

FEDERAL TRADE COMMISSION

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FEDERAL TRADE COMMISSION

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In the Public Workshop on:            )  
THE HISPANIC CONSUMER:                )  
PROMOTING OUTREACH, PREVENTING        )  
FRAUD: BEST PRACTICES IN THE            )  
HISPANIC COMMUNITY                      )  
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Thursday, May 13, 2004

Conference Room A  
Federal Trade Commission  
601 New Jersey Avenue, NW

The above-entitled matter workshop resumed on Thursday, May 13, 2004,  
at 8:30 a.m.

## PROCEEDINGS

1  
2 MS. KOLISH: Good morning again. Thank you all for coming. We're  
3 delighted to have you here. I'm Elaine Kolish. I'm the Associate Director for the Division  
4 of Enforcement, and my division has had the pleasure, in cooperation with DOJ's Office  
5 for Victims of Crime, of organizing today's event. And I want to introduce you to Laura  
6 Koss, the Senior Attorney in the division, who has actually done most of the day-to-day  
7 planning for this event, and I've actually worked for her for the last two months.

8 (Applause.)

9 MS. KOLISH: If you have any questions throughout the day, please feel  
10 free to see me or Laura or any of our wonderfully -- Kerry Constable, whom you've  
11 probably already met there and Erin Malick, who are running around and making things  
12 work smoothly.

13 Before we get started further, I wanted to do some housekeeping remarks.  
14 If you leave the building for lunch or at any other time, you will be re-screened through  
15 security to reenter, and you can tell that's a little bit of a nuisance. You may want to try to  
16 avoid leaving.

17 For security reasons, please wear your name tag at all times. If you notice  
18 anything suspicious, please report it to the guards in the lobby. We want to be very  
19 security conscious here.

20 Please turn off or set to vibrate all cell phones and pagers. If you need the  
21 bathrooms, they are across the lobby. The guards and other people will be happy to direct  
22 you. You do not have to reenter through security to use them.

23 The fire exits are through the main doors at the front of the building on New  
24 Jersey Avenue, and through the pantry area back here where you would exit onto the G  
25 Street corridor. In the event of an emergency, we're all requested to go to the Union Life

1 building over on that corner. It's a big, tall black building, has Union Life on the top of it,  
2 easy to spot. But that's our designated gathering spot so we make sure we all check in and  
3 we're safe.

4 VOICE: We don't have a drill scheduled for today, I hope?

5 (Laughter.)

6 MS. KOLISH: No. We better not have a drill.

7 VOICE: Hold hands as you cross the street.

8 MS. KOLISH: Hold hands. That's a good idea, too. Luckily usually the  
9 police department shows up and closes off the streets for us.

10 Finally, please remember to fill out the evaluation forms we provided so we  
11 can get some feedback on how you think this went.

12 All right. With that, I'll turn to our introduction of our chairman. I'm  
13 delighted to be able to introduce our chairman, Timothy Muris. He's been our chairman  
14 since June 2001 when he was sworn in. He's also held other positions at the FTC, in fact  
15 three positions. Indeed, he has done it all at the FTC.

16 He was the assistant director of the Planning Office from 1974 to '76. He  
17 was the director of the Bureau of Consumer Protection from '81 to '83, and then he was the  
18 director of the Bureau of Competition from '83 to '85.

19 In between his first two stints at the FTC, he served as the deputy counsel to  
20 the Presidential Task Force on Regulatory Relief then headed by Vice President Bush.

21 After leaving the FTC in 1985, Mr. Muris served for three years with the  
22 Executive Office of the President, Office of Management and Budget. He then joined  
23 George Mason University School of Law as a Foundation Professor in 1988 and served as  
24 interim dean of the law school from '97 to '97.

25 He has published numerous books and articles on antitrust, consumer

1 protection, federal budget issues, regulation and contract law.

2 In addition, Chairman Muris has had a deep and long-standing interest in  
3 ensuring that fraud against Hispanic consumers receives the attention it deserves. We're  
4 very grateful for the leadership and the support that he has given to this project.

5 Chairman Muris?

6 (Applause.)

7 CHAIRMAN MURIS: Thank you very much, Elaine, and good morning. I  
8 do have a deep interest in this issue. I grew up in San Diego. I've lived for several years in  
9 Miami, Florida. I lived a year in Chicago. And in all of those places, indeed in most  
10 places in the United States, there's a large Hispanic community and a very significant  
11 Spanish-speaking media.

12 And I'd like to welcome you all to the Hispanic Law Enforcement  
13 Workshop and thank you for joining us.

14 I'd especially like to thank our distinguished panelists for sharing their  
15 insights and expertise in this very important area.

16 I'd also like to thank the Department of Justice's Office for Victims of  
17 Crime for co-sponsoring this event.

18 Some of you were here yesterday for the Hispanic Outreach Forum. We  
19 feel and hope you agree that the forum was a great success. We've learned a great deal  
20 about the Hispanic consumer market and the best practices in reaching Hispanic consumers  
21 with information about their homes, their health and their finances.

22 Hispanics represent over 13 percent of the nation's population and  
23 constitute a growing market for advertisers. There are more than 650 Spanish-language  
24 newspapers in the United States, four major Spanish-language networks and about 60  
25 national Spanish-language magazines.

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1                   About \$100 billion is spent on advertising specifically directed to Hispanic  
2 consumers and the Hispanic community is estimated to spend at least \$350 billion  
3 annually.

4                   But as the Hispanic market grows, so too does the opportunity for  
5 fraudulent advertisers to target this community. We conducted a national survey to  
6 determine the incidence of consumer fraud recently. Although we're still reviewing the  
7 data, preliminary analysis suggests that Hispanics are about twice as likely as non-  
8 Hispanic whites to be victims of fraud. Howard Beales, the FTC's Director of Consumer  
9 Protection, will talk more about the fraud survey in a few minutes.

10                  The FTC is acting to fight scams that harm Hispanic consumers. In the last  
11 30 months we have significantly increased the level of consumer protection afforded this  
12 community. We created the position of Hispanic Outreach Coordinator and more than  
13 doubled our number of Spanish-speaking professionals.

14                  We're making consumer information available in plain Spanish, not  
15 legalese. Thus far, we translated nearly 70 of our consumer information pieces. They're  
16 posted at [www.ftc.gov/Spanish](http://www.ftc.gov/Spanish). We're hard at work translating the rest of our publications  
17 into Spanish.

18                  We're distributing radio public service announcements in Spanish and  
19 pitching consumer news in Spanish to the Spanish-language media, and we're building  
20 partnerships with organizations, businesses, and leaders in the Hispanic community who  
21 can help us spread our fraud prevention messages.

22                  On the law enforcement front, we've brought more than a dozen fraud cases  
23 that targeted Hispanics, and more cases will be coming soon.

24                  Just a few weeks ago, we announced our Hispanic Law Enforcement  
25 Initiative, which includes monitoring of Spanish-language media and complaints from

1 Hispanic consumers, extensive outreach efforts, and an increased law enforcement  
2 presence.

3 As part of our efforts, we are working with Marc Jimenez, the U.S.  
4 Attorney for the Southern District of Florida, who will be here today. And next week I  
5 will be meeting with 20 U.S. attorneys from around the country to discuss law enforcement  
6 strategies to address fraud aimed at Hispanics.

7 Working together, we can accomplish more, and this workshop is an  
8 important start. We'll first hear from Howard Beales, who will discuss results of the FTC's  
9 fraud survey.

10 He'll be followed by our first panel, which will look at what types of fraud  
11 are targeted at the Hispanic community and how we can improve the way in which we  
12 determine the extent of the fraud.

13 Our second panel will explore what law enforcers are doing to address the  
14 problem of fraud directed toward Hispanics and the obstacles they face.

15 Our third panel will focus on the resources available to law enforcers and  
16 consumer groups to address the needs of fraud victims.

17 We will then break into small groups to discuss how we can better address  
18 the issue of fraud targeted at Hispanics.

19 Finally, at the end of the day, we will regroup to develop a plan of action.

20 Again, I'd like to welcome you all here and thank our panelists for their  
21 contributions to what we expect will be a productive and enlightening day.

22 Now it's my privilege to introduce our keynote speaker, Associate Attorney  
23 General Robert D. McCallum, Jr. General McCallum was sworn in as associate attorney  
24 general on July 1st, 2003. Prior to that, he served as assistant attorney general for the Civil  
25 Division starting in September 2001.

1                   Before joining the Civil Division, he was a partner at Alston & Byrd in  
2 Atlanta, Georgia. He received both his undergraduate and law degrees from Yale  
3 University. He also attended Oxford University as a Rhodes Scholar in 1971.

4                   General McCallum?

5                   (Applause.)

6                   MR. McCALLUM: Thank you, Chairman Muris. It's a great pleasure for  
7 me to be here and to participate in this conference. And let me briefly use this opportunity,  
8 Tim, to thank you for your service as the FTC Chairman. The Department of Justice  
9 through your leadership has had an outstanding working relationship with the FTC, and  
10 consumers have had a tremendous friend and advocate in you during the past three years,  
11 and we thank you so much for your service.

12                   (Applause.)

13                   It has set a tone where we are confident that the cooperative and  
14 outstanding working relationship between our different components will continue, and we  
15 appreciate very much your leadership in that regard.

16                   As I indicated, we are here today about -- or as Tim indicated -- we are here  
17 today about the important issue of consumer fraud and its impact on the Hispanic  
18 community. I want to commend both the FTC and the Department of Justice Office of  
19 Justice Programs and the Office for Victims of Crime for sponsoring this workshop.

20                   The DOJ and the FTC have a long history of working together to combat  
21 consumer fraud. Since 1996, for instance, more than 60 FTC lawsuits have resulted in  
22 parallel criminal prosecutions filed by the Department of Justice.

23                   In addition, the Department of Justice has its Office of Consumer Litigation  
24 in the Civil Division, and it has pursued civil remedies such as injunctions in hundreds of  
25 FTC cases referred to it by the Commission as well as prosecuting numerous criminal



1 cases, including criminal contempt cases, which put teeth into the civil injunction remedies  
2 that both the FTC and the DOJ obtain.

3 Working together, our efforts have benefitted numerous members of the  
4 consumer groups across the nation. And we look forward to continued working  
5 relationship as it relates to combatting consumer frauds.

6 You've heard from Chairman Muris that because of the huge economic  
7 buying power of Hispanic consumers, billions of dollars are spent each year by businesses  
8 for advertising specifically targeting Hispanic consumers. Although most of these  
9 businesses are legitimate and have products and services that are of real value to sell, there  
10 are always some who are fraudulently trying to sell products and services of no value  
11 whatsoever through deceit and misrepresentation.

12 Unfortunately, it appears that consumer frauds generally are becoming a  
13 growth area of criminal activity across all areas of our society. And as you would expect,  
14 the FTC has found Hispanic consumers have been targeted with Spanish-language  
15 advertisements in the print and broadcast media for the same types of frauds that the FTC  
16 has seen over the years in the English-language broadcast and print media.

17 At the top of that list, you could look at things like advance purchase of  
18 guaranteed loan or credit cards; unauthorized billing for buyer's club memberships. Things  
19 like purchasing of credit card insurance and things like seeking the payment of money in  
20 order to have one's credit record improved, whether through credit repair or buying  
21 information that supposedly tells a debtor how to get a new identity for credit purposes.

