NATIONAL STATE ATTORNEYS GENERAL PROGRAM: CONSUMER PROTECTION REPORT

July 2014
CONSUMER PROTECTION REPORT:
July 1 –31, 2014

This newsletter is the ninth 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

*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

ALABAMA

July 18, 2014

Attorney General Luther Strange Announces $500,000 Consumer Protection Settlement

Attorney General Luther Strange today announced a $500,000 settlement with Thompson Gas-Smokies LLC and Suburban Gas Propane Partners LLC. The agreement was filed today in Jefferson County Circuit Court to settle alleged violations of the Alabama Deceptive Trade Practices Act. Thompson’s and Suburban’s regional headquarters is in Columbiana with numerous branches throughout Alabama.

The Attorney General’s complaint alleged that in May 2012 Thompson and Suburban billed approximately 2,000 of their customers a minimum usage or non-usage fee ranging from $192.80 to $706.80. Many of these customers were the result of Thompson’s and Suburban’s acquisition of other propane companies, with which the customers had varying contracts that did not necessarily provide for the charging of such fees.

http://www.ago.state.al.us/News-515

ARIZONA

July 29, 2014

Attorney General Horne Obtains Consent Judgment Against Two Local Companies For Fraudulent Telemarketing Schemes

Arizona Attorney General Tom Horne is today announcing a recently obtained consent judgment against several individuals and entities who the State
alleged engaged in fraudulent telemarketing schemes, selling so-called “work-at-home business opportunities” to consumers throughout the country.

In June, 2014, the Arizona Attorney General obtained a judgment against two local companies and their owner and manager who illegally sold business opportunities over the telephone from various locations in Arizona to consumers throughout the United States and Canada. The consent judgment permanently prohibits Kiloh Smith and his companies, Namaste Group, LLC and Southwest Marketing Technology, LLC, from selling business opportunities or from engaging in any type of outbound telemarketing while in Arizona or to Arizona consumers. Additionally, the judgment prohibits the Defendants from contesting any consumer’s chargeback request with his or her credit card company for their purchase of a business opportunity from Namaste or Southwest Marketing. The judgment also orders Smith and his companies to pay a total of approximately $21,600 for consumer restitution, civil penalties and the Attorney General’s fees and costs incurred in bringing its consumer fraud action against Smith and his companies.


July 15, 2014

**Attorney General Horne Obtains Judgment Against Used Automobile Dealer**

Attorney General Tom Horne recently obtained a judgment against Prieto’s Auto Sales, Inc. (“Prieto’s”), an Arizona used automobile dealer, and its owners Gustavo and Rita Prieto.

On May 20, 2014, Attorney General Horne filed suit alleging that Prieto’s willfully engaged in deceptive and unfair acts and practices, made false promises and misrepresentations, and suppressed or omitted material facts in violation of the Arizona Consumer Fraud Act. The lawsuit alleged that Defendants failed to inspect vehicles and repair hazardous defects, made false promises that defects would be repaired, failed to abide by statutorily mandated warranties, sold trade-in vehicles before the consumer’s purchase was completed, sold vehicles for which they did not hold valid title, sold vehicles with salvage titles without disclosing the defect in the title, sold vehicles with hidden collision damage, kept refundable deposits, failed to
disclose financing terms properly, knowingly wrote bad refund checks, and
failed to follow the statutory requirements for the repossession and
disposition of repossessed vehicles.

https://www.azag.gov/press-release/attorney-general-horne-obeams-
judgment-against-used-automobile-dealer

ARKANSAS

July 15, 2014

Attorney General McDaniel Reaches Settlement With National Police
Defense Foundation

Attorney General Dustin McDaniel announced today that he has reached a
settlement with New Jersey-based National Police Defense Foundation to
resolve allegations that the organization misled Arkansas donors into
believing their contributions benefited Arkansas emergency responders.

In a consent agreement filed in Pulaski County Circuit Court today, the
foundation agreed to pay $120,000 in restitution to consumers and to
permanently stop all professional fund-raising activities in Arkansas.

http://arkansasag.gov/news-and-consumer-alerts/details/mcdaniel-reaches-
settlement-with-national-police-defense-fund

COLORADO

July 16, 2014

Attorney General John Suthers Charges Colorado’s Largest Foreclosure
Law Firms With Fraud

Colorado Attorney General John Suthers today announced the filing of civil
law enforcement actions against the two largest foreclosure law firms in
Colorado. In separate filings, the Attorney General’s Consumer Protection
Section charged The Castle Law Group, its principals and affiliated
foreclosure-related businesses, as well as Aronowitz & Mecklenburg, its
principals and affiliated foreclosure-related businesses with violating the
Colorado Consumer Protection Act, the Colorado Antitrust Act, and the

http://www.coloradoattorneygeneral.gov/press/news

CONNECTICUT

July 24, 2014


Companies Required to Make Clear That They are Not Venue Box Offices

The Office of the Attorney General, at the request of the Connecticut Department of Consumer Protection, is joining the Federal Trade Commission to file a Complaint and Consent Orders in U.S. District Court against TicketNetwork, Inc., a Connecticut-based ticket resale company, its wholly-owned subsidiary TicketSoftware, LLC, and two companies that are part of TicketNetwork's Partner Program, Ryadd, Inc. and SecureBoxOffice, LLC. Also named in the complaint are Ryadd co-owners Ryan J. Bagley and Charles A. Lineberry, and Secure Box Office owner James Moran.

All defendants have been involved in the secondary ticket market, in which ticket resellers such as brokers advertise and sell event tickets to consumers. In the primary ticket market, consumers buy tickets directly from either a venue box office or from an authorized ticket service. While the primary market typically sells tickets at face value, the secondary market, which operates primarily online, often sells tickets at prices above face value.


July 11, 2014

Merrill & Jepsen Collect $1.6 Million in Penalties from Companies Transacting Business in Connecticut Without Legal Authority
Joint Effort Benefits Consumers, Educates Businesses on Requirement to Register with the State;

Connecticut Secretary of the State Denise Merrill and Attorney General George Jepsen today announced that during Fiscal Year 2014, a joint effort by their offices resulted in the collection of more than $1.6 million in penalties from out-of-state companies operating in Connecticut without legal authority to transact business. The penalties collected during FY 2014 were paid by 312 out-of-state firms. The $1,621,053.66 in penalties collected during FY 2014 is a nearly 25% percent increase from the total fines collected during the previous fiscal year.


FLORIDA

July 23, 2014

Attorney General Pam Bondi Shuts Down Jacksonville Puppy Mill

Attorney General Pam Bondi’s Office obtained a temporary injunction and asset freeze against five Jacksonville residents for the alleged illegal importation, breeding and sale of English bulldog puppies. Brook Anthony Roque, Anthony Rene Roque, Glenda Chester Roque, Kassaundra Ann Buttram, and Michelle Lee Echols operated as Five Star Bulldogs, Grand Bulldogs, Matrix Bulldogs, Brook’s Bullies and Remarkabull and used several websites to solicit sales. The defendants allegedly sold over 700 English bulldogs ranging in price from $1,500 to $2,300 each, totaling more than $1 million in potential profits. Many of the puppies sold suffered from congenital defects, parasites, or other serious health or behavioral issues.

http://www.myfloridalegal.com/newsrel.nsf/newsreleases/ED61E82173C018A585257D1E004DA3FB

July 18, 2014

Attorney General Pam Bondi Sues American Children’s Cancer Association for Raffle Scam
Attorney General Pam Bondi’s Office today sued the American Children’s Cancer Association, a New Jersey Corporation, for operating an allegedly illegal raffle. ACCA registered with the Florida Department of Agriculture and Consumer Services to solicit charitable contributions out of a Boca Raton, Fla. virtual office without disclosing among other things, an injunction obtained against the company by the State of New Jersey. Additionally, ACCA President Shaun Heusen, Vice President Joseph Way, and Real Estate Agent Peter Kelly allegedly violated the Florida Deceptive and Unfair Trade Practices Act, Gambling Act, and Solicitation of Funds Act by soliciting charitable contributions for a Florida Dream Home Raffle with no realistic intent or ability to award such prize.


July 14, 2014


Attorney General Pam Bondi’s office and the Federal Trade Commission filed lawsuits against multiple business directory companies for scams that allegedly charge consumers for business directory or advertising services they did not order. The owners of these companies purportedly collect between $200 and $1,800 from each consumer in what the companies claim are business directory fees, yet consumers claim these services were never authorized and in many cases the “listing” was either not present or inaccurate. More than 600 consumers filed complaints with various entities about the businesses. The businesses sued are as follows: Your Yellow Pages, Inc., Rapid Pages, Inc. also d/b/a Rapid Yellow Pages, City Pages, Inc. also d/b/a City Yellow Pages and Online City Yellow Pages, 7051620 Canada, Inc. d/b/a Nationwide Marketing Bureau, Inc., National Business Advertising, National Biz Ads, and Yellow Business Ads.

http://www.myfloridalegal.com/newsrel.nsf/newsreleases/41BAC3DECC3EB45485257D150068D831
IDAH0

July 29, 2014

Attorney General Lawrence Wasden Announces Settlement Reached with Company Alleged to Have Practiced Law Without a License

Ramon Martinez, owner of Alianza Hispana Multiservice, a business operating in both Nampa and Jerome, has entered into a settlement to resolve the Attorney General's investigation for violations of the Idaho Consumer Protection Act, Attorney General Lawrence Wasden announced today. The subject of the investigation was the unauthorized practice of law.

The settlement prohibits Alianza Hispana Multiservice, and its owner, Ramon Martinez, from using any business practice or model that involves the practice of law by individuals who are not Idaho licensed attorneys.


July 18, 2014

Attorney General Lawrence Wasden Announces Idahoans to Receive Refunds from Utah Security System Company

Attorney General Lawrence Wasden has reached a settlement with a Utah home security company accused of violating Idaho's Consumer Protection Act. The settlement requires the company, Vision Security, LLC, to implement significant changes to the way its sales representatives interact with Idaho consumers.


ILLINOIS

July 14, 2014

AG Madigan Files Lawsuits Over New Student Loan Debt Scams

First Lawsuits In The Country Target Debt Relief Scams That Prey On People Struggling To Repay Student Loans
Attorney General Lisa Madigan Today Filed Lawsuits Targeting A New Industry Of Student Loan Debt Scams That Seek To Exploit People Struggling To Repay Their Debt. The Lawsuits Are The First In The Nation To Crack Down On An Emerging Industry Of Scam Operations Charging Large Upfront Fees For Bogus Services Or For Government Services That Are Already Free Of Charge.

Madigan Filed The Suits Earlier Today Against First American Tax Defense LLC, Based In Chicago, And Broadsword Student Advantage LLC, Based In Frisco, Texas, Alleging The Unlicensed Companies Engaged In Deceptive Marketing Practices And Illegally Charged Consumers Hundreds Of Dollars In Upfront Fees To Reduce Or Eliminate Their Student Loan Debt Burden. In Reality, Madigan Alleges, The Companies Sought To Scam Vulnerable People Into Paying As Much As $1,200 Upfront For Bogus Services, Including Assistance Enrolling In A Fake “Obama Forgiveness Program,” Or For Government Services That Are Already Free Of Charge.

http://www.illinoisattorneygeneral.gov/pressroom/2014_07/20140714b.html

INDIANA

July 18, 2014

Home Security Scammer target of Attorney General Greg Zoeller Lawsuit

Indiana Attorney General Greg Zoeller has filed a lawsuit against Jerome Edmond and USA Promotions for making illegal pre-recorded calls and for impersonating an ADT home security systems representative. This marketing followed several high profile home invasions that raised public safety concerns.

