This newsletter is the fourth 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.

To sign up for the monthly consumer protection report, please click on the link below and enter your contact information.

Newsletter sign up: [http://stateag.us4.list-manage.com/subscribe?u=9c3bb47bb6aba00473adb0c58&id=fdba3bae7b](http://stateag.us4.list-manage.com/subscribe?u=9c3bb47bb6aba00473adb0c58&id=fdba3bae7b)

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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Arkansas

February 20, 2014

Attorney General Dustin McDaniel Sues Online Advertiser

Attorney General Dustin McDaniel filed a lawsuit today against a New Jersey-based online advertiser for attempting to coerce Arkansas businesses into paying for services the businesses did not authorize.

Electronic Media Marketing Group, Inc., which does business as General Yellow Pages, is accused of violating the federal Telemarketing and Consumer Fraud and Abuse Prevention Act, the federal Telemarketing Sales Rule and the Arkansas Deceptive Trade Practices Act. McDaniel’s lawsuit was filed in U.S. District Court in Little Rock.

(Click here to view the complaint.)

McDaniel accused General Yellow Pages of attempting to convince business owners that the businesses had agreed to a “free trial” of advertising, and because the service was not affirmatively canceled, they were obligated to pay hundreds of dollars for an additional year of advertising services. The defendant would then send $599.95 invoices to the businesses.

The businesses had never agreed to an advertising “free trial” and the businesses had never sought paid advertising from General Yellow Pages, according to the suit.

“In this audacious scheme, the defendant sought to deceive Arkansas business owners into paying for a service they had never heard of,” McDaniel said. “When businesses didn’t fall for the scam, the defendant continued to send bills, make repeated phone calls and threaten collection actions. I am confident that the Court will make sure these illegal actions are ended.”

Attorney General Kamala D. Harris today announced the arrest of seven suspects who have been charged in a mortgage fraud scheme that defrauded more than 1,550 Inland Valley homeowners seeking loan modification services during California’s foreclosure crisis.

The felony complaint alleges that Nehad “Nick” Ayyoub Ayyoub, 57, of San Bernardino and president of The Firm Loans, Insurance and Investments Inc. and First Choice Debt Solutions Inc., along with his six colleagues, Ghydan Ayyoub Rabadi, 38, of Los Angeles, Zaid Rabadi, 49, of Los Angeles, James Clemons, 55, of Riverside County, Wissam Ismail, 32, of Riverside County, Eddie Mercado, 57, of San Bernardino, and Majid Safaie, 60, of Orange County, deceived homeowners by illegally charging up-front payments for loan modification services and lying about the services they provided.

“These individuals profited from the fear and desperation of hard working Californians who were simply fighting to keep their homes during the height of our state’s foreclosure crisis,” Attorney General Harris said. “This kind of predatory activity is reprehensible.”


Attorney General John Suthers Files Lawsuit Against Magazine Telemarketers

The Consumer Protection Section of the Colorado Attorney General’s Office today announced it filed a civil lawsuit against Rocio Trujillo and her husband, Anthony Trujillo) and several companies they operate for violating the Colorado Consumer Protection Act (CCPA). The complaint alleges that the Trujillo’s orchestrated a magazine telemarketing scam that victimized thousands of consumers. The elderly were specific targets. On Friday, Denver
District Court Judge Laff entered a temporary injunction shutting down these businesses and freezing their bank accounts.

“The Trujillos preyed on thousands of consumers, many of whom are senior citizens, for nearly $1,200 per victim,” said Attorney General John Suthers. “Because consumers filed complaints with our office, we had the documentation needed to interrupt this illegal telemarketing scheme,” Suthers explained.

From 2002 to the present, the Trujillos ran several interrelated companies, RNA Direct Marketing, LLC; America’s Elite Media, Inc.; America’s Elite Magazines; Patriotic Readers Club; AA Publishers, LLC; and All American Publishers. Also named in the complaint are Subscription Data Processing, LLC and Fulfillment Data Processing, Inc., companies the Attorney General alleges acted with full knowledge of the deceptive telemarketing scheme and facilitated its success.

http://www.coloradoattorneygeneral.gov/press/news/2014/02/12/attorney_general_files_lawsuit_against_magazine_telemarketers

DELAWARE

February 26, 2014

Attorney General Beau Biden Announces Wilmington-area furniture store owner fined $23,000 for violating Delaware’s consumer protection laws.

Hearing officer sides with Biden’s Consumer Protection Unit, finds owner of The Amish Mill undisclosed fees and willfully misled customers who waited months for orders that never arrived

Delaware Attorney General Beau Biden’s office announced today that an administrative hearing officer has ruled that the owner of The Amish Mill furniture store committed 23 violations of the state’s Consumer Fraud Act and must pay $1,000 per offense.

“The bad faith was manifest,” according to the officer’s findings.

After receiving numerous complaints from customers, Biden’s Consumer Protection Unit filed an administrative complaint last year against Michael D. Wharton, The Amish Mill’s owner. The administrative complaint centered on allegations that Wharton would promise customers to have furniture ready by
a certain date but never deliver and that he charged customers additional, undisclosed fees if they called to check on the order or complained about the store's business practices.


February 18, 2014

Attorney General’s Office Secures 34-Count Indictment Charging 5 With Home Improvement Fraud, Theft, And Conspiracy

Attorney General Beau Biden today announced that his office has secured a 34-count criminal indictment charging multiple defendants with home improvement fraud, theft, and conspiracy in a scheme that targeted elderly New Castle County residents.

“After receiving a report from an elderly homeowner of financial exploitation, our Special Investigations Unit responded quickly to open an investigation,” Biden said. “Thanks to substantial work from the New Castle County Police Department five suspects who were working together to defraud multiple residents were identified and arrested. We are working hard to ensure that those who victimized seniors in our community are held to account and, in doing so, we’re protecting others from their predatory and criminal behavior.”

The indictment secured yesterday by the New Castle County Grand Jury follows an 8-month investigation conducted cooperatively by the Attorney General’s Special Investigations Unit and New Castle County Police. The indictment charges five New Castle-area residents with making unsolicited visits to victims’ homes between May and September, 2013 and proposing to complete needed home maintenance and home improvements. The indictment charges the defendants, who were not licensed contractors, with defrauding homeowners by making false or misleading claims about the condition of victims’ properties and the scope of work that needed to be done and not completing work that was paid for by the victims.

Attorney General Pam Bondi today announced that claim forms have been mailed to more than 17,000 Florida consumers who were allegedly billed for unauthorized charges on their telephone bills by DADATA, Inc., a Pinellas County-based company, and its client companies. In December, Attorney General Bondi announced a settlement with DADATA, Inc. and others resolving allegations that they charged customers' telephone bills for voicemail, e-fax, and other services without the customers’ consent. The agreement requires the companies to refund all charges billed since July 1, 2009 to eligible Florida customers who did not consent to the service for which they were charged. Refunds may total approximately $2.3 million depending on the number of claims made. Individual refund checks are estimated to average $134, and they may be as high as $700. Claim forms must be submitted by April 12.

http://www.myfloridalegal.com/newsrel.nsf/newsreleases/E3CEAB8D663DBE8A85257C7F00519F46

Attorney General Pam Bondi today announced that West Publishing Corporation and Thomson Reuters Tax Accounting Inc. have agreed to a settlement which provides for up to $6 million in restitution to consumers who received law books, newsletters, and other publications that the consumers had not intended to order. Automatic subscription renewals and automatic product shipments are called negative option plans. Consumers must be told clearly about the terms of such plans and agree to the terms in order for plans to be lawful under Florida's Deceptive and Unfair Trade Practices Act.

http://www.myfloridalegal.com/newsrel.nsf/newsreleases/C84C04C72FEAA4E85257C750074AC83
KANSAS

February 6, 2014

Attorney General Derek Schmidt Fines California Company For No-Call Act Violations

A California auto warranty company has been fined $10,000 for violating the Kansas No-Call Act, Attorney General Derek Schmidt said today.

“Kansans who register on the Do-Not-Call list have an expectation that telemarketers will leave them alone,” Schmidt said. “We are continuing to enforce the law against those who violate the No-Call list and are working with the legislature to strengthen the Kansas No-Call Act.”

Auto Protection Alliance LLC, doing business as Auto Processing Center and Lead Services LLC, agreed to a consent judgment ordering the company to pay the state $10,000 in penalties and fees for violations of the No-Call Act. The Attorney General’s Consumer Protection Division began investigating the company in January 2013 after receiving seven complaints from consumers in Douglas, Johnson, Lyon and Miami counties. The investigation revealed that the company had solicited Kansans by telephone, marketing their extended auto warranty products and services. Some of the Kansas consumers who were called were on the National Do-Not-Call list. The company also agreed to refrain from future violations of the Act. A consent judgment ordering the fine and injunction against future violations was approved last week by Shawnee County District Judge Larry Hendricks.


MAINE

February 7, 2014

Attorney General Janet Mills Announces Lawsuit Against Used Car Dealers

Attorney General Janet T. Mills announced today that her Office has filed a lawsuit in the Penobscot County Superior Court against Glenn A. Geiser, Jr. and his dealerships – Bangor Car Care, Inc., Bumper2Bumper, Inc. and My
Maine Ride – for unfair and deceptive trade practices in connection with the promotion and sale of used cars.