22 The Commissioner mentioned this recent FTC study which shows that if  
23 you look at these sorts of consumer frauds, you'll find that Hispanics are now twice as  
24 likely to be targeted by the criminal element for consumer fraud activities as are non-  
25 Hispanic whites.

1                   And whenever criminals focus their illegal activity on a particular area or  
2 segment of our society where they hope to avoid attention, law enforcement officials at  
3 both the federal, state and local levels must recognize that shift and respond according to  
4 that trend. So both the FTC and the Department of Justice are doing so, and this initiative  
5 is simply one of those aspects.

6                   For instance, let me take a moment to highlight some other kinds of frauds  
7 that victimize consumers, including those in the Hispanic community, frauds upon which  
8 we in law enforcement need to focus our attention. Things as simple as what we see every  
9 day in terms of weight loss frauds. So common today. But it's a significant problem.

10                   In the past ten years, despite unprecedented levels of enforcement and broad  
11 consumer education programs, deceptive and misleading weight loss advertisement has  
12 become rampant. Consumers are literally bombarded daily with advertisements for  
13 products promising quick fixes and miraculous results that require absolutely no effort  
14 whatsoever on the part of the consumer.

15                   These ads run in newspapers where -- and in television, and in magazines,  
16 and they can be found among the most reputable of media outlets and publications.  
17 Questionable ads run in high circulation Hispanic magazines and on Hispanic media,  
18 broadcast media. The products come in radio advertisements as well as television  
19 advertisements.

20                   Another area of concern for us all is advertizing claims about the benefits or  
21 safety of health-related products, including dietary supplements. The dietary supplement  
22 industry encompasses a broad range of products that range from vitamins to minerals to  
23 herbs to hormones, and they represent a substantial segment of the consumer health care  
24 market.

25                   For instance, industry sales in 2001 for these types of products were

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1 estimated to be \$17.7 billion. That's billion with a B. Some dietary supplements offer the  
2 potential for real health care benefits to consumers, but unfortunately, unfounded or  
3 exaggerated claims in the marketplace are proliferating.

4 One marketer sold products containing shark cartilage, and another had an  
5 herb that was called cat's claw, claiming that they cured or benefitted sufferers of diseases  
6 like cancer or AIDS. Such claims raise questions under laws administered by the FTC as  
7 well as laws administered by the Food and Drug Administration.

8 Now the Department of Justice has a comprehensive program for fighting  
9 fraud. As I indicated, the Office of Consumer Litigation in our Civil Division is  
10 responsible for criminal and civil litigation and related matters arising under a variety of  
11 federal statutes administered by client agencies such as the FTC or the FDA. These  
12 statutes are intended to protect the public health and safety and to regulate unfair and  
13 deceptive trade practices. They are intended to defend government programs and policies  
14 in the areas of consumerism.

15 Coordination of enforcement efforts by various agencies, including the FTC  
16 and the FDA, promises to increase our progress against unlawful claims by supplement  
17 makers which will benefit all consumers, including those in the Hispanic community, and  
18 workshops such as this are just one step in a multi-agency coordinated effort to do just  
19 that.

20 The Department of Justice also prosecutes what I will call identity theft and  
21 fraud under a variety of federal statutes, and that's another very important area of consumer  
22 fraud. In the fall of 1998, for example, Congress passed the Identity Theft and Assumption  
23 Deterrence Act. This legislation created a new offense of identity theft, and in most  
24 circumstances carries a maximum sentence of 15 years imprisonment, fines, and criminal  
25 forfeiture of any personal property used or intended to be used to commit the offense.

1                   Schemes to commit identity theft and fraud also involve violation of other  
2 statutes such as identification fraud, credit card fraud, computer fraud, mail fraud, wire  
3 fraud, financial institution fraud. Each of these federal offenses are felonies, and they  
4 carry very substantial penalties, in some cases, as high as 30 years imprisonment, fines,  
5 and again, criminal forfeitures.

6                   Federal prosecutors work with federal investigative agencies such as the  
7 FBI, the Secret Service and the U.S. Postal Inspection Service to prosecute identity theft  
8 and fraud cases.

9                   Now prosecutions and civil enforcement actions are obviously critical to  
10 stopping consumer frauds by punishing the guilty, and we hope they also deter those who  
11 would otherwise be inclined to attempt it, but it's really not enough. We must try to stop  
12 consumer fraud before it happens by making sure that the message gets out to the  
13 consumers and that they're educated about the risks that are in the marketplace.

14                   The Department of Justice has a long history of ensuring that all U.S.  
15 consumers are protected by the nation's anti-fraud laws. And if the criminals begin to  
16 focus on any arena hoping to evade the attention of law enforcement, then the Department  
17 of Justice and the entire law enforcement community will respond and adjust, because the  
18 mission is to provide the protection of law in this great nation to all of our citizens; that is  
19 to everyone of every race, of every ethnic background, of every creed and every religion.

20                   Now today's workshop is a critical opportunity for federal, state and local  
21 law enforcement officials to form the types of partnerships that will advance that goal.  
22 Among federal agencies, the FTC has taken the leadership role in addressing the problems  
23 of consumer fraud and its impact on the Hispanic community.

24                   I'd like to commend the FTC for its leadership in that regard and the  
25 attorney general and the entire Justice Department looks forward to working with all of

1 you as we move forward this goal.

2 Mr. Commissioner, thank you for letting me be here.

3 (Applause.)

4 MS. KOLISH: Thank you, General McCallum. That was wonderful. I'd  
5 now like to introduce John Gills, who has served as Director of DOJ's Office for Victims  
6 of Crime since September 2001. Mr. Gillis is the founder and co-founder of several  
7 organizations that promote victim rights.

8 In 1991, his work in this area was recognized by President Bush, who  
9 presented him with a National Crime Victim's Service Award.

10 He was also recognized in 1993 by former Attorney General William Barr  
11 with a special commendation award for his victim crime service.

12 Mr. Gillis formerly served with the LA Police Department and retired in  
13 1998 with the rank of lieutenant assistant commanding officer. Mr. Gillis?

14 (Applause.)

15 MR. GILLIS: Thank you, Elaine, and good morning, everyone. I also want  
16 to thank Chairman Muris and the staff from the Bureau of Consumer Protection for their  
17 dedication and foresight in this important area.

18 And our sincere appreciation goes to Associate Attorney General Robert  
19 McCallum for his leadership and vision in his oversight of the Office of Justice programs.

20 Let me also say how pleased I am with the ongoing partnership the Office  
21 for Victims of Crime has enjoyed with the Federal Trade Commission and the important  
22 work that is done every day on behalf of consumers. I look forward to future collaborative  
23 efforts among our respective offices.

24 So it's a pleasure for OVC to join the FTC in sponsoring this event and to  
25 joint Chairman Muris and Associate Attorney General McCallum in welcoming everyone

1 here today.

2 As law enforcers and consumer fraud protection specialists from around the  
3 nation, your discussions and recommendations here today are important in determining the  
4 speed and quality of our responses to future consumer fraud victims, and for that, I thank  
5 you.

6 And as a former police officer and the survivor of a homicide victim, I  
7 understand the importance of swift response for law enforcement to victims of crime. And  
8 as the Director of the Office for Victims of Crime, I am making sure that we target  
9 resources to help strengthen that response.

10 I want to take just a moment to provide a brief overview of OVC and some  
11 of the resources we administer. OVC is an agency within the Office of Justice programs at  
12 the U.S. Department of Justice, an agency that, as I mentioned earlier, is overseen by  
13 Associate Attorney General McCallum.

14 The OVC mission is to provide federal leadership on crime victim issues  
15 and enhance the nation's capacity to assist victims. We carry out that mission through the  
16 administration of funding and other resources and by facilitating the exchange of  
17 knowledge and information with the victim service field nationwide.

18 You'll learn more today about how OVC administers substantial federal  
19 funding to state victim assistance and compensation programs through the Victims of  
20 Crime Act, or VOCA, formula grant programs.

21 But I just wanted to mention this unique funding source because it is  
22 derived not from tax dollars but from fines and penalties paid by federal criminal  
23 offenders. These vital funds help support the thousands of local victim service agencies  
24 around the country, including programs designed to reach out to traditionally underserved  
25 populations to give a voice to and address the rights of often voiceless victims.

1                   Given the number of law enforcement agencies represented here today, I  
2 think it is important to note that law enforcement agencies in many states are eligible for  
3 this funding. However, for various reasons such as law enforcement's lack of knowledge  
4 about VOCA or perhaps reluctance by state agencies to provide funds to law enforcement,  
5 the number of law enforcement agencies receiving VOCA funding is extremely low in  
6 comparison to the number of existing agencies nationwide. And I would like see these  
7 numbers increase substantially, and I look to you as leaders in the field to help raise  
8 awareness about these funds.

9                   We also distribute smaller amounts of discretionary funding to enhance the  
10 quality and availability of victim's services. And we support training and technical  
11 assistance efforts designed to educate victim advocates and justice and allied professionals  
12 about the rights and needs of crime victims.

13                   You'll hear later today about the OVC resource center, our clearinghouse,  
14 and our training and technical assistance center, and how you can easily tap into these  
15 wonderful resources.

16                   Supporting services for victims and promoting the fair treatment of victims  
17 drive much of our activity at OVC. In fact, our theme is putting is victims first. This  
18 philosophy is woven throughout all we do. And honestly, I don't think anyone in this room  
19 would disagree that victims need and deserve a greater voice in all the programs, policies  
20 and laws that affect them.

21                   But such an awareness does not always lead to an active inclusion of  
22 victims in the discussion and planning. So I invite you to consider this challenge during  
23 your sessions today. At each and every step of developing your recommendations, stop for  
24 a moment and consider the victim. Truly consider the victims.

25                   Whenever members of my staff are debating an approach to a problem, I tell

1 them to ask themselves how would the victim feel and let the answer guide their actions.

2 Today, I ask the same of you.

3 So thank you for being here and for focusing your talents and energies and  
4 vast experiences on ways to improve outreach to the Hispanic community and to  
5 sensitively assisting consumer fraud victims. And thanks for helping us to carry out one of  
6 our important missions: Facilitating the exchange of knowledge and information among  
7 professions that directly affect victims. You're helping to put victims first.

8 We at OVC will also make sure that the recommendations you provide  
9 today will be used to help improve services offered by our VOCA funded programs. So I  
10 look forward to the report of the recommendations that you will come forward with from  
11 your discussions today.

12 So thank you very much.

13 (Applause.)

14 MS. KOLISH: Thank you, John. I think you may find that the number of  
15 applications OVC receives for VOCA funding may increase dramatically after today.

16 Before I move to introducing Howard Beales, I want to do a tech check to  
17 make sure. Is it -- okay.

18 I'm now going to introduce to Howard Beales, who was appointed by  
19 Chairman Muris as bureau director in June 2001. Like Chairman Muris, Howard has a  
20 background in government and academia, and he too has served at the FTC before. People  
21 like it here so much they just keep coming back.

22 (Laughter.)

23 He's also served as a branch chief at OMB and then as an associate  
24 professor of strategic management and public policy at GW University.

25 Howard has the distinction of being the first economist to serve as bureau



1 director, a position traditionally held by lawyers. As a result, he truly understands data  
2 analysis and that mysterious statistical tool known as regression analysis.

3 Because of this, all of us who work for him agreed Howard would be the  
4 perfect choice to present the preliminary results of the FTC's National Fraud Survey and  
5 what it shows for Hispanic consumers.

