizona-based businesses and individuals. The defendants are alleged to have targeted mainly elderly consumers in a “work from home” business opportunity scam.

The lawsuit alleges that the defendants worked together to defraud consumers of millions of dollars while selling them programs that the defendants claimed would result in consumers earning lucrative commissions, advertising the defendants’ credit card processing services and cash advances to businesses. Consumers spent thousands of dollars on the defendants’ “business opportunity”, including expensive marketing campaigns, after being promised substantial commissions that never materialized.


CALIFORNIA

January 15, 2014

Attorney General Kamala D. Harris Busts Statewide, Multi-Million Dollar Housing Scheme

Attorney General Kamala D. Harris today announced the arrest of five individuals who allegedly ran a statewide housing scheme by using adverse possession laws to fraudulently seize at least 23 homes in nine counties.

“It is reprehensible that these individuals lied to the courts in order to steal homes and in some cases to demand payment from the rightful owners,” Attorney General Harris said. “The conduct of the attorneys in this scheme is even more offensive because they violated their ethical duty to be honest to the courts. I am pleased that my mortgage fraud strike force, together with our state and local partners, continue to investigate and prosecute these crimes against our people and our economy.”


COLORADO

January 30, 2014

Boobies Rock! Founder Receives 14-Day Jail Sentence

Adam Cole Shryock, the founder of Boobies Rock!, Inc., The Se7ven Group and Say No 2 Cancer was sentenced to 14 days in the Denver County Jail for contempt of court. Shryock was found to be in violation of the Court’s Temporary Restraining Order (TRO) and Stipulated Preliminary Injunction (PI) as well as a court-ordered asset freeze. He must report to jail on January 31, 2014.

In June 2013, the Consumer Protection Section of the Colorado Attorney General’s Office filed a civil complaint against Shryock and his business entities alleging that they were committing charitable fraud.


January 21, 2014

Attorney General John Suthers Reaches Settlement With Online Lender Western Sky

Colorado Attorney General John Suthers announced today that his office has settled a lawsuit against several South Dakota lenders and their principal, Martin A. “Butch” Webb for making unlicensed, high-cost loans to Colorado
consumers. The lenders include Western Sky Financial, LLC; Payday Financial, LLC, doing business as Lakota Cash and Big Sky Cash; Great Sky Finance, LLC; Green Billow, LLC, doing business as Four Seasons Cash; and Red Stone Financial, LLC.

Information provided to the Colorado Attorney General’s Office showed that Webb and his companies made more than 16,000 loans to consumers across Colorado between 2008 and 2012 with interest rates of from 90% to over 500%, with some as high as 10,000%. The settlement permanently prohibits Webb and his companies from making or collecting loans to or from Colorado consumers. The defendants also are required to pay $565,000.00 to the state.


January 21, 2014

**Colorado Attorney General Suthers Sues Convenience Store For “Spice” Sales**

Colorado Attorney General Suthers announced today that the Consumer Protection Section of his office filed a civil lawsuit against Paymon’s Market, Inc., an Aurora convenience store, for selling synthetic cannabinoids, commonly referred to as “spice.” Defendants Rhamatollah Ghamari (D.O.B. 04/21/85) and Paymon Eliott Ghamari (D.O.B. 09/01/52) owned and operated the store and sold spice products with deceptive labeling that failed to warn consumers that the contents contained dangerous and illegal synthetic cannabinoids. The labeling on Paymon’s spice products contained misleading statements such as: “No Banned Chemical,” “It’s Legal”, “100% Cannabinoid Free,” and “DEA Compliant,” which is illegal under the Colorado Consumer Protection Act.

CONNECTICUT

January 7, 2014

Connecticut AG and the Federal Trade Commission Settles With Sensa and Three Other Marketers of Fad Weight-Loss Products For Deceptive And Unfair Internet Marketing And Sales Practices.

The state of Connecticut and the Federal Trade Commission (FTC) have entered into a settlement with three Branford-based companies and their owner that will provide restitution to consumers harmed by the companies’ alleged deceptive and unfair Internet marketing and sales practices, Attorney General George Jepsen and state Department of Consumer Protection Commissioner William M. Rubenstein said today.

A federal lawsuit, brought jointly by the state and FTC in 2011, alleged that LeanSpa LLC, NutraSlim LLC and NutraSlim U.K. Ltd., all based in Branford, and Boris Mizhen of Guilford, individually and as the owner or corporate officer of the three companies, used unfair and deceptive practices to advertise, market and sell dietary supplements. Mizhen’s spouse, Angelina Strano, was also named as a relief defendant who received or otherwise benefitted from funds gained through the deceptive practices.

The companies allegedly engaged in various deceptive practices, including: using fake news Web sites and testimonials to market their products; offering “free” trials if consumers paid for shipping and handling, but then using credit or debit card information to charge consumers for the trial; billing of unauthorized charges after enrollment in “negative option” purchase plans, which require consumers to take affirmative action to cancel the plan; failure to clearly disclose preconditions for order cancellations and refunds; and failure to provide refunds.


DELAWARE

January 28, 2014

Attorney General Biden, Legislators Target Charities Fraud

Delawareans will be able to validate charities soliciting in the state before they donate under legislation that is moving through the General Assembly.


FLORIDA

January 17, 2014

Seminole man arrested in $6 million Ponzi scheme

The Florida Department of Law Enforcement Tampa Bay Regional Operations Center arrested David George Dreslin, 54, on charges of racketeering, conspiracy to engage in a pattern of racketeering activity, three counts of sale of an unregistered security, three counts of sale of a security by an unregistered dealer, security fraud and organized fraud. Dreslin turned himself into the Pinellas County Jail Thursday afternoon. This was a joint investigation with the Office of Financial Regulation and FDLE. Attorney General Pam Bondi’s Office of Statewide Prosecution will prosecute the case.

The investigation revealed that Dreslin was engaged in a Ponzi type scheme, soliciting investors for various real estate projects. Dreslin, an accountant, would convince his clients to purchase shares or units in a variety of real estate development projects promising large returns in a short period of time.

"Victims of this scheme lost their hard-earned savings to someone who was looking to make a quick dollar through an illegal operation," stated Attorney General Pam Bondi. "Because of strong partnerships among my Office of Statewide Prosecution, the Florida Department of Law Enforcement and the
Office of Financial Regulation, the defendant is behind bars, and my office will aggressively prosecute this case."

http://www.myfloridalegal.com/newsrel.nsf/newsreleases/204B0891A947549F85257C63006E3797

January 13, 2014

**FTC, Florida Attorney General Sue to Halt Operation that Used Robocalls to Fraudulently Pitch Medical Alert Devices to Seniors Nationwide**

At the request of the Federal Trade Commission and the Office of the Florida Attorney General, a U.S. district court has temporarily halted and frozen the assets of an Orlando-based operation that used pre-recorded telephone calls, commonly known as robocalls, to pitch purportedly “free” medical alert devices to senior citizens by false representing that the devices had been purchased for them by a relative or friend. The defendants also allegedly led consumers to believe that the devices were endorsed by various health organizations and that they would not be charged anything before the devices were activated.

The agencies are seeking a court order permanently banning the defendants from engaging in the allegedly fraudulent and illegal conduct, and providing restitution to consumers who were victimized.


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**GEORGIA**

January 13, 2014

**Five People Indicted for Scam Targeting Elderly Homeowners**

On Thursday, January 9, 2014, a Cobb County Grand Jury charged five individuals with Racketeering (O.C.G.A. § 16-14-4(c)) for their role in a home improvement scam targeting senior citizens. Helen Johnson, Larry McGill, Nicholas Mitchell, Rocky Mitchell and Gidget Williams are accused of conspiring to defraud 25 elderly victims of over $74,500 in Cobb, DeKalb, Fulton, Gwinnett and Walton Counties.