The complaint alleges that the defendants target consumers with poor credit who need financing, pressure them to buy cars that are not road worthy and then not respond to customer complaints. The State is seeking civil penalties and a permanent injunction to bar Geiser and any entity in which he has an ownership interest from promoting, selling and/or financing used cars.


MARYLAND

February 26, 2014

AG Gansler Announces Settlement with Carroll County Dentist

Consumers will receive restitution for improper charges

Attorney General Douglas F. Gansler announced today that his Consumer Protection Division reached a settlement with an Eldersburg dentist, Loretta Schueler, DDS, and her dental practice (Dr. Schueler, DDS, LLC), resolving allegations that Dr. Schueler and her practice improperly billed patients for dental services that were either covered by insurance or that could not be billed under an agreement with the insurance provider. The Integris Group, LLC, acting on behalf of Dr. Schueler, improperly threatened patients with criminal prosecution if they failed to pay outstanding debts. Both of these practices violate the Maryland Consumer Protection Act and the Maryland Consumer Debt Collection Act.

"Patients were being misled into believing they had to pay more than their deductible or co-pay - and some of them were told they could be criminally prosecuted for bills they did not owe," said Attorney General Gansler. "This provider's actions crossed the line and consumers deserve to get their money back."

http://www.oag.state.md.us/Press/2014/022614a.html
**February 10, 2014**

**AG Gansler Charges Company, Owner For Bilking Veterans**

*Business illegally sold services to veterans seeking help with benefits claims.*

Attorney General Douglas F. Gansler announced today that his Consumer Protection Division has charged James E. Mack and his company, Benefits U Earned, LLC, with violating the Maryland Consumer Protection Act by illegally offering to assist veterans with claims for veterans' benefits and charging veterans for services that lawfully should be provided for free.

"The very least we can do to give thanks to those who have served their country is ensure they are not taken advantage of by unscrupulous vendors," said Attorney General Gansler. "These services are provided free of charge to military servicemembers and should be performed by qualified and trustworthy businesses and individuals.

Federal law requires that persons who assist veterans in preparing, presenting and prosecuting claims for benefits from the Department of Veterans Affairs ('VA') be accredited by the VA. Federal law also prohibits charging fees for assistance with filing claims. The Division alleges that Mack and his company were not accredited by the VA to provide the services that they offered and sold to veterans and that they illegally charged veterans as much as $1,500 for those services. The Division is seeking injunctive relief, civil penalties and costs, and restitution of the unlawful fees that Mack and Benefits U Earned, LLC charged consumers.

[http://www.oag.state.md.us/Press/2014/021014.html](http://www.oag.state.md.us/Press/2014/021014.html)

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**MASSACHUSETTS**

**February 06, 2014**

**AG Coakley Sues Seekonk Chrome Restoration Business for Keeping Consumer Deposits, Not Delivering Finished Product**

After allegedly soliciting consumers with promises of metal restoration services for rare and antique automobiles, Attorney General Martha Coakley has sued a chrome business located in Seekonk for collecting payment for services they did not provide.
The AG’s Office filed a complaint against Nu-Chrome, LLC and its managers Donald Kemp of Marion and Mark Kemp of Mattapoisett in Bristol Superior Court for unfair and deceptive practices. On Tuesday, the AG’s Office obtained a temporary restraining order against the defendants, prohibiting them from taking further deposits from consumers, unless the deposits are put into a designated escrow account and used for the ordinary course of business.


February 03, 2014

Attorney General Martha Coakley Announces Real Estate Developer Repays More Than $525,000 to Homebuyers Over Allegations of Unreturned Deposits

Defendant Took Advance Payments for New Homes He Failed to Build; Will Pay an Additional $30,000 to Commonwealth Under Settlement

A real estate developer who allegedly took thousands of dollars in advance payments for new, single-family homes that were never delivered, has repaid more than $525,000 to affected homebuyers, and has been permanently required to protect any future consumer deposits, Attorney General Martha Coakley announced today.


MICHIGAN

February 26, 2014

Schuette Secures Justice for Seniors in $45,000 Cash Settlement with Southfield Telemarketing Firm

Attorney General Bill Schuette today announced a $45,000 settlement with professional fundraiser Associated Community Services (ACS), of Southfield, to resolve complaints that it wrongly used the Attorney General Office’s name to convince senior citizens to contribute credit card information via fundraising calls. Schuette threatened a civil action against the firm
encompassing each of ACS’s alleged violations of state charitable trust law and ACS agreed to settle with a significant cash payment in lieu of legal action.

"Any telemarketer that tries to trick our Greatest Generation with deceptive tactics must face the consequences," said Schuette. "Michigan law requires honesty of our professional fundraisers. We will not tolerate those that abuse the name of this office to deceive donors."

http://www.michigan.gov/ag/0,4534,7-164-46849-322839--,00.html

MINNESOTA

February 3, 2014

Minnesota Attorney General Files Suit Against “Trust Mill” That Charged Senior Citizens $2,300 For Trusts And Wills Prepared By Arizona Non-Attorney

Minnesota Attorney General Lori Swanson today filed a lawsuit against Heritage Partners, LLC, a Minnesota company, for operating a “trust mill” through which senior citizens and future retirees were charged $2,295 for living trusts, wills, and related documents that were supposed to be prepared by an “experienced estate planning attorney.” Instead, Heritage had the legal documents prepared by an Arizona man—also named as a defendant in the lawsuit—who is not licensed as an attorney in Minnesota or Arizona and who was previously enjoined from setting up sham business trusts in a lawsuit brought by the federal government.

“With an aging population, many people are thinking of estate planning, and they should be on guard against “trust mills” that churn out legal documents with the ulterior motive of selling insurance products,” said Attorney General Swanson.

Through flyers and newspaper ads, Heritage invites senior citizens and people approaching retirement throughout Minnesota to “free” dinners at popular local steakhouses to learn more about estate planning, probate, and trusts. At the dinners, Heritage extolls the virtues of living trusts and exaggerates the dangers of dying without a trust. Heritage salesmen—who are insurance agents—then arrange individual meetings at prospective clients’ homes.
During the home visits, the sales agents recommend that clients purchase a trust, will, and related documents from Heritage, usually for $2,295.

http://www.ag.state.mn.us/Consumer/PressRelease/140203TrustMills.asp

NEVADA

February 14, 2014

Attorney General Masto Announces Settlement In Lender Processing Services, Inc. Case

Attorney General Catherine Cortez Masto announced today that her office has reached a settlement with Lender Processing Services, Inc. ("LPS"), now known as Black Knight Financial Services. The settlement and mutual release resolves the State’s civil action alleging LPS violated the Nevada Deceptive Trade Practices Act, and all other outstanding issues or claims related to the litigation.

“The provisions contained in the settlement will ensure integrity in the foreclosure process in Nevada. We acknowledge Fidelity National Financial’s commitment and leadership in this role,” said Masto.

Nev. originally elected not to join a multi-state settlement agreement LPS previously signed with the other 49 states. LPS was recently acquired by Fidelity National Financial, Inc. ("Fidelity"), opening the door for renewed negotiations. With Fidelity’s acquisition of LPS last month, Nev. has been given new assurances of accountability by LPS. Under the settlement terms, LPS will pay Nev. approximately $5.5 million and $500,000 in attorney fees and costs. When measured against the multi-state settlement, Nev. will be receiving the fourth highest settlement in the nation behind Calif., Fla. and Texas. In addition to the monetary provisions, the agreement also provides for permanent injunctive relief and assurances of continued compliance with Nev. Law.

http://ag.nv.gov/News/PR/2014/Mortgage/Attorney_General_Masto_Announces_Settlement_In_Lender_Processing_Services_Inc_Case/
NEW JERSEY

February 26, 2014

State Attorney General and Consumer Affairs File Suit Against Company Offering Service Contracts for Vehicle Repairs

The Office of the Attorney General and State Division of Consumer Affairs have filed suit against a company that advertised vehicle repair coverage plans that purportedly offered bumper-to-bumper coverage – even including parts subject to normal “wear and tear” -- and then allegedly refused to fully pay when repairs were needed.

Direct Buy Associates Inc., which does business as Direct Buy Auto Warranty, allegedly committed multiple violations of the state’s Consumer Fraud Act. The company has maintained various business addresses in Middlesex County since at least June 2009. Nearly 250 consumers nationwide to date have filed complaints against Direct Buy Associates, one of the highest amounts against any active company in the state.

Despite its advertising statements that it sold warranties, Direct Buy Associates sold vehicle service contracts. Warranties are offered by the manufacturers or sellers of a product, while vehicle service contracts are offered by third-parties such as Direct Buy Associates. Further, the vehicle service contracts sold by Direct Buy Associates provided limited coverage and numerous exclusions.

http://nj.gov/oag/newsreleases14/pr20140226a.html

February 20, 2014

N.J. Attorney General, Division of Consumer Affairs Announce New, Mandatory Security Requirements for Prescription Blanks

Fighting the black-market sale of prescription painkillers, Acting Attorney General John J. Hoffman today announced that the State-approved vendors that manufacture the prescription blanks used by New Jersey doctors will soon be required to add new print-based security features.