6 Howard?

7 (Applause.)

8 MR. BEALES: Thank you, Elaine. It's a pleasure to be here and tell you a  
9 little bit about the National Fraud Survey and some of the results that are particularly  
10 relevant to our subject today, which is the impact of fraud in the Hispanic community.

11 We conducted the fraud survey last year. We went into the field about this  
12 time a year ago. Our goal was to try to learn about the types of frauds that affect U.S.  
13 consumers. We have an enormous amount of complaint data that comes to us, but we don't  
14 have much information about a representative sample of the population as to what really is  
15 the impact more generally, and that was a key goal of this survey.

16 What we found is that even controlling for demographic differences through  
17 that mysterious tool of regression analysis, about which you will hear no more --

18 (Laughter.)

19 -- Hispanics are about twice as likely as non-Hispanic whites to be victims  
20 of consumer fraud. I should add, what we asked people about was their experience in the  
21 12 months preceding the survey, so what we're looking at is how many people were  
22 victims of fraud over a period of a year, okay, with the year ending about a year ago.

23 We did a phone survey of 2,500 adults about a year ago. We asked about  
24 their experience during the previous 12 months. The survey was conducted by public  
25 opinion strategies, and what we did was a random sample using a direct dialing telephone

1 methodology.

2           What we found is that generally minorities are much more likely to be  
3 victims of consumer fraud. Hispanics in particular are twice as likely to be victims as non-  
4 Hispanic whites. 14.3 percent of Hispanics have been victims of one of the dozen or so  
5 frauds that we specifically asked about over the course of the survey, as opposed to 6.4  
6 percent of non-Hispanic whites.

7           The top ranking frauds among Hispanics tended to be finance related.  
8 Advance fee loans or credit cards was the top of the list, followed by unauthorized charges  
9 to buyer's clubs for signing you up in a buyer's club, and credit card insurance to protect  
10 you from the losses that the credit card companies will cover anyway. And finally, credit  
11 repair to improve your credit record or to get you a new credit identity.

12           Each of these frauds was substantially more likely to occur among the  
13 Hispanic community. What you see is for these frauds that the range is like 2 to 3 percent  
14 of Hispanics have been victims of any one of these frauds. For non-Hispanic whites, it's  
15 considerably less than 1 percent for all of them, okay, and generally around a half a  
16 percent. And it's more like 2.5 to 3 percent for Hispanics.

17           Again, it's the same list of frauds -- the advance fee loan or credit card,  
18 buyer's club memberships that you hadn't agreed to purchase, credit card insurance and  
19 money to improve your credit record.

20           We looked at six additional frauds that we asked specifically about --  
21 Internet services or Internet or pay-per-call information services; pyramid schemes;  
22 business opportunities; federal or postal job frauds, and prize promotions or sweepstakes.

23           For those frauds, we didn't find statistically significant differences between  
24 Hispanic and non-Hispanic whites. Now a lot of the times, Hispanics may be a little bit  
25 more likely to be victims of those frauds, but there's not -- it's not a big enough difference

1 to say -- I mean, it's a small enough difference that it could be simply due to chance rather  
2 than anything systematic.

3 The other thing we looked at in our survey was fraud reporting. And what  
4 we found is that less than 10 percent of all fraud victims reported the incident to either the  
5 BBB or to a government agency. Now a lot more victims than that complained. Over half  
6 of all victims complained, but it's generally to the seller or the manufacturer of the  
7 particular product or service.

8 Still, almost a third of victims, 30 percent, didn't complain to anyone. And,  
9 of course, their problem probably wasn't fixed.

10 The data are suggestive that Hispanics complain at a lower rate than non-  
11 Hispanic whites, but we're still looking at that and don't have a firm conclusion at this  
12 point. But overall, reporting rates, particularly to the government, are low among all  
13 groups.

14 The fraud survey is really only a part of our Hispanic outreach effort and is  
15 really an attempt to measure the extent of the problem more systematically. But even  
16 before the fraud survey, we had been initiating Spanish-language services.

17 In January of 2002, we added a Spanish voice recognition service to our  
18 phone lines, and we added Spanish-speaking counselors to provide live assistance to  
19 Spanish-speaking consumers who called to complain.

20 In September of 2002, we got our Spanish-language complaint form up and  
21 running on the web site. In mid-2003 when we turned on the new Do Not Call site,  
22 Spanish was built in from the beginning both for registration and for complaint submission  
23 via telephone on that site.

24 And finally, in December of last year, we got the Spanish-language ID theft  
25 complaint form up and running on our web site.

1                   Unfortunately, as I noted, there's frequently underreporting of complaints to  
2 the FTC and by Hispanics as well, and our Spanish-language services are significantly  
3 underutilized. We know there's problems out there, but people don't call and tell us about  
4 them.

5                   When we announced our Hispanic Law Enforcement Initiative last month,  
6 however, we saw a sharp spike in utilization of our Spanish-language services. We  
7 actually in the first day, the number of calls that came in Spanish increased five times in  
8 our system. So, I mean, one of the key goals of the Hispanic Law Enforcement Initiative,  
9 to reach out and try to find out information about the problems that are out there, certainly  
10 seemed to work.

11                   So outreach and education is an important part of the things we need to do  
12 try to find out more from Hispanic victims and identify the problems that they face.

13                   We think there's really three keys to rooting out fraud. One of them is  
14 consumer education to prevent fraud before it occurs. We're providing online and print  
15 publications in Spanish, in plain Spanish, not in legalese, as the chairman said.

16                   We're attending outreach events and trying to make available our materials  
17 and tell people that we're here and trying to help, and distributing public service  
18 announcements and providing media interviews in Spanish -- not by me in Spanish but by  
19 other people on our staff.

20                   We've also launched a systematic program of media monitoring to look at  
21 Spanish-language advertising. For too long I think, people who advertise in Spanish have  
22 thought that no one was paying attention. We're doing our best to try to change that  
23 attitude by looking systematically at what's out there in Spanish on radio and print ads, on  
24 Hispanic cable channels, and in our complaint database.

25                   And then finally, law enforcement is an important part of the solution. Last

1 month we announced seven cases that had been filed within a period of about seven weeks.  
2 There are more cases -- all of those involved Spanish language complaints or problems,  
3 and there are more cases like those in the pipeline that will be announced.

4 All of our Spanish-language services are available on the Internet. You can  
5 start at [www.ftc.gov](http://www.ftc.gov) or on the identity theft web site, [www.consumer.gov/identity theft](http://www.consumer.gov/identity%20theft),  
6 and Do Not Call. That whole site is also available in Spanish.

7 Thank you very much. I think the survey gives us some useful insights on  
8 the nature of the fraud problem in the Hispanic community, and it's one that I think we can  
9 use to help to try to target law enforcement where the problems are the worst.

10 (Applause.)

11 MR. BEALES: Do we have time for Q's and A's?

12 MS. KOLISH: Yes. Does anybody have any brief questions for Howard  
13 before he leaves us?

14 QUESTION: I didn't understand the difference between your 10 percent  
15 and 30 percent that you had on your survey. Is that 10 percent complaints to agencies or  
16 30 percent?

17 MR. BEALES: Ten percent complain to either BBB or us, or the  
18 government, any government, not just FTC.

19 QUESTION: Is that 10 percent of Hispanics or 10 percent of the  
20 population?

21 MR. BEALES: Ten percent of the population. Ten percent of the  
22 population. Fifty percent complained to sellers or the manufacturer. Thirty percent didn't  
23 complain at all. And there's some suggestion that Hispanics are a little bit less likely to  
24 complain but that -- I mean, everybody is unlikely to complain seems to be the clearer  
25 finding.

1 QUESTION: In regard to the media, is that material available to the states?  
2 The material that you get from the Spanish media -- monitor that material?

3 MR. BEALES: Yes. And we would certainly -- I mean, we'd be happy to  
4 share when we find targets, as we always do. Now we're basically buying some of those  
5 services, and I don't know what the contractual restrictions are and what we can do with  
6 them. But, you know, certainly we're happy to share whatever we've done and that's ours  
7 and that we can share.

8 QUESTION: Who should we contact?

9 MR. BEALES: Elaine.

10 (Laughter.)

11 MR. BEALES: Yes?

12 QUESTION: Have you done any thinking about why you think Hispanics  
13 are affected more broadly by things like buying clubs than Internet service scamming or  
14 something? Why do you think there is a difference?

15 VOICE: Can you repeat the question? We can't hear.

16 MR. BEALES: The question was why is there the difference, and why in  
17 particular are Hispanics more likely to be victims of the buying clubs kinds of frauds and  
18 not the Internet kinds of frauds.

19 Some of it may be access. We don't have a -- you know, to the Internet and  
20 the like. There may be differences there that are part of the explanation. Some of it, we  
21 heard a lot yesterday at the outreach forum about that because of differences -- because  
22 Hispanics tend to operate in a cash economy, they may be more vulnerable to credit-  
23 related frauds and problems where they don't understand exactly what they're getting into.

24 And some of it may be just simply the language issue that to some extent  
25 consumers -- consumers may be more alert to the cues to fraud when the pitch is in their

1 native language and more likely to pick up on the subtle sorts of clues that say this is  
2 probably not true.

3 When the pitch is not in your native language, maybe some of those  
4 subtleties get missed, and consumers are misled in a way that they wouldn't have been if it  
5 was in their native language.

6 MS. KOLISH: Howard, I was going to say, one insight that emerged  
7 yesterday from the panel was that the panelist said that Hispanics had an affinity for free  
8 things probably as a part of the cash-based economy, and since buying clubs are often done  
9 as free trial offers where you have to take the obligation to cancel at the end of that, that to  
10 me, I put those two and two together yesterday and thought aha, I wonder if that's one of  
11 the reasons there's a problem there.

12 MR. BEALES: Right.

13 MS. KOLISH: That the necessity of taking on the obligation to cancel is  
14 not adequately passed on to those consumers.

15 MR. BEALES: Yes?

16 QUESTION: Does the survey show what are Hispanics responding more  
17 to? Are they responding more to mail? Are they responding more to radio advertisement  
18 or TV? Where are they, you know, getting the information to be involved in this?

19 MR. BEALES: We can't really reach very reliable conclusions. We're  
20 trying to do some of that, and when we release the full report later this month, we'll be able  
21 to do some of that.

22 But for any one fraud, we have a very small number of victims, even in our  
23 sample of 2,500, and a particularly small number of Hispanic victims, so it's very hard to  
24 tease out, and we just don't have enough data, it's very hard to tease out exactly where, you  
25 know, where the problem is coming from.

1 Yes ma'am?

2 QUESTION: Do you think that maybe one of the problems is that people  
3 may try to target people that are undocumented, thinking that they may not make as much  
4 noise because they don't want to draw attention to themselves? Or people are less likely to  
5 report their problems because they are undocumented and don't want to draw that attention  
6 to themselves as well?

7 MR. BEALES: That certainly is possible. One of the cases that we  
8 brought, we had a victim who, as we announced in April, we had a victim who said she  
9 complained to the company and said she was going to complain when they wouldn't honor  
10 her refund, and she said the company laughed and said they can't do anything to us. Well,  
11 we got a temporary restraining order and asset freeze. And maybe that's not anything, but.

12 But some of it may be. I don't think that there's -- we certainly haven't seen  
13 any evidence of particular targeting of undocumented Hispanics as opposed to Hispanics.  
14 But there are going to be a lot undocumented who may be more reluctant to complain, and  
15 they may just be generally more reluctant to complain. And there certainly seems to have  
16 been an assumption out there that we're trying to change that no one is looking.