The Attorney General’s Office received nearly 160 complaints alleging that someone made automated telemarketing calls, sometimes called “robo-calls” advertising ADT security systems. The complaints were received from 13 counties from Central and Northern Indiana, with the most from Marion, Hamilton and Hendricks. Reportedly, the pre-recorded message stated, in part:

“This is a public safety call. Due to the rise in residential burglaries in your community ADT will be giving you a free ADT Home Security Alarm System with free installation and activation which means you pay absolutely nothing
out of pocket for this security system. This promotion expires in your community this week so it’s important you return our phone call right away. You can reach us toll-free at ----.”


IOWA

July 18, 2014

Attorney General Tom Miller Asks Judge to Order Supplement Company to Halt Iowa Sales, Respond to Consumer Fraud Investigation

Miller obtains injunction barring Americare Inc. from telemarketing to Iowans after seller claims in undercover recording that its human growth hormone product is the “only known product...proven to kill cancer cells”

An Iowa judge Thursday barred a Las Vegas-based company from telemarketing health and nutrition-related products to Iowans, after an undercover phone line recorded telemarketers making unsupported, misleading and illegal claims about its oral spray’s effects on cancer, diabetes, arthritis and other serious diseases and conditions.

Polk County District Court Judge Michael D. Huppert issued an injunction against Americare Inc., doing business as Americare Health, its owner, Mario S. Gonzalez, and two of its telemarketers, Phillip Baker and Nancy Carol Thompson, all believed to reside in the Las Vegas area.

The injunction, part of a consent judgment in which the defendants denied liability, also requires the defendants to refrain from collecting any payments for past sales to Iowans, and to provide refunds to any Iowans who request them.

In April, a Consumer Protection Division undercover phone line recorded Americare telemarketers making what Miller calls outrageous health claims for the company’s human growth hormone (HGH) spray, which the company sells for $249 per bottle.

http://www.state.ia.us/government/ag/latest_news/releases/july_2014/Americare.html
July 14, 2014

AG Tom Miller Announces Judge Bans Urbandale Magazine Telemarketer from Calling Iowans

Miller alleged that Legion Marketing Service and owners duped consumers into high cost, long-term subscriptions

A Polk County judge today barred an Urbandale magazine sales operation from telemarketing to Iowans and calling consumers in any state from Iowa.

District Court Judge Michael D. Huppert ordered Legion Marketing Service LLC and its owners, Christopher Bright and Brandy Bright, to refrain from any future marketing calls to or from Iowa. The defendants also must cancel balances owed by consumers who complain or previously complained about the company’s practices.

http://www.state.ia.us/government/ag/latest_news/releases/july_2014/legion_marketing.html

July 8, 2014

AG Miller Announces 400,000 Iowans Receiving Refund Notices in $40 Million Buying Club Cases

Consumers owed restitution by Vertrue, Stonebridge and Affinion Group buying clubs

Attorney General Tom Miller this week is notifying more than 400,000 Iowans that they are eligible for refunds from a $40 million fund tied to three buying club cases.

The refunds include restitution from last year’s unanimous Iowa Supreme Court decision against defunct Connecticut-based marketing company Vertrue Inc. The refunds also include separate payments from Affinion Group Inc., of Stamford, Connecticut, and Stonebridge Benefit Services Inc., of Plano, Texas.

http://www.state.ia.us/government/ag/latest_news/releases/july_2014/Vertrue.html
KANSAS

July 29, 2014

AG Schmidt Announces Douglas County Auto Dealer Ordered To Repay $2,000 To Consumer

A Douglas County auto dealer has been ordered to repay a consumer more than $2,000 after violating the Kansas Consumer Protection Act, Attorney General Derek Schmidt said.

South Auto Sales, Eudora, and its owner, Salah Ibrahim, were ordered last week in a consent judgment to reverse an automobile transaction and repay a consumer $2,065. In addition, the company was ordered to repay the attorney general’s office for the costs of the investigation and refrain from further violations of the Consumer Protection Act.


July 18, 2014

AG Schmidt Sues Medical-Alert Device Companies For Violating No Call Act

Kansas Attorney General Derek Schmidt has sued a group of Utah-based medical device companies for violating the Kansas Do Not Call Act.

In 2013, the attorney general’s office received multiple complaints from Kansans who had received telemarketing calls saying they could be eligible to receive a medical alert device. Schmidt issued a consumer alert in August 2013 warning Kansans about the calls. A copy of the consumer alert can be found at http://1.usa.gov/1qkounF.

Schmidt filed suit against Benjamin D. George; Jody C. Rookstool; KMR Medical, LLC; KPM Capital, LLC; Arizona Medical Supply, LLC d/b/a Western Medical Supply; and Medical Pendant Billing, LLC d/b/a US Lifecare. The suit was filed last month in Shawnee County District Court, and the final defendants were recently served with process.

AG Schmidt Announces Missouri Man Pleads Guilty In Scott County Lightning Rod Scam, Ordered To Repay $75,000

A Missouri man was ordered to repay a total of $75,000 to two Scott County consumers last week after pleading guilty to conspiracy to commit theft, Kansas Attorney General Derek Schmidt said.

Donald Anthony Moses, 52, Neosho, Mo., was sentenced by District Magistrate Judge James R. Collins to 24 months of probation with an underlying sentence of 18 months in prison. Moses pleaded guilty in June to a charge of conspiracy to commit theft.


AG Schmidt: Pavers Banned From Kansas

A door-to-door paving operation has been banned from doing business in the State of Kansas and ordered to refund three Northeast Kansas consumers, Attorney General Derek Schmidt said.

George H. Swartz and James J. Swartz were ordered to repay a total of $8,500 to a Lawrence consumer and two Topeka consumers for violations of the Kansas Consumer Protection Act. In addition, the pavers were permanently banned from doing business in Kansas. District Judge Rebecca Crotty approved the consent judgment last week in Shawnee County District Court.

The defendants, operating under a variety of names, including All Star Asphalt, All Star Paving, Asphalt Solutions and All Star Asphalt Paving, acknowledged that they violated the Kansas Consumer Protection Act by failing to provide consumers with a completed receipt, failing to advise consumers of their three-day right to cancel and cashing the consumers’ checks in less than five business days.
KENTUCKY

July 28, 2014

Attorney General Conway Announces Guilty Plea by Fraudulent Contractor

Attorney General Jack Conway and his Office of Consumer Protection today announced that a contractor accused of failing to perform home repair services for two Louisville residents, despite being paid to do so, has pleaded guilty to two counts of theft by deception over $500. Robert Watkins, 52, of Leitchfield, Ky., entered the plea this morning in Jefferson Circuit Court. Prosecutors recommended a three-year probated prison sentence on the condition that Watkins pays $6,450 in restitution to the victims.

Watkins owned H & R Restorations, a company located in Leitchfield. Watkins entered into contracts to perform repair services on the homes of two Louisville victims. However, after the victims paid, Watkins never returned to complete the work.

LOUISIANA

July 28, 2014

AG Caldwell Advises Spa Manhattan Customers to File Claim

Attorney General Buddy Caldwell urges consumers adversely affected by Harvey’s Spa Manhattan to file a claim with the Attorney General’s Consumer Protection Section. Caldwell today announced that his office had reached an agreement with the owner of the now defunct Jefferson Parish spa, resolving allegations that the spa continued to sell gift cards after the business had closed.
MAINE

July 31, 2014

Attorney General Mills Announces Bangor Used Car Dealer Banned from Doing Business

The Attorney General has taken action to ensure that Glenn Geiser and his affiliated businesses will be banned from doing business for seven years. “In addition,” Attorney General Mills stated, “the companies Mr. Geiser relied on to exploit consumers will not do business with him in the future. This should stand as a warning to any business that thinks it can cut corners and abuse Maine consumers.”

Under the terms of the proposed consent judgment, Geiser and his used car dealerships, My Maine Ride and Bumper2Bumper, Inc., will be out of business until 2021. Additionally, some consumers will be eligible for partial restitution for repair costs and may be eligible for forgiveness of loan balances on repossessed cars.

MARYLAND

July 25, 2014

AG Gansler Secures Settlement with Montgomery Co. Cleaning Companies

Consumers were not informed of their contract cancellation rights

Attorney General Douglas F. Gansler announced today that his Consumer Protection Division has secured a settlement with air duct cleaning companies Mountain Air Services, Inc., and Gold Air Services, Inc., and their owners, Shay Leon, Shiri Leon and Shiran Atias. The settlement resolves allegations that the companies and their owners failed to inform consumers of their rights to cancel their contracts.
July 25, 2014

AG Gansler Accepting Complaints, Refund Claims from Members of Shuttered Severna Park Health Club

Anytime Fitness closed without warning this month

Attorney General Douglas F. Gansler urges members of a recently closed health club in Severna Park called Ar U Can Do It Fitness, LLP (who did business under the name Anytime Fitness) to file refund claims with the Consumer Protection Division. The club, located at 564 Governor Ritchie Highway in the Park Plaza Shopping Center, closed this month, without advance notice to members. The Division may be able to assist consumers in recovering some of their payments for services they did not receive due to the club’s sudden closure. The Division also can provide information about how consumers can stop the club from continuing to collect payments set up as automatic debits or transfers from bank accounts.

http://www.oag.state.md.us/Press/2014/072514.html

MASSACHUSETTS

July 23, 2014

Attorney General Martha Coakley Announces Women & Infants Hospital to Pay $150,000 to Settle Data Breach Allegations Involving Massachusetts Patients

Hospital Allegedly Failed to Protect Personal Information and Protected Health Information of More Than 12,000 Massachusetts Patients

Women & Infants Hospital of Rhode Island (WIH) has agreed to pay $150,000 to resolve allegations that it failed to protect the personal information and protected health information of more than 12,000 patients in Massachusetts, Attorney General Martha Coakley announced today.

The consent judgment, approved yesterday by Suffolk Superior Court Judge Carol Ball, resulted from a data breach reported to the AG’s Office in
November 2012 that included patients’ names, dates of birth, Social Security numbers, dates of exams, physicians’ names, and ultrasound images.


**July 22, 2014**

**Attorney General Martha Coakley Announces Travel Company to Pay $50,000 for Using High Pressure Sales Tactics to Sell Over-Priced Vacation Club Memberships**

*Travel Services, Inc. Prohibited from Doing Business in Massachusetts under Settlement with AG Coakley’s Office*

Illinois-based Travel Services, Inc. and its principals have agreed to a $50,000 judgment that permanently prohibits them from selling and marketing vacation club memberships in Massachusetts, settling claims that they sold over-priced memberships by using high-pressure sales tactics and misrepresenting the value and benefit of memberships to consumers, Attorney General Martha Coakley announced today.

The consent judgment, filed Monday in Suffolk Superior Court, settles allegations that Travel Services – formerly known as Funseekers Vacations, Inc. and operating in Massachusetts as “Outrigger Vacation Club” – along with President Christy Spensberger and Vice President William Bailey, facilitated unfair and highly deceptive sales operations at Plymouth-based Only Way 2 Go Travel and Methuen-based Fantasia Travel.