The security enhancements will include color-changing ink, 0.5-point micro-printing, and a hollow “VOID” hidden word feature, among others.
The New Jersey Division of Consumer Affairs regulates all prescription blanks used by State-licensed physicians, dentists, and other prescribers; and regulates the State-approved printing vendors who supply the prescription pads to prescribers.

http://nj.gov/oag/newsreleases14/pr20140220a.html

February 11, 2014

**N.J. Consumer Affairs Goes Undercover to Auto Repair Shops, Finds Two Charged Hundreds of Dollars for Allegedly Unnecessary Repairs**

You drop off your car for an oil change, and ask the mechanic to check out a strange noise from the engine, or misbehaving brakes. The mechanic calls later to say that, according to a full inspection, your vehicle has serious problems – and needs hundreds or even thousands of dollars in repairs.

Can you trust that the mechanic's assessment is fully honest and accurate, and that the costly repairs really are necessary?

The New Jersey Division of Consumer Affairs during the past several months sent undercover investigators into auto repair shops about which it had received consumer complaints, in order to determine whether the shops recommended and charged for unnecessary repairs, or committed other violations of New Jersey’s consumer protection laws and regulations.

http://nj.gov/oag/newsreleases14/pr20140211a.html

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**NEW YORK**

February 18th 2014

**A.G. Schneiderman Announces Sentencing Of Construction Company Owner For Underpaying Workers On NYC Affordable Housing Project**

Attorney General Eric T. Schneiderman today announced the sentencing of Applied Construction Inc., its owner, Mohammad T. Riaz, its manager, Mohammad Arshad, and two foremen, Zbigniew Lakomiec and Socrates “Tony” Carrera, for failing to pay prevailing wages to workers on a public works construction project at a residential building in the Bronx. The project
was financed and overseen by the New York City Department of Housing Preservation and Development (HPD). Applied Construction Inc. and Riaz pleaded guilty to felony charges and paid nearly $500,000 in restitution. That money will go to 16 workers. Applied and Riaz are barred from government construction jobs for five years.


February 14th 2014

Office Of The Attorney General Announces Settlement With Former Naral President Who Siphoned Funds For Personal Use

The New York State Office of the Attorney General today announced a settlement with Kelli Conlin, the former president of NARAL-NY Pro-Choice and its affiliated foundation, the National Institute for Reproductive Health (NIRH), in connection with a lawsuit filed in June 2012 that charged Ms. Conlin with abusing her position and using charitable funds for her personal benefit. Under the terms of the settlement, which is subject to court approval, Ms. Conlin will be permanently barred from serving as a fiduciary of any not-for-profit organization registered in New York State. She has agreed to dismiss claims against NARAL that she asserted and will pay $20,000 in restitution to NARAL. The restitution is in addition to the $75,000 she paid in 2012 in connection with her plea to criminal charges brought by the Manhattan District Attorney’s Office.


February 11th 2014

A.G. Schneiderman Announces Settlement With Tree Removal Company Following Excessive Price Gouging In Wake Of Tornado

Attorney General Eric Schneiderman announced a settlement following the investigation of Lonnie Joe Drake, d/b/a Upstate New York Tree Service, for price gouging in the wake of a tornado that struck Elmira in July 2012. The Attorney General’s Office investigated consumer complaints and found that
Drake charged grossly excessive prices for tree removal, an essential service in the wake of a tornado.


February 11th 2014

A.G. Schneiderman Obtains Permanent Ban Against Company That Targeted Union Members With False Credit Offers

Attorney General Eric T. Schneiderman today announced that his office has obtained a settlement from Union Workers Credit Services, Inc. (UWCS) and its president, Joe Malazzo, which permanently bans the company from offering credit or financial services or products in New York. The settlement also requires UWCS to provide full refunds to victims who paid fees based on deceptive advertisements and pay $50,000 in penalties, costs and fees. UWCS targeted union members with deceptive advertisements that appeared to offer “Platinum” credit cards with a $10,000 credit limit in return for a $37 fee. Consumers who paid the fee did not receive a credit card, but rather, a line of credit that could be used only to purchase items from a catalog of merchandise offered by the company.


February 10th 2014

A.G. Schneiderman Announces Indictment Of Attorney For Stealing Nearly $2 Million

New York State Attorney General Eric T. Schneiderman today announced the arrest of Timothy Griffin, former acting president of United Hebrew Cemetery, on felony grand larceny charges for embezzling nearly $2 million from the nonprofit. He faces up to 25 years in prison.

February 7th 2014

**A.G. Schneiderman Announces Conviction Of Three For Operating Network Of Fake Nursing Schools In Brooklyn And Long Island**

Attorney General Eric T. Schneiderman today announced the conviction after trial of Salvatrice Gaston, Robinson Akenami and Joceyln "JoJo" Allrich for their role in a massive scheme to defraud students, as part of his ongoing effort to prosecute fraud in the education industry. Over a period of almost 5 years, the defendants and their co-conspirators operated a network of bogus nursing schools in New York City and Long Island. More than 100 students collectively paid more than $1 million to enroll in the programs that the defendants claimed would qualify them for careers in nursing. However, the certifications and transcripts the schools provided were fraudulent.


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February 4th 2014

**A.G. Schneiderman Announces $500k Settlement And The Shuttering Of Three Long Island Sham Charities And Their Professional Fundraiser**

Attorney General Eric T. Schneiderman today announced that his office has reached a $500,000 settlement that includes permanently shuttering three Long Island-based charities: the Bi-County Helpline for Abuse Against Women and Children, Long Island Responds and Breast Cancer Funds for Research. The settlement also mandates the closure of professional fundraiser Mure Associates and bars accounting firm Portfolio Planners from providing services to New York-registered nonprofits. The settlement comes after an investigation by the Attorney General’s Charities Bureau showed that the charities were shell organizations run primarily for the benefit of the fundraiser and the charities’ officers, and that less than 4 percent of the money raised went to any charitable purpose.

**NORTH CAROLINA**

*February 5, 2014*

**Attorney General Roy Cooper Announces “Smokey and the Bandit” car seller banned from business in NC**

A Buncombe County man who took consumers’ money but failed to provide them restored classic cars as promised is now barred from business in North Carolina, Attorney General Roy Cooper said today.

“When you pay good money for something you expect a business to deliver, not take your money and run,” Cooper said. “This court order sends a strong signal to anyone who might be tempted to do business the wrong way in North Carolina.”

Wake County Superior Court Judge Robert H. Hobgood granted Cooper’s request Tuesday for a default judgment against Robert Allen McElreath and his companies Build-a-Bandit, Pick a Pony, Pontiac Pros, Common Man Classic Hot Rods and Discount Automatic Classic Restorations.


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**NORTH DAKOTA**

*February 28, 2014*

**Attorney General Wayne Stenehjem Announces a Cease & Desist Order Issued Against Magazine Telemarketer**

A telemarketer from Massachusetts who ignored North Dakota’s consumer fraud and Do Not Call laws, and refused to comply with the Attorney General’s Civil Investigative Demand, has been banned from conducting any business in the state, announced Attorney General Wayne Stenehjem.

Investigators with the Consumer Protection Division contacted John Galli of Malden, Massachusetts, in December 2013, after receiving a complaint from an individual registered on the Do Not Call list. Galli, doing business as Northshore Publishers, Northshore Publishing, and North Shore Marketing, was soliciting magazine renewal subscriptions by telephone and charging
credit cards immediately, in violation of the contract requirement for these types of sales.

Galli refused to cooperate with investigators, even mocking investigative efforts during a telephone conversation in December, and then ignoring subsequent phone calls, letters, and the Civil Investigative Demand from the Attorney General’s office.


February 12, 2014

AG Stenehjem Bans Two Unlicensed Contractors

David Alderman and Chad Edward Johnson prohibited from doing business in North Dakota

Attorney General Wayne Stenehjem today issued Cease and Desist Orders against David Alderman, now living in Montana and formerly doing business as Alderman Roofing & Construction, and Chad Edward Johnson of Michigan, ND, for misrepresentations and engaging in contractor services without a North Dakota contractor’s license and a North Dakota Transient Merchant’s License.

According to Stenehjem, his Consumer Protection Division initiated an investigation of Alderman Roofing & Construction after receiving a consumer complaint that Alderman had accepted an advance payment of almost $7,000 to repair a roof, but had not purchased supplies or performed the work. Investigators determined that Alderman was not licensed in ND. Attempts to contact Alderman were unsuccessful, and his construction company was involuntarily dissolved in December, 2013.

“The state’s licensing and bonding requirements are there to help protect consumers from fly-by-night businesses,” reminded Stenehjem “Unfortunately, it is almost impossible to recover money from these unlicensed contractors once they have fled the state.”

Johnson came to the attention of the Consumer Protection division after a homeowner complained that Johnson’s work was not up to code and that he had refused to repair a carpet he destroyed while working in the home. Investigators determined that Johnson did not have a contractor’s license.
Although initially cooperative with investigators, Johnson, who is unemployed and has no fixed address, has not responded to recent efforts to contact him.


**OHIO**

*February 26, 2014*

**Attorney General DeWine Seeks Restitution from Sports League Seller**

Ohio Attorney General Mike DeWine today announced a lawsuit against Old Skool Sports LLC, of Pataskala, and its owner for failing to deliver league sports memberships it sold to consumers.

“Consumers paid this business for products and services they never received,” Attorney General DeWine said. “In some cases, consumers signed up for a league, showed up for practice, and found that no one was there. These consumers deserve refunds, and in this lawsuit, we are seeking to recover the money owed to them.”