January 15, 2014

Two Defendants Charged with Mortgage Fraud Scheme Targeting Senior Citizens

On Friday, January 10, 2014, a Fulton County Grand Jury indicted Edmund Chatham, of Roswell, Ga., and Steven Connelly, of Alpharetta, Ga., on one count of Racketeering (O.C.G.A. §16-14-4(a)) for their role in a scheme using senior citizens to fraudulently obtain payouts from mortgage lenders for reverse mortgages.


INDIANA

January 30, 2014

AG Zoeller files lawsuit against Tippecanoe Waste Removal, Inc.

Indiana Attorney General Greg Zoeller filed a lawsuit today against Tippecanoe Waste Removal, Inc. for failing to collect residential trash after taking payments from customers.

According to the lawsuit, consumers were asked to make upfront payments during November and December of 2013 for – at minimum – the next three months of trash and recycling pick up. Despite taking payments from customers, the company failed to pick up the trash beginning in late December and then closed its doors in January.

Zoeller filed the lawsuit in Tippecanoe County after his office receive 318 consumer complaints. Consumers who are part of the lawsuit reported losses ranging from $10 to $200 and totaling $15,748. Zoeller said thousands more consumers are likely impacted.

January 30, 2014

Local tree trimming company owes steep penalties for ripping off seniors

Elderly victims of a tree trimming scam could receive refunds for three times the amount they paid, thanks to a new state law and subsequent legal action taken by the Indiana Attorney General’s Office.

Attorney General Greg Zoeller received a default judgment in Marion County against Steve Spaulding and his Indianapolis-based company, Spaulding’s Tree Experts. The company contracted with three elderly victims – two with dementia – for $46,740 and provided minimal or faulty work.

Under the state’s Senior Consumer Protection Act, which took effect July 1, 2013, those caught financially exploiting Hoosiers over 60 years old must pay consumer restitution equal to three times the amount they collected. This means Spaulding owes $140,220 total to its Marion County victims in addition to paying the state $65,962 in civil penalties and investigative costs.


January 16, 2014

Attorney General Greg Zoeller announced Nearly 300 Allcare victims receive payments

Indiana Attorney General Greg Zoeller announced today nearly 300 former Allcare Dental & Dentures patients received partial or total refunds.

In 2011, the national dental chain abruptly closed its locations in Avon, Evansville, Fort Wayne, Indianapolis, Lafayette, Mishawaka and Muncie. Closures left patients without services, their dental devices or refunds. Zoeller said 294 consumers who filed complaints with the attorney general’s office and submitted a claim form recently received more than $543,360 total via the state’s Consumer Protection Assistance Fund (CPAF).

IOWA

January 23, 2014

Urbana Used Car Dealer Agrees to Refund Improper Charges, Follow Iowa Truth in Lending Act

An Urbana used car dealer will refund fees it improperly collected from customers after Attorney General Tom Miller alleged the dealership collected finance charges and fees it was not entitled to collect, and improperly repossessed vehicles.

In an agreement with Urbana Motors Inc., called an Assurance of Discontinuance, the dealership agreed to refund fees that state law did not entitle it to collect. Those fees included late fees assessed before ten days after a payment due date.

Urbana Motors has also agreed to follow Iowa’s Truth in Lending Act, including accurately disclosing total sales prices, annual percentage rates (APRs), total payments, and total amounts financed.


KENTUCKY

January 28, 2014

Attorney General Conway Files Complaint against Propane Provider

Attorney General Jack Conway today filed a complaint in Franklin Circuit Court against a Kentucky propane gas provider for alleged violations of the Kentucky Consumer Protection Act. It also sought, and was granted, a restraining order to allow customers of United Propane Gas, Inc. (UPG) and its 23 subsidiaries to secure propane from another supplier without a written release from UPG until February 3, 2014. A written release by a tank owner/supplier is normally required by Kentucky law before another supplier is allowed to fill the tank. The court’s restraining order suspends that requirement in this instance.

LOUISIANA

January 17, 2014

AG’s Office Recovers $8,000 for Couple in Rent-to-Own Deal Gone Bad

A Baton Rouge couple wronged in a rent-to-own home deal got their $8,000 deposit back this week with the help of the Attorney General’s Consumer Protection Section.

The young married couple had dreams of someday owning the modest brick home they were leasing, putting down a hefty deposit and making monthly rent payments. But their homeownership dreams came to a halt when the current owner of the Sherwood Forest area property decided he no longer wanted to sell it.

Deidre Robert, Deputy Director of the Attorney General’s Public Protection Division, said her office pursued the matter after the couple filed a complaint because their deposit had not been refunded.

http://www.ag.state.la.us/Article.aspx?articleID=804&catID=2

MASSACHUSETTS

January 17, 2014

Former Lawrence Attorney Found Guilty on All Counts in Connection with Stealing More Than $1 Million From Clients: Defendant Stole Money for His Personal Use

A now-disbarred Lawrence attorney was found guilty of stealing more than $1 million from multiple clients through a series of financial schemes, Attorney General Martha Coakley and Middlesex District Attorney Marian Ryan announced today.

After a nine-day trial, Phillip Thompson, age 35, of Lawrence, was found guilty yesterday by a Middlesex Superior Court jury on the charges of Larceny over $250 from a Person over Sixty and Larceny over $250 (8 counts). He will be sentenced in Middlesex Superior Court on Jan. 30.

“This defendant stole more than one million dollars from vulnerable clients, including non-English speakers and in one case, someone over the age of
sixty,” AG Coakley said. “He abused his stature as an attorney to operate a scheme that spanned two counties and involved multiple victims who trusted him with their money, only for him to violate that trust. This result is due to the joint efforts of our office and the Middlesex DA’s Office.”


January 14, 2014

Attorney General Martha Coakley Announces That Former Officer of Cape Cod Disabled Veterans Organization Was Arraigned for Stealing $125,000

Allegedly Diverted Funds to Himself and Created Unrelated Organizations to Defraud Donors Who Believed They Were Supporting Disabled Veterans

A former officer of the Cape Cod chapter of Disabled American Veterans, Inc. has been arraigned in connection with allegedly stealing approximately $125,000 from the charitable organization, Attorney General Martha Coakley announced today.

Richard Trott, Sr., age 62, of East Sandwich, was arraigned today in Barnstable Superior Court on the charge of Larceny over $250, where he pleaded not guilty. Superior Court Judge Gary Nickerson set bail at $5,000 cash, with the condition that Trott not leave the Commonwealth.

The AG’s Office began an investigation in May 2013 after the matter was referred by the Cape and Islands District Attorney’s Office. Trott was the former President of the Disabled American Veterans, Inc. (DAV) of the Cape and Islands, Chapter 96. DAV is a national charitable corporation that was congressionally-chartered in 1932 for the sole purpose of representing the interests of disabled veterans and their families. Each state has a department of the DAV and each state department, in turn, is comprised of multiple chapters.

Authorities allege that from 2009 to 2011, Trott stole approximately $125,000 from the organization. Investigation revealed that Trott transferred funds from DAV accounts into his own personal accounts and continuously withdrew DAV money for his own personal use, using ATMs and checks payable to himself.
Further investigation also revealed that Trott allegedly created several organizations with names intentionally similar to the DAV in an effort to defraud donors who believed they were donating to help disabled veterans. Authorities allege that Trott diverted money intended for the Chapter 96 DAV into these unrelated organizations, which included “Cape Disabled Veterans Home, Inc.,” “Disabled Veterans Association of Cape Cod and the Islands,” and “United Veterans Council of Cape Cod and the Islands, Inc.”