**July 07, 2014**

**Attorney General Martha Coakley Announces Motorcycle Owners to Receive $14.6 Million in Refunds Through Settlement with Commerce Insurance**

*Total of $57.4 Million Recovered for Massachusetts Motorcycle Owners to Date; Commerce is Largest Settling Carrier in AG Coakley’s Industry-wide Investigation*

20
 Thousands of Massachusetts motorcycle owners will receive a total of $14.6 million in insurance refunds as a result of a settlement with Commerce Insurance Company after allegedly being overcharged on their policies, Attorney General Martha Coakley announced today.

The AG’s Office has now obtained a total of $57.4 million for consumers as a result of its four-year motorcycle insurance investigation. The investigation, which began with a single consumer complaint, has led to settlements with 19 insurance companies since 2010, and generated refunds on more than 150,000 Massachusetts policies. Today’s settlement with Commerce is the largest motorcycle settlement reached by the AG’s Office and will provide refunds to more than 40,000 policyholders. Commerce, which was acquired by MAPFRE in 2008, is presently the largest writer of automobile insurance in Massachusetts.


MICHIGAN

July 10, 2014

Attorney General Bill Schuette Issues Third Round of Felony Charges Related to Diversified Group Ponzi Scheme

Attorney General Bill Schuette today announced felony charges against a Berrien County woman for her alleged role in an extensive multi-county Ponzi scheme. Mary Faher, 56, of Stevensville, is accused of defrauding senior citizens out of millions of dollars. The charges come as a result of an Attorney General investigation.

http://www.michigan.gov/ag/0,4534,7-164-46849-332692--,00.html
MINNESOTA

July 22, 2014

Minnesota Attorney General Lori Swanson Files Lawsuit Against Minnesota School Of Business And Globe University

Schools Enrolled Students Who Wanted To Become Police Officers Even Though Their Programs Aren’t Certified For This & Misrepresented The Transferability Of Their Credits

Minnesota Attorney General Lori Swanson today filed a lawsuit against the Minnesota School of Business and Globe University—Minnesota corporations under common ownership—for misrepresenting the job opportunities available to their criminal justice graduates and misleading students about the transferability of their credits to other higher education institutions. Some students who enrolled at the schools were saddled with tens of thousands of dollars of debt without the ability afterwards to obtain jobs in their chosen career fields.

http://www.ag.state.mn.us/Consumer/PressRelease/20140722SchoolofBusiness.asp

MISSOURI

July 30, 2014

Attorney General Koster Obtains $344,000 Judgment Against Fraudulent Home Remodeling Contractor Operating In The Kansas City-Area

Attorney General Chris Koster announced today that he has obtained a judgment against a Texas-based home contractor who defrauded consumers in the Kansas City area. JD Global, LLC, and its owner, Jeremiah Osterhoff, contracted with at least sixty-two Missouri consumers for home repair and remodeling supplies they never received. Consumer complaints included shower and hot tub units purchased but never delivered, damaged shower and tub units, and products that did not function as promised.

Clay County Circuit Judge Janet Sutton entered a default judgment against Osterhoff and JD Global, LLC and awarded damages in the amount of $252,017.96 as restitution to consumers, as well as $92,153.47 in civil penalties and prosecution costs, for a total of $344,171.43.
July 15, 2014

AG Koster Takes Action Against 16 Home-Remodeling Businesses For Consumer Fraud

Attorney General Chris Koster today took action against 16 home-remodeling companies around the state for defrauding consumers who hired them for repair or remodeling projects.

Complaints about home repair and remodeling are consistently among the top ten complaints received by the Attorney General's Consumer Protection Division. There have been 334 complaints this year alone and over 2000 complaints since January 1, 2012. Many of these complaints stem from storm chasers – people who follow severe storms such as those that swept through Missouri in the past several weeks – who stay long enough to collect initial payments from homeowners or their insurance companies but rarely finish the repairs.

The actions announced today affect at least 80 Missouri homeowners who lost nearly $360,000 to unscrupulous contractors.

http://ago.mo.gov/newsreleases/2014/AG_Koster_takes_action_16_home_repair_consumer_fraud/

NEVADA

July 2, 2014

Attorney General Masto Announces Indictment of Las Vegas Man for Loan Fraud

Nevada Attorney General Catherine Cortez Masto announced that Mark Edward Shelton, 45, of Las Vegas, was indicted by a Clark County Grand Jury for loan fraud on June 24, 2014.

“Consumers seeking loans should use caution when evaluating an offer before deciding to trust anyone with their money,” said Masto. “My office will
continue to prosecute illegitimate businesses that prey on unsuspecting consumers.”

Shelton, is accused by the Clark County Grand Jury of having solicited victims to pay substantial fees for “guaranteed” business loan acquisition. Victims paid Shelton “fees” as large as $7,495 and did not receive the loans they had been promised.

http://ag.nv.gov/News/PR/2014/Mortgage/Attorney_General_Masto_Announces_Indictment_of_Las_Vegas_Man_for_Loan_Fraud/

July 1, 2014

**Attorney General Masto Announces Charges of Las Vegas Men Involved in Rental Fraud**

*AG’s Office Seeks Public’s Help to Identify Possible Victims*

Nevada Attorney General Catherine Cortez Masto announced that Deon Derrick Derrico, 43, of North Las Vegas and Olujuwon Devin Bryant, 23, of North Las Vegas were charged with multiple felony counts for their involvement in a fraudulent title scheme.

The charges include theft over $3,500, false representation concerning title, pattern of false representation concerning title, multiple transactions involving fraud or deceit in the course or enterprise or occupation, and notarization of signature of person not in presence of notary public.

The State alleges that between June 1, 2012 and Feb. 20, 2013, Derrico and Bryant preyed on unsuspecting victims by forging quitclaim deeds to the victims’ properties to force a change of ownership and putting the properties into the name of REEC Enterprises, LLC, for the purposes of collecting rent from unsuspecting tenants. One of the names they forged belonged to John Marshall of North Las Vegas, who had been deceased two years prior.

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

July 28, 2014

New Jersey Division of Consumer Affairs Files Complaint Against “Home Warranty” Company That Allegedly Used Deceptive Tactics to Refuse Consumers’ Claims for Repair of Crucial Home Systems and Appliances

The New Jersey Division of Consumer Affairs has filed a Complaint against CHW Group, Inc., d/b/a “Choice Home Warranty,” an Edison-based company that allegedly induced consumers to buy “comprehensive” coverage for crucial home systems and appliances, and then denied consumers’ claims for repair or replacement through the use of various deceptive tactics. As a result, consumers who paid hundreds of dollars for CHW’s so-called “home warranties” – which are actually residential service contracts – were forced to pay out-of-pocket for air conditioning, refrigerator, or other repairs that allegedly should have been covered under their “warranties” with CHW.

http://nj.gov/oag/newsreleases14/pr20140728a.html

July 24, 2014

New Jersey Attorney General’s Office and Division of Consumer Affairs File Complaint Against Moving Company That Allegedly Low-Balled Consumers and Threatened to Withhold Possessions

Acting Attorney General John J. Hoffman and the New Jersey Division of Consumer Affairs today announced the filing of a complaint against Moving Max, Inc., a Bergen County moving company based in Fair Lawn, and its owners, Adam Eliad, 32, and Oziel Eliad, 60, both of Paramus, for repeatedly offering artificially low estimates to consumers, and then once in possession of their goods, threatening to hold those goods hostage unless a higher payment -- at times double the estimates offered -- was paid immediately and in cash or money order.

The State’s 10-count complaint, filed in Superior Court in Hackensack, alleges that Moving Max, Inc., Adam Eliad, and Oziel Eliad (collectively, the “defendants”) committed multiple violations of the Public Movers and Warehousemen Licensing Act and its related regulations, and the Consumer Fraud Act. The State is seeking enhanced penalties because Adam Eliad and
Oziel Eliad allegedly violated terms of a February 2007 Final Consent Judgment related to a former moving company they owned.

http://nj.gov/oag/newsreleases14/pr20140724a.html

July 23, 2014

**New Jersey Division of Consumer Affairs Reaches Settlement with Woodbridge Towing Company, Resolving Allegations of Excessive Fees and Obtaining Restitution for Vehicle Owners**

The Office of the Attorney General and the New Jersey Division of Consumer Affairs have settled a lawsuit against Scott Flowers’ Towing, also known as “Scott’s Towing,” a Middlesex County-based towing company, after the company was alleged to have charged excessive towing and storage fees when removing vehicles from private parking lots in Woodbridge.

Scott Flowers’ Towing, of Woodbridge, will pay $12,905 to settle the State’s lawsuit, under terms of the Final Consent Judgment filed in State Superior Court in New Brunswick. The settlement includes $2,355 in total restitution to 26 consumers whose vehicles were towed, $8,050 in civil penalties and $2,500 to reimburse the State’s legal and investigative costs.

http://nj.gov/oag/newsreleases14/pr20140723a.html

July 16, 2014

**New Jersey Division of Consumer Affairs Cites 68 Home Improvement Contractors for a Total of $1.3 Million in Penalties and Consumer Restitution Due to Alleged Violations of Consumer Protection Laws**

Approaching the height of the home improvement season, the New Jersey Division of Consumer Affairs has issued Notices of Violation to 68 home improvement contractors, seeking a total of more than $1.3 million in civil penalties and consumer restitution, based on complaints and referrals by consumers across New Jersey.

http://nj.gov/oag/newsreleases14/pr20140716a.html
July 14, 2014

New Jersey Division of Consumer Affairs Obtains $1.8 Million Settlement to Resolve Allegations of Deceptive Practices Against Eight “Route 22” and Affiliated Car Dealerships

The New Jersey Division of Consumer Affairs, represented by the Division of Law, has obtained a settlement of $1.8 million, plus consumer restitution, from eight auto dealerships and their owners, Carmelo Giuffre, of Brooklyn, New York, and Ignazio Guiffre, of Colts Neck. The settlement resolves a State investigation into alleged deceptive sales tactics such as failing to disclose existing mechanical defects or past damage to used cars; charging for supplemental warranties and other costly “after-sale items” without customers’ consent; and failing to honor the negotiated or advertised prices for vehicles.

The settlement includes Route 22 Auto Sales Inc., d/b/a “Route 22 Toyota,” Route 22 Automobiles Inc, d/b/a “Route 22 Honda,” Route 22 Nissan Inc. d/b/a “Route 22 Nissan,” and Hillside Automotive Inc. d/b/a “Route 22 Kia”, all located in Hillside; Hackettstown Auto Sales, Inc d/b/a “Hackettstown Honda”; Hudson Auto Sales Inc. d/b/a Hudson Honda, in West New York; and Freehold Automotive LTD, Inc. d/b/a “Freehold Hyundai” and Freehold Chrysler Jeep, Inc d/b/a “Freehold Chrysler Jeep.” All eight dealerships are owned by Carmelo and Ignazio Giuffre.

http://nj.gov/oag/newsreleases14/pr20140714a.html

NEW YORK

July 31, 2014

A.G. Schneiderman Sues To Permanently Shut Down Unscrupulous Home Improvement Contractor In Western And Central New York

Attorney General Eric T. Schneiderman today announced that his office filed legal action in Monroe County Supreme Court seeking a permanent injunction against a Rochester-based home improvement contractor who sold and contracted to install granite and marble countertops and tile to consumers throughout Western and Central New York. Ismail Cakir, president of Metropolitan Granite & Marble LLC, is alleged to have repeatedly and persistently defrauded consumers in Buffalo, Rochester and Syracuse by
receiving full or partial payments for home improvement projects and either failing to perform the work or performing shoddy and unprofessional work.