Old Skool Sports sold memberships for adult and youth league sports, such as flag football, t-ball, cheerleading, or dodge ball. Some consumers complained that they signed up for a league that did not occur and they did not receive refunds. Other consumers said they cancelled their membership but never received a refund.

The Attorney General’s Office is aware of 11 unresolved complaints against the business, with reported losses totaling $1,440, but additional consumers may be affected.


*February 21, 2014*

**Attorney General DeWine Seeks Restitution from Online Gun Accessory Seller**

Ohio Attorney General Mike DeWine today announced a lawsuit against the operator of Storm Lake Tactical, an online seller of gun-related products and
accessories. The lawsuit accuses the Westlake-based business of failing to deliver products to consumers.

“Businesses have an obligation to fulfill their promises to consumers,” Attorney General DeWine said. “They can’t simply take money and then fail to either deliver the goods or provide a refund. In this lawsuit, we are seeking restitution for affected consumers and an end to these practices.”

According to the lawsuit, Midwest Retail LLC, which does business as Storm Lake Tactical, sells products related to shooting, reloading, and gunsmithing.

The Attorney General’s Office is aware of 14 consumer complaints against the business with reported losses totaling more than $2,900. In their complaints, consumers said they paid the business for products they never received.

https://www.ohioattorneygeneral.gov/Media/News-Releases/February-2014/Attorney-General-DeWine-Seeks-Restitution-from-Onl

February 20, 2014

Attorney General DeWine Announces Actions Against Horse Rescue Charities

Ohio Attorney General Mike DeWine today announced a lawsuit against a Cambridge-based horse rescue charity, Frog Pond Farm, Inc., and its owner for misappropriating funds and failing to register with the state. Attorney General DeWine also announced a settlement with a Tipp City horse rescue, Serenity Horse Rescue, which has agreed to dissolve.

“Running a horse rescue facility requires a lot of work, and those who operate charitable organizations must be able to fulfill their legal responsibilities,” Attorney General DeWine said. “We simply cannot allow those who run charities to use the charity’s bank account as their own personal bank account or to fail in their duties to properly run the organization.”

According to the Attorney General’s lawsuit, Frog Pond Farm was incorporated in March 2004. As a horse rescue, it buys or otherwise rescues horses from slaughter situations, takes care of them, and facilitates adoption. The organization solicited money from the public by saying that donations would be used to rescue horses.

https://www.ohioattorneygeneral.gov/Media/News-Releases/February-2014/Attorney-General-DeWine-Announces-Actions-Against
February 19, 2014

Attorney General DeWine Seeks Consumer Restitution from Loan Modification Service

Ohio Attorney General Mike DeWine today announced a lawsuit against Home Remedy Center of Newport Beach, California, for failure to deliver and failure to provide refunds for its home loan modification service. Attorney General DeWine seeks consumer restitution, injunctive relief, and civil penalties.

“Consumers paid thousands of dollars thinking they would get help adjusting their mortgage loans,” Attorney General DeWine said. “Instead they received essentially nothing in return and lost the money they paid to the business. We won’t stand by when a business targets consumers, takes their money, and provides no real help.”

Through mail and online ads, Home Remedy Center offered to help consumers avoid foreclosure by working with the consumers’ lenders to negotiate a loan modification or otherwise adjust their debt. After accepting fees typically ranging from $3,500 to $5,000, the business did little or no work to help consumers and failed to provide refunds.

https://www.ohioattorneygeneral.gov/Media/News-Releases/February-2014/Attorney-General-DeWine-Seeks-Consumer-Restitution

February 7, 2014

Attorney General Mike DeWine Announces Car Dealership Accused of Advertising Violations

Ohio Attorney General Mike DeWine today announced a lawsuit against Monroe Dodge-Chrysler, Inc., which does business as Monroe Dodge Chrysler Jeep Superstore, of Monroe, Michigan. The Attorney General’s lawsuit accuses the dealership of using deceptive advertisements.

TEXAS

February 25, 2014

Attorney General Abbott Charges Austin-based Castro Property Restoration with Deceiving Texas Homeowners

Texas Attorney General Greg Abbott today charged an Austin-based residential construction contractor with deceiving Texas homeowners and misrepresenting funding sources available to pay for home repairs and restoration.

Castro Property Restoration, its owner Victor James Castro and his business associate Allen Lloyd Kinman are named in the State’s enforcement action as defendants. According to court documents, the defendants solicit business door-to-door, offering to assist homeowners with home improvement services. The defendants misrepresent to homeowners that “free money” from the government is available to pay for the home repair work – and then require homeowners to sign a contract and pay a $99 “administrative fee” to the defendants in advance to complete the repairs.

https://www.texasattorneygeneral.gov/oagnews/release.php?id=4656

WASHINGTON

February 19, 2014

Attorney General Bob Ferguson Recovers $20K In Settlement With Internet “File-Locker” Website, Consumers To Receive Money From Defendant

The Washington State Attorney General’s Office (AGO) has recovered $20,000 from Rudy O. Corella, Jr., owner of Ultra Mega Corp to resolve allegations that Ultra Mega Corp engaged in a number of deceptive business practices in violation of the Washington state Consumer Protection Act.

Ultra Mega Corp, LLC (UMB) otherwise known as www.ultramegabit.com is a California corporation doing business via the Internet. UMB is a “file locker” — a website that stores files online and provides the opportunity for the files to be downloaded.
Unless a consumer purchases a membership, downloads are limited. Consumers may purchase memberships for $9.50 per month or $52 for six months.

http://www.atg.wa.gov/pressrelease.aspx?id=31855#.Uwu1WYX3_D4

February 5, 2014

**Attorney General Bob Ferguson Sues Company That Charged $295 For Free Government-Issued Labor & Industry Posters**

The Attorney General’s Office (AGO) has filed a lawsuit against California company Labor Standards Compliance Office (LSCO) and its principal, Fangliang Cui, for alleged violations of the Washington State Consumer Protection Act (CPA).

The AGO has received 84 complaints from businesses about a misleading letter sent from LSCO.

“The Attorney General’s Office protects business owners who play by the rules and pursues bad actors who don’t,” said Attorney General Bob Ferguson. “This scam is one of the worst because it preys on business owners who are trying to do the right thing. Business owners should always feel comfortable calling the Attorney General’s Office if they suspect a scam.”

**The alleged scam**

Business owners have been receiving an official-looking letter in the mail, implying the business must buy required workplace posters for $295, or face fines and audits. State and federal governments do require certain posters to be placed at job sites. While private vendors may sell the posters, the Washington State Department of Labor & Industries (L&I) and other government agencies provide the posters for free.

The mass mailing has confused business owners who assume the letter is from L&I. The Department did not send the letters.

“When the letters started hitting mailboxes, we were deluged with calls. People were both perplexed and upset at receiving what looked like an official notice,” said L&I Deputy Director Ernie LaPalm. “We appreciate the Attorney General taking action to protect consumers from being misled.”
“L&I workplace posters haven’t changed since 2012,” LaPalm added, “so employers don’t need new ones this year from our agency.”

The misleading letter looks like a bill addressed to individual businesses. It uses alarming words like ‘FINAL NOTICE,’ and ‘DUE NOW,’ and includes a payment stub for $295.

http://www.atg.wa.gov/pressrelease.aspx?id=31809#.Uwuz9YX3_D4

WISCONSIN

February 17, 2014

Attorney General J.B. Van Hollen Announces Illinois Man Bound Over For Trial and Arraigned On Racketeering, Securities Fraud, And Theft By Contractor

Attorney General J.B. Van Hollen announced that on February 17, 2014, at a hearing in front of Monroe County Circuit Court Judge Todd Ziegler, Edward Van Der Molen was bound over and arraigned on one count of racketeering activity, one count of securities fraud, and one count of theft by contractor.

According to the criminal complaint, Edward Van Der Molen offered and sold investment contracts, calling them either “net lease agreements” or “lease-back agreements” in connection with the sale of investment properties at the “Three Bears Resort” in Warrens, Wisconsin. The terms of the agreements and other statements made to potential investors were made to induce the investor to buy into the investment properties. Van Der Molen did not disclose information about his or his company’s failure to pay various financial obligations associated with the investment. In addition, Van Der Molen withheld the fact that his company was losing millions of dollars in the years leading up to the sales at issue in the complaint. By not disclosing the financial information, he misled his investors with his promises of a return on their investment. These facts and circumstances form the basis for the racketeering and securities charges.

Thursday, February 27, 2014

**Omnicare to Pay Government $4.19 Million to Resolve False Claims Act Allegations of Kickbacks**

Omnicare Inc., an Ohio-based long-term care pharmacy, has agreed to pay the government $4.19 million to settle allegations that it engaged in a kickback scheme in violation of the False Claims Act, the Justice Department announced today. Omnicare provides pharmaceuticals and services to long-term care facilities and residents and other senior populations.

The settlement resolves allegations that Omnicare solicited and received kickbacks from the drug manufacturer Amgen Inc. in return for implementing “therapeutic interchange” programs that were designed to switch Medicaid beneficiaries from a competitor drug to Amgen’s product Aranesp. The government alleged that the kickbacks took the form of performance-based rebates that were tied to market-share or volume thresholds, as well as grants, speaker fees, consulting services, data fees, dinners and travel.