MINNESOTA

January 8, 2014

Attorney General Lori Swanson Sues Minnesota Debt Buyer For Charging People 21.75 Percent Interest They Did Not Owe In Some Cases, Bradstreet Got Minnesota Courts to Enter Judgments Against Unrepresented People for the Unlawfully High Interest by Representing that the Interest Was Owed

Minnesota Attorney General Lori Swanson today filed a lawsuit against Bradstreet & Associates, LLC, a Minnesota debt buyer, for charging people up to 21.75 percent annual interest they did not owe on old bank accounts sold and charged off by two large national banks. In some cases, Bradstreet got Minnesota courts to enter default judgments against unrepresented people for the unlawfully high interest after it represented to the courts that the interest was owed. Interest of 21.75 percent is more than three times the six percent statutory rate of interest allowed by Minnesota law.

http://www.ag.state.mn.us/Consumer/PressRelease/20140108DebtBuyerInterest.asp

MISSISSIPPI

Supreme Court Affirms AGO’s Right to File Lawsuits in State Court

In a case brought by Attorney General Jim Hood, the U.S. Supreme Court today unanimously upheld the right of attorneys general across the country to
enforce their state’s laws in state court. The Supreme Court ruled in Mississippi ex rel. Hood v. AU Optronics Corp. that a state attorney general asserting state law claims for damages incurred by its citizens can have that case resolved by its state court, and is not required to be removed to federal court under the Class Action Fairness Act (CAFA).

All nine Justices agreed to reverse the Fifth Circuit Court of Appeals’ ruling that the State’s antitrust and consumer protection enforcement suit could not proceed in Mississippi state court. The Fifth Circuit had encroached on state courts’ rights to hear important public matters by significantly broadening the interpretation of what can constitute a federal “mass action.” Under CAFA, that requires the presence of 100 or more individual “plaintiffs.” The Fifth Circuit had ruled that, despite the State Attorney General being the only plaintiff in the case, the court would treat all Mississippi residents as “plaintiffs” so that CAFA’s 100 person requirement could be considered satisfied, depriving the state courts of the right to interpret their own laws.


MISSOURI

January 28, 2014

Attorney General Chris Koster Announces Consumers Will Get Refunds In Auto Service Contract Settlement

Attorney General Chris Koster said today his office has reached a settlement with the owners of a former St. Charles-based vehicle extended-service-contract seller, Dealer Warranty Services, LLC, which also did business under the name "Certus" and "Certus Assurance Group." Under the terms of the settlement, the company and its vice president and president, Theodore Conrad and Jeff Zykan, are ordered to pay $60,000 to settle claims of deception, unfair practices, and unlawful insurance practices. The men are permanently prohibited from selling unlawful vehicle service contracts in Missouri.

According to Koster, Dealership Warranty Services marketed throughout the United States primarily through direct mail advertisements, urging consumers to call for a limited-time extended warranty program to save thousands of
dollars on repair bills. Once on the phone, salespeople would sell vehicle breakdown coverage with a generalized and often misleading description of the coverage. Many customers later discovered their contracts were actually provided by a third party, and did not contain the coverage promised. Consumers who asked for refunds faced numerous objections and delays.

http://ago.mo.gov/newsreleases/2014/Consumers_get_refunds_auto_service_contract_settlement/

January 27, 2014

**Attorney General Koster Announces Investigation On Propane Gas Price Spikes**

Attorney General Chris Koster announced his office is investigating the cause of the recent rise in the price of propane gas, and will issue a report when the inquiry is complete. On January 24, 2014, Koster received a request from Senator Mike Parson to conduct an investigation, and forty consumers have filed complaints with the Attorney General's Consumer Protection Division about the increased costs. Consumers indicate that the price charged for propane gas increased from approximately $1.94 in December, 2013, to approximately $5.00 in recent days.

http://ago.mo.gov/newsreleases/2014/Attorney_General_Koster_announces_investigation_on_propane_gas_price_spikes/

January 2, 2014

**Attorney General Chris Koster announced that a St. Louis-area web designer accused of ripping off customers for $12,000**

Attorney General Chris Koster today announced that his office is suing Stadia Studio, LLC and Michael Allton, of St. Charles County, for failing to provide website design, development, and hosting services after receiving down payments from clients.

According to the civil lawsuit filed in the St. Charles County Circuit Court, Stadia Studio solicited clients for website services, often through Craigslist. The company required clients to provide an "initial retainer" of fifty percent of the total contract price before work began on a project. The company failed to
provide contracted web design services for at least eleven customers, and ceased communicating with them when they requested refunds. Koster’s suit alleges that Stadia Studio cheated these eleven consumers out of approximately $12,000.

http://ago.mo.gov/newsreleases/2014/AG_Koster_sues_StLouis_web_designer_cheating_customers/

NEVADA

January 22, 2014

Attorney General Masto Announces Sentencing of a Las Vegas Man Who Swindled Elderly Investors: Land Developer Ordered to Repay $1.3 Million to Victims

Nevada Attorney General Catherine Cortez Masto announced that Hans Seibt, 72, of Las Vegas, was sentenced to the maximum term of ten years in prison for swindling investors in a land development scheme.

“Seibt had a track record of targeting his fellow elders, many of who lost their life savings through his Ponzi scheme,” said Masto. “This activity will not be tolerated. We will continue to protect seniors in our community.”

Seibt will be eligible for parole after serving four years of his sentence. In addition to the prison sentence, Judge Kathleen Delaney ordered him to pay nearly $1.3 million restitution to victims identified in the indictment. Seibt was permanently banned from engaging in securities transactions and must cooperate with any efforts to locate assets.

http://ag.nv.gov/News/PR/2014/Miscellaneous/Attorney_General_Masto_Announces_Sentencing_of_a_Las_Vegas_Man_Who_Swindled_Elderly_Investors/

NEW JERSEY

January 31, 2014

Acting Attorney General John J. Hoffman Announces Travel Company Owner Sentenced to State Prison for Stealing Millions of Dollars from His Customers
Acting Attorney General John J. Hoffman announced that a Burlington County, N.J., man who stole millions of dollars from customers of his vacation travel club companies was sentenced to state prison today.

Daryl Turner, 42, of Marlton, N.J., was sentenced to seven years in state prison by Superior Court Judge Terrence R. Cook in Burlington County. He pleaded guilty on Aug. 7 to second-degree theft by deception. Turner admitted that he pitched phony vacation travel membership packages to customers. He executed a consent judgment to pay restitution of approximately $2.6 million to his victims.

Turner’s wife, Robyn Bernstein, 44, who helped run his travel companies, was sentenced today by Judge Cook to five years of probation. She also pleaded guilty on Aug. 7 to theft by deception. Under their plea agreements, Turner and Bernstein agreed to forfeit their home in Marlton and other assets seized in the investigation, including bank accounts, cars and a boat.

http://nj.gov/oag/newsreleases14/pr20140131a.html

January 29, 2014

**Acting Attorney General John J. Hoffman and the NJ Division of Consumer Affairs Settles With Company That Modifies Minivans for Wheelchair Accessibility to Protect Against Potentially Deadly Safety Defects**

Acting to protect consumers against potentially deadly safety defects in minivans that had been modified for wheelchair accessibility, the New Jersey Division of Consumer Affairs today announced a settlement with the Kansas-based company that performs the modifications.

The potential fire and explosion hazards were discovered by the Division of Consumer Affairs, during its investigation into complaints by a New Jersey consumer who was concerned about a check engine light in her modified minivan.

http://nj.gov/oag/newsreleases14/pr20140129a.html
January 10, 2014

**Acting Attorney General John J. Hoffman and the NJ Division of Consumer Affairs Fines 26 Unlicensed Movers Nabbed in “Operation Mother’s Attic” Sting**

Acting Attorney General John J. Hoffman and the New Jersey Division of Consumer Affairs are citing 26 unlicensed moving companies with violating state law, and assessing civil penalties of $2,500 each, as the result of an undercover sting operation.

In addition, two of the companies face additional civil penalties of $25,000 from the Federal Motor Carrier Safety Administration (FMCSA), which participated in the State-led sting operation.