July 30, 2014

**A.G. Schneiderman Announces Indictment Of Executive Tied To Capital Region Nonprofit Organizations**

*C.O.O. Charged With Stealing Over $1 Million In New York State Grants, Falsifying Timesheets To Hide No-Show Employment*

Attorney General Eric T. Schneiderman today announced the arrest and indictment of Jacqueline Gentile, chief operating officer of 820 River Street, Inc. and The Altamont Program Inc., which are subsidiaries of the Peter Young Housing, Industries and Treatment (PYHIT). The indictment, which was voted by a Schenectady County grand jury earlier this week, charges Gentile with 15 felony counts, including Grand Larceny, for allegedly stealing over $1 million in state funds by directing that state contracts intended to help needy New Yorkers instead be used to alleviate organizational deficits and pay employee salaries. Gentile also falsified business records by completing false timesheets for former New York State Senator William F. Boyland, Sr., who was purportedly a full-time employee but, according to documents filed in court, had what amounted to a no-show job.


July 25, 2014

**A.G. Schneiderman Announces Prison Sentence For Roofer Who Repeatedly Defrauded Capital Region Homeowners**

Robert Decker Sentenced 3 To 9 Years In Prison

Attorney General Eric T. Schneiderman, together with Joseph D’Amico, Superintendent of the New York State Police, and Benjamin M. Lawsky, Superintendent of the New York State Department of Financial Services, announced the sentencing of Robert Decker, 60, a contractor who stole
thousands of dollars from homeowners by taking their money but failing to complete work on their homes.


July 25, 2014

A.G. Schneiderman Announces Court Order Barring Sales In Manhattan Club Timeshare Hotel

Order Temporarily Bars Developers From Selling Interests In The Timeshare Pending Fraud Investigation; Freezes Assets And Bars Targets From Foreclosing On Defrauded Purchasers

Attorney General Eric T. Schneiderman today announced that he obtained a court order halting sales of timeshare interests at the Manhattan Club, a luxury hotel in Midtown Manhattan. The order by a Manhattan Supreme Court Justice requires that the club’s principals, Ian Bruce Eichner, Leslie H. Eichner, and Stuart P. Eichner, testify in court about the club’s practices and produce documents to the Attorney General’s Real Estate Finance Bureau about allegedly fraudulent sales tactics. The order also bars the corporations through which the club and the developers act from draining bank accounts connected to the hotel during the investigation. The Manhattan Club is further barred from foreclosing on timeshare purchasers, who the Attorney General alleges were lured into investing with false promises.


July 23, 2014

A.G. Schneiderman Announces Criminal Conviction And $500k Civil Judgment Against NYC Fundraiser Who Solicited Donations For Fraudulent Charities In The Name Of Israeli Causes

Yaakov Weingarten Convicted Of Felony Tax Fraud; Required To Pay $90K To State, Return $360K To Legitimate Charities, Pay $162K In Civil Fines And Penalties; Permanently Barred From Charitable Fundraising
Attorney General Eric T. Schneiderman today announced the felony tax fraud conviction of Yaakov Weingarten and a more than $520,000 civil judgment lodged against him and his wife for activities related to the Brooklyn-based charitable fundraising ring he operated, which solicited donations from thousands of donors for phony not-for-profit organizations. The judgment, signed by Kings County Supreme Court Justice Carolyn Demarest on Wednesday, resolves a civil lawsuit filed by Attorney General Schneiderman’s office last year against Weingarten and his wife, Rivka, who are alleged to have been the biggest beneficiaries of the scheme and are, under the judgment, required to pay $522,315. Approximately $360,000 of those funds will go to two Israeli charitable organizations that carry out genuine programs similar to the causes for which Weingarten’s fraudulent solicitations raised donations from the public.


July 21 2014

A.G. Schneiderman And FTC Obtain Order Halting Debt Collectors’ Deceptive, Abusive Practices

Order Also Freezes Collectors’ Assets And Appoints Receiver To Run Companies

Attorney General Eric T. Schneiderman today announced that at the request of his office and the Federal Trade Commission, Federal District Court Judge Richard J. Arcara issued a preliminary injunction halting a debt collection operation charged with violating New York State and Federal law, including New York’s consumer protection and debt collection statutes. The debt collectors falsely accused consumers of committing check fraud, then threatened consumers with arrest, imprisonment, wage garnishments, and civil suits. The court order stops the illegal conduct, freezes the operation’s assets, and appoints a temporary receiver to take over the defendants’ businesses.

July 17 2014

A.G. Schneiderman Announces Jail Sentence For Fraudulent Western New York Home Contractor

Attorney General Eric T. Schneiderman today announced that Justice John F. O'Donnell sentenced George Anna, a Western New York home improvement contractor, to 90 days in jail. In 2012, the Attorney General obtained a court order barring Anna from the home improvement business unless he first posted a $100,000 performance bond. In the 2012 case, the Attorney General proved that, time and time again, Anna took money from consumers and failed to provide the home improvement services for which he had been paid.

Recently, Attorney General Schneiderman’s office learned that Anna was again holding himself out as a home contractor, despite never having posted the bond. An investigation by the Attorney General showed that, despite the court order, Anna again was taking money for home improvements, but not providing the services – the very conduct that led to the court order in the first place. In addition to imprisonment, the Court further required that Anna pay a fine of $30,000.


July 11, 2014

A.G. Schneiderman And Nassau County D.A. Rice Announce Ringleader Of Child Modeling Scam To Serve 2 ½ To 5 Years In Prison

James Muniz, 45, President Of Hicksville Child Modeling Agency, Plead Guilty In May To Scamming $236K From Families

Attorney General Eric T. Schneiderman and Nassau County District Attorney Kathleen Rice today announced that the ringleader of a child modeling scam and the corporation of which he is president were sentenced today for scamming 100 clients of more than $236,000 with promises of lucrative modeling and acting jobs that did not exist.

A.G. Schneiderman Announces Agreements Ending Discriminatory And Predatory Practices At Five NYC Employment Agencies


These five agencies targeted Spanish-speaking job seekers in two neighborhoods of Queens and Brooklyn. Four of them are located in Jackson Heights and one is in Brooklyn’s Sunset Park neighborhood. An 18-month investigation by the Attorney General’s Civil Rights Bureau found that the agencies collected national origin, gender, and age information from job seekers to unlawfully steer them, in accordance with employers’ discriminatory preferences, away from jobs such as “Mexican pasta man,” “European-looking sales girl,” “delivery, looking for a guy,” “construction 2-3 guys,” and “sales 20-25 years.” In addition, the employment agencies unlawfully referred applicants to jobs paying as little as $3.75 per hour, far below the applicable minimum wage in New York State. Finally, the employment agencies charged job seekers excessive referral fees and failed to provide refunds of advance fees as required by New York law.


A.G. Schneiderman Reaches Settlement With Beverage Company Over Misleading Advertising Claims Targeting Hispanic Communities

The Varas Group Made Illegal And Unsubstantiated Claims That Purple Maize Extract, An Ingredient In Chicha Limeña, Fights Cancer And Diabetes

Attorney General Eric T. Schneiderman today announced that his office has reached a settlement with The Varas Group for conducting a misleading advertising and social media campaign for its Chicha Limeña soft drinks. The
beverage, marketed mostly to Hispanic communities in metropolitan New York, New Jersey, and Connecticut, was advertised as containing an ingredient that fights cancer and diabetes. The Varas Group has agreed to cease the use of health-related claims in all marketing materials and agreed to pay the State of New York penalties, costs, and fees.


July 9, 2014

A.G. Schneiderman Announces Settlement With Emblem Health For Wrongly Denying Mental Health And Substance Abuse Treatment For Thousands Of New York Members

After an investigation uncovered widespread violations of mental health parity laws by the company, Attorney General Eric T. Schneiderman today announced a settlement with New York City-based EmblemHealth, Inc., requiring the health insurer to reform its behavioral health claims review process, cover residential treatment and charge the lower, primary care co-payment for outpatient visits to mental health and substance abuse treatment providers. The settlement also requires the health insurance plan -- which has 3.4 million members in its HIP and GHI divisions -- to submit previously denied mental health and substance abuse treatment claims for independent review. That review could result in more than $31 million being returned to members wrongfully denied benefits.

An investigation by the Attorney General’s Health Care Bureau found that since at least 2011, EmblemHealth, through its behavioral health subcontractor, Value Options, issued 64% more denials of coverage in behavioral health cases than in medical cases. The agreement with EmblemHealth is the third reached by the Attorney General’s office so far this year enforcing the mental health parity laws and stems from a broader and ongoing investigation into health insurance companies’ compliance with the laws. Further information about the earlier cases can be found here and here.

July 8, 2014

**A.G. Schneiderman Announces Agreement With Uber To Cap Pricing During Emergencies And Natural Disasters**

*Uber To Implement New Formula Limiting Prices To Normal Range During Emergencies*

Attorney General Eric T. Schneiderman today announced an agreement with Uber, a mobile application that connects riders with for-hire vehicles, to limit prices during “abnormal disruptions of the market” – typically, emergencies and natural disasters -- consistent with New York’s price gouging statute. In addition, Uber is expected to announce a national policy to limit pricing in emergencies that is based on this agreement.


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July 1, 2014

**A.G. Schneiderman Announces $25 Million Settlement With National Veterans Charity And Its Direct Mail Fundraisers**

*Agreement Provides $10 Million To Support Medical Research For Disabled Veterans; Disabled Veterans National Foundation To End Misleading Fundraising Appeals And Reorganize Board; Direct Mail Vendors Required To Reform Business Practices*

Attorney General Eric T. Schneiderman today announced that his office has secured a $24.6 million settlement of his Charities Bureau’s investigation into direct mail fundraising abuses at what has become one of the country’s largest veterans’ charities, the Disabled Veterans National Foundation (DVNF). The abuses, the investigation found – including misleading solicitations and failure to disclose conflicts of interest –were perpetrated by DVNF’s two outside, for-profit direct mail vendors, Quadriga Art and Convergence Direct Marketing.

Under the settlement, Quadriga, which produced and sent out the mailings and played the dominant role in running DVNF’s fundraising efforts, will pay $9.7 million in damages, and Convergence, which designed the solicitations and provided other advice, will pay $300,000 in damages. This $10 million will go to help support and improve the lives of disabled American veterans. In
addition, Quadriga will forgive $13.8 million in debt that DVNF owes to Quadriga, and adopt a number of significant reforms to improve transparency and set a higher ethical bar for the direct mail charitable solicitations industry. Quadriga will pay an additional $800,000 to the State of New York for costs and fees.


**NORTH CAROLINA**

*July 15, 2014*

**Medrano Express Barred From Entering Contracts, Taking Money From NC Customers, AG Cooper Says**

An international shipping company that took money to ship packages and failed to deliver them is now barred from contracting with North Carolina consumers, Attorney General Roy Cooper said today.