“Kickbacks are designed to influence decisions by health care providers, such as which drugs to prescribe,” said Assistant Attorney General for the Justice Department’s Civil Division Stuart F. Delery. “Americans who rely on federal health care programs, particularly vulnerable patients in skilled nursing facilities, are entitled to feel confident that decisions about their medical care are not tainted by improper financial arrangements.”


Friday, February 21, 2014

**Endo Pharmaceuticals and Endo Health Solutions to Pay $192.7 Million to Resolve Criminal and Civil Liability Relating to Marketing of Prescription Drug Lidoderm for Unapproved Uses**

Pharmaceutical company Endo Health Solutions Inc. and its subsidiary Endo Pharmaceuticals Inc. (Endo) have agreed to pay $192.7 million to resolve
criminal and civil liability arising from Endo’s marketing of the prescription drug Lidoderm for uses not approved as safe and effective by the Food and Drug Administration (FDA), the Justice Department announced today. The resolution includes a deferred prosecution agreement and forfeiture totaling $20.8 million and civil false claims settlements with the federal government and the states and the District of Columbia totaling $171.9 million. Endo Pharmaceuticals Inc. is a Delaware corporation headquartered in Malvern, Pa.

“FDA’s drug approval process is designed to ensure that companies market their products for uses that are proven to be safe and effective,” said Assistant Attorney General for the Justice Department’s Civil Division Stuart F. Delery. “We will hold accountable those who circumvent that process in pursuit of financial gain.”

In a criminal information filed today in the Northern District of New York, the government charged that, between 2002 and 2006, Endo Pharmaceuticals Inc. introduced into interstate commerce Lidoderm that was misbranded under the Federal Food, Drug and Cosmetic Act (FDCA). The FDCA requires a company, such as Endo Pharmaceuticals Inc., to specify the intended uses of a product in its new drug application to the FDA. Once approved, a drug may not be introduced into interstate commerce for unapproved or “off-label” uses until the company receives FDA approval for the new intended uses. During the period of 2002 to 2006, Lidoderm was approved by the FDA only for the relief of pain associated with post-herpetic neuralgia (PHN), a complication of shingles. The information alleges that, during the relevant time period, the Lidoderm distributed nationwide by Endo Pharmaceuticals Inc. was misbranded because its labeling lacked adequate directions for use in the treatment of non-PHN related pain, including low back pain, diabetic neuropathy and carpal tunnel syndrome. These uses were intended by Endo Pharmaceuticals Inc. but never approved by the FDA. The information further alleges that certain Endo Pharmaceuticals Inc. sales managers provided instruction to certain sales representatives concerning how to expand sales conversations with doctors beyond PHN and encouraged promotion of Lidoderm in workers’ compensation clinics.

MEDICAID FRAUD CASES AND SETTLEMENTS

FLORIDA

February 28, 2014

Attorney General Pam Bondi’s Office Announces Arrest of Hillsborough County Man for Medicaid Fraud

John Johnson was arrested by the Hillsborough County Sheriff’s Office on a felony warrant from Attorney General Pam Bondi’s Medicaid Fraud Control Unit. According to an investigation by the Medicaid Fraud Control Unit, Johnson allegedly billed the Medicaid program for more than $3,000 dollars worth of services never provided to a disabled patient in his care. Johnson was employed by Assure Solutions in Tampa, Fla.

http://www.myfloridalegal.com/newsrel.nsf/newsreleases/8748795D653D69F785257C8D00740EE2

February 20, 2014

Attorney General Pam Bondi’s Office Announces the Arrest of Mother and Daughter-in-Law Duo for More Than $70,000 of Medicaid Fraud

Attorney General Pam Bondi’s Office announced the arrest of a mother and daughter-in-law duo for allegedly committing more than $70,000 in Medicaid fraud. Jennifer Kester and Lucy Watson allegedly ran a scheme that involved Kester and Watson billing the Medicaid program for services that were not actually provided to Watson’s developmentally disabled son. According to the investigation, Watson, as the guardian of her son, submitted timesheets for work that was not provided.

February 18, 2014

**Attorney General Pam Bondi Announces Arrest of a Crestview Woman for More than $17,000 in Medicaid Fraud**

Attorney General Pam Bondi’s Medicaid Fraud Control Unit and the Okaloosa County Sheriff’s Office arrested a Crestview woman for allegedly defrauding the Medicaid program out of more than $17,000 for services never rendered.

[Read More](http://www.myfloridalegal.com/newsrel.nsf/newsreleases/BC51C0228F7728BE85257C83004B8FB4)

February 7, 2014

**Attorney General Pam Bondi Announces Orange County Speech Therapist Arrested for Medicaid Fraud**

Attorney General Pam Bondi’s Medicaid Fraud Control Unit and the Orange County Sheriff’s Office have arrested an Orange County woman for Medicaid fraud. Tiffany Campbell, a licensed speech therapist, allegedly used falsified records to collect payment for services never rendered during the summer of 2013. According to the investigation, Campbell’s employer billed Medicaid for more than $8,000 in speech therapy services never rendered based on Campbell’s fraudulent logs.

[Read More](http://www.myfloridalegal.com/newsrel.nsf/newsreleases/9F90A428413AC20785257C7800689CC4)

GEORGIA

February 21, 2014

**Attorney General Sam Olens Announces Florida Woman Sentenced to Prison for Medicaid Fraud**

Jennifer C. Alsdorf, of Tampa, Fla., was sentenced February 19, 2014, by Judge Amy Totenberg in United States District Court for the Northern District of Georgia to four months imprisonment, nine months house arrest, restitution in the amount of $200,000, a $5,000 fine and 150 hours community service. She had previously entered her guilty plea in October of
2013 to one count of Medicaid Fraud for filing fraudulent claims with the Georgia Medicaid program.


IDAHO

February 19, 2014

Attorney General Lawrence Wasden Announces Twin Falls Woman Sentenced to Prison in Medicaid Fraud Case

A Twin Falls woman has been sentenced to at least one year in prison as part of a scheme to fraudulently bill Medicaid for thousands of dollars in transportation services, Attorney General Lawrence Wasden said today. The judge also ordered 40-year-old Shaiyenne M. Anton to pay more than $47,000 in restitution to the Idaho Department of Health and Welfare, Division of Medicaid.


LOUISIANA

February 28, 2014

Attorney General Buddy Caldwell Announces Zachary woman busted in Medicaid fraud scheme

A Zachary woman has been arrested for defrauding the state’s Medicaid program out of thousands of dollars and laundering more than $100,000 through her Baton Rouge based personal care agency, announced Louisiana Attorney General Buddy Caldwell.

Agents arrested 36-year-old Sekari Washington Davis on Tuesday, following a joint investigation involving the attorney general’s Medicaid Fraud Control Unit (MFCU) and the Federal Bureau of Investigations (FBI) into Distinctive Heathcare Services, LLC, a personal care agency located at 11762 South Harrell’s Ferry Road, Suite C in Baton Rouge. As the agency’s sole owner, Davis is charged a total of seven felony counts: one count of criminal
conspiracy to commit Medicaid fraud; two counts of Medicaid fraud; one count of theft by fraud of $1,500 or more; two counts of filing or maintaining false public records; and one count of money laundering $100,000 or more.

https://www.ag.state.la.us/Article.aspx?articleID=820&catID=2

February 14, 2014

**Attorney General Buddy Caldwell Announces Kenner Woman Arrested For Stealing From Medicaid Patients**

A Kenner woman has been arrested for stealing more than $133,000 from Louisiana Medicaid recipients, announced Attorney General Buddy Caldwell.

Dina Maumus, 37, of 4228 Arkansas Avenue, surrendered this week to investigators with the Louisiana Attorney General’s Medicaid Fraud Control Unit (MFCU). She was charged with twenty-four counts of Felony Theft.

https://www.ag.state.la.us/Article.aspx?articleID=813&catID=2

**MARYLAND**

February 6, 2014

**AG Gansler Recovers $20,000 in Settlement with Rite Aid of Maryland**

*Retailer kept drugs and Medicaid funds after prescriptions were returned*

Attorney General Douglas F. Gansler announced today that Maryland has reached a settlement agreement with Rite Aid of Maryland, Inc., resolving allegations that the pharmaceutical retailer had a practice of keeping both the payments and the prescriptions that had been returned as "undeliverable." Under the agreement, Rite Aid will pay $20,000 to the Maryland Medicaid Program, a portion of which will be shared with the federal government.

http://www.oag.state.md.us/Press/2014/020614.html
MASSACHUSETTS

February 07, 2014

**Attorney General Martha Coakley Announces Quincy Man Indicted for Fraudulently Collecting More Than $28,000 in Benefits While Working**

Defendant Allegedly Worked Under a False Identity While Collecting Benefits

A Quincy man has been indicted on charges he fraudulently collected more than $28,000 in workers’ compensation benefits while working under a false identity, Attorney General Martha Coakley announced today.


MISSOURI

February 28, 2014

**Attorney General Koster Files Criminal Charges In Medicaid Fraud Case - Webster County Woman Faces 8 Felony Counts**

Attorney General Chris Koster said today his office has charged a licensed professional counselor in the Springfield area with eight felony counts of Medicaid fraud.

Koster charged Sherri Grove for billing Medicaid for family-therapy services that she did not provide. The Attorney General's Medicaid Fraud Control Unit is assisting Webster County Prosecuting Attorney Danette L. Padgett in the prosecution.