17 Now you were very patient and I'm going to take your question.

18 QUESTION: You suggested that language might make Hispanics more  
19 vulnerable to fraud by English-speaking sellers. I'm wondering if you've studied the  
20 language in which different products were pitched. I'd be curious to know what the --  
21 fraud depends on trust, whether people are using their own culture and language to get  
22 people more accepting to their message than an English speaking. I'm just wondering if  
23 that is --

24 MR. BEALES: It hasn't. One of the things you always learn in doing a  
25 survey like this is all the things you should have asked. And one of the things we should



1 have asked was what language was the pitch in, but we didn't.

2 QUESTION: Another bait-and-switch type of thing like you're talking  
3 about one thing in Spanish and when the documentation comes in English it's not what it's  
4 --

5 MR. BEALES: Right. Right. But we didn't look at that.

6 QUESTION: The FTC has significant regulatory authority over various  
7 entities. What's your thinking on using that regulatory authority to require some of those  
8 entities to provide information or provide services in Spanish language?

9 MR. BEALES: The general FTC rule is that if you're going to provide --  
10 you know, you need to provide disclosures and documents and the like in the same  
11 language in which you conduct the transaction. You don't have to conduct the transaction.

12 You don't have to conduct the transaction in Spanish, but if you chose to  
13 conduct the transaction in Spanish, then as a general rule, you need to provide the  
14 documentation in Spanish as well.

15 We mostly proceed on a case-by-case enforcement basis against particular  
16 people where we see problems, and that's what we would be likely to continue to do.

17 QUESTION: I was wondering what the level of participation by Hispanics  
18 was in the No Call list registration.

19 MR. BEALES: I don't know. I think we had -- you know, the only thing  
20 we could look at is how many people registered in Spanish or complained in Spanish.  
21 And, you know, I don't think it was a large number. It wasn't a hard site to use even in  
22 English, isn't a hard site. You can still sign up.

23 (Laughter.)

24 So, you know, we may have people -- we probably have a lot of Hispanics  
25 who registered or signed up in English, and so we have no way to tell.

1 MS. KOLISH: If you don't mind, we're going to conclude now so that we  
2 can start Panel 1 and not cut into their time too, too much.

3 MR. BEALES: All right.

4 MS. KOLISH: Thank you very much, Howard.

5 MR. BEALES: Thank you.

6 MS. KOLISH: We appreciate that.

7 (Applause.)

8 **PANEL ONE**

9 MS. KOLISH: If the Panel 1 panelists would please join me. They have  
10 thankfully agreed not to have length introductions so we could have more time to discuss  
11 the issues. So I'm just going to introduce everyone here by their name and their title, and I  
12 commend to you their bios, which are in your materials, to tell their extremely  
13 distinguished credentials and their long experiences in many different important positions.

14 At the far end we have Tony Rodriguez, who is with the National Consumer  
15 Law Center. He's a victim advocate on behalf of the Office for Victims of Crime at the  
16 Department of Justice.

17 Next to Tony is Teresa Santiago, who is Director and Chairperson of the  
18 New York State Consumer Protection Board, and we heard what a terrific advocate she is  
19 yesterday when she participated on a panel.

20 Next to Teresa is Pastor Herrera, who is the Director of the Los Angeles  
21 County Department of Consumer Affairs in California.

22 And next to Pastor is Mario Goderich, who is Deputy Director, Consumer  
23 Services Department of Miami-Dade County in Florida.

24 And next we have Maryanne Dailey, who is the Executive Director of the  
25 Better Business Bureau Consumer Foundation in Charlotte, North Carolina.

1                   And finally, we have Esther Chavez, who is Assistant Attorney General of  
2 the Consumer Protection Division of the Office of the Attorney General in Austin, Texas.

3                   And I'm Elaine Kolish from the Enforcement Division.

4                   I'd like to ask our panelists to sort of follow up on Howard's broad brush  
5 about what our fraud survey found and see if there's information that your experiences and  
6 observations could fill in about whether -- what kind of vulnerabilities Hispanics and  
7 Latinos might have.

8                   Are non-English-speaking Hispanics more likely to be vulnerable? Are  
9 there subgroups that are more likely to be vulnerable? I mean, an obvious answer there is  
10 newly arrived immigrants, but that certainly may not be the extent of the answer. So I'd  
11 like to turn to anyone who wants to address that question and chime in.

12                  MS. CHAVEZ: I think that there's no doubt that Hispanics who speak only  
13 Spanish and don't speak English at all, those that the Census Bureau categorizes as  
14 linguistically isolated, are going to be more prone to be victims of consumer fraud, and  
15 particularly if they are in households where there is no one who can translate for them or  
16 there's no one in the immediate circle who can help translate.

17                  Because this is a person who is going to have a very difficult time doing  
18 comparison shopping, negotiating, addressing the problem or going to a consumer  
19 advocate if they do have a problem after the transaction.

20                  And even in places like South Texas where 80 percent of us speak Spanish,  
21 you know, that person is still going to be at a disadvantage because many times, you know,  
22 that's the person who is going to, as someone sort of pointed out, engage in a deal where  
23 the negotiation is all in Español, but the contract ultimately is in English, and it says  
24 something different than what was negotiated.

25                  MR. GODERICH: I think I encountered the same situation. In Miami-

1 Dade County, an interesting fact is that 67 percent of the population speaks a language  
2 other than English in their home. That being said, many of the transactions may actually  
3 occur in Spanish, but when it comes time to sign the dotted line on the contract, it's  
4 actually in English. So you have some issues that arise from that type of transaction.

5 We face many other challenges in Dade County relating to language  
6 difficulties. The Hispanic community in Miami-Dade County is the majority community  
7 at 60 percent of the population. So when you talk about fraud in the Hispanic community,  
8 it's really fraud that affects my entire community.

9 MR. HERRERA: One of the other realities is that, as one of the ladies  
10 mentioned, was the undocumented status of many consumers. I mean, that is a reality.  
11 They are hesitant to really complain about their problems. They get threatened by the  
12 business.

13 And particularly in the case of Los Angeles County where our top  
14 complaint area is immigration consultants whereby, you know, they get threatened by the  
15 immigration consultant that they're going to call immigration and they'll take care of the  
16 problem if they have any problems or if they complain to a government agency.

17 The other reality is that there are many communities that do not have local  
18 consumer protection agencies available that can serve people that have consumer  
19 problems. And that is not only I think the Latino population, but many other population  
20 groups in this country where there is a lack of real consumer protection offices.

21 And we've seen how they've shrunk back when they were in the '80s where  
22 we had a proliferation of consumer protection, where now it's been really downsized and  
23 there's very few of us really being able to be a hand-holding organization or agency to  
24 assist consumers with their everyday problems, whether it's landlord-tenant issues, whether  
25 it's immigration fraud, whether it's door-to-door sales or telemarketing.

1 MS. KOLISH: I think Maryanne had a comment. And if you don't mind, I  
2 may stand up here. It's a long table and I'm having a hard time seeing everybody who I  
3 know. I'm not sure I can see any better there, but I'll try.

4 But I know Maryanne, you had a comment you wanted to make?

5 MS. DAILEY: I did. Thank you, Elaine. One of the areas, or I guess two  
6 of the areas that my office focuses upon within our 20-county service area are the older  
7 adults and the Latin Americans.

8 And when I combined the two, what I determined is that we definitely have  
9 a subcategory within the Latin American population of victimization of the older adults.  
10 And I see that time and time again of the elderly population, the elderly Latin American  
11 making contact with our office on a regular basis and sharing their very sad stories of  
12 various consumer fraud issues.

13 And we can certainly go back to some of the very reasons that we've heard  
14 thus far from nine o'clock to ten o'clock on. But we see that they are a very trusting nature,  
15 and there is a language barrier, and we do have the undocumented status.

16 So when you couple all of that and they are elderly and they are intimidated  
17 because of their chronological status, they are intimidated over the telephone. They are  
18 lonely because there are not many individuals at home during that time with which to  
19 converse, we see an increasing number of older adults who are Latin Americans that are  
20 victimized on a regular basis. That's sad, but very true.

21 MS. KOLISH: Teresa, you had a comment?

22 MS. SANTIAGO: Yes. We have been talking for the past two days on  
23 why the Hispanic community is a target of fraud or more likely to be a target of fraud.  
24 And the same way that they target us market-wise by people that look like us, speak like us  
25 and go into our communities, that's exactly the same people that are frauding our

1 community.

2 So we have to -- in New York, for instance, there are all of these -- again,  
3 we started an immigration consulting fraud education program specifically geared to new  
4 immigrants because we're getting a lot of complaints from new immigrants, also with the  
5 elderly community, very true.

6 They're home. They're lonely. They get a phone call. They get a knock on  
7 the door, and they're going to answer it. We're also very trusting.

8 And some of the other complaints that are coming into the Consumer  
9 Protection Board in New York are these miracle cures and these vitamins, and these diets -  
10 - everything that Director Beales spoke about earlier. We tend to be -- I don't want to use  
11 the word "gullible" but we tend to fall into believing in those advertisements.

12 These advertisements, again, we need to look at them. They're being put  
13 into reputable newspapers, radio stations. We have the cable stations with all of this  
14 advertising going on almost 24 hours a day.

15 So there needs to be some, I don't want to say regulation, but there needs to  
16 be some monitoring of these ads and whether or not the product that they're selling is in  
17 fact effective or says what it's going to do.

18 MS. KOLISH: Well, those of us who do enforcement are trying.

19 (Laughter.)

20 And I pledged Panel 2 that I would not infringe on their topic area about  
21 what law enforcers are doing to address this. I know we all want to address that, and  
22 Teresa raised a good point about identity fraud. But I thought maybe I'd see -- Tony, did  
23 you want to answer -- talk to this point, since everyone else has?

24 MR. RODRIGUEZ: Well, I was just going to say with respect to notario  
25 fraud, the difficulty is that, one, consumers don't tend to go to law enforcement agencies,

1 especially immigrants.

2 Second, even if they do somehow get to a law enforcement agency, law  
3 enforcement agencies are somewhat limited in terms of what they can offer in terms of  
4 assurances that the immigrant won't be prosecuted for immigration fraud.

5 And part of the frustration when I was the Massachusetts attorney general's  
6 office was that it was difficult to get cooperation with the Immigration and Naturalization  
7 Service to say we have this information about this individual who is engaged in  
8 immigration fraud. We'd like to bring a case, but what we're concerned about the  
9 consumers; what kind of protection can you give from any kind of prosecution? And  
10 unfortunately, they really couldn't offer any, and I think that's one of the problems.

11 The other thing I was going to add is that the other sort of barriers or  
12 obstacles for immigrants especially and Latinos is a lack of documentation, which has been  
13 mentioned. And that also leads to lack of access to credit. And, therefore, they're likely to  
14 get a payday loan, go to check cashing services.

15 And with respect to credit scoring -- that's kind of become more prevalent  
16 now -- Latino consumers, 22 percent of Latino consumers don't have a sufficient credit  
17 history to even generate a credit score. So that just takes them out of the market entirely.

18 In addition to that, for those that do have a credit score, it's likely to be  
19 below 620, which therefore would put them in a sub-prime category.

20 So there are these tremendous obstacles and barriers to access to credit and  
21 access to the market that just compound all of the other fraudulent practices.