Medrano Express and individual defendants Jorge Medrano and Telma Ayala are further barred from taking advance payments from consumers. In addition, the [preliminary injunction](http://www.ncdoj.gov/News-and-Alerts/News-Releases-and-Advisories/Medrano-Express-barred-from-entering-contracts,-ta.aspx) granted today by Wake County Superior Court Judge Howard E. Manning, Jr. also ordered Medrano Express not to destroy any records or transfer any of its assets without approval.

*July 14, 2014*

**AG Cooper Goes After Owners of American Kitchen**

The owners of a now closed Burlington kitchen remodeling company that took thousands of dollars upfront from consumers but failed to complete jobs should be barred from business and ordered to pay refunds, Attorney General Cooper said in a lawsuit filed today.

“Businesses that take your money up front have an obligation to get the job done,” said Cooper. “Using payments from new customers to finance existing jobs is bad business and not sustainable.”
Cooper today filed suit in Wake County Superior Court against American Kitchen Corporation and its owners Robert Selfors and Tyler Justin Sheets seeking to ban them from offering home repair or home improvement services to North Carolina homeowners. Cooper is also asking the court to require them to pay refunds to consumers who paid for work that was never completed.


**OHIO**

*7/24/2014*

**Ohio Attorney General Mike DeWine Announces Former Band Booster Club Treasurer Indicted for Theft**

Ohio Attorney General Mike DeWine and Licking County Prosecutor Kenneth W. Oswalt announced today that a Licking County Grand Jury has indicted a Pataskala man for the improper use of approximately $67,000 meant for the Watkins Memorial High School Band.


*July 9, 2014*

**Attorney General DeWine Announces Basement Remodeling Contractor Accused of Failing to Deliver**

Ohio Attorney General Mike DeWine today announced a lawsuit against Quality 1st Home Improvements LLC and its owner, Tony Logan, for violations of Ohio's consumer laws. In the lawsuit, the Attorney General seeks restitution for consumers, civil penalties, and an injunction to stop further violations.

July 3, 2014

**Attorney General DeWine Announces Sham Charity Ordered to Pay $320,000**

Ohio Attorney General Mike DeWine announced today that a Franklin County judge has granted a default judgment against TEEN USA and Darien E. Smith of Cleveland for violating the terms of an agreement the organization made with the Attorney General’s Office in November 2013.

Smith had agreed to dissolve TEEN USA, to not hold any position in or participate in soliciting donations for any charitable organization in Ohio, and to pay $10,000 to the Attorney General’s Office. He violated the agreement by failing to dissolve TEEN USA, failing to cease soliciting charitable donations, and failing to make payments.


July 2, 2014

**Attorney General DeWine Seeks Reimbursement from Dealership**

Ohio Attorney General Mike DeWine today announced a lawsuit against Calland Auto Group LLC and Christopher Calland. The lawsuit accuses the dealership and its owner of failing to provide consumers with motor vehicle titles as required by Ohio law and seeks reimbursement to the state’s Title Defect Recision Fund.


**OKLAHOMA**

July 17, 2014

**Attorney General Pruitt Secures Restitution for Home Repair Fraud Victims**

After fleeing law enforcement for four years, the Attorney General’s Office on Monday secured restitution for four Oklahoma homeowners from a fraudulent home repairman.
Randy Leroy Madewell, of Danbury, Texas, pleaded guilty to four felony counts of home repair fraud. He received a five-year deferred sentence on each count to run concurrently and was ordered to pay restitution totaling $42,158.44. He also must pay court costs.

http://www.ok.gov/triton/modules/newsroom/newsroom_article.php?id=258&article_id=14449

OREGON

July 2, 2014

Oregon Settles with Artificial Hip Manufacturer DePuy for $4 Million

The Oregon Department of Justice reached a first of its kind $4 million settlement today with DePuy Orthopaedics Inc., a wholly owned subsidiary of Johnson & Johnson. Oregon’s single-state settlement is the first government action to resolve allegations that DePuy failed to disclose to physicians and patients that its ASR XL “metal on metal” artificial hip devices had an alarming rate of failure. In total, 432 of the devices were sold in Oregon between the years 2005-2010.

http://www.doj.state.or.us/releases/Pages/2014/rel070214.aspx

PENNSYLVANIA

July 25, 2014

Office Of Attorney General Reaches Settlement With Bucks County Wedding Videographer Following 83 Consumer Complaints

The Office of Attorney General has reached a settlement with Bucks County wedding videographer Kenneth H. Stillman Jr. after receiving 83 complaints from consumers who paid Stillman for wedding videos they did not receive.

The settlement resolves allegations that the business failed to provide wedding video products and services for which they entered into contracts with consumers, and resolves the Commonwealth’s claims against him for violations of the Consumer Protection Law.
In the lawsuit the Commonwealth alleged that Stillman, doing business as Kenneth Stillman Video, contracted with consumers and accepted substantial payments to provide wedding video products and services, but either failed to do so or failed to do so in a timely manner.


July 24, 2014

Attorney General Kane Takes Legal Action Against Eight Home Improvement Contractors Operating Across The Commonwealth

Attorney General Kathleen G. Kane today announced that the Office of Attorney General’s Bureau of Consumer Protection filed eight legal actions involving home improvement contractors in counties across the Commonwealth including, Allegheny, Dauphin, Lackawanna, Luzerne, Monroe, Susquehanna, Warren, and Westmoreland.

Combined, the contractors agreed or were ordered to pay a total of more than $130,400 in consumer restitution and civil penalties.


July 18, 2014

Attorney General Kane: Lawsuit Filed Against Philadelphia-Based Online Furniture Retailers, Owners

Attorney General Kathleen G. Kane announced today that her Bureau of Consumer Protection filed a lawsuit against two online furniture retailers and their owners on behalf of consumers across the country whose orders were allegedly unfulfilled by the companies. The lawsuit seeks an injunction against the owners to stop their alleged misconduct.

Those named in the action include MIG Enterprises Inc., which operated under the name Furniture XO; Salada Enterprises Inc., which operated under the name Furniture PM; and their owners Matthew Kolodesh and Nellie Tsan.

Attorney General Kane said the Philadelphia-based companies allegedly took money from consumers for furniture purchased on their websites but failed to deliver the furniture.
According to the lawsuit, Furniture XO suffered cash flow problems and, as a result, the defendants used money from new consumers to pay for orders they placed with the manufacturers and/or distributors to fulfill orders from earlier customers or to provide refunds to earlier customers. This ultimately caused significant delays in the order fulfillments.


July 17, 2014

**Attorney General Kane Announces Settlement Of Allegations Of Price-Gouging During Hurricane Sandy**

Attorney General Kathleen G. Kane today announced a settlement with Akshay LLC, currently doing business as Rodeway Inn and formerly doing business as EconoLodge Motel, resolving allegations of price gouging during a declared state of disaster emergency in Pennsylvania related to Hurricane Sandy.


The motel allegedly rented rooms at rates in excess of 20 percent of the average price of rooms rented seven days prior to the declaration. During the course of the investigation, the Bureau of Consumer Protection uncovered 120 instances of alleged price gouging by the motel owners.


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**VERMONT**

July 22, 2014

**Attorney General Sorrell Sues Dollar Tree For Violating Settlement Designed To Prevent Sale Of Products Containing Toxics**

The Vermont Attorney General’s Office has filed suit against Dollar Tree Stores, Inc., a national discount chain based in Chesapeake, Virginia, for
violating a 2010 settlement with the State to stop selling jewelry. The settlement, contained in an Assurance of Discontinuance under the Vermont Consumer Protection Act, resolved claims that Dollar Tree sold products containing high amounts of toxic lead and cadmium in violation of Vermont law, and was intended to protect Vermont’s children from exposure to those and other toxic substances.

According to the State’s Consumer Protection Complaint filed in Washington Superior Court, Dollar Tree violated a provision in the 2010 settlement prohibiting it from selling any items “commonly understood to be jewelry” by subsequently selling over 30,000 individual items of jewelry, including rings, earrings, bracelets, and necklaces through its stores in Barre, Bennington, Burlington, Derby/Newport, and Rutland.


July 9, 2014

Attorney General Sorrell Fines Local Business For Failing To Notify Consumers Of Security Breach

Shelburne Country Store in Shelburne, Vermont will pay a $3,000 civil penalty for failing to inform 721 internet buyers of a security breach of their credit card information. In late 2013, the company’s website was hacked and credit card information stolen. Upon being informed of the breach in January 2014, the company quickly fixed the problem, but did not notify consumers until it was contacted by the Attorney General’s Office.


July 9, 2014

Attorney General Sorrell Settles with Another Internet Lender

Cash Cure, LLC, a Delaware company that provides short-term, high-interest internet loans, will pay almost $78,000 to Vermont consumers and pay the State of Vermont $15,000 to settle claims that the company violated Vermont consumer protection and lending laws. Attorney General William H. Sorrell described the settlement as the fourth in a recent effort to protect Vermonters
from predatory lending: “On April 23, 2014, my office announced a sweeping
effort to protect consumers from lenders who ignore Vermont’s laws and take
advantage of Vermonters in economic distress. We will continue to vigorously
pursue illegal lenders who make loans in contravention of our state laws.”
Attorney General Sorrell urged consumers to review these tips before taking
out a loan. More information on the Attorney General’s crackdown on illegal
lending can be found here.

http://www.atg.state.vt.us/news/attorney-general-settles-with-another-
internet-lender.php

July 2, 2014

**Attorney General William Sorrell Settles Claims of Nonprofit
Mismanagement**

After a months-long investigation into allegations of poor financial practices
and misappropriation of funds, the Attorney General’s Office has reached a
settlement agreement with a central Vermont nonprofit organization. The
Office had received complaints that Food Works’ Two Rivers Center for
Sustainability, located in Montpelier, had used funds donated for specific
programs for general expenses and other purposes, contrary to the intent of
the funder, and had overstated its fundraising success when seeking further
donations.

“Nonprofit organizations, like Food Works, play a vital role in our community,”
said Attorney General William H. Sorrell, “but when an organization takes
funds for a specific purpose and then spends them on something else; it is
violating the public’s trust.” As a result of the investigation and discussion
with the Attorney General’s Office, Food Works reviewed its fiscal operations
and accounting practices, implemented improved financial practices, and
increased oversight of its finances by its Board of Directors. The Board
subsequently determined that the organization was no longer financially
viable and is taking steps to transfer its programs and assets to other
nonprofits as it winds down its operations.

http://www.atg.state.vt.us/news/attorney-general-settles-claims-of-
onprofit-mismanagement.php
WASHINGTON

July 29, 2014

Attorney General Bob Ferguson Sues Owner Of Olympic Animal Sanctuary

Founder accused of operating illegal charity, failing to account for donor contributions

A Forks resident who raised $300,000 for a non-profit dog rescue organization, but failed to register with the Secretary of State or produce required records of how the donations were spent, has been sued by the Attorney General’s Office for violating Washington’s Charitable Solicitations Act and Consumer Protection Act.

Stephen C. Markwell, founder of Olympic Animal Sanctuary, is accused of unlawfully soliciting and collecting hundreds of thousands of dollars in charitable donations while not being registered as a charity with the Secretary of State.