Koster said his Medicaid Fraud Control Unit led the investigation after the case was referred by the Missouri Medicaid Audit and Compliance Unit of the Department of Social Services. The investigation revealed that Grove fraudulently billed Medicaid for more than 40 family-therapy visits that did not occur during a six-month period in 2012, resulting in a $2,000 loss to Missouri’s Medicaid program.

A.G. Schneiderman Announces $15.5m Settlement With NY Radiology Practice That Billed Medicaid And Medicare For Unnecessary Tests

Doshi Diagnostic Imaging Services, P.C., And Diagnostic Imaging Group, LLC, To Repay $2.9M For False New York Medicaid Billings; Settlement Involves Allegations Of Kickbacks

Attorney General Eric T. Schneiderman today announced that New York, New Jersey and the United States have entered into a $15.5 million settlement agreement with Doshi Diagnostic Imaging Services, P.C., and Diagnostic Imaging Group, LLC, to resolve allegations that the radiology practice, which is headquartered on Long Island, submitted false claims to the Medicaid and Medicare programs for diagnostic outpatient imaging services that were not specifically ordered by a treating physician and not medically necessary. The agreement also resolves allegations that the companies engaged in a kickback scheme which violated federal and state laws.


A.G. Schneiderman Announces $250k Settlement With NY Foundling Hospital For Overbilling Medicaid

Attorney General Eric T. Schneiderman today announced a $250,000 settlement with New York Foundling Hospital, a Manhattan-based provider of child foster care services. The settlement resolves allegations that New York Foundling was billing Medicaid for the care of children while they were absent from the program. As part of an ongoing review of child foster care agency books, the Attorney General’s office has recouped $3.8 million in Medicaid funds from more than 65 child foster care facilities.

OHIO

February 20, 2014

Attorney General Mike DeWine Announces Former Office Manager Indicted for Health Care Fraud

Ohio Attorney General Mike DeWine and U.S. Attorney for the Southern District of Ohio Carter Stewart announced today that the former office manager for the Cincinnati and Northern Kentucky office of Compass Healthcare, Inc., has been charged with four counts of Health Care Fraud.

A federal grand jury indicted Beth Stein, 54, of Amelia, on the charges yesterday. The suspect is believed to have caused more than $100,000 in excessive billings to Medicare, Medicaid and other healthcare benefit providers.

https://www.ohioattorneygeneral.gov/Media/News-Releases/February-2014/Former-Office-Manager-Indicted-for-Health-Care-Fraud

TENNESSEE

February 18, 2014

Attorney General Bob Cooper Announces Mental Health Facility Settles Billing Practices Case with the State

The A.I.M. Center, Inc. (AIM), which operates a community mental health facility located in Chattanooga, Tenn., has agreed to pay $800,000 to settle allegations that it violated the federal False Claims Act (FCA) and the Tennessee Medicaid False Claims Act (TNMFCA). This settlement resolves an investigation into AIM’s billing practices which began with the filing of an action by a former member of the facility on behalf of the United States and the State of Tennessee under the qui tam, also known as whistle-blower, provisions of both the FCA and the TNMFCA. The United States and the State of Tennessee subsequently filed a joint intervention complaint.

TEXAS

February 21, 2014

Attorney General Greg Abbott Announces Two Houston-Area Men Indicted For Health Care Fraud In State And Federal Case

Houston Physician Arrested in Health Care Fraud Conspiracy

Dr. Enyibuaku Rita Uzoaga, 41, and Charles Harris, 53, have been indicted on charges of conspiracy to commit health care fraud and health care fraud, announced United States Attorney Kenneth Magidson.

https://www.texasattorneygeneral.gov/oagnews/release.php?id=4652

February 19, 2014

Attorney General Greg Abbott Announces South Texas Physician Convicted of Health Care Fraud in State and Federal Case

Dr. Roque Joel Ramirez, 49, of Robstown, has entered a plea of guilty to mail fraud in connection with his scheme to defraud Medicare and Medicaid through fraudulent billings, announced United States Attorney Kenneth Magidson and Texas Attorney General Greg Abbott.

Ramirez, a licensed physician in Texas since 1997 and owner of Health Resolutions Inc., was indicted by a federal grand jury on Oct. 9, 2013, for a scheme to defraud Medicare and Medicaid through fraudulent billings. He was set for trial this morning, but opted to enter a guilty plea to one count of mail fraud for using the United States Postal Service (USPS) for the purpose executing his scheme. His medical office in Corpus Christi is now close

https://www.texasattorneygeneral.gov/oagnews/release.php?id=4650

February 6, 2014

Attorney General Greg Abbott Announces Three Houstonians Indicted for Health Care Fraud in Case Investigated by State and Federal Officials

William Owuama, 55, Marla Owuama, 46, and Florida Holiday Island, 64, all of Houston, have been charged in an eight-count indictment alleging
conspiracy to commit health care fraud, health care fraud and conspiracy to violate the federal anti-kickback statute, announced United States Attorney Kenneth Magidson.

The sealed indictment, returned Jan. 22, 2014, was unsealed this afternoon as all three defendants made their initial appearance before U.S. Magistrate Judge Frances Stacy at 2:00 p.m. At the hearing, Judge Stacy permitted Marla Owuama and Island be released upon posting bond. Upon surrendering his passport, William Owuama is also expected to be released upon posting bond.

https://www.texasattorneygeneral.gov/oagnews/release.php?id=4644

February 6, 2014

Attorney General Greg Abbott Announces Abilene Dentist Ordered to Prison for Health Care Fraud in Case Investigated by State and Federal Officials

Dr. Tuan Truong, aka “Terry Truong,” of Abilene, a dentist who practiced pediatric dentistry at Kool Smiles in Abilene, was sentenced this afternoon, by U.S. District Judge Jorge A. Solis, to 18 months in federal prison. Truong pleaded guilty in August 2013 to an Information charging one count of making a false statement in connection with a health care matter. Truong was also ordered to pay $57,969 in restitution to Kool Smiles. Today's announcement was made by U.S. Attorney Sarah R. Saldaña of the Northern District of Texas.


WISCONSIN

February 4, 2014

Attorney General G.B. Van Hollen Announces Milwaukee Man sentenced for Medicaid Fraud

Attorney General G.B. Van Hollen announced today that a Milwaukee man has pleaded to and been convicted of Medicaid fraud for his part in a scheme to file false claims for fictitious durable medical equipment. Ferguson Saffold,
Jr., appeared on February 3, 2014, before Milwaukee County Circuit Court Judge Dennis P. Moroney, who imposed and stayed a sentence of four years imprisonment – comprising two years initial confinement with two years extended supervision – and placed Saffold on probation for three years. As conditions of probation, Saffold was ordered to pay restitution in the amount of $63,276.23, maintain absolute sobriety, provide truthful testimony in any other litigation regarding the scheme, complete a parenting program, perform 75 hours of community service, and maintain full-time employment. Judge Moroney also ordered 60 days in the Milwaukee House of Corrections for use by the probation agent.

http://www.doj.state.wi.us/media-center/2014-news-releases/february-4-2014-1

WYOMING

February 3, 2014

Attorney General Peter Michael Announces Wyoming Medicaid Provider Indicted for Health Care Fraud

Wyoming Attorney General Peter Michael announced today that a Wyoming Medicaid provider was indicted for alleged health care fraud for billing Wyoming Medicaid for services she did not provide. Deborah Person of Cheyenne was indicted in the Federal US District Court of Wyoming on one count of federal health care fraud for allegedly billing Wyoming Medicaid more than $10,000 for services she did not provide. Ms. Person provided Medicaid services for developmentally disabled children.

AGs Support Federal Patent Reform Legislation: Ask Congress to Consider Amendments

The National Association of Attorneys General (NAAG) sent a letter today signed by 42 state and territorial attorneys general to U.S. Senate committee leadership offering support for bipartisan federal patent reform legislation that addresses patent trolls and suggesting some amendments.

Patent trolls acquire patents solely for the purpose of using them to extract license fees and settlements from those targeted as alleged infringers. Consumers, small businesses and non-profit agencies are often targeted by patent trolls because they have purchased or used products with a wide-range of patented technology such as printers or scanners.

AG offices have responded to complaints by launching investigations and bringing enforcement actions against patent trolls. “Our authority to protect businesses derives primarily from state statutes that prohibit unfair and deceptive acts. Though any patent holder has a right to fight infringement, it may not do so in a manner that is unfair or deceptive,” reads the NAAG letter.

The U.S. Senate bill, S.1720, and the related H.R. 3309, which recently passed the U.S. House of Representatives, would require greater clarity in patent demand letters and include patent litigation reforms that will help limit the power of patent trolls.

The NAAG letter asks Congress to consider amendments that: confirm state enforcement authority; clarify state-court jurisdiction over bad-faith demand letters; increase transparency for patentees that send demand letters; and address patent litigation reforms.

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

February 24, 2014

Attorney General Dustin McDaniel Calls For Federal Patent Reform Legislation

Attorney General Dustin McDaniel announced today that he and 41 attorneys general from across the country have called on Congress to enact bipartisan patent reform legislation to protect small businesses and consumers from so-called “patent trolls.”

Patent trolls acquire patents in order to attempt to extract licensing fees or settlements from those accused of patent infringement. Consumers, small businesses and nonprofit agencies are often targeted by patent trolls because the entities have used products with a wide range of patented technology, such as printers or scanners.