22 MS. KOLISH: Pastor, you wanted to comment?

23 MR. HERRERA: Just a real quick comment. One of the other obstacles I  
24 think is shame, what we call verguenza. And, you know, I remember my mom and dad,  
25 they used to tell us nothing is verguenza, you know, you don't have shame because you did

1 this or you did that.

2 And this is very true for seniors when they become victims of telemarketing  
3 fraud, that they don't report it because there's a shame. But also I believe in the Latino  
4 community, there is maybe a prevalence of shame that, oh, how could they be defrauded?  
5 You know, they felt like this is really a shame on themselves that they were so ignorant  
6 that this happened to them.

7 MS. KOLISH: Esther, you had a comment?

8 MS. CHAVEZ: Yeah. I think that sort of regardless of whether -- wow.

9 (Interruption to the proceedings.)

10 MS. CHAVEZ: Someone's calling us? It's a conference call. Tech support.

11 (Laughter.)

12 But what I wanted to say is that I think that in the world of consumer  
13 protection, one of the things that's generally recognized is that the less educated the  
14 population group you're dealing with, regardless of ethnicity, the more vulnerable that  
15 population group is going to be.

16 And although we have made great strides I think both in terms of our  
17 economic power in the United States and our level of educational achievement, I think that  
18 the last census data showed that 27 percent of us still have like an educational attainment  
19 of ninth grade or under. So we have a huge chunk of people who are very vulnerable in  
20 that sort of way.

21 And then we also are a very young population so that we have many  
22 inexperienced consumers out there, and many of us grew up in households where the level  
23 of financial literacy was, you know, fairly minimal, because our parents had limited access  
24 to traditional financial institutions and everything that sort of a middle class kid will learn  
25 growing up, you know, we may not have learned.



1 MS. KOLISH: Great. Before we move on to question two, I thought I  
2 would just sort of summarize what I think I've heard in terms of characteristics that might  
3 make Hispanic consumers slightly more vulnerable. And one is educational levels, as  
4 Esther just mentioned; language skills, being isolated in your language; age, both being  
5 elderly and therefore maybe more trusting, although trusting seems to be a characteristic, a  
6 cultural characteristic that may affect vulnerability, but age in terms of youth and being  
7 inexperienced could be a vulnerability too. Being a new immigrant and therefore  
8 inexperienced, and lacking documentation affects vulnerability.

9 Does that sort of summarize some of the characteristics that we've seen?

10 So moving on, I'd like to talk about what you all think are the most common  
11 types of fraud that affect Hispanics. Our survey looked at some particular areas that we  
12 found were particularly problematic, but we'd like to hear about your experiences just so  
13 we can build on that this afternoon when we go to our breakout groups. Who would like to  
14 address that issue?

15 MR. GODERICH: Predatory lending issues, a very big issue within the  
16 Hispanic community, certainly one in Miami-Dade County, just to give an example.

17 MS. KOLISH: Esther, you had I know --

18 MS. CHAVEZ: Well, to follow up on that, one of the things that we've  
19 observed in Texas is that, I mean, the whole problem in the sub-prime market, right, not all  
20 sub-prime market lending is predatory, but that's where the abuses seem to tend to happen.

21 And in Texas, six years ago, I think we were seeing stats that showed, you  
22 know, under 10 percent of refinance mortgages were being done by sub-prime lenders.  
23 Now I think those refinances are up in the 35 percent, you know, at the 3 percent level or  
24 so, and about 40 percent of those are being made to Hispanics. So it's an area that we're  
25 starting to look at in more depth in our state.

1 MR. HERRERA: I have a whole laundry list of different issues here, but in  
2 our experience, because we do have an opportunity to collect data in Spanish because we  
3 do accept complaints in Spanish, and we receive approximately 4,000 written complaints,  
4 of which approximately 35 percent are filed in Spanish.

5 And that is approximately close to the population of Hispanics in LA  
6 County, which is about 44 percent. Now of course that 44 percent, they do speak English  
7 and Spanish, so there's a lot of bilingual information -- people that speak both English and  
8 Spanish.

9 But in the last couple of years, the number one complaint of the Spanish-  
10 speaking, the mono-lingual Spanish-speaking, has been immigration consultants. That is  
11 number one. And undoubtedly so. And every time there's a proposal in Congress saying  
12 that, oh, there's an opportunity here, that complaint category continues to go up, because  
13 people are really concerned and really would go to any measure to really legalize their  
14 status in this country.

15 Used car purchases are another one, not only because they're co-signing  
16 contracts, but also some credit issues, and of course the condition of the car, the  
17 misrepresentation that the car is good, it's 100 percent warranty on it, and you name it, it's  
18 done. And really the real situation here is really that the negotiation is conducted in  
19 Spanish.

20 And of course there is a law in California that does require that if you  
21 negotiate the contract in Spanish that you receive a contract in Spanish. But, you know, a  
22 contract is a contract. You know, the reality is that people do not read them. I mean, they  
23 just don't understand them. And what I tell consumers is what's important is in a contract  
24 what you're paying, what the interest rate is, and if you don't pay, they're going to -- it's  
25 going to be trouble. I mean, that's what you need to know when you sign a contract.

1                   But the reality is that there's a lot of problems in that area. And of course  
2 Los Angeles, you need an automobile to get from point A to point B. I mean, that's the  
3 reality.

4                   Credit repair, discount services, clubs. That's another area where people  
5 want the best deal for their dollar. And in many families, you know, they have big  
6 families, so they want to get a good discount. They offer the club discounts at a price that  
7 seems very reasonable to them, and then they find out that maybe it's not -- holds up to  
8 muster as to what was actually represented.

9                   There's a growing trend also in health insurance fraud for discount health  
10 insurance. And all of us know that health care costs are increasing in leaps and bounds.  
11 One of the issues of course with the supermarket incident in California was the health  
12 insurance issue.

13                   So there are many people that earn the minimum wage that really cannot  
14 afford health insurance, so they are attracted to these offers for \$59 per month, \$99 per  
15 month that will give them complete health coverage because if they go to the doctor in an  
16 emergency, it's going to cost them \$150 to \$200 to maybe \$500 to go to the hospital  
17 emergency room.

18                   That's just to start, and maybe I can -- maybe some other people want to  
19 kind chime in.

20                   MS. KOLISH: No, that's okay, Pastor. Teresa wants to speak, so, and then  
21 we'll go to you, Maryanne.

22                   MS. SANTIAGO: Like Pastor, in New York, like in California,  
23 immigration fraud is our number one issue. ID immigration card, this national card is very  
24 big. Again, these cards are being advertised as legitimate cards in newspapers, through  
25 radio. So that's, again, we're going back to the media.

1                   It's a very, very big problem in New York. We have worked with media  
2 partners to do undercover work to bring out that this is a fraud. So that's important to also  
3 connect with other vehicles by which to bring the information out to the community.

4                   We had major complaints with this company called Royal Prestige. They  
5 sold pots and pans.

6                   MR. HERRERA: We sent them to New York, okay?

7                   (Laughter.)

8                   MS. KOLISH: Is that what it was? They came from California.

9                   MS. SANTIAGO: So we need to talk, because they're in New York now.  
10 Okay.

11                   MS. KOLISH: Let me just say that because it's an audience it's not entirely  
12 law enforcers, we want to be sensitive to nonpublic information. I assume that's something  
13 that's out in the public and there's obviously law enforcement actions, but --

14                   MS. SANTIAGO: Oh, okay.

15                   MS. KOLISH: I meant to remind everyone that we have a mixed audience  
16 and it's open to the public, and it will make our discussion richer, but we also need to be  
17 sensitive about nonpublic information.

18                   VOICE: This is public.

19                   MS. SANTIAGO: This is public.

20                   MS. KOLISH: Oh, yes. Your injunction would be public.

21                   MS. SANTIAGO: And then of course immigration consulting fraud. That  
22 is a huge issue again in New York. We have developed an educational program that we're  
23 going into the communities, and basically teaching, educating new immigrants what they  
24 need to do free of charge instead of paying what they're paying, which is thousands of  
25 dollars and not getting any information, just to fill out, you know, applications that

1 nonprofits and people that we have partnered with can do for free.

2 We also again have the vitamins, the miracle cures that are all over the  
3 newspapers that our community for some reason are buying these items. The cellulite  
4 remedies. I mean, it's unbelievable.

5 And of course another serious problem is the predatory lending. It is  
6 specifically geared to the Hispanic community in New York.

7 MS. KOLISH: Maryanne, you wanted to speak? We'll go to Maryanne,  
8 and then we'll go to you, Tony.

9 MR. RODRIGUEZ: Sure.

10 MS. DAILEY: I can add one other item to this ever-growing list. We've  
11 had an increase in the number of complaints against work-at-home opportunities. And  
12 what we're seeing is that we do have so many undocumented individuals in our counties,  
13 and they're looking for a way to bring extra income into their home, and so they're  
14 reaching out to the work-at-home offers, which in North Carolina, if they're physically  
15 located in North Carolina and there is an up front fee required, that makes that whole entity  
16 illegal.

17 So one of the easiest ways that we're sharing that information with the  
18 community at large is based on those two understandings: One, if it's located in North  
19 Carolina, and two, if there's an up front fee, you don't want to get involved because you're  
20 getting involved in an illegal entity.

21 But we do see an increase in the number of complaints from individuals  
22 saying I just spent \$9.95 or I just spent \$19.95 believing that I can make hundreds of  
23 dollars in one hour stuffing envelopes. And it is coming more and more from our Latin  
24 American population, unfortunately.

25 What I also discovered is that we do have more and more signs in the Latin

1 American neighborhoods relevant to work-at-homes. And after determining that, it is  
2 within my rights to take those signs off of the telephone poles. We start doing that more  
3 aggressively and throwing them into our trunks when we're at a red light, and we can run  
4 out and get them.

5 (Laughter.)

6 But also, they've become that much smarter, and so they tack them up much  
7 higher than I can get to.

8 (Laughter.)

9 So what I would suggest is that look into your own laws, and if you can pull  
10 them off, please do so, after determining if it's even legal in your state. But in North  
11 Carolina it isn't, so if you visit North Carolina, see a sign, take it off and toss it in your  
12 trunk.

13 MS. KOLISH: So you could recruit a whole citizen corps to do this for  
14 you, and we could find out we could sweep the nation pulling off signs from telephone  
15 poles.

16 MS. DAILEY: Absolutely.

17 MS. KOLISH: We were going to go to Tony. And Tony, in the earlier  
18 question you had mentioned the notario fraud, and I was hoping you could tell us a little bit  
19 more about that, and anything else you wanted to say.

20 MR. RODRIGUEZ: Okay. Well, in terms of notario fraud, some people  
21 have already spoken about immigration consultants and people who represent themselves  
22 to be notarios, which in some communities is seen as being lawyers or attorneys when  
23 they're not really attorneys.

24 In Massachusetts, we actually pursue cases against people like that based on  
25 our unauthorized practice of law statutes, and that's one way we're able to keep them from

1 engaging in that business. And also our state unfair and deceptive acts and practices  
2 statutes.

3 Most states have very effective and fairly broad unfair and deceptive acts  
4 and practices statutes, and we found that it's a very efficient tool to put businesses -- to get  
5 notarios and other types of businesses out of business so they don't engage in such  
6 fraudulent practices.