“Operation Mother’s Attic,” led by the State Division of Consumer Affairs, focused on moving companies that solicited intrastate moves – from point to point within New Jersey – without a State license, in violation of New Jersey law. The 26 companies were cited by the State for this reason. FMCSA filed its additional penalties against two of the movers because FMCSA alleged they performed interstate moves – crossing state lines – without having the Federal operating authority necessary to perform interstate transportation in violation of Federal regulations.

[http://nj.gov/oag/newsreleases14/pr20140113a.html](http://nj.gov/oag/newsreleases14/pr20140113a.html)

January 6, 2014

**Acting Attorney General John J. Hoffman announced that Two Men Plead Guilty to Theft Charges for Operating Bogus Charity Using 9/11 Truck and Never Giving Money to Victims’ Families**

Acting Attorney General John J. Hoffman announced that two New Jersey men pleaded guilty to theft charges today for operating a fraudulent 9/11 charity using a pickup truck painted with the Twin Towers and the names of police and firefighters who died at Ground Zero. They collected thousands of dollars by selling T-shirts and soliciting donations at 9/11 events, but never gave any of the proceeds to the victims’ families or to 9/11 charities as promised.

[http://nj.gov/oag/newsreleases14/pr20140106b.html](http://nj.gov/oag/newsreleases14/pr20140106b.html)
NEW MEXICO

January 28, 2014

AG King Takes Action Against Home Loan Scammers

Attorney General Gary King has taken action against three firms that have taken advantage of homeowners facing foreclosure or who are seeking help with a home loan. Each firm is identified below and consumers who have paid any of these firms are encouraged to contact the Attorney General's Office at 505-222-9100 or 1-800-678-1508.

http://www.nmag.gov/News

NEW YORK

January 29, 2014

A.G. Schneiderman Announces Settlement With EmblemHealth For Failing To Offer Continuation Coverage To Young Adults And Wrongfully Denying Claims For Medical Treatment

After an investigation uncovered widespread violations of New York law requiring health insurers to offer young adults continuation health coverage on their parents’ policies, Attorney General Eric T. Schneiderman announced today that his office has reached a settlement with EmblemHealth, Inc. (“Emblem”), a health insurance company that provides coverage to 3.4 million New Yorkers, through its Group Health Incorporated (“GHI”) and Health Insurance Plan of Greater New York (“HIP”) units. The settlement requires EmblemHealth to offer reinstatement of health coverage to more than 8,000 young adults whose coverage was wrongly terminated, and to pay approximately $90,000 in denied claims.

A.G. Schneiderman Announces Settlement With Western Sky Financial And Cashcall For Illegal Loans Made Over The Internet Companies Agree To Stop Collecting Illegal Interest, Pay Penalties And Restitution

Attorney General Eric T. Schneiderman today announced that his office has reached a settlement agreement with Western Sky Financial, LLC, CashCall, Inc., WS Funding, LLC, and their owners, Martin Webb and J. Paul Reddam, for violations of New York’s usury and licensed lender laws in connection with personal loans they made over the Internet. Under the terms of the settlement, the companies and their owners will cease collecting interest on outstanding loans made by Western Sky to New York consumers, provide refunds to New York borrowers who have paid back more than the principal of their loan plus the legal interest rate of 16%, and pay $1.5 million in penalties.

The companies charged New Yorkers annual rates of interest ranging from 89% to more than 355%. These interest rates far exceed the maximum rate allowed under New York law, which is limited to 16% for most lenders not licensed by the state. None of the companies that were sued were licensed in New York.


A.G. Schneiderman Announces Settlement With Health Care Insurer For Wrongfully Denying Mental Health Treatment Claims

Cigna Denied Coverage For Medically Necessary Nutritional Counseling For Those With Eating Disorders While Permitting It For Those Whose Suffering Was Outside The Behavioral Realm.

After an investigation uncovered the wrongful denial of hundreds of claims for nutritional counseling for mental health conditions, Attorney General Eric T. Schneiderman today announced that his office has reached a settlement with Cigna Corporation, requiring the health insurer to reprocess and pay hundreds of claims for nutritional counseling for mental health conditions, in
particular eating disorders, to members who were wrongfully denied those benefits.

Under the terms of the settlement, the company agrees to comply with Timothy’s Law, New York legislation enacted in 2006 and named for a 13-year-old Schenectady boy who committed suicide after an insurance company denied ongoing coverage for treatment of serious mental health issues, including hospitalizations.


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**NORTH CAROLINA**

*January 13, 2014*

**AG Roy Cooper joins US DOJ to go after Auto Fare, Southeastern Auto Corp.**

Two Charlotte used car dealerships and their owner allegedly target consumers with overpriced vehicles and predatory car loans based on their race and must be stopped, Attorney General Roy Cooper said in a lawsuit filed Monday.

“Charging people inflated prices based on their race isn’t the way to do business in our state,” Cooper said. “These allegations show outrageous behavior that should be stopped.”

Cooper’s Consumer Protection Division joined the Civil Rights Division of the U.S. Department of Justice and the U.S. Attorney for the Western District of North Carolina to file suit in federal court today in Charlotte against two local used car dealerships and their owner.

The complaint alleges that Auto Fare, Inc., Southeastern Auto Corp. and their owner, Zuhdi A. Saadeh, charged African American customers in Charlotte prices far above market rate for vehicles and signed them up for unfair loans. Cooper is asking the court to declare the defendants’ actions illegal under North Carolina’s Unfair and Deceptive Trade Practices Act, order them stopped and require consumer refunds and penalties.

OHIO

January 27, 2014

Attorney General DeWine Seeks Restitution from Two Ohio Contractors

Ohio Attorney General Mike DeWine today announced lawsuits against two Ohio home improvement contractors accused of failing to deliver promised services to consumers.

The lawsuits charge Michael Combs of Fairfield, who did business as Granite Designs, and Michael Evilsizer of Westerville, and his business Buckeye Exteriors, with violations of Ohio’s consumer laws.

“Consumers gave these contractors thousands of dollars for work that was not performed as promised,” Attorney General DeWine said. “We try to resolve the issues out of court, but when months go by with no resolution for consumers, we must move forward.”

Granite Designs, which is no longer in business, offered granite installation services to consumers in Southwest Ohio. Six consumers filed complaints saying they paid an average of about $3,000 for work that was not completed as promised. The Attorney General’s lawsuit, filed in the Butler County Common Pleas Court, charges Combs with failure to deliver, performing shoddy work, and violating the Home Solicitation Sales Act by failing to give consumers proper notice of their right to cancel.


January 15, 2014

Attorney General DeWine Seeks Restitution from Home Improvement Contractor

Ohio Attorney General Mike DeWine today announced a lawsuit against Johnny Poe, a Wellston home improvement contractor accused of performing shoddy and incomplete work.

“When you pay someone thousands of dollars for their services, you deserve to get what you pay for,” Attorney General DeWine said. “When businesses fail to live up to their promises, we will hold them accountable.”
Poe did business as Johnny Poe Construction and JP Construction. The Attorney General’s Consumer Protection Section received three complaints from consumers who said they paid Poe $4,700 to $42,000 for work that was never completed as promised.


January 8, 2014

**Attorney General DeWine Seeks Reimbursement from Five Ohio Car Dealerships**

Ohio Attorney General Mike DeWine today announced five lawsuits his office filed against Northeast Ohio car dealerships for failing to deliver motor vehicle titles as required by law. The Attorney General is seeking more than $32,000 in total reimbursements from the dealerships for payments made to resolve consumers’ complaints.


**OREGON**

January 10, 2014

**Attorney General Ellen F. Rosenblum announces “Work-At-Home” Telemarketers To Quit Oregon, Pay Restitution**

Attorney General Ellen F. Rosenblum today announced an agreement that prohibits The Tax Club, Inc. and associated companies and individuals from telemarketing their products and services to Oregonians. The defendants also agreed to pay full restitution to any of their Oregon customers who complain to the Attorney General’s office.