In a letter sent today to ranking members of the Senate Judiciary and Commerce, Science and Transportation committees, McDaniel and his colleagues said that patent trolls “stifle innovation and harm our economy by making dubious claims of patent infringement and using the threat of expensive litigation to extort money from small businesses and nonprofits.” The threats from patent trolls are levied on many types of businesses, including banks, hospitals, restaurants and hotels.


CALIFORNIA

February 27, 2014

Attorney General Kamala D. Harris Issues Guide for Small Businesses to Protect Against Cyber Attacks, Data Breaches

Attorney General Kamala D. Harris today issued recommendations to California businesses to help protect against and respond to the increasing threat of malware, data breaches and other cyber risks.

"My office issued this guide to support California’s businesses and ensure a robust economy," Attorney General Harris said. “Technology has created new
opportunities and new risks for California businesses, including cyber attacks. This guide offers specific, straightforward recommendations to help businesses continue to thrive by reducing cyber security risks to employees and customers.”


**CONNECTICUT**

*February 7, 2014*

**Attorney General George Jepsen Advises Consumers about Reader’s Digest Prize Scam: Scammers Use Fake Governor Malloy Letter**

Department of Consumer Protection Commissioner William M. Rubenstein, Attorney General George Jepsen and Department of Emergency Services and Public Protection Commissioner Dora B. Schriro today are advising residents to avoid responding to a letter claiming to be from Governor Dannel P. Malloy and bearing a replica of his signature, informing them that in return for a cash payment to cover state taxes, they will receive the Reader’s Digest Sweepstakes prize of $5 million and a Mercedes Benz vehicle.

“This letter is not from any office within the State of Connecticut, particularly that of the Governor,” Commissioner William Rubenstein said. “Rather, it’s a common example of a scam letter, replete with certain clues that easily give it away as such. We urge anyone receiving this communication to ignore it, and certainly do not send money as requested. Loud alarm bells should go off anytime you are told you won a contest that you did not enter, or that you are required to pay money before receiving a prize. Those are telltale signs of a scam.”

DELAWARE

February 17, 2014

Consumer Alert: Biden Alerts Delawareans To Be Aware Of Two E-Mail Scams

Attorney General Beau Biden warned Delawareans on Monday to be on the lookout for two e-mail scams recently reported to his office’s Consumer Protection Unit.

In the first scam, Delawareans have received an e-mail purportedly from a credit union – but really a scammer – seeking to “verify recent activity on your account.” In reality, the scammers are attempting to dupe potential victims into giving up sensitive personal financial information, such as bank account numbers.

In the second scam, Delawareans have received an email purportedly from a “private investor based in West Columbia (South Carolina, USA)” who claims to have been contacted by a “group of government officials from South Africa who need to transfer a large sum of money into the United States.” The email from the private investor promises the recipient a percentage of a very large sum of money in exchange for access to the victim’s bank account information to facilitate this fraudulent transaction. In reality, of course, there is no large sum of money that needs to be transferred into the United States and the scammers use the bank account numbers to steal the victim’s money.


FLORIDA

February 20, 2014

Attorney General Pam Bondi Works with Legislature to Better Protect Consumers in Wake of Data Breaches

Data breaches that compromise consumers’ financial, medical, or other personal information have been a growing concern throughout the country, and Attorney General Pam Bondi is working closely with the Florida Legislature to enhance laws that relate to data breaches in order to better protect Floridians. Yesterday, the House of Representatives’ Civil Justice
Subcommittee, chaired by Rep. Larry Metz, passed Proposed Committee Bill CJS 14-04, also known as the “Florida Information Protection Act of 2014.”

“Consumers should not have to live in fear that a data breach at a business or governmental entity can cause complete chaos in their lives and lead to fraud and identity theft. By working with the Legislature, I fully intend to strengthen Florida’s reporting requirements in order to better protect consumers’ best interests in the wake of a data breach,” stated Attorney General Pam Bondi.

http://www.myfloridalegal.com/newsreleases/FFFA3289ACDD9F2185257C85006FC6F3

ILLINOIS

February 11, 2014

Madigan: Data Breach, Identity Theft Concerns Spike In Top 10 Complaints For 2013

Attorney General Releases Data Showing Dramatic Increase in Consumer Worry over Impact Data Breaches & Risk of Identity Theft

Attorney General Lisa Madigan today released her annual top 10 list of consumer complaints, revealing Illinois residents are increasingly worried over how businesses protect their personal and financial information in the wake of widespread data breaches reported last year. In 2013, Madigan’s office saw a 1,600 percent increase in data breach complaints compared to the year before.

Madigan’s office received more than 20,500 complaints in 2013. Identity theft complaints recorded the largest increase – from 2,544 complaints in 2012 to 3,009 complaints for 2013. Within this category of complaints, Madigan’s office reported a significant increase in complaints specifically about data breaches — from 33 complaints in 2012 to 576 filed in 2013, representing a 1,600 percent increase.

http://illinoisattorneygeneral.gov/pressroom/2014_02/20140211.html
February 5, 2014

Attorney General Madigan: Congress Must Act To Protect Consumers From Data Breaches

Attorney General Testifies in D.C. Calling for Comprehensive Legislation to Address Epidemic of Data Breaches

Attorney General Lisa Madigan today testified before the U.S. House of Representatives’ Subcommittee on Commerce, Manufacturing and Trade about her investigations into widespread data breaches reported by retailers in recent months, which have affected millions of American consumers. Madigan called on Congress to immediately take steps at the federal level to better protect consumers’ personal information.

http://illinoisattorneygeneral.gov/pressroom/2014_02/20140205.html

INDIANA

February 15, 2014

Attorney General Greg Zoeller Warns Consumers Of Home Security Solicitations

Indiana Attorney General Greg Zoeller said Hoosiers should be wary of calls and door-to-door solicitors offering home security or alarm systems.

More than 150 consumers from across the state recently filed complaints with the Attorney General’s Office after receiving unwanted calls, including robocalls, offering home security systems. Zoeller’s office tracked the illegal out-of-state calls to Justin Ramsey, owner of Loyal Marketing, LLC, and subsequently filed a state lawsuit.

**IOWA**

*February 9, 2014*

**Attorney General Tom Miller Announces Top 2013 Consumer Complaint: Home Mortgages**

Top three consumer protection division complaints last year related to mortgages, debt collection & used vehicle sales

Troubles with home mortgages, debt collection practices and used vehicle sales topped the list of complaints consumers filed last year with the attorney general’s Consumer Protection Division.

“The numbers show that many people who are struggling financially are struggling even more with those who are trying to take advantage of their situations,” Attorney General Tom Miller said.

Out of nearly 3,000 written complaints filed last year, 316 were related to home mortgages, 171 were debt collection complaints, and 169 consumers complained about used vehicle sales practices.

“Home mortgage complaints continue to top the list, but we’re seeing those numbers trending downward, which we think is good news,” Miller said. Miller noted that the 2012 National Mortgage Settlement with the nation’s largest mortgage servicers put new rules into place that govern how servicers handle mortgages, including how they respond to borrower complaints.


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**KANSAS**

**Kansas Attorney General Derek Schmidt Announces Consumer Corner: Top scams of 2013**

The first week of March marks National Consumer Protection Week. While our office makes educating and protecting Kansas consumers a priority year-round, we take this week as an opportunity to draw Kansans’ attention to ways they can protect themselves from scams and how our office can help if they’ve become a victim.
During 2013, our office handled more than 4,000 complaints from Kansas consumers on a wide variety of topics – and this is only counting those who file a formal, written complaint. In addition, our staff handles many inquiries from constituents who just have questions about a fishy email or phone call they received.

We also made more than 90 in-person presentations to groups and organizations throughout our state, sharing information and tips to help Kansans avoid falling victim to scams and rip-offs. There is no way of knowing how much money Kansans have saved simply by being alert and asking questions if something just doesn’t seem right.


LOUISIANA

February 7, 2014

AG Buddy Caldwell: Don’t Fall For ‘One Ring’ Cell Phone Scam

Don’t know the number calling you? Then don’t return the call. That’s the message from the Louisiana Attorney General’s Consumer Protection Section about a new cell phone scam gaining national momentum.

This is a new type of cramming scam that is targeting people across the country, according to the Better Business Bureau. The “one-ring” scam--dubbed such because victims’ phones ring only once before the call is disconnected--can result in unauthorized charges being added to wireless monthly bills.

https://www.ag.state.la.us/Article.aspx?articleID=809&catID=2
MASSACHUSETTS

Attorney General Martha Coakley Announces AG’s Office Participates in 16th Annual Consumer Protection Week; Provides Tips on How to Protect from Fraud, Scams and Identity Theft

In the ongoing effort to raise consumer awareness, Attorney General Martha Coakley’s Office is participating in the 16th annual National Consumer Protection Week (NCPW) through a series of educational events happening next week and throughout the month. Staff members from the AG’s Office will be holding workshops on a number of financial literacy topics, with a focus on how consumers can best protect themselves and their wallets.