7 A couple of other things in terms of the other types of -- I mean, there's, you  
8 know, your typical fraudulent practices, the deception and the misleading kinds of things,  
9 and then there's other practices with the payday loans and the refund anticipation loans and  
10 other types of financial services that may not be outright fraudulent but still they're a drain  
11 on the Latino communities.

12 And I think that's one area where there hasn't been as much attention paid  
13 to, at the local level and perhaps a greater amount of attention could be paid to it to see  
14 what are the practices, how are they affecting your communities.

15 The other issue I think that hasn't been addressed is remittances or wire  
16 transfers and the fees that are charged to Latino consumers, the amount of money that  
17 actually gets to the location where the money is intended to go to, whether it's the actual  
18 amount that was agreed upon or much less. The Pew Hispanic Center did a study on this,  
19 and there have been other reports on this where Latino consumers are sending money,  
20 paying enormous fees and oftentimes the amount of money they thought would be sent  
21 down to a foreign country is just not getting there. It'll be much less.

22 MS. KOLISH: Is the problem that the fees aren't disclosed up front, or are  
23 there hidden fees and charges?

24 MR. RODRIGUEZ: It varies. It varies where they're not disclosed or they  
25 might be different than what's been disclosed. It just depends on the entity that's doing the

1 transfer and probably also on the individual people, you know, working at that entity.

2 MS. CHAVEZ: And actually, that goes back to the point that you made  
3 earlier about people who don't have -- who are the unbanked, right, who don't have access  
4 to traditional financial services so that they don't have choices about how they're going to  
5 send money to a relative in Mexico.

6 And they're going to have to use a check cashing service to cash, you know,  
7 the monthly check or the weekly check, which means that there is 3 to 4 percent that  
8 comes off of your paycheck right off the top, assuming that you're dealing with a fairly  
9 scrupulous operator. And forget it if you're dealing with an unscrupulous operator who is  
10 going to maybe shortchange you.

11 MR. HERRERA: One thing I think in California which may be true in  
12 other states, we have the matricula consular, which is an ID card that the consulates are  
13 issuing and the banks are accepting it. So issues such as the money wiring now individuals  
14 that want to send money to their countries and they're not documented, they can go open  
15 an account at an established bank, and one of the services that is really big is the money  
16 wiring, so that they can wire money to their countries, which is something that we have  
17 seen that's been a real decrease in that area because of that opportunity to have the  
18 matricula consular.

19 The other thing I just wanted to share with you is I look at trends in  
20 Hispanic communities like the stock market. If the economy is bad, then you're going to  
21 see an increase in employment agency-type complaints where people go and want to get a  
22 job and they can't find them and they're misrepresented.

23 Or if there's an announcement by the President that he's going to give some  
24 amnesty type of provision, then we're going to have an increase in immigration  
25 consultants.



1                   If in fact the housing market is short, then the rental agency listings that  
2 people go to, there'll be an increase there.

3                   So I think it's important in your own work to be able to kind of see what the  
4 trends are and how those impact the Hispanic community. And believe me, there's where  
5 you're going to find the complaints.

6                   MS. KOLISH: Esther, did you also have experience with notario fraud in  
7 Texas?

8                   MS. CHAVEZ: Yes. I wanted to mention a couple of other things that  
9 haven't been touched on yet because sort of the list is growing, right. Although we've  
10 tended to talk about those instances where consumers actually complain, and I think that  
11 those of us who do enforcement have certainly come across those cases where the con  
12 artist has done such a good job, right, that even though the product, you know, like potable  
13 water for the subdivision still hasn't been delivered, when you say to the consumer, well,  
14 do you feel misled because they promised you blah, blah, blah? The consumer says no.

15                   So there is that in terms of sort of the, you know self-reporting on these  
16 things. But we're seeing I think as the Hispanic community wants access to credit, we are  
17 seeing great vulnerability in the area of misleading offers of credit cards. In Texas, we've  
18 seen lots of marketing to the sub-prime community. We've seen companies that offer, you  
19 know, up to \$2,500 in credit to people who are in prison or to people who are, you know, I  
20 mean, who have subsistence level, you know, situations. And of course, you know, when  
21 you get the card, it turns out bad.

22                   And I think the FTC did some of those cases.

23                   MS. KOLISH: Have the ones you've seen actually been direct mail  
24 solicitations in Spanish, or were they in English or both?

25                   MS. CHAVEZ: Television, uh huh, number one, all right? And we have --

1 television.

2 MS. KOLISH: The translation -- I got that. They were television, not  
3 direct mail.

4 MS. CHAVEZ: But we've also seen some direct mail ones, all right. In  
5 fact, I would say that sort of the first round was direct mail, and what we're seeing more  
6 recently is the television stuff.

7 We've seen lots of what we think of as like the upward mobility scams, all  
8 right, where what you're -- you know, the door-to-door guy comes around and says  
9 something that suggests he's with the Austin Independent School District and that what  
10 your child needs to succeed in school is a computadora, right? And you can buy a really  
11 substandard one for only \$3,500 on a great, you know, like retail installment contract.

12 There's, you know, the three-day right, you know, to cancel is not part of  
13 the deal, and good luck if you get the product.

14 The stuff that you see on television that says, you know, learn English in 12  
15 easy steps for only \$2,000. Or what you need in order to be able to get a job is a computer  
16 literacy skills, so send us \$2,000 and we will send you X. And then there was one at the  
17 FTC, and were so glad that you guys got there, even though you did get there first. You  
18 know, we wanted to do the case.

19 (Laughter.)

20 But this was like the television computer offer where --

21 MS. KOLISH: Unicyber.

22 MS. CHAVEZ: Unicyber where it sounded like a layaway plan and that's  
23 something that's very common in many of our communities, and it turned out that it was  
24 kind of a reverse layaway where like you paid like the money, and they sent you first the --  
25 like the keyboard, and then the monitor, and et cetera. And so, anyway, I think that we're

1 especially vulnerable to these sort of upward mobility, this is what you need to succeed in  
2 America kinds of plans.

3 And then in terms of the immigration consultant notario issue, we've had  
4 times in Texas where we had sued like every notary public in a particular county, all right.  
5 The kinds of misrepresentations that we see is saying to people -- aside from the fact that  
6 they're engaging generally in the unauthorized practice of law, because they're charging  
7 thousands of dollars for what amounts to legal advice, right?

8 It's like we're seeing representations to people who are virtually  
9 undocumentable that, hey, you know, because I have a connection with the Department of  
10 Justice, you know, I mean, that's a literally true one, all right. You know, we can do  
11 something for you. We know that other people have said you don't qualify, but we can  
12 take care of it.

13 Or just sort of mucking up the person's application so badly, all right, that  
14 whereas a person might have had an opportunity to get into the country legally, they have  
15 now gotten bad advice and they've done something that ultimately compromises their  
16 interests, or doing the plain old take the money and run, right.

17 MS. KOLISH: Others? If not, I think we have a really great list, and what  
18 I'd like to do is try to refine the list by asking you about to what extent do all these types of  
19 frauds that are affecting Hispanic consumers, a lot of them sound like ones that affect  
20 everyone.

21 And other than immigration fraud, which is so clearly directed at this group  
22 and other I guess immigrant groups on this list -- and the notario fraud -- are there things  
23 that we think are different for Hispanics than for other consumers?

24 MR. GODERICH: Absolutely. On the health care issue, health care fraud.  
25 The key issue with respect to why health care fraud is so prevalent in the Hispanic

1 community in Miami-Dade County, over 37 percent of the Hispanic population doesn't  
2 have health insurance. So it's basically preying on a specific weakness, and I think that's  
3 probably true of most of the scams that we've discussed here today.

4 If you -- and it's easier said than done -- if you can take care of the problem  
5 with health insurance within the Hispanic community, you're going to see fraud in that area  
6 go down.

7 I think the other area is employment agencies, because many individuals are  
8 undocumented, and they would not go to the unemployment office, and they just get  
9 promises that are of course too good to be true, and they get the money up front, which is  
10 their typical operation, and they really don't produce any type of jobs.

11 The other area that we see is the moving companies, what we call  
12 mudanzas, where they transport goods from the U.S. into either Mexico or Central  
13 America. We had a proliferation of these about ten years ago in Los Angeles, and they  
14 kind of faded away for a while because we had a real good partnership with the media and  
15 doing an educational campaign. But now they're cropping up again slowly.

16 And the problem is that, you know, the consumers pay between \$100, \$200,  
17 \$300, \$500 to transport goods to their families in Mexico or in Central America, and they  
18 don't produce. And when we start the investigation they disappear and they're gone. And  
19 that's another area that we see something that's really kind of different I think.

20 MS. CHAVEZ: And sometimes people ship money that way too.

21 MR. GODERICH: Yes, through courier services.

22 MS. KOLISH: And do you think that remittances fraud, the wire transfers,  
23 that struck me as one that might be more aimed at Hispanics who are trying to send money  
24 -- and other immigrant groups who are trying to ship money to family back home. Would  
25 that fall into this category, in your view?

1 MR. HERRERA: It would, but we don't see it as much of a problem in  
2 California because of some legislation that was passed and also, as I mentioned, the  
3 matricula consular, that if you are undocumented you can get the ID card so that you can  
4 open a checking account or bank account in an established bank.

5 MR. RODRIGUEZ: But that's only true for Mexican immigrants, right?

6 MR. HERRERA: I believe people from Nicaragua and also El Salvador  
7 also are able to get this matricula. And I believe also people from Argentina. It just  
8 depends on the consulate.

9 MS. CHAVEZ: I just want to bring up -- I don't know if the credit -- the  
10 prepaid calling cards I think in New York we're beginning to see that they're being targeted  
11 to specific communities, like there's a Dominican card, there's a Mexican card, there's a  
12 Salvadorian card with flags, and this one that has (untranslated Spanish) de la Guadalupe  
13 on one of them.

14 So I think they really are specifically targeting specific areas, ethnic groups  
15 through their cards.

16 MS. DAILEY: Elaine? I apologize. If I could add, I realize that many of  
17 these items certainly are overlapping, that we see these very same complaint issues, these  
18 very same fraudulent issues with the community at large.

19 But I think it's important to note, and I'm sure that I'm almost preaching to  
20 the choir, to note that the reason that these items are of particular sensitivity to the Latin  
21 American population is because of their fear to report the complaint, their fear to report  
22 when they've been victimized because of the language barrier, because of the intimidation  
23 that has been placed upon them by the company or by the manufacturer, by their  
24 uncertainty of even how to report the complaint, how to report the potential crime, how to  
25 report that they have been a victim.

1                   So the community at large may not deal with the language barrier. They  
2 may not deal with the same level of intimidation. They may not deal with the same level  
3 of uncertainty on how to do it, whereas the Latin American population, the non-English-  
4 speaking population deals with this on a regular basis.

5                   And so because of that, this victimization is proliferating and makes these  
6 types of fraudulent activities very special to this ethnic group.

7                   MR. GODERICH: It's not just the language issue, however, and it's very  
8 important that we all remember that. When we speak of the Hispanic community, we're  
9 really not speaking of just one community. We're speaking of multiple communities.

10                  I mean, in Dade County, the Hispanic community is represented by over 30  
11 different countries in the Caribbean, Central and South American areas.

12                  It's a fear of government that comes from basically a cultural indoctrination  
13 of where people have come from. I came from Cuba. A very regressive, you know, a  
14 government that my family disagreed with very strongly. Government is the bad guy.  
15 And, you know, the whole concept of consumer protection is one that's nonexistent in  
16 many Central and South American countries.