The telemarketers used deceptive, high-pressure tactics to sell products and services purportedly designed to assist people in building small businesses from their homes. Victims spent thousands, even tens of thousands, of dollars for individualized services such as tax preparation, business planning and counseling, and credit development. In most cases, victims received
nothing for their money. If services were provided, victims complained that they were not tailored to the relevant business and were essentially useless.

http://www.doj.state.or.us/releases/Pages/2014/rel011014.aspx

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**TENNESSEE**

*January 7, 2014*

**Attorney General Cooper Announces Lawsuit against Festiva for Telemarketing Act Violations and Deceptive Business Practices**

Tennessee has filed a lawsuit against various entities operating a 'timeshare' and membership vacation club that allegedly employs deceptive techniques to market their products, Attorney General Bob Cooper and the Tennessee Division of Consumer Affairs of the Tennessee Department of Commerce and Insurance (TDCI) announced today. Tennessee's lawsuit comes after a multi-state investigation of Festiva’s sales and marketing practices. Maine and Louisiana each filed suit against Festiva during December.


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**WISCONSIN**

*January 29, 2014*

**Attorney General J.B. Van Hollen Announces That Outagamie County Jury Finds That Travel Services, Inc., and its Principals, Engaged in Deceptive Practices in the Marketing of Travel Club Memberships to Wisconsin Consumers**

Attorney General J.B. Van Hollen has announced that a consumer protection enforcement action brought by his office has resulted in a jury verdict against a travel club business, Travel Services, Inc., located in Litchfield, Illinois, and its principals, William Bailey and Christy Spensberger, of Carlinville, Illinois. After a six-day trial, the jury found on January 28, 2014, that the defendants engaged in deceptive practices in the marketing of memberships in their travel clubs to Wisconsin consumers, as well as other violations of state consumer protection laws.
The enforcement action also was brought against Going Places Travel Corporation and its owners and operators, Perry Ruiz and Lisa Ruiz, of West Allis, Wisconsin, who marketed memberships in Travel Services’ clubs in Brookfield and Appleton from 2006 to 2009. The court had previously found Going Places, Perry Ruiz and Lisa Ruiz in default in the case.

MULTISTATE CASES AND SETTLEMENTS

January 9, 2014

CareFusion Issues Statement About Previously Disclosed Government Settlement

Today, the U.S. Department of Justice and the Office of Inspector General of the Department of Health and Human Services announced a final settlement agreement with CareFusion to resolve government investigations related to the company's prior sales and marketing practices for its ChloraPrep® skin preparation product and its relationships with health care professionals. CareFusion previously disclosed on April 25, 2013, it had reached an agreement in principle to pay the government approximately $41 million to resolve the allegations. Today's announcement finalizes the matter.

"We are pleased to resolve this matter and are confident we have strong practices, processes and controls in place," said Kieran T. Gallahue, chairman and CEO. "We have made significant investments during the past several years to improve our quality and compliance systems, including our sales and marketing practices, and will continue to do so as part of our commitment to adhering to the highest standards and aligning with best global practices."

In connection with today's announcement, the company paid the settlement, which was previously reserved during the third quarter of fiscal 2013 (ended March 31, 2013).

http://media.carefusion.com/index.php?s=32344&item=136848

January 8, 2014

Manhattan U.S. Attorney Simultaneously Files Additional Healthcare Fraud Claims Against Novartis Pharmaceuticals Corp. And Settles Lawsuit Against Bioscrip, Inc., In Connection With A Multimillion-Dollar Kickback Scheme Involving A Prescription Drug

Suit Alleges Novartis Orchestrated a Kickback Scheme with Bioscrip, Inc., by Referring New Patients and Giving Rebates to BioScrip in Return for Bioscrip
Increasing Refills of Exjade Prescriptions Through Biased Recommendations to Patients, Which Emphasized the Benefits of Refills While Understating Exjade’s Serious, Potentially Life-Threatening Side Effects

BioScrip Agrees to Pay $15 Million and Makes Extensive Factual Admissions to Resolve Claims

Preet Bharara, the United States Attorney for the Southern District of New York, and Ronald T. Hosko, the Assistant Director of the Federal Bureau of Investigation, Criminal Investigative Division (“FBI”), announced today that the United States has filed additional civil healthcare fraud claims in Manhattan federal court against NOVARTIS PHARMACEUTICALS CORP. (“NOVARTIS”) and BIOSCRIP, INC. (“BIOSCRIP”). The Government’s Amended Complaint seeks treble damages and civil penalties under the False Claims Act against NOVARTIS and BIOSCRIP for NOVARTIS providing kickbacks, in the form of patient referrals and in the guise of rebates, to BIOSCRIP in exchange for BIOSCRIP recommending refills to Exjade patients. The lawsuit alleges that, as a result of this kickback scheme, Medicare and Medicaid have paid tens of millions of dollars in reimbursements based on false, kickback-tainted claims for Exjade shipped by BIOSCRIP.

Simultaneous with the filing of the Amended Complaint, U.S. District Judge Colleen McMahon approved a settlement to resolve the United States’ claims against BIOSCRIP. Under that settlement, which takes into account BIOSCRIP’s limited financial resources, BIOSCRIP (i) agrees to pay $11,685,705.43 to the United States; (ii) admits numerous facts concerning its relationship with NOVARTIS; and (iii) agrees to cooperate with the United States in the prosecution of the claims against NOVARTIS. BIOSCRIP has also agreed in principle to pay $3.31 million to a group of States to settle the States’ claims based on the same alleged conduct.

MEDICAID FRAUD CASES AND SETTLEMENTS

ALASKA

January 27, 2014

Municipality of Anchorage Employee Sentenced to One Year in Jail for Fraudulently Billing Medicaid $64,665.47

The Medicaid Fraud Control Unit (MFCU) successfully prosecuted 37 year old Lorie Nabong Batac for falsely billing Medicaid for personal care attendant (PCA) services. Batac worked full time for the Municipality of Anchorage as a property tax assessor and part time for Home Depot. The evidence collected by the MFCU showed that Batac often billed Medicaid for PCA services she claimed to be providing when she was in fact working at Home Depot or simultaneously billing for services provided to two different Medicaid recipients. The evidence further showed that Batac repeatedly billed for providing PCA services to Medicaid recipients while the recipients were traveling internationally or Batac was travelling domestically to Los Angeles and Hawaii. In total, Batac billed Medicaid $64,665.47 for services that were never performed.

http://www.law.state.ak.us/press/releases/2014/012714-BatacMFCU.html

January 24, 2014

Medicaid Fraud Control Unit Reports 26 Convictions for Medical Assistance Fraud Since October 2013

The Medicaid Fraud Control Unit (MFCU) successfully prosecuted 54 year old Clarita Rivera Meneses and 45 year old Romano Clarita Meneses for lying about, and collecting money for, providing personal care services to a Medicaid recipient. In fact, the evidence showed the Medicaid recipient was not in Alaska, let alone the United States, when the Meneses represented they had provided the assistance. The court sentenced the Meneses on January 23, 2014. This is just one of 26 convictions the MFCU has secured since October of 2013, resulting in $105,450.39 in restitution for the State of Alaska.

http://www.law.state.ak.us/press/releases/2014/012414-Convictions.html
ARKANSAS

January 30, 2014

Attorney General Dustin McDaniel Announces Medicaid Fraud Arrest

Attorney General Dustin McDaniel announced today that a Sebastian County health-care worker has been arrested for Medicaid fraud following an investigation by the Attorney General’s Medicaid Fraud Control Unit.

Sondra Torres, 34, of Fort Smith was arrested Wednesday on one count of Medicaid Fraud, a Class C felony. She was released from the Sebastian County Detention Center pending an initial court appearance in Pulaski County.


January 27, 2014

Attorney General Dustin McDaniel Announced that A Craighead County Woman Was Arrested For Medicaid Fraud

Attorney General Dustin McDaniel announced today that a Craighead County health-care worker has been arrested for Medicaid fraud as part of an investigation by the Attorney General’s Medicaid Fraud Control Unit.