According to the Attorney General’s complaint, filed today in Clallam County Superior Court, Markwell also failed to maintain records of how the charitable donations were spent.

http://www.atg.wa.gov/pressrelease.aspx?&id=32229#.U9_pYWOa9v8

July 16, 2014

Attorney General Bob Ferguson Announces Jail Time For Unregistered Seattle Contractor Who Swindled King, Pierce Homeowners

An unregistered contractor must serve 30 days in jail for scamming homeowners who paid him thousands of dollars for home improvement projects that he never finished.

King County Superior Court Judge Theresa Doyle also ordered Gary Shannon Edwards to repay his victims in King and Pierce counties $51,659, and pay court costs.

Edwards, 44, of Seattle, pleaded guilty to second-degree, felony theft and two counts of unregistered contracting, according to the Washington Attorney General’s Office. He entered the plea and was sentenced on the same day, July 11.

http://www.atg.wa.gov/pressrelease.aspx?&id=32222#.U9_n6GOa9v8
**July 08, 2014**

**Attorney General Bob Ferguson Announces Theft charges for Seattle contractor accused of scamming homeowners**

A Seattle contractor faces charges that he defrauded homeowners who paid him more than $45,000 to upgrade their bathrooms and kitchens, and do other home renovation projects.

Instead of improving homes, the Attorney General's Office alleges Gary Shannon Edwards pocketed payments for work that he never completed or never even started.

Edwards, 44, has pleaded not guilty in King County Superior Court to two counts of second-degree theft and four counts of unregistered contracting.

This isn’t Edwards’ first brush with the law. He faces extradition on an Ohio governor’s warrant for a 2013 theft charge in that state. In 1987, he pleaded guilty in King County to second-degree murder.


**July 07, 2014**

**Attorney General Bob Ferguson’s Lawsuit Returns Approximately $120K To Over 11,000 Consumers For Purchase Of Worthless Food Handler Certificates**

A Washington State Attorney General’s Office lawsuit has stopped deceptive business practices and will return money to over 11,000 Washington state consumers. These consumers purchased worthless food handler certificates from eFoodhandlers, Inc. that do not comply with Washington state law.

“Consumers paid for a worthless piece of paper,” said Attorney General Bob Ferguson. “eFoodhandlers’ deceptive practices made it difficult for food service workers to keep a job and businesses to stay open. My office will not tolerate deceptive business practices.”

Some food service workers reported they first discovered their certificates were worthless from their employers or by health department inspectors. Those workers were required to take the examination again and obtain valid documentation from an authorized source.
WISCONSIN

July 15, 2014

Attorney General J.B. Van Hollen Announces Complaint Against Fraudulent Charity for Veterans

Attorney General Van Hollen announced today an action to be filed in Waukesha County against Double Up, Inc., a purported charity servicing veterans. According to the complaint, the company sold coupon books that offered discounts to area businesses in Waukesha and Milwaukee counties. The coupon book represented that the proceeds of the sale of the books would benefit Wisconsin disabled veterans and veteran outreach programs, and that a portion of every sale would go to a charity selected by the purchaser. In fact, after the sale of thousands of coupon books, no money was ever donated to area veterans groups. The complaint also alleges that to encourage purchases, Double Up offered three donated trips to Mexico as prizes, but then awarded those trips to friends of one of the owners of Double Up, Brian Michaud, rather than to randomly selected purchasers.


July 1, 2014

Owner of Midwest Roofing Corporation in Appleton Charged with Theft by Contractor in Dane, Brown and Outagamie Counties

Attorney General J.B. Van Hollen has announced that criminal complaints have been issued against Daniel Steiner, of Appleton and owner of Midwest Roofing Corporation (now dissolved), charging him with Theft by Contractor in Dane, Brown and Outagamie Counties. The complaints allege that the defendant contracted with homeowners in 2011 to repair hail damage to their roofs. After the homeowners paid the defendant, the defendant stopped returning their calls and did not repair their roofs, according to the complaints.

Federal and State Agencies Stop Phony Mortgage Relief Schemes

FTC Brings Six Actions Against Scams That Allegedly Preyed on Homeowners with Operation Mis-Modification

The Federal Trade Commission has taken action against six mortgage relief operations charging that defendants preyed on distressed homeowners by misrepresenting that they typically could lower homeowners’ mortgage payments and interest rates or prevent foreclosure, and illegally charging advance fees. In each case, the FTC has sought an order stopping the illegal practices and freezing the defendants’ assets pending the outcome of the litigation.

The FTC’s actions are part of a joint federal and state enforcement sweep, Operation Mis-Modification, with the Consumer Financial Protection Bureau, which brought charges against three other mortgage relief operations, as well as 15 state attorneys general and other state agencies, which announced 32 similar actions.


Astellas Pharma US Inc. to Pay $7.3 Million to Resolve False Claims Act Allegations Relating to Marketing of Drug Mycamine

Pharmaceutical company Astellas Pharma US Inc. will pay $7.3 million to resolve allegations that it violated the False Claims Act in connection with its marketing and promotion of the drug Mycamine for pediatric use, the Justice Department announced today. Astellas Pharma US Inc., located in Northbrook, Ill., manufactures and sells pharmaceutical drugs, including Mycamine.

“The FDA’s drug approval process requires companies to demonstrate the safety and efficacy of their products,” said Assistant Attorney General for the Justice Department’s Civil Division Stuart F. Delery. “The Justice Department will hold accountable pharmaceutical companies that skirt these
rules and seek to bill federal health care programs for uses of drugs that are not reimbursable.”

The settlement resolves allegations that, between 2005 and 2010, Astellas knowingly marketed and promoted the sale of Mycamine for pediatric use, which was not a medically accepted indication and, therefore, not covered by federal health care programs. During this time period, the FDA approved Mycamine to treat adult patients suffering from serious and invasive infections caused by the fungus Candida, including infections in the esophagus, the blood and the abdomen, and to prevent Candida infections in adults undergoing stem cell transplants. From 2005 through June 2013, however, Mycamine was not approved to treat pediatric patients for any use.


July 14, 2014

Justice Department, Federal and State Partners Secure Record $7 Billion Global Settlement with Citigroup for Misleading Investors About Securities Containing Toxic Mortgages

Citigroup to Pay the Largest Penalty of Its Kind - $4 Billion

The Justice Department, along with federal and state partners, today announced a $7 billion settlement with Citigroup Inc. to resolve federal and state civil claims related to Citigroup’s conduct in the packaging, securitization, marketing, sale and issuance of residential mortgage-backed securities (RMBS) prior to Jan. 1, 2009. The resolution includes a $4 billion civil penalty – the largest penalty to date under the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA). As part of the settlement, Citigroup acknowledged it made serious misrepresentations to the public – including the investing public – about the mortgage loans it securitized in RMBS. The resolution also requires Citigroup to provide relief to underwater homeowners, distressed borrowers and affected communities through a variety of means including financing affordable rental housing developments for low-income families in high-cost areas. The settlement does not absolve Citigroup or its employees from facing any possible criminal charges.

July 16, 2014

A.G. Schneiderman and 32 Other States and Territories Settles With Apple in E-Book Price-Fixing Case

Attorney General Eric T. Schneiderman today announced a settlement with Apple Inc. arising out of Apple’s participation in a price-fixing conspiracy that a federal court in New York found raised the prices of E-books sold to consumers in New York and throughout the country. The settlement agreement, which must be approved by the court, has the potential to result in payments to consumers of $400 million, and would resolve claims for consumer damages and civil penalties brought by New York and 32 other states and territories.


July 17, 2014

The Attorneys General of Oregon, Washington and Vermont Sues 5-Hour ENERGY® For Misleading Advertisements

Washington State Attorney General Bob Ferguson filed a lawsuit today against the makers of 5-hour ENERGY®, the popular energy drink. The AGO alleges they misled consumers with ads claiming that doctors recommend 5-hour ENERGY®, by implying the product is safe for teenagers and claiming that the product causes ‘no sugar crash’ when the companies’ own study showed it triggers a caffeine crash.

“We believe the ‘energy’ provided by 5-hour ENERGY® products is derived solely from caffeine, not from vitamins and amino acids as their ads claim,” said Ferguson. “In addition, we believe the ‘energy blend’ does nothing and the ‘no sugar crash’ statement is misleading. I will not stand by and see Washington consumers subjected to deceptive advertising.”

5-hour ENERGY® is a flavored energy shot sold in 1.93 oz. containers. The companies that produce 5-hour ENERGY® are Living Essentials, LLC and Innovation Ventures, LLC. Ferguson and approximately 30 other state attorneys general have been investigating the accuracy of 5-hour ENERGY® advertisements and marketing claims.

http://www.atg.wa.gov/pressrelease.aspx?id=32219#.U8mEWrGa9v8
MEDICAID FRAUD CASES AND SETTLEMENTS

ALASKA

July 25, 2014

Attorney General Michael C. Geraghty Announces Anchorage Psychiatrist Indicted for Medicaid Fraud, Evidence Tampering and Misconduct Involving Controlled Substance

The State of Alaska, Department of Law, Medicaid Fraud Control Unit (MFCU), announced today the indictment of an Anchorage area physician. Dr. Shubhranjan Ghosh, 39, of Anchorage and founder of Ghosh Psychiatric Services, was indicted yesterday by a grand jury on 18 felony counts for fraudulently billing Medicaid, committing a scheme to defraud Medicaid, tampering with physical evidence in an ongoing investigation and 15 counts of misconduct involving a controlled substance. Dr. Ghosh will be arraigned on Monday, July 28, 2014 at 1:45 p.m.

http://law.alaska.gov/press/releases/2014/072514-GhoshMFCU.html

ARKANSAS

July 10, 2014

Attorney General Dustin McDaniel Announces Marion County Woman Pleads Guilty To Medicaid Fraud

A Marion County woman pleaded guilty today to felony Medicaid fraud for billing the state’s Medicaid program for services she did not provide, Attorney General Dustin McDaniel announced.

Amanda Coker, 36, of Yellville was convicted in Pulaski County Circuit Court on one count of Medicaid Fraud, a Class B felony. Special Circuit Judge John Plegge sentenced Coker to five years of probation. She was ordered to pay a fine of $10,357.95 and restitution of $3,452.65.

FLORIDA

July 17, 2014

**Attorney General Bondi’s Office Arrests Three Orange County Women for Medicaid Fraud**

Attorney General Pam Bondi’s Medicaid Fraud Control Unit, the Winter Garden Police Department, the Orlando Police Department and the Polk County Sheriff’s Office arrested three Orange County residents, Shirley Simmons, 46, Keisha Carter, 36, and Kandida Michel-Ross, 36, following allegations of Medicaid fraud for billing more than $45,000 worth of fraudulent, duplicative and unauthorized mental health targeted case management services. Mental Health Targeted Case Management services are designed to link Medicaid recipients having persistent and serious mental health disorders to community based services.


GEORGIA

July 30, 2014

**Attorney General Sam Olens Announces Lithonia Woman Accused of Fraudulently Obtaining More than $355K from Georgia Medicaid**

On Tuesday, July 29, 2014, a DeKalb County Grand Jury charged Shirley Dorsey, of Lithonia, Ga., with one count of Medicaid Fraud (O.C.G.A. § 49-4-146.1(b)), one count of violating the Georgia Racketeer Influenced and Corrupt Organizations Act (RICO) (O.C.G.A. § 16-14-4(a)), one count of Theft by Taking (O.C.G.A. § 16-8-2), two counts of Forgery (O.C.G.A. § 16-9-1(a) ), four counts of Identity Theft (O.C.G.A. § 16-9-121) and two counts of False Writings (O.C.G.A. § 16-10-20). Ms. Dorsey is accused of obtaining over $355,000 through the fraudulent billing of Georgia Medicaid.