17                  So when we try to reach out to the Hispanic population and say we're here  
18 to help you, there's an inherent sense of distrust. So it goes beyond just not being able to  
19 speak English.

20                  MS. KOLISH: Great. And hopefully this afternoon we can find some ways  
21 that we might be able to address that.

22                  I wanted to move on and ask you your views about whether in your  
23 experiences deceptive practices are more prevalent in certain media than others, or whether  
24 it just crosses every possible media opportunity.

25                  MR. GODERICH: TV.

1 MS. CHAVEZ: Hispanic cable channel.

2 MR. GODERICH: Hispanic cable.

3 MS. CHAVEZ: I think we're seeing lots there. And in Texas we've seen  
4 over the last couple of years lots of door-to-door salespeople. You know, the old  
5 traditional knock on the door way to deliver the scam, and they've got you there so you  
6 can't leave your house.

7 You know, we've seen sale of water filtration systems, you know, air  
8 conditioning systems, pots and pans. And, you know, it's the typical kind of consumer  
9 problem with misleading representations about the quality of the product, whether you're  
10 going to get it at all. An open end contract with outrageous interest rates and related  
11 problems.

12 And we tend not to see, at least in terms of the complaints that we're  
13 getting, it's as if the direct mail marketers haven't quite discovered the Hispanic  
14 community.

15 MS. KOLISH: Which ones haven't?

16 MS. CHAVEZ: The direct mail people. It's as if, you know, I mean --

17 MS. KOLISH: Well, you know, yesterday one of the panelists said that  
18 Hispanics were one of the few groups that actually wanted more junk mail.

19 MS. CHAVEZ: We feel left out.

20 (Laughter.)

21 MS. KOLISH: And obviously we were all astonished by that, but maybe  
22 they're not getting very much. As you say, they haven't been discovered. Well, that may  
23 be a good thing.

24 MS. CHAVEZ: Yeah, but just in terms of, you know, sort of based on  
25 complaints and what people say about how they were contacted, that's my impression.

1 MR. HERRERA: Esther, you know, we've seen a little different twist on  
2 the door-to-door sales, because they're not going to be spending their time going door-to-  
3 door anymore. What they're doing is they're calling first and they're offering you a gift so  
4 that they can get into the home and then make that presentation, whether it's a free trip --  
5 and people love things that are free, right? Yeah, why not?

6 It's either a discount card for the market or maybe it's coupons or maybe  
7 they can go even higher to a trip to Vegas or whatever the case may be, in order to get into  
8 that home. And once they're there, they start with the high pressure tactics. And they're  
9 not going to leave until you sign that contract either for that computer for the kid or for  
10 that water filtering system that they tell you you're drinking the worst water in the whole  
11 country, or whatever else they're selling, whether it's the pots and pans to make you the  
12 best cook in the world, or whatever the case may be.

13 And that's the scenario that we're seeing, that they are making that call first,  
14 and then they'll go in there and knock on your door and get in there.

15 MS. SANTIAGO: We're also seeing in major fairs and events, especially  
16 during the summer, there are a lot of utilities and telephone companies going out there  
17 doing sweepstakes or raffles. And you're signing up, but you're not reading the fine print  
18 that says that you're bypassing the Do Not Call law, and that they can then call you and  
19 make a pitch.

20 So we have to be careful of what we're signing, you know, with the lure of a  
21 raffle or a sweepstakes or whatever, they're bypassing certain laws that then allows them to  
22 make that phone call.

23 Something else that happened in New York was a telephone company that  
24 will remain nameless sent out thousands of bills to noncustomers for \$10 or whatever.  
25 When the customer called and said, the consumer called and said, well, I'm not a customer



1 of your company, they said, well, let me sell you -- you know, let me tell you about our  
2 service.

3 So there's a lot of things that are these back door type of tactics that are  
4 being used in order to reach the consumer. So those are just two that came up to mind.

5 MR. RODRIGUEZ: I'm just going to answer. My experience is that the  
6 local Spanish-language newspapers, the smaller papers, the local Spanish-language  
7 television and radio stations tend to have the more egregious ads; those that will offer the  
8 miracle cures and those types of things, as opposed to the mainstream media, English-  
9 language media and maybe some of the national Spanish-language networks.

10 MS. KOLISH: Excellent.

11 MS. CHAVEZ: I just wanted to add that we're starting to see spam in  
12 Spanish.

13 MS. KOLISH: Spam in Spanish.

14 MS. CHAVEZ: Right. And particularly like the set up where the spam  
15 goes to the wireless phone, and, you know, you call and it's an offer of a free whatever that  
16 turns out to be a rip-off.

17 MS. KOLISH: Great. We've touched on a little bit -- some of you have  
18 mentioned things that could be obstacles to Hispanic consumers complaining about their  
19 experiences; you know, fear of the government, cultural differences where they didn't have  
20 consumer protection agencies in the countries they came from, language barriers.

21 I think some of you have instituted some programs and procedures to help  
22 overcome those barriers. Because it seems like it may be that current information  
23 gathering isn't good enough to reach this community. What are your views on that, and  
24 what are folks doing to try to address that?

25 MR. GODERICH: Well, the first thing is being able to understand the

1 community. In Miami-Dade County, almost every one of our staff are bilingual, through  
2 necessity, frankly.

3 We understand the community. Most of our education is done through  
4 outreach programs, actually going out into the community, because that's how we're the  
5 most effective. All of our literature is in English, Spanish and creole, as a matter fact,  
6 because of necessity, and because of the need to reach out to the community. We frankly  
7 don't see any other way to do it.

8 MS. DAILEY: I have to actually mimic what Mario just shared. We have a  
9 dedicated Spanish line that we introduced about 18 months ago, and the individual that  
10 answers that line is bilingual/bicultural, which we find to be very important, so they have  
11 that immediate connection with a Spanish-speaking individual.

12 And a program that we will be offering in October is a replicate of a  
13 program that we offer for older adults. We just completed our third Scam Jam for older  
14 adults on Tuesday, and that is where we bring in local -- representatives from the federal,  
15 state and local government to talk on consumer fraud prevention. And we're going to be  
16 doing that in October in Spanish for our Hispanic population.

17 So we're very excited about that, because we want to have a comfortable  
18 setting where they're listening to individuals that both enact and enforce the laws, and also  
19 representatives from their community. So we are very, very excited about this program  
20 that we see growing within North Carolina.

21 And then the same thing going out to various agencies, resource fairs.  
22 Whether or not it has anything to do with consumer fraud, I will somehow get into that  
23 agency and have a table. If it's a health fair, if it's an employment fair, I will go there just  
24 to get information to the community about our Hispanic outreach program.

25 MS. KOLISH: Maryanne, I understand your event was so successful on

1 Tuesday that you had 800 people.

2 MS. DAILEY: Yes we did. That was our third event, and each year we've  
3 doubled in size, so we're extremely, extremely pleased.

4 MS. KOLISH: Wonderful. And maybe you can sign up some speakers  
5 today for your October event.

6 MS. DAILEY: Yes. Thank you so much.

7 MS. KOLISH: And use that networking opportunity. Teresa, you wanted  
8 to comment?

9 MS. SANTIAGO: Yes. Well, I'm a government agency, and so we're very  
10 limited in our resources and our dollars. So the way that we have been able to do what we  
11 do is by partnering with community-based organizations, with other government agencies  
12 like the FTC, like the Citizenship Unit in New York, to come up with programs,  
13 educational programs and increase our outreach unit.

14 When we have two agencies, three agencies working together on the same  
15 issue, you then just broaden your ability to go out into the community and bring the  
16 message out.

17 So partnerships again are very, very important relationships with  
18 community organizations, extremely important. We did an immigration consulting fraud  
19 program that we launched a few weeks ago with the governor, with Governor Pitaki of  
20 New York. It's been from the top down get it done, do it. This is something that we're  
21 going to support 100 percent. But again, it's been the partnering and the relationships with  
22 different agencies.

23 MS. KOLISH: Pastor?

24 MR. HERRERA: Yes. In addition to what has already been said about the  
25 partnering, one of the most effective tools or avenues that we've used is the media. And

1 believe me, when you print thousands and thousands of information, informational tip  
2 sheets, sometimes people pick them but you're not sure whether they get read.

3 But our partnering with the media is basically when we work with the  
4 attorney general's office, the DA's office or the city attorney's office and they file a  
5 consumer fraud action against a company, we will be there to offer tips. And believe me,  
6 that ten-second sound bite goes a long way in educating the communities.

7 Because people do watch Spanish-speaking news, whether it's Univision,  
8 Telemundo, Azteca radio, and we're very fortunate in LA because there's such competition.  
9 And if we're going to do any type of press conference or press release or want to get the tip  
10 out on immigration consultants, for example, they will be there, and we will provide them  
11 with the information.

12 Another aspect --

13 MS. KOLISH: Sir, can I follow up on your mention of the Spanish-  
14 speaking news? Is there any data about how much of the Hispanic community gets their  
15 information and news from Spanish media as opposed to English-language media? Does  
16 anyone know?

17 MR. GODERICH: Well, I can tell you in Miami-Dade County, the  
18 Spanish-language TV stations are the number one rated station in our community. They're  
19 the most watched.

20 MR. HERRERA: In Los Angeles also.

21 MR. GODERICH: Much more than English language.

22 MS. KOLISH: Oh.

23 MR. HERRERA: It is, yeah. And the other thing that we do is during  
24 National Consumer Week, it's a great opportunity to get the word out.

25 And we do a big fair at one of the largest adult schools in the country.

1 There's over 12,000 adult school students there, whereby I invite the Federal Trade  
2 Commission and many other state, local and federal agencies to not only provide  
3 information but also go into the classrooms where I think we can be a great agent for the  
4 word so they can be protected as far as consumer protection.

5 And I really, you know, agree with the partnerships. I think the staffing is  
6 very important, that you have staffing that speaks the language, that can be sensitive to  
7 people coming in, that can listen to them. Because sometimes they're very long-winded  
8 and you have to be patient with them so you can really grasp what the problem is.

9 MS. KOLISH: Great. In our remaining 12 minutes, I'd like to sort of cover  
10 two issues. We touched on one of them a little bit, affinity fraud. I've heard you all  
11 mention Spanish speakers delivering deceptive pitches, but I'd like to hear a little bit more  
12 about that.

13 And I'd also like to touch on telemarketing fraud and what your views are  
14 on -- are there specific types of telemarketing fraud targeting Hispanics? Are there  
15 Spanish calls centers? Are they just subsidiaries of, you know, English-language call  
16 centers, or are they separately owned groups?

17 I'd sort of like to pick your brains about telemarketing fraud as well as  
18 affinity fraud. So, it can be a free for all.

19 MS. CHAVEZ: Okay. In Texas, we certainly have conducted  
20 investigations of some telemarketing operations that were exclusively targeting the  
21 Spanish-speaking community. And what I mean by that is that all of the callers, you know,  
22 were speaking Spanish as opposed -- and they were calling exclusively Spanish surnamed  
23 Texans.

24 One of the interesting twists in one of those cases that I recall, and I guess  
25 it's going to be a challenge for the telemarketing ripoff artists to deal with, but there was a

1 clear lack of sort of cultural competence, because the people who were making the calls  
2 spoke very rapid-fire Spanish, all right. And in Texas, we speak our Español a lot more  
3 slowly.