Amanda Fielder, 28, of Bono was arrested last week on one count of Medicaid Fraud, a Class C felony. She is accused of billing the state’s Medicaid program for services she did not provide. She was released from the Craighead County Detention Center on her own recognizance.

**CONNECTICUT**

*January 10, 2014*

**Connecticut Joins Global Settlement Resolving Health Care Fraud Allegations against CareFusion Corporation**

Attorney General George Jepsen, Chief State’s Attorney Kevin T. Kane and Department of Social Services (DSS) Commissioner Roderick L. Bremby today announced that Connecticut has joined with other states and the federal government in a global settlement with CareFusion Corporation to resolve allegations of unlawful marketing practices in promoting the sale of Chloraprep, a surgical preparation solution.


**FLORIDA**

*January 30, 2014*

**Attorney General Pam Bondi’s Office and Other Law Enforcement Agencies Arrest Three Levy County Residents for Medicaid Fraud**

Following an investigation by Attorney General Pam Bondi’s Medicaid Fraud Control Unit, three Levy County residents were arrested by the Levy County Sheriff’s Office and the Chiefland Police Department. Allegedly Laurie Meeks and Stephanie Tindall fraudulently billed the Medicaid program for nearly $80,000 for services never rendered, and Barbara Gamble fraudulently billed the Medicaid program for more than $3,500 for services never rendered.


*January 14, 2014*

**Attorney General Bondi’s Medicaid Fraud Control Unit Announces Arrest of Gainesville Woman**

Following an investigation by Attorney General Pam Bondi’s Medicaid Fraud Control Unit, the Alachua County Sheriff’s Office arrested a Gainesville
woman, Lakeisha Anne Roberson, on a felony warrant for Medicaid fraud and
grand theft for allegedly defrauding the Medicaid program out of more than
$12,000. The Florida Department of Children and Family Services referred the
case to the Medicaid Fraud Control Unit.


January 10, 2014

**Attorney General Bondi’s Office Announces Medicaid Fraud Conviction**

Attorney General Pam Bondi announced the conviction of Lake County
resident, Randall Ritch, for Medicaid fraud, operating an unlicensed health
care clinic, and identity theft. Ritch pled guilty to four felony counts, and he
was sentenced to 15 years of probation and was ordered to pay more than
$83,000 in restitution to the Florida Medicaid program.

http://www.myfloridalegal.com/newsrel.nsf/newsreleases/FDFE5F3F940F4E0A85257C5C00726FA3

January 8, 2014

**Attorney General Pam Bondi’s Office Arrests Naples Woman for More Than $60,000 in Medicaid Fraud**

Attorney General Pam Bondi announced today that her office arrested a
Naples woman on charges of Medicaid fraud and grand theft for allegedly
defrauding the Medicaid program out of more than $60,000. Barbara Hilliard
Brown was arrested today on a felony warrant by investigators from the
Attorney General’s Medicaid Fraud Control Unit, with assistance from the
Collier County Sheriff’s Office. The Florida Agency for Persons with Disabilities
referred the case to the Medicaid Fraud Control Unit.

http://www.myfloridalegal.com/newsrel.nsf/newsreleases/B8E66F01FDEDD71385257C5A004E76F7
GEORGIA

January 8, 2014

Atlanta Woman Pleads Guilty to Falsely Claiming to Treat Deceased Medicaid Patient

On Wednesday, January 8, 2014, Jeannette Mary Hokanson, of Atlanta, pled guilty in Fulton County Superior Court to one count of Identity Fraud (O.C.G.A. § 16-9-120), one count of Forgery in the First Degree (O.C.G.A. § 16-9-1) and one count of False Statements and Writings (O.C.G.A. § 16-10-20) for fraudulently billing Georgia Medicaid.


IDAHO

January 10, 2014

Attorney General Lawrence Wasden Sentences Caldwell Couple in Medicaid Fraud

A Caldwell couple convicted in a Medicaid fraud case has been ordered to pay $11,888 in restitution to the Idaho Department of Health and Welfare, Attorney General Lawrence Wasden said. The sentences were handed down by 4th District Judge Melissa Moody against Michael Wallace, 45, and his wife, Heather Wallace, 42.


KANSAS

January 16, 2014

Wilson County woman ordered to repay $50,000 for Medicaid Fraud

A Wilson County woman was ordered today to repay more than $50,000 to the Kansas Medicaid program after pleading no contest to 15 charges of Medicaid Fraud, Kansas Attorney General Derek Schmidt said.
January 8, 2014

**Kansas Attorney General Derek Schmidt orders Independence man to repay $13,000 for Medicaid Fraud.**

An Independence man was ordered Tuesday to repay more than $13,000 to the Kansas Medicaid program after pleading no contest to charges of Medicaid Fraud, Kansas Attorney General Derek Schmidt said.


**KENTUCKY**

January 28, 2014

**Attorney General Jack Conway Announced That Saint Joseph London Hospital Agreed to Pay $16.5 Million to Settle False Claims Act Allegations**

Attorney General Jack Conway today announced that Saint Joseph London Hospital has agreed to pay $16.5 million to resolve civil allegations that it submitted false or fraudulent claims to the Medicare and Kentucky Medicaid programs for a variety of medically unnecessary heart procedures.


**LOUISIANA**

January 17, 2014

**Marrero woman arrested for stealing from Medicaid patients**

A Marrero woman has been arrested for stealing more than $13,000 from three Louisiana Medicaid recipients, announced Attorney General Buddy Caldwell.
Shelisa Gilbert, 40, of 2513 Mesa Drive, surrendered on Tuesday to investigators with the Louisiana Attorney General’s Medicaid Fraud Control Unit (MFCU). She was charged with three felony counts of exploitation of the infirmed after a complaint was received from the Louisiana Department of Health and Hospitals.

http://www.ag.state.la.us/Article.aspx?articleID=803&catID=2

MARYLAND

January 6, 2014

AG Gansler: Home Health Care Company Pays $500K in Medicaid Fraud Settlement

Attorney General Douglas F. Gansler announced today that A1 Reliable Medical & Healthcare Services, Inc. ("Reliable"), based in Pikesville, will pay $500,000 to the State of Maryland to resolve allegations that the company submitted improper claims for payment to the Medicaid program.

http://www.oag.state.md.us/Press/2014/010614.html

MICHIGAN

January 10, 2014

Attorney General Schuette Announces Felony Charges Against 11 In-Home Care Workers for Medicaid Abuse

Attorney General Bill Schuette today announced felony charges against 11 individuals from across Michigan for allegedly abusing the Medicaid-funded Independent Living Services Program (Home Help Services Program). In many cases the defendants, who were often family members of the Medicaid beneficiaries, allegedly received checks for services rendered to the beneficiaries after they died.

http://www.michigan.gov/ag/0,4534,7-164-46849-319264--,00.html
NEW YORK

January 7, 2014

A.G. Schneiderman Announces Two-Year Prison Term For Licensed Practical Nurse In NYC Home Care Scam

Attorney General Eric T. Schneiderman today announced that Roxanne McKen, a licensed practical nurse from Baldwin, N.Y., hired to provide home care for a seriously disabled child, was sentenced to two years in prison for stealing nearly $940,000 from the New York State Medicaid program by billing for hours she did not work or that were paid by a private insurance policy during a seven-year period.


January 8, 2014

A.G. Schneiderman Announces Lawsuit Against Pharmaceutical Giant Novartis And Related $15 Million National Settlement With New York Pharmacy In Alleged Kickback Scheme

Attorney General Eric T. Schneiderman today announced that his office has filed a lawsuit alleging that Novartis Pharmaceuticals Corporation, headquartered in New Jersey, paid kickbacks to a New York-based pharmacy company to boost sales of the company’s iron-reduction drug, Exjade, which is often prescribed to patients who need regular blood transfusions. The Attorney General also announced an agreement in principle with BioScrip, Inc., in which the pharmacy, located in Elmsford, N.Y., will pay a total of $15 million to cover costs to Medicaid and Medicare nationally for excessive Exjade prescriptions. Under the agreement, BioScrip will pay $895,000 to resolve kickback claims relating to New York Medicaid recipients.