Throughout NCPW, the AG’s Office staff, including many from the Public Inquiry and Assistance Center, will offer a series of presentations, workshops and informational tables across the state to help consumers make more informed financial decisions. The AG’s Office fields thousands of consumer complaints annually and provides voluntary mediation services to resolve disputes with businesses. In 2013, the AG’s Public Inquiry and Assistance Center, along with Local Consumer Programs and Face-to-Face mediation programs funded by the office, handled approximately 15,000 cases resulting in relief of more than $8.9 million for consumers.


MISSISSIPPI

February 11, 2014

Attorney General Jim Hood Issues Price Gouging Reminder

With Winter Storm Warnings posted for parts of Mississippi, Attorney General Jim Hood is reminding residents and business owners of the legalities concerning price gouging during a state of emergency.

The law says that “the value received for all goods and services sold within the designated emergency impact area shall not exceed the prices ordinarily charged for comparable goods or services in the same market area at or
immediately before the declaration of a state of emergency or local emergency. However, the value received may include: any expenses, the cost of the goods and services which are necessarily incurred in procuring such goods and services during a state of emergency or local emergency.”

http://www.ago.state.ms.us/press-releases/

NEBRASKA

February 13, 2014

Attorney General Jon Bruning Announces Nebraska Fitflop Purchasers May Be Eligible for Cash

Attorney General Jon Bruning today issued an alert notifying Nebraskans they may be eligible to receive cash funds from a settlement if they purchased Fitflop footwear in the last seven years.

“Nebraska consumers work hard for their money and deserve to get what they pay for,” said Bruning. “Due to the settlement of a class action lawsuit regarding misrepresentation of the benefits of these products, including claims that wearers would increase muscle mass, consumers are eligible to be repaid for a portion of their purchases.”


NEVADA

February 28, 2014

Attorney General Masto Invites Nevadans To Participate In National Consumer Protection Week

Nevada Attorney General Catherine Cortez Masto and her Bureau of Consumer Protection are joining with federal, state, and local government agencies and national organizations for the 16th annual National Consumer Protection Week (NCPW), March 2-8, 2014.
Attorney General Masto’s office will issue consumer alerts to address important issues to Nevadans, including privacy protection, credit restoration services, and free-of-charge housing assistance.

“As always, we will continue to hold those who violate consumer protection laws accountable. However, awareness is the first step in preventing fraud,” said Masto. “My office understands the need for all Nevadans to be informed.”

http://ag.nv.gov/News/PR/2014/Consumer_Protection/Attorney_General_Masto_Invites_Nevadans_To_Participate_In_National_Consumer_Protection_Week/

February 13, 2014

**Attorney General Masto Encourages Nevadans to Weigh In on Debt Collection**

Nevada Attorney General Catherine Cortez Masto, through the Bureau of Consumer Protection encourages Nevadans who have had experiences with debt collectors – good and bad to participate in an online forum. The Consumer Financial Protection Bureau (CFPB) will consider public input in formulating specific proposals about creating new federal guidelines for debt collection.

“This is a great opportunity for Nevadans to submit feedback on their experiences with debt collectors and further influence policy”, said Masto.

http://ag.nv.gov/News/PR/2014/Miscellaneous/Attorney_General_Masto_Encourages_Nevadans_to_Weigh_In_on_Debt_Collection/
NEW MEXICO

February 6, 2014

Attorney General Gary King Supports Efforts to Cap Loan Interest Rates

Attorney General Gary King says financially-at-risk New Mexicans deserve protections of a constitutional amendment that would cap consumer loan interest rates at thirty-six percent.

“Senate Joint Resolution-20 would stop high cost loans that trap borrowers in a never ending cycle of debt,” says AG King. “I strongly support giving New Mexico voters the opportunity to protect themselves.”

http://www.nmag.gov/News

NEW YORK

February 18th 2014


Attorney General Eric T. Schneiderman today issued a warning to New Yorkers based on numerous complaints received by his office from consumers who have been contacted recently by scam artists posing as representatives of Microsoft or an organization allegedly affiliated with Microsoft, such as P.C. Solutions. In some cases, the callers will even spoof the telephone's Caller ID to identify the source as "Windows Support." The scam artists attempt to gain remote access to consumers' computers by claiming that their units are running slowly because they are infected with malware or viruses or need additional software, which the scam artists offer to remedy. After gaining access, scammers are able to extract a fee – as much as $300 – by obtaining credit card information over the phone, or by directing consumers to enter PayPal, bank or credit card information on a website the scammers control.

NORTH CAROLINA

February 12, 2014

Attorney General Roy Cooper Watch Warns of Tree Removal Scams

Snow and ice expected to fall on much of North Carolina today and tomorrow could be followed by scammers seeking to take advantage of consumers who need help removing trees brought down by the storm, Attorney General Roy Cooper warned Wednesday.


OHIO

February 14, 2014

Attorney General Mike DeWine Warns Sweetheart Scam Complaints on the Rise

Ohio Attorney General Mike DeWine today warned that more consumers are reporting “sweetheart” or “romance” scams — costly ploys where con artists develop relationships with their victims, usually online, to convince them to send money.

In 2013, the Attorney General’s Consumer Protection Section received more than 50 complaints involving sweetheart scams, double the number recorded in 2012. Of the more than 50 complaints filed since January 2013, the average reported loss was more than $25,000, with the highest reported loss at $600,000.

https://www.ohioattorneygeneral.gov/Media/News-Releases/February-2014/Sweetheart-Scam-Complaints-on-the-Rise
WASHINGTON

February 14, 2014

Attorney General Bob Ferguson Issues CONSUMER ALERT: Looking For Love In All The Wrong Places:

As more people go cyber to find love, the Washington State Attorney General’s Office (AGO), the Better Business Bureau (BBB) and AARP warn of an uptick in reports of romance scams. According to the Internet Crime Complaint Center, romance scam victims lost more than $55 million in 2012. To combat this growing epidemic, consumer protection groups are spending Valentine’s Day warning singles about the dangers of “catfishing.”

Online dating is big business in the United States—more than 41 million Americans have tried it—generating approximately $1.25 billion each year. In an industry that is largely unregulated, scammers take advantage of emotions to steal money and personal information.

http://www.atg.wa.gov/pressrelease.aspx?id=31849#.Uwu06YX3_D4

February 10, 2014

Attorney General Bob Ferguson Issues CONSUMER ALERT: Don’t fall victim to the “one ring” scam, you’ll be out $20 or more

Are you puzzled by a missed mobile call from Antigua, Barbuda, Jamaica or other exotic locations? No, you have not won a trip to the Caribbean.

Scammers are placing thousands of calls to random mobile numbers around the United States. The phone rings once and then disconnects.

http://www.atg.wa.gov/pressrelease.aspx?id=31833#.Uwu0h4X3_D4
WEST VIRGINIA

February 26, 2014

Attorney General Patrick Morrisey Warns Residents About Cash-for-Collection Prize Scam

West Virginia Attorney General Patrick Morrisey is warning residents about a scam that’s been circulating in some counties in which a resident will receive a piece of mail notifying them of a cash or prize award, but asking the recipient for a cash advance to collect it.

A Wirt County resident recently reported to the Attorney General’s Office that she received a notice in the mail of a cash award of $4,000. To get the award, however, she would need to advance half of that prize for a “handler’s fee.” The notice came from “Advance Trust Finance Services.”


February 24, 2014

Attorney General Patrick Morrisey Encourages Consumers to Use Caution When Purchasing Items from Online Sellers

Attorney General Patrick Morrisey is reminding consumers to take precautions when buying items from online sellers after a Fairmont woman reported losing several thousand dollars to a Craigslist scammer in February.

In this particular case, the buyer was looking for an all-terrain vehicle to help clear snow and found one through a posting on Craigslist, an online classified advertisement website. She made contact with the seller who provided her with not only photos of the ATV, but the name of a supposed “attorney” to make the buyer feel more secure. After working out an initial payment through an online transfer per the seller’s instructions, a period of time passed and the seller asked for another payment prior to shipment of the vehicle that was not previously discussed. At this point, the seller became wary, but it was too late, and she was already out thousands of dollars.

http://www.wvago.gov/press.cfm?ID=787&fx=more
February 12, 2014

**Attorney General Patrick Morrisey Issues Warning About Scammers Posing As Utility Employees and Demanding Payment**

Attorney General Patrick Morrisey is warning West Virginia consumers about a scam in which a caller impersonates an electric or gas company representative and threatens to disconnect the customer unless they immediately make a payment.

“Our Office has received calls from consumers who have been called by people claiming to be representatives of Appalachian Power and demanding immediate payment,” Attorney General Morrisey said. “Similar to the scam we saw with Frontier Communications, the caller tells the consumer they are behind on their bill and they need to make an immediate payment. They also may ask for personal information, such as a consumer’s Social Security number.”

In some scenarios, the caller will ask consumers to make the payment with a pre-paid debit card. The caller tells the consumer to purchase the card, and then call back to remit the payment.


February 5, 2014

**Attorney General Patrick Morrisey Warns WV Consumers About One-Ring Phone Scam**

Attorney General Patrick Morrisey today warned citizens to be cautious of a new scam that places unauthorized fees on their wireless accounts if they return calls they were unable to answer.

The scam, which the Better Business Bureau and others have dubbed the “one-ring” scam, is a form of cramming, or the practice of placing unauthorized, misleading or deceptive charges on your phone bill. In the scam, a person, often located overseas, calls a number and then hangs up after the first ring. If a consumer calls back, he or she is charged for making an international call as well as other hidden fees.