4 And so there was this sort of -- you could tell when you were listening to  
5 the calls, all right, that there was a lot of sort of suspicion going on on the part of the  
6 person who was receiving the call just because of this sort of, you know, like you must be  
7 trying to trick me because you're talking so damn fast I can't understand what you're  
8 saying.

9 (Laughter.)

10 We've also seen -- but, in other cases, you know, we have seen where it's  
11 telemarketing, but what's going on, why it's an especial challenge and I think that -- well,  
12 one of our speakers touched on, what happens when maybe you speak English, all right,  
13 but your English skills are -- but you're not a native English speaker, all right. And it  
14 becomes a lot easier for the telemarketing scamster to get you into sort of the role where --

15 MS. KOLISH: To bond with the --

16 MS. CHAVEZ: Yeah. That's right. And then of course there's the story  
17 where the caller is bilingual, you know, and is sort of the con artist who is perfectly willing  
18 to play sort of the race card in terms of, you know, you can talk to me. I'm going to  
19 explain to you so that you understand why this is such a good deal.

20 MS. KOLISH: Others?

21 MR. GODERICH: They talk in what we call Spanglish. Many of the  
22 conversations are conducted half in English and half in Spanish.

23 MS. KOLISH: That's the telemarketers?

24 MR. GODERICH: Yes. Well --

25 MS. CHAVEZ: To make you feel more comfortable, right? Because I'm

1 just a regular, you know --

2 MR. GODERICH: Absolutely. You weave in and out of both languages.

3 MS. KOLISH: Do we know where these call centers are located?

4 MS. CHAVEZ: We know that one that we've dealt with was based in  
5 California.

6 MR. HERRERA: Of course.

7 MS. CHAVEZ: And we have run across some based in Dade County.

8 MR. GODERICH: Absolutely. I was going to comment. Us too, yeah.

9 (Laughter.)

10 MS. KOLISH: But we're just beginning to learn about sort of that part of  
11 how the industry is set up.

12 VOICE: Florida talks to California, California talks to Florida.

13 MR. GODERICH: That's right.

14 MS. KOLISH: And you all talk too fast.

15 (Laughter.)

16 Other comments about affinity fraud, telemarketing fraud?

17 MR. HERRERA: Well, you know, it's very interesting when you see  
18 infomercials in Spanish. Last weekend I was kind of watching them and there are all  
19 kinds, you know, health claims and used car purchases, and you name it, it was on there.

20 But, you know, the way they present it. You know, there's music in the  
21 background. Family is there, you know, a lot of lively things going on. So, you know, it  
22 really attracts attention to the people watching those. Because infomercials can be pretty  
23 boring sometimes, and sometimes you see them in English.

24 But they really make it a celebration, which attracts the people to, you  
25 know, either call that 800 number for that fantastic health product, vitamins, reducing

1 agent, whatever it is that they're doing, and it makes it more appealing.

2 But affinity crime is a big issue in the Latino community and probably in  
3 other minority or cultural groups also. When we were doing our immigration fraud  
4 investigations, there were Armenians ripping off Armenians. There were Asians ripping  
5 off Asians. And, of course, there were Latinos ripping off Latinos.

6 And I think this is true of any emerging cultural group coming to this  
7 country. It's unfortunate, but they will be victims of affinity crime because of people that  
8 speak their own language, are their same culture, or sometimes their same religion, are part  
9 of their communities, and that's the reality of what we have to deal with, unfortunately.

10 MS. KOLISH: Well, if there aren't any other comments from the panelists,  
11 we could open it up to the audience for like five minutes of questions before we move to a  
12 break.

13 Yes? Would you say your name when you stand up and where you're from?

14 QUESTION: Yes. My name is Rosa Valentino. I'm from New Jersey. I'm  
15 from Trenton, New Jersey. What I have seen in my family, in myself, the stories, I can  
16 write a book about people taking advantage of my family and I.

17 I've been here since 1982 in the United States of America, and like the  
18 gentleman from Dade County in Florida, it's more about culture than language, okay?  
19 When we come over here, we don't know how the system works, and we don't know, okay,  
20 if I say I've been taking advantage. They commit fraud or whatever, if I buy a product or  
21 something, people will start to think okay, these Hispanics are stupid, okay. And it's a  
22 matter of the culture.

23 We are ashamed to say, okay, they took advantage of me. They robbed my  
24 money, because they will say, okay, these Hispanics are really stupid, okay?

25 And other thing that I see is that the Hispanics, some of these companies



1 they use us, okay. They want to sell the product. They want to talk to the Hispanic  
2 community. They use us. Okay, I speak the language. I look Hispanic, I am Hispanic,  
3 okay. I can do their job, okay? They steal money, like I saw it in 1982 with my family,  
4 my aunt started to buy life insurance. She started paying and paying every month until she  
5 lost her job. She couldn't pay no more, but the gentleman that sold the insurance policy, he  
6 didn't translate everything in the contract she signed, and she lost everything, all the money  
7 that she had spent.

8 So this is what I see. Thank you.

9 MS. KOLISH: Thank for sharing your observations. A question way back  
10 there. There are two gentlemen. Well, I'll go to the gentleman and then you, as long as we  
11 stay within eleven o'clock.

12 There's a microphone wending its way to you so we can all hear you.

13 QUESTION: Hi. My name is Gabriel Sandoval, and I'm from the city  
14 attorney's office in Los Angeles. And I was wondering what state laws exist in Texas and  
15 in Florida to address immigration consulting fraud, state laws?

16 MS. CHAVEZ: We have a couple. One, we have just our regular deceptive  
17 trade practices act, which we apply because, you know, the underlying conduct is so  
18 misleading and deceptive.

19 Two, we have specific laws that say you may not use the phrase notario  
20 publico, you know, without including a disclaimer that says that you are not an attorney  
21 licensed to practice law in Texas. And then of course there's the plain old unauthorized  
22 practice of law statutes.

23 MR. GODERICH: In Florida, I'm not aware of a specific law relating to it.  
24 We have somebody from the state attorney's office.

25 MR. KIRSTEN: In Florida -- Fred Kirsten with the state attorney's office.

1 There is no specific statute in Florida relating to immigration fraud. But from a criminal  
2 perspective, we would go under our theft statute or organized fraud statute. And on the  
3 civil side, as I've been informed by my colleague, they'd be going under the deceptive trade  
4 practices Act.

5 MS. KOLISH: I think there was a lady in the middle, though, who had  
6 raised her hand. Yes?

7 QUESTION: Hi. My name is -- I work for -- colleges and universities, and  
8 I work with a program on financial literacy. Basically we take curriculums on financial  
9 literacy to colleges and universities and try to educate the Hispanic students on being  
10 financially literate on managing their money and the importance of banks in this country,  
11 credit, et cetera.

12 I just wanted to see if anyone in the panel had any comments on your  
13 experience on how these type of educational programs are successful for consumers and  
14 how we should promote them a little more maybe.

15 MS. SANTIAGO: The Consumer Protection Board of New York has  
16 partnered with SUNY, the University of New York, and we have an incredible credit  
17 information program that is working really, really well.

18 And we have specific outreach people that go out to -- I mean, we have  
19 gotten overwhelming response from colleges and universities that they want people to  
20 come in and talk to their students.

21 And also at college fairs or when they have registration. They have all, at  
22 registration or matriculation, they have all these financial institutions lined up. So we're  
23 also there with them giving them, you know, be careful when you sign up with a credit  
24 card and giving them information.

25 So we are working closely with the state university system, and it's been

1 very successful.

2 MS. CHAVEZ: I know that I have read some like National Council of La  
3 Raza studies done in conjunction with Fannie Mae that show that when there has been a  
4 one-on-one financial literacy counseling for new home buyers, their levels of foreclosures  
5 drop of dramatically.

6 And I think that, you know, in Texas we're certainly seeing more programs.  
7 There's one at the LBJ School of Public Affairs teaching, you know, financial literacy.  
8 And I just wish that we could start it even at the high school level.

9 MS. KOLISH: There's time for one last quick question. Well, I have two.  
10 If they're quick, we can do both. Okay. We'll start with you and then you.

11 QUESTION: Thank you. My name is Martina Rojo. I work in legal  
12 research at the University of Georgia, and I wanted to make a question about the issue that  
13 Teresa raised about prepaid phone cards.

14 We are doing research in Georgia about this issue, and we are aware about  
15 initiatives in New York and California and also in Florida about this issue and in Texas,  
16 and I would like to know if there are any initiatives in North Carolina, if Maryanne is  
17 aware of any initiatives about prepaid phone cards in North Carolina also.

18 MS. DAILEY: I apologize. I'm not aware of any. But I will share with  
19 you that we do have some convenience stores. We do have some stores in general that are  
20 selling prepaid phone cards on companies that are no longer in business.

21 And so those are being referred to our state attorney general's office who is  
22 responding to it.

23 MS. KOLISH: Last question.

24 QUESTION: Maria Teresa from the New York State attorney general's  
25 office. Two comments. My experience has been that although it's true that Hispanic

1 language, Spanish-language media unfortunately carries deceptive ads and whatnot, we  
2 have had a lot of -- they have been very receptive to our information and to working with  
3 us to disseminate our point of view on all of these scams.

4 A second point. I'm surprised about the direct mail, because the direct mail  
5 hasn't affected or you haven't seen an impact on Hispanics considering that we're so largely  
6 concentrated by zip code. I'm afraid that we might soon see that. I'm surprised they  
7 haven't caught onto that, so.

8 (Laughter.)

9 And I want to hear your comments on, considering that the Hispanic  
10 population is overwhelmingly young, I think that a lot -- I know you mentioned the  
11 elderly, but I'm wondering if any of you have statistics as to the age of people. Because, of  
12 course, you know, they come here in their most productive years, and they are craving for  
13 services. They're raising families and whatnot.

14 And finally, I go the strangest call -- well, not the strangest, but just like  
15 something -- I just didn't know what to respond -- when a person called me from the media  
16 wondering what to do about quioitas, the people that -- I mean, this is immigration fraud  
17 taken to the extreme. Quioitas taking money from people and then not bringing in their  
18 kids or their parents, and so --

19 VOICE: The border patrol.

20 MS. KOLISH: That's a lot of questions. Does anyone have any quick  
21 responses? Any quick responses.

22 MR. HERRERA: Well, for the quioitas, you can go to the border patrol or  
23 INS. They're very interested in those.

24 As far as our anecdotal information, many of the people coming to our  
25 office -- and it's interesting, in our office in Los Angeles, our walk-in traffic, 60 percent is

1 Spanish-speaking, because they prefer to do their business in Spanish and in person. And  
2 all those are young. They're between 25 and 30 years old that they're coming in.

3 In the adult schools, the average age is between 25 and 26 years old. So  
4 they're not only hungry for information, but they're also victims of fraud.

5 MS. KOLISH: Okay. Well, with that, I'd like to thank you, the audience,  
6 for listening, and I'd like to thank our panelists for their wonderful contributions this  
7 morning.

8  
9 A F T E R N O O N S E S S I O N

10 P A N E L T W O

11 MR. ELBEIN: Thank you all for coming back. I'm Brad Elbein. I'm the  
12 regional director of the Federal Trade Commission's Southwest Regional Office in Dallas,  
13 which of course is a place that has a huge Hispanic population in the Southwest.

14 Today's, or this hour's session is called Current Law Enforcement  
15 Responses to Fraudulent and Deceptive Practices in the Spanish-