

**RetailLawBCLP**

## **NATIONAL CONSUMER PROTECTION WEEK: CONSUMERS JOIN FORCES WITH AGENCIES**

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This week is [National Consumer Protection Week](#). How does it impact your company? It's an opportunity for you to understand today's consumer protection environment and to hear what is concerning your customers and regulators and law enforcement. This is the 20th anniversary of NCPW.

Consumer businesses should understand the level of collaboration and coordination among consumers and federal and state agencies. It is also important to understand how many avenues there are for consumers to complain and for agencies to investigate. Your risk management efforts should include increasing understanding and awareness of these possibilities and planning for any adverse events.

NCPW involves more than 100 partners. Partner efforts are led by a 16-entity Steering Committee, which includes, among others, AARP, Better Business Bureau, FCC, FTC, Federal Reserve System, OCC, National Association of Attorneys General (NAAG), and the US Postal Inspection Service. Impressive and powerful. The balance of partners is equally so, including virtually all the state AGs plus many state consumer protection divisions, federal agencies including law enforcement (FBI, Department of Homeland Security, IRS, FCC, and FTC), and consumer groups including NAACP, National Council of LaRaza, TruthinAdvertising.org among others.

NCPW activities include local community action events, educational webcasts and social media awareness campaigns. The overall goal is to empower consumers. A quote on the NCPW website from Acting Chairman Maureen K. Ohlhausen clarifies the mission: "The [NCPW.gov](#) website is a fantastic resource to help consumers understand their rights, spot and avoid scams, and to find materials for their families and their community at no cost."

### **2017 Consumer Sentinel Data Book**

The [2017 Consumer Sentinel Data Book](#) will be highlighted at various NCPW events this week.

The annual report issued annually tracks consumer complaints trends and identifies highest risk issues. Thirty categories of products and services are tracked. For 2017, the Top 10 Fraud related

consumer complaints involved:

1. Imposter Scams
2. Telephone and Mobile Services
3. Prizes, Sweepstakes and Lotteries
4. Shop-at-Home and Catalog Sales
5. Internet Services
6. Foreign Money Offers & Counterfeit Check Scams
7. Travel, Vacations and Timeshare Plans
8. Business and Job Opportunities
9. Advance Payments for Credit Services
10. Health Care

The highest volume states for consumer fraud complaints were California, Florida, and Texas, each of which had more than 200,000 complaints. Rounding out fourth place, New York had more than 100,000 complaints. But the FTC also slices by complaints per 100,000 population, not just sheer volume. Interestingly, the Top Ten Complaints Per 100,000 Population shows states ranked as follows: Florida, Georgia, Nevada, Delaware, Michigan, Texas, Maryland, Alabama, South Carolina, and Tennessee.

Business should be aware of the information tracking and collaboration among consumers and these agencies and groups. Hopefully, empowered consumers are happy shoppers. And happy shoppers drive good business. But empowered *unhappy* shoppers know their rights and will be active, potentially submitting complaints to state and federal agencies and leveraging consumer groups and social media. If your business does not pay attention, your business could end up in the midst of a multi-track state and federal investigation, as well as consumer litigation and a serious adverse public relations reputational event.

### **2018 NAAG Winter Conference - A "kick off" to NCPW?**

The acronym for the National Association of Attorneys General (NAAG) is a bit ironic. Policing companies has become a large part of the job for most AGs. According to its website, "NAAG fosters an environment of cooperative leadership, helping attorneys general respond effectively to emerging state and federal issues." That cooperative leadership can turn into a company's nightmare of multi-state coordinated litigation.

Last week NAAG held its Winter Meeting in Washington, D.C. The agenda was chock full and provides a roadmap for what AGs will be focusing on this year.

From a risk management and litigation avoidance perspective, it pays to know what is in the AGs sights, especially if your company does business in multiple states. Below are some highlights of areas AGs appear to be prioritizing:

1. Elder Abuse Prevention
2. Military Families Scams
3. Student Lending/ Debt
4. Medicaid Abuse
5. Net Neutrality
6. Safe Purchasing and Use of Prescription Drugs
7. Gaming.

If any of these could arise in your business, heads up. AGs are devoting political and financial resources to providing education and investigation of these topics. Perhaps none of these is all that new or surprising. But what is interesting is that NAAG enables AGs to share tools and techniques for regulatory investigation. NAAG also promotes coordinated information sharing among multiple states on these topics and with regard to subjects or target companies. That increased information may accelerate the pace of regulatory investigation and heightens its intensity.

## MEET THE TEAM



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