Ms. Dorsey owned and operated Brighter Futures Learning Center (BFLC) in Decatur, Ga. BFLC was enrolled in the Georgia Medicaid program to provide mental health services to children. The indictment alleges that from October 19, 2010, to March 24, 2014, Ms. Dorsey submitted false claims to Medicaid.
for $355,232.46, and accepted payments for services that were never provided.


July 18, 2014

**Attorney General Sam Olens Announces Atlanta OB/GYN Pleads Guilty to Medicaid Fraud and Aiding the Unlicensed Practice of Medicine**

On Thursday, July 17, 2014, Nathaniel Johnson, of Atlanta, Ga., pled guilty to one felony count of Medicaid Fraud (O.G.A. § 49-4-146.1(b)), one felony count of Conspiracy to Defraud the State (O.C.G.A. § 16-10-21) and one felony count of allowing the Unlicensed Practice of Medicine (O.C.G.A. § 43-34-22). Johnson fraudulently billed Georgia Medicaid for services performed by an unlicensed and unsupervised medical school graduate.


July 1, 2014

**Attorney General Sam Olens Announces Owner of Speech Therapy Company Sentenced to Prison for Medicaid Fraud**

Former Georgia Medicaid provider Timothy Robinson was sentenced today by Cobb Superior Court Judge A. Gregory Poole to two years in prison, followed by eight years probation, for submitting fraudulent bills to Georgia Medicaid totaling over $582,000. Robinson pleaded guilty to one count of Medicaid Fraud (O.C.G.A. § 49-4-146.1 (b) (1)) on April 17, 2014.

IDAHO

July 24, 2014

Attorney General Wasden Announces Idaho Falls Woman Sentenced for Medicaid Fraud

Robin Villarreal-Ratcliff, of Idaho Falls, has been sentenced for using a computer to submit fraudulent claims for Medicaid services, Attorney General Wasden announced today. Seventh Judicial District Judge Jon Shindurling gave Villarreal-Ratcliff a withheld judgment and placed her on probation for four years. The judge also ordered 53-year-old Villarreal-Ratcliff to pay $2,889 in combined restitution to the Idaho Department of Health & Welfare and the Attorney General's Office for investigative costs. She must also pay the additional court fines and costs.


KANSAS

July 22, 2014

Kansas Attorney General Derek Schmidt Announces Winfield Woman Sentenced For Medicaid Fraud In Osage County

A Winfield woman was ordered yesterday to repay more than $5,000 to the Kansas Medicaid program after pleading no contest to Medicaid fraud charges, Kansas Attorney General Derek Schmidt said.

Sherry Benson, 41, was ordered to repay $5,357 to the Medicaid program by District Judge Phillip M. Fromme in Osage County District Court. Benson pleaded no contest in May to one count of making a false claim to the Medicaid program and one count of felony theft. In addition to the restitution, Benson was sentenced to 12 months of probation with an underlying sentence of 8 months in prison.

LOUISIANA

July 25, 2014

Attorney General Buddy Caldwell Announces Three Indicted in Medicaid Fraud Scheme

An East Baton Rouge Parish grand jury yesterday returned a nine felony count indictment against a Zachary woman for laundering more than $100,000 through her Baton Rouge-based personal care agency and conspiring with two Medicaid recipients to defraud the state out of thousands of dollars, announced Louisiana Attorney General Buddy Caldwell.

The grand jury charged 36-year old Sekari Washington Davis with one count of racketeering; two counts of criminal conspiracy to commit theft by fraud of more than $1,500.00, two counts of filing and/or maintaining false public records; two counts of fraudulent remuneration; one count of theft by fraud of more than $1,500.00; and one count of money laundering $100,000.

https://www.ag.state.la.us/Article.aspx?articleID=866&catID=2

July 8, 2014

Attorney General Caldwell Announces Brother-Sister Duo Arrested in Medicaid Fraud Billing Scheme

Siblings Cleveland and Barbara Smith have been arrested for a scheme aimed at falsely billing the state’s Medicaid program, announced agents with the Louisiana Attorney General’s Medicaid Fraud Control Unit (MFCU).

With assistance from the East Baton Rouge Parish Sheriff’s Office, MFCU agents yesterday arrested 49-year-old Barbara Jean Smith, of 9245 Cedar Court Drive in Baton Rouge, on two counts of Conspiracy to Commit Medicaid Fraud. Her arrest comes after the July 2 arrest of her older brother, 50-year-old Cleveland Smith, also of 9245 Cedar Court Drive in Baton Rouge, on two counts of Medicaid Fraud. Both were booked into the East Baton Rouge Parish prison.

https://www.ag.state.la.us/Article.aspx?articleID=863&catID=2

MARYLAND
July 8, 2014

**AG Gansler: Charles County Man Sentenced in Medicaid Fraud Case**  
*Licensed clinical counselor submitted false claims for services never provided*

Attorney General Douglas F. Gansler announced today that Leon Wilson, 54, of Waldorf, has been found guilty of felony Medicaid Fraud, having billed the program for services he did not provide. Prince George's County Circuit Court Judge Nicholas E. Rattal sentenced Wilson to three years incarceration, all of which is suspended. Wilson was placed on three years of supervised probation, ordered to pay $5,069.88 in restitution and perform 100 hours of community service.

[http://www.oag.state.md.us/Press/2014/070814.html](http://www.oag.state.md.us/Press/2014/070814.html)

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**MISSISSIPPI**

July 1, 2014

**Attorney General Jim Hood Announces Jackson Resident Going to Prison for Medicaid Fraud**

A Jackson resident is going to prison for Medicaid fraud, announced Attorney General Jim Hood today.

Barbara Jones, 31, of Jackson, pleaded guilty to three counts of Medicaid fraud before Hinds County Circuit Court Judge Jeff Weill today. As a result, Jones was sentenced to five years in the custody of the Mississippi Department of Corrections, one to serve, four suspended and five years of post release supervision per count to run concurrently. Jones was also ordered to pay $28,158.61 in restitution and a penalty of $84,475.83, to be paid during the five years of post release supervision.

[http://www.ago.state.ms.us/releases/jackson-resident-going-to-prison-for-medicaid-fraud/](http://www.ago.state.ms.us/releases/jackson-resident-going-to-prison-for-medicaid-fraud/)

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**NEVADA**

July 17, 2014
Attorney General Masto Announces Conviction of Medicaid Provider

Nevada Attorney General Catherine Cortez Masto announced today the sentencing of Cornell Horn, 52, of Las Vegas, for Medicaid fraud.

“Prosecutions like these ensure that only individuals who are qualified enroll as Medicaid providers in order to deliver a skilled level of services to our State’s Medicaid recipients,” said Masto.

Horn pled guilty and was sentenced for one gross misdemeanor offense of attempting to submit false information in a Medicaid application by District Court Judge Michael Villani. Judge Villani sentenced Horn to 364 days in jail, suspended, and payment of $30,000 in restitution, penalties, and costs.

An investigation by the Nevada Attorney General’s Medicaid Fraud Control Unit (MFCU) revealed that Horn, the owner and operator of a behavioral health company in Las Vegas, had prior criminal convictions that would prohibit him from becoming a Medicaid provider. Horn failed to note said convictions or the extent of those convictions in the application he submitted to Nevada Medicaid to become a Medicaid provider in Oct. 2012.

http://ag.nv.gov/News/PR/2014/Medicaid_Fraud/Attorney_General_Masto_Announces_Conviction_of_Medicaid_Provider/
NEW YORK

July 10, 2014

Attorney General Eric T. Schneiderman Announces Westchester Medical Transport Company Owner Arrested On Felony Theft Charges In Medicaid Fraud

Attorney General Eric T. Schneiderman today announced the arrest of Kurien Palliankal, the owner of New Rochelle-based transportation company Carewell Ambulette, Inc., on felony charges for allegedly stealing more than $200,000 from the Medicaid program. The individual and his company are charged with altering transportation requests sent to them by medical facilities authorizing taxi pickups and dropoffs for Medicaid patients. The defendants are charged with doctoring the requests during a four year period to claim requests for ambulette service, which is paid by Medicaid at a rate four times higher than for taxis. The corporation and Palliankal, 48, of Yonkers, are charged with top counts of Second Degree Grand Larceny. Palliankal faces a maximum sentence of 5 to 15 years in prison.


OKLAHOMA

July 9, 2014

Attorney General Pruitt Charges Licensed Professional Counselor in Fraudulent Billing While At Local Casino

Attorney General Scott Pruitt’s Medicaid Fraud Control Unit filed charges against a counselor at Oklahoma Counseling Services (OCS). The charged counselor turned herself over to local authorities Wednesday morning.

Annie G. King, 41, of Pryor, a licensed professional counselor providing mental health services, was charged with three counts of Medicaid fraud.

According to the charges filed in Oklahoma County District Court, King deceptively billed the Oklahoma Health Care Authority (OHCA) for more than $14,000 for services provided between January 2009 and August 2011. An
investigation by the AG’s Medicaid Fraud Control Unit revealed that King was fraudulently billing for services. Several billings were submitted for times during which King was gambling at a local casino.

http://www.ok.gov/triton/modules/newsroom/newsroom_article.php?id=258&article_id=14398

OREGON

July 8, 2014

Oregon Settles with Ranbaxy for $2.3 Million

Five State Agencies Recover 100% of the Purchase Price of Adulterated Prescription Drugs

The Oregon Department of Justice today filed in court a $2.3 million court settlement with the Indian generic drug manufacturer Ranbaxy Laboratories and two affiliated U.S. companies. The settlement resolves allegations that Ranbaxy sold prescription drugs in Oregon that were not manufactured properly. As part of the settlement, five Oregon state agencies that purchased the allegedly adulterated drugs will receive a full refund.

http://www.doj.state.or.us/releases/Pages/2014/rel070814.aspx

WASHINGTON

July 30, 2014

Attorney General Bob Ferguson Charges Wheelchairs Plus With Medicaid Fraud

Alleges company provided used wheelchairs instead of new to Medicaid clients, collected $606,980

The Washington State Attorney General’s Office has filed criminal charges against Michael Mann, owner of Wheelchairs Plus Inc., in Thurston County Superior Court. The AGO alleges Mann committed the crimes of First Degree Theft and Medicaid False Statement when he fraudulently provided 119 Medicaid recipients with used or refurbished wheelchairs while billing
Medicaid as if they were new. Mann billed the State Medicaid system a total of $606,980 for the wheelchairs.

CONSUMER ADVOCACY

CONNECTICUT

July 11, 2014

AG Jepsen Issues Second Consumer Alert about IRS Telephone Scam

The Department of Consumer Protection and Office of the Attorney General continue to receive complaints and inquiries from consumers worried about telephone calls in which the caller claims to be an official from the IRS and attempts to solicit tax payments. These calls are bogus and can be ignored, or reported to the federal Treasury Inspector General for Tax Administration, State officials said.