TEXAS

January 11, 2014

Texas Attorney General Greg Abbott Charges Mission Man Indicted for Health Care Fraud in State and Federal Probe

McAllen Area Ambulance Company Owner Charged with Multiple Health Care Fraud Allegations

The owner of a McAllen area ambulance transportation company has turned himself into federal authorities following the return of a federal indictment alleging a scheme to defraud Medicare and Texas Medicaid through fraudulent billings, announced United States Attorney Kenneth Magidson and Texas Attorney General Greg Abbott.

https://www.texasattorneygeneral.gov/oagnews/release.php?id=4626

January 7, 2014

Texas Attorney General’s Office Secures $25 Million Agreement with Drug Manufacturer over Medicaid Fraud Allegations

Texas Attorney General Greg Abbott today announced the resolution of a civil Medicaid fraud investigation that will yield more than $10 million for the State of Texas. According to the State’s investigation, New York-based pharmaceutical manufacturer Hi-Tech Pharmacal Co., Inc. reported fraudulently inflated generic drug prices to the Medicaid program.

https://www.texasattorneygeneral.gov/oagnews/release.php?id=4622

WASHINGTON

January 21, 2014

Attorney General Bob Ferguson Announces that a King County woman sentenced in Medicaid Fraud case

A King County woman was sentenced today to a month of community service and ordered to pay full restitution after being convicted of First Degree Theft and four other felony counts of Medicaid False Statement.
Naomi Uhi was a paid individual care provider for a Medicaid recipient. Uhi continued to bill the Medicaid program for four months after the recipient passed away. The Attorney General’s Office Medicaid Fraud Control Unit investigated and filed charges.

http://www.atg.wa.gov/pressrelease.aspx?id=31784#.UuGB2bQo7cs

January 08, 2014

**State and federal Medicaid to share $15M from BioScrip to resolve kickback allegations**

Washington state will receive a total of roughly $98,000 as part of a $15 million state-federal settlement with BioScrip, Inc., a pharmacy that provided prescription drugs to Medicaid patients.

The settlement resolves allegations that BioScrip received kickbacks from Novartis Pharmaceuticals Corporation to promote Novartis' drug Exjade directly to patients under the guise of a patient education program. Exjade was approved by the Food and Drug Administration in late 2005 for the treatment of chronic iron overload due to blood transfusions.

Washington’s total share of the settlement is roughly $98,000 with nearly $43,000 returning directly to the state Medicaid program. Another $55,000 will be returned to the federal government for its share of Washington’s Medicaid program. The federal government matches state funds to support the Medicaid program in Washington.

http://www.atg.wa.gov/pressrelease.aspx?id=31621#.Us7O_bS9rD4
U.S. Trade Agreements Should Not Apply to Tobacco

The National Association of Attorneys General (NAAG) sent a letter today to the U.S. Trade Representative (USTR) urging him to exclude tobacco and tobacco products when negotiating all international trade and investment agreements. This would preserve the ability of state and local governments to regulate tobacco products to reduce use and protect the public health.

Negotiations are currently underway for the Trans-Pacific Partnership (TPP) agreement, and the USTR’s draft proposal addressing tobacco would not adequately protect state and local regulation, according to NAAG.

“As the chief legal officers of our states, we are concerned about any development that could jeopardize the states’ ability to enforce their laws and regulations relating to tobacco products,” reads the NAAG letter signed by 45 state and territorial attorneys general. “Experience has shown that state and local laws and regulations may be challenged by tobacco companies that aggressively assert claims under bilateral and multilateral trade and investment agreements.... Such agreements can enable these tobacco companies to challenge federal, state and local laws and regulations under standards and in forums that would not be available under United States law.”

The attorneys general believe “there is no policy justification for including tobacco products in agreements that are intended to promote and expand trade and investment generally.”

The NAAG letter can be found here: http://www.naag.org/sign-on_archive.php

http://www.naag.org/u.s.-trade-agreements-should-not-apply-to-tobacco1.php
CONNECTICUT

January 16, 2014

Consumer Advisory: Consumer Counsel, AG Warn Electric Supplier Customers to Check Their Rates; Thousands of Connecticut Residents Currently on Rates above 17 Cents per Kwh, Some More than Double Current Standard Offer Price

Consumer Counsel Elin Swanson Katz and Attorney General George Jepsen, alarmed by a sharp spike in electric rates for some consumers, urged customers of electric suppliers to check the rate on their electric bills, or to contact their electric suppliers for information on their rate.

The Office of Consumer Counsel (OCC) has confirmed with Connecticut Light and Power (CL&P) that the following electric suppliers currently have at least some customers on rates higher than 17 cents per kilowatt hour (kWh): Discount Power, Choice Energy, Palmco Power, Starion Energy, Public Power, NextEra Energy, HOP Energy, Xoom Energy, Blue Pilot Energy, and Perigee Energy. Other customers have been charged rates as high as 24.9 cents per kWh on their latest bills, according to CL&P.


January 7, 2014

Courtney, Jepsen Call on Congress to Extend Critical Mortgage Tax Provision

Today, Congressman Joe Courtney (CT-2) and Connecticut Attorney General George Jepsen highlighted the need to extend tax relief for forgiven mortgage debt. The tax provision, which allowed taxpayers to exclude “income” from mortgage modifications, short sales, and foreclosures from being subject to federal income taxes, expired at the end of last year. The provision was originally enacted in 2007, and was one of 55 tax provisions that the Republican-led House of Representatives allowed to expire last month.

DELAWARE

January 28th, 2014

AG Biden, Legislators Target Charities Fraud

Delawareans will be able to validate charities soliciting in the state before they donate under legislation that is moving through the General Assembly.


The measure was drafted with the support of the Delaware Alliance for Non-Profit Advancement and many of the state’s largest charitable organizations.


KANSAS

January 22, 2014

AG Schmidt: Expand No-Call Act To Cell Phones

The Kansas No-Call Act should be expanded to cover consumers’ cellular telephone numbers, Kansas Attorney General Derek Schmidt said today.

Schmidt announced at a news conference that he is proposing a bill to update the Kansas No-Call Act to allow his office to enforce violations against telemarketers who target consumer’s cellular phone numbers registered on the federal Do-Not-Call list. Senator Pat Apple (R-Louisburg), chairman of the Senate Utilities Committee, and representatives of Kansas AARP, AT&T, Sprint and Verizon joined Schmidt and announced their support for the bill.

January 21, 2014

AG Schmidt And Sec. Jordan: Tax ID Theft On The Rise

Kansas Attorney General Derek Schmidt and Revenue Secretary Nick Jordan today reminded Kansans to be mindful of attempts to steal personal information during tax filing season.


MAINE

January 31, 2014

AG Mills and Legal Services for the Elderly partner to focus on legal response in cases of elder financial abuse

Attorney General Janet T. Mills and Legal Services for the Elderly announced the formation of a task force to address barriers to the prosecution of financial exploitation and other serious crimes against the elderly.

“For many years the Attorney General’s Office and the District Attorneys have prosecuted crimes against the elderly,” AG Mills stated. “But with the aging of our State’s population, these crimes have become more prevalent. We need to encourage older citizens to report crimes and to assure them that their personal and financial security is paramount, that their input is valuable and that the criminal justice system will treat them fairly.”