July 1, 2014

Attorney General George Jepsen Announces State Releases Report on Charitable Response to Tragedy at Sandy Hook Elementary School

Makes new Charities Disaster Relief Guide available to public, nonprofits

The charitable response to the tragic shooting at Sandy Hook Elementary School on December 14, 2012, was immediate, worldwide and exceptionally generous. Challenges emerged for both newly established and existing organizations as they struggled to manage the volume of donations, identify the needs of the community and coordinate with other organizations.

Governor Dannel P. Malloy, Attorney General George Jepsen and state Department of Consumer Protection Commissioner William M. Rubenstein today released a report on the overwhelming charitable response that evaluates information provided voluntarily by organizations engaged in fundraising related to the tragedy, provides a quantitative analysis of survey responses and identifies ways that state regulators and the nonprofit community can partner and collaborate to provide transparency, bolster donor confidence, consolidate resources and increase coordination.
They also released a new Charities Disaster Relief Guide, available online in the "Charities" section of the Attorney General's Web site, which provides guidance to both donors and charitable organizations on best practices, effective communication and legal requirements.


**DELAWARE**

*July 9, 2014*

**AG Biden Urges Consumers To Be Wary Of Vacation-Related Scams**

As the summer travel season kicks into high gear, Attorney General Beau Biden warned Delawareans to be on the lookout for travel-related frauds and scams.


**ILLINOIS**

*July 24, 2014*

**Madigan Testifies In D.C. On Investigations Into Abuses & Scams In Higher Education, Student Lending**

*Attorney General Calls for Increased Protections & Assistance for Student Loan Borrowers & Ability to Refinance Loan Balances*

Attorney General Lisa Madigan today testified before the U.S. Senate Health Education Labor and Pensions (HELP) Committee about her efforts to crack down on abuses and scams targeting the millions of Americans with student loan debt, calling on Congress to institute stronger federal protections including loan refinancing options and universal standards for loan servicers to help borrowers struggling to repay their student loan debt.

Attorney General Madigan’s testimony outlined her role as a national leader in investigating and enforcing consumer protection violations in the higher education field, becoming the first state Attorney General to file lawsuits against emerging student loan debt scams, leading the investigation into
Sallie Mae (now Navient), and pursuing litigation against national for-profit colleges for fraudulent marketing practices.

http://www.illinoisattorneygeneral.gov/pressroom/2014_07/20140724.html

July 15, 2014

AG Madigan & AG Schneiderman Urge FCC To Strengthen Protections For Net Neutrality

Illinois Attorney General Lisa Madigan and New York Attorney General Eric T. Schneiderman today urged the Federal Communications Commission (FCC) to strengthen rules to preserve “net neutrality.” In comments submitted to the FCC and a letter to Chairman Tom Wheeler, Madigan and Schneiderman argue that the FCC must ensure the continued “dynamism of the internet” by protecting its low barriers to entry and equal treatment for all content providers, which can only be upheld through the principles of an open internet, or net neutrality.

http://www.illinoisattorneygeneral.gov/pressroom/2014_07/20140715.html

INDIANA

July 7, 2014

AG Zoeller: Protected Consumer Security Freeze Law Now In Effect

A new consumer protection law takes effect today, July 1, part of an ongoing effort by Indiana Attorney General Greg Zoeller’s office to help consumers protect themselves from identity theft and safeguard their credit. Because identity thieves attempt to steal the information of individuals such as children who have clean credit history in order to assume their identities and perpetrate fraud, the new law offers a “protected consumer security freeze” that parents can use to protect their children from identity theft.

**KANSAS**

*July 3, 2014*

**Attorney General Derek Schmidt Issues Consumer Alert: Meat Salesmen Banned From Kansas Spotted Back In The State**

Two meat salesmen who have been banned from doing business in Kansas have once again been spotted in the state, Kansas Attorney General Derek Schmidt said today.

Rodney Y. Creighton and Christopher L. Maselka were each prohibited from operating in Kansas in a 1998 court order for violations of the Kansas Consumer Protection Act. At the time, they were operating under the name America’s Choice Steak, Inc. The attorney general’s Consumer Protection Division has received reports that Creighton and Maselka have again been operating in Kansas under the names Iowa Steak, Direct Foods and UR Local Butcher.


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**MAINE**

*July 15, 2014*

**Attorney General Mills Encourages Mainers to Call The Consumer Information And Mediation Service**

Attorney General Janet Mills is reminding Mainers about the Consumer Information and Mediation Service, operated by the Maine Attorney General’s Office. Mainers who have questions about consumer issues or are worried they may be the target of a scam can call the Consumer Mediation and Information Service for assistance, free of charge.

The Consumer Mediation and Information Service assists consumers and businesses by answering questions, providing information and mediating disputes with the help of 32 volunteer mediators. The issues addressed vary from used vehicles to Maine’s lemon law, landlord-tenant issues, scams, implied and express warranties, cellphone disputes and more. In 2013 staff of
the Attorney General’s Office received 10,122 contacts from citizens, and volunteers mediated 877 cases returning $372,905.97 to consumers.


MASSACHUSETTS

July 01, 2014

AG Coakley’s Office Awards $1.55 Million to Local Consumer and Mediation Programs

A total of $1.55 million has been awarded to local consumer and mediation programs through grants provided by Attorney General Martha Coakley’s Office. Funding was made available through the Local Consumer Aid Fund Grants (LCAF) for grantees throughout the Commonwealth.


MISSISSIPPI

July 4, 2014

AG Hood Warns That Phone Scammers Continue Clever Cons

Attorney General Jim Hood today is reissuing a reminder about the clever scams constantly being executed by con-artists.

One current scam, a version of what is known as the “emergency scam” has circulated and is falsely using the name of a local law firm, Hawkins/Gibson. The law firm reported the calls they have been receiving to the Consumer Protection Division of the Attorney General’s Office out of concern for the victims—all of whom appear to have applied for payday loans. Keep in mind the caller may use the name of any other law firm, agency or business.

http://www.ago.state.ms.us/releases/ag-warns-that-phone-scammers-continue-clever-cons/
NEW YORK

July 21 2014

A.G. Schneiderman Announces $2.2 Million Restitution Fund For Victims Of Immigration Scam

Attorney General Eric T. Schneiderman today announced that thousands of victims who were defrauded by two immigration services organizations, the International Immigrants Foundation, Inc. (IIF) and the International Professional Association, Inc. (IPA), could begin applying for compensation from a $2.2 million restitution fund. The fund was created by the Attorney General as part of a settlement of claims that the two organizations held out fraudulent promises of citizenship while engaging in the unauthorized practice of law. The process for distributing compensation, which will be administered by the New York Legal Assistance Group (NYLAG), will allow former IIF and IPA clients to submit claims for restitution for fees they paid to the organizations for immigration services that were never lawfully rendered. IIF and IPA have also been prohibited from providing immigration-related legal services in the future.


July 15 2014

A.G. Schneiderman & Illinois A.G. Madigan Urge FCC To Strengthen Protections For Net Neutrality

New York Attorney General Eric T. Schneiderman and Illinois Attorney General Lisa Madigan today urged the Federal Communications Commission (FCC) to strengthen rules to safeguard democracy on the Internet and preserve net neutrality. In comments submitted to the Commission and a letter to Chairman Tom Wheeler, Attorney General Schneiderman and Attorney General Madigan argue that the FCC must ensure the continued “dynamism of the Internet” by protecting its low barriers to entry and equal treatment for all content providers, which can be upheld only through the principles of an Open Internet, or net neutrality.

OHIO

July 25, 2014

Attorney General Mike DeWine Warns Ohioans Report Losing Money to Grant Scams

Ohio Attorney General Mike DeWine today warned consumers to beware of scam calls offering government grants.

Since Jan. 1, 2014, the Attorney General’s office has received more than 100 reports of suspected grant scams. Additionally, more than 20 consumers have reported losing $200 to $6,000 or more to the ploy.


SOUTH CAROLINA

July 8, 2014

SC Attorney General’s Office Warns of Scam

The South Carolina Attorney General’s Office has received numerous calls from people in at least seven states about a scam. They report getting an e-mail allegedly from the Attorney General’s Office with a subject line of “Final Legal Notification” and containing what claims to be an “attorney retainer agreement.” The document carries the seal of the South Carolina Attorney General’s Office, the U.S. Department of Justice and a group called Law Enforcement Against Prohibition.

The e-mail contains the name of an actual attorney in South Carolina who is not involved in the fraud, and a message that says, “All this agreement is about the legal case on your name and we are going to Arrest you for the same [sic]. So before we send police to your mailing address give us a call back.”

VERMONT

July 31, 2014

Attorney General Sorrell Testifies Before U.S. Senate Commerce Committee About “Cramming”

Attorney General William Sorrell testified before the United States Senate Committee on Commerce, Science & Transportation about “cramming” yesterday. Widely recognized as a national leader in law enforcement’s efforts to stamp out cramming—the placement of unauthorized third-party charges on telephone bills—Sorrell spoke about the lessons learned from Vermont’s decades-long battle against the practice. The hearing was webcast live and is available on the Committee’s homepage at http://www.commerce.senate.gov.


WEST VIRGINIA

July 18, 2014

Attorney General Patrick Morrisey Updates Consumers on E-ZPass Email Scam

Attorney General Patrick Morrisey said consumers who receive phishing emails from E-ZPass should report the email to the Internet Crime Complaint Center, as well as the state Consumer Protection Division.

“Unfortunately, this scam is not limited to West Virginia,” Attorney General Morrisey said. “Fifteen states in the Eastern United States are on the E-ZPass network, and consumers throughout the region have been receiving these emails. Because of the scope of the scam, consumers who receive suspicious emails allegedly from E-ZPass should also file a complaint with the Internet Crime Complaint Center at www.ic3.gov. That site is dedicated to sharing information on Internet crimes across law enforcement agencies.”

http://www.ago.wv.gov/pressroom/2014/Pages/Attorney-General-Patrick-Morrisey-Updates-Consumers-on-E-ZPass-Email-Scam.aspx
July 14, 2014

**Attorney General Patrick Morrisey Says ‘Grandparent Scam’ Is Reappearing in Parts of West Virginia**

Attorney Patrick Morrisey today urged West Virginians to be on guard for the so-called “Grandparent Scam,” in which in a person calls and pretends to be a grandchild who needs money for bail, medical treatment or other emergency.


July 5, 2014

**Attorney General Patrick Morrisey Warns Consumers About Fraudulent Credit Card Debt Calls**

Attorney General Patrick Morrisey is warning consumers about telephone calls from companies who claim to be debt collectors summoning them to court over unpaid credit card debt.

The Attorney General’s Consumer Protection Division has recently received complaints from residents who have received calls such as these, including one from a resident whose husband was deployed with the military when the alleged credit card had been opened.


July 3, 2014

**Attorney General Patrick Morrisey Alerts Eastern Panhandle Businesses to Fraudulent Google Calls**

Attorney General Patrick Morrisey is alerting businesses in Morgan, Berkeley, and Jefferson counties about telephone calls from a person claiming to represent either Google or a Google affiliate stating there is a problem with the company’s business listing.
These callers state that for a fee, they will “update” your listing in Google’s search engine. In other cases, these telemarketers will attempt to sell the business some other type of online service.

Google has information posted on its support website pertaining to these calls, and has verified they are fraudulent. Google does not place robocalls, does not call a business to “update its front page listing” or offer businesses free websites, and Google does not charge for inclusion in either Google Search or Google Places.