MASSACHUSETTS

January 30, 2014

AG Coakley Statement on Senate Legislation to Delay Flood Insurance Rate Hikes

In an effort to delay massive flood insurance rate hikes for homeowners across the country, the U.S. Senate today approved bi-partisan legislation
that postpones rate increases until the Federal Emergency Management Agency (FEMA) assesses the impact of an overhaul to the flood insurance program. Attorney General Martha Coakley, who has staunchly opposed the rate increases, issued this statement:

“I thank the Senate, and particularly Senators Warren and Markey, for taking this crucial step forward in the fight to keeping families in their homes at a time when we’re still recovering from the housing foreclosure crisis that crippled our economy. There is no question that dramatically increased flood insurance rates will cause thousands of homeowners to lose their homes and it is our hope that the House will also pass legislation to prevent that from happening.”

[Link to statement]

MISSOURI

January 30, 2014

Missouri Attorney General Chris Koster Warns About Consumer Alert: One ring scam

Missouri Attorney General Chris Koster today warned Missourians about a scam that can rack up unauthorized charges on your monthly cell phone bill. It’s commonly referred to as the "One Ring" scam -- the scammers call your cell phone, let it ring once, and then hang up. The scam works when the target returns the missed call to the number on her caller ID.

Most of the calls come from numbers outside the U.S., especially Grenada, which has a 473 area code. When the target of the scam calls the number back, she can be charged $20 for the international call, plus additional per-minute charges for "premium services." Returning the call also confirms for the scammer that he has reached a working number, which can then be sold to unscrupulous overseas telemarketers.

[Link to warning]


http://ago.mo.gov/newsreleases/2014/Consumer_Alert_one_ring_scam/
NEBRASKA

January 24, 2014

Automated Call Scam Targets Nebraskans

Attorney General Bruning issued a consumer alert for Nebraskans to be wary of scam phone calls from (206) 9588754 that instruct receivers to reactivate a suspended or compromised debit card. The Attorney General’s Office has received seven reports of this scam today


NEW MEXICO

January 28, 2014

AG Clarifies Consumer Protection Rule for Auto Sales: Interpretation of Statute Requiring Inspections Prior to Sale

Attorney General Gary King today announced his office has completed a two year process to improve New Mexico consumer protection involving auto sales.

The clarification, in the form of what is termed a Rule, interprets the provision in the Unfair Practices Act that requires motor vehicle dealers to inspect motor vehicles for prior damage or alteration and disclose that information, in writing, to the retail purchaser prior to the sale. The UPA requires licensed dealers to provide purchasers with a notarized affidavit for vehicles sold that have repair costs from previous damage or alterations that total 6% or more of the sales price.

http://www.nmag.gov/News

NORTH CAROLINA

January 29, 2014

Price gouging law in effect, says AG Cooper: Watch out for rip offs as winter storm hits NC
North Carolina’s strong price gouging law is in effect because a state of emergency has been declared due to a winter storm, Attorney General Roy Cooper notified businesses and consumers today.

“It’s wrong to use a crisis as an excuse to make an unfair buck,” said Cooper. “Most businesses pull together to help their community when bad weather hits, but if someone is using this storm to try to rip you off, we want to know about it.”


OHIO

January 17, 2014

Ohioans Report Losing Money to Debt Collection Scams

Ohio Attorney General Mike DeWine today warned Ohioans to be wary of phony calls claiming consumers owe money. The office received more than 2,400 collections complaints in 2013, and hundreds of those complaints involved potential scams.

Consumers who are taken advantage of by debt collection scams often report losing $200 to $300, though some lose thousands.


January 10, 2014

Attorney General DeWine Announces Top Consumer Complaints of 2013

Ohio Attorney General Mike DeWine today announced the top ten list of consumer complaints filed in 2013.

“Consumer complaints help us determine which issues are most affecting Ohioans,” Attorney General DeWine said. “We handle complaints through our informal dispute resolution process to assist consumers and businesses in
reaching a mutual agreement to resolve the issue. We're here to help.”

The 2013 top 10 consumer complaint categories were:

1. Motor Vehicles
2. Collections, Credit Reporting, or Financial Services
3. Do Not Call
4. Internet, Phone, or TV Services
5. Household Goods or Property Improvement
6. Professional Services
7. Shopping, Food, or Beverages
8. Health and Beauty
9. Sweepstakes or Prizes
10. Mortgage


RHODE ISLAND

January 23, 2014

AG Kilmartin Urges Passage of Credit Card Surcharge Prohibition Legislation

Citing the legislation as an important consumer protection, Attorney General Peter F. Kilmartin today announced his support for 2014 H7007, "An Act Relating to Commercial Law – General Regulatory Provisions – Surcharges on Credit Card Transactions," sponsored by Representative John J. Lombardi. If passed, the legislation would prohibit retailers from imposing a surcharge on any consumer who uses a credit card in a transaction in lieu of cash or check. The legislation would not prohibit retailers from providing a discount for those who use cash or checks in transactions (i.e. gas stations).

http://www.ri.gov/press/view/21158
SOUTH DAKOTA

January 30, 2014

Utility Bill Scams Targeting South Dakota Businesses

Attorney General Marty Jackley is warning South Dakota businesses to be cautious of a utility bill scam that is making its way across the state. The Attorney General’s Consumer Protection Division has received several phone calls from businesses located in central South Dakota who have been a target of this scam. The phone call begins with an individual who claims to be collecting a debt on a late utility bill on behalf of a local utility company. The caller then threatens the business with utility shut off if the bill is not paid immediately.


January 17, 2014

Attorney General Jackley Warns of IRS Phishing Scam

Tax season is upon us and Attorney General Marty Jackley is warning consumers of the Internal Revenue Service (IRS) related scams that target tax payers. Consumers will begin to receive emails or text messages from individuals claiming to represent the IRS, informing the recipient about their tax refund and seeking personal and financial information.

The bogus email informs the recipient that they are eligible to receive a certain tax refund amount. It then directs the recipient to a link contained in the email to access a form to obtain their refund. The link then asks for the personal and financial information. The official IRS website is www.irs.gov, but the look-alike sites which use a few different keystrokes are set up to redirect consumers to bogus websites.

VERMONT

January 24, 2014

Attorney General’s Office Warns About Facebook “Unclaimed Money” Scam

The Vermont Attorney General’s Office has been notified of a scam targeting Facebook users. After gaining access to an individual’s account, the scammer sends a message to the entire “friends” contact list telling the contacts that their names are on the U.S. Treasury’s Department’s unclaimed funds list. The message gives an email address and number to call to obtain a distribution. When contacted, the scammer asks the consumer to wire money via Western Union to pay for taxes and fees in order to obtain the cash distribution. Scammers have accessed the personal Facebook account of at least one Vermont Legislator and contacted the Legislator’s “friend” list.


January 3, 2014

Attorney General’s Office Warns About Scam School Project Request For Funding

The Vermont Attorney General’s Office has received reports from Vermont businesses about a scam telephone call asking area businesses to support a project on behalf of their local school. The caller states that he or she is calling on behalf of the school and may give the name of an administrator or teacher who is alleged to be running the project. While the project may change, to date several businesses have been asked to pay for an advertisement to fund a magnet with the school’s contact information. At least one business received a follow-up email identifying the scam business as ALL SCHOOL FUNDRAISING (ASF) from San Antonio, Texas. The scam business may also be identified as ASC. The calls are currently coming from out of state numbers (201 area code), but calls may also be made from other area codes.

WISCONSIN

January 28, 2014

Attorney General J.B. Van Hollen Announce That Beloit Woman sentenced for medicaid fraud

Attorney General J.B. Van Hollen announced today that a Beloit woman has been sentenced in Walworth County on convictions for Medicaid fraud and falsification of patient health care records. Lara Skrzyczynski appeared before Walworth County Circuit Court Judge David M. Reddy on January 24, 2014, and was placed on probation for three years, with a condition of 90 days in jail. She also was ordered to pay $45,786.87 in restitution, with payments beginning on March 1, 2014; if she fails to make restitution, she may receive an additional six months in jail. Other probation conditions include AODA assessment and follow-through, mental health assessment and payment of court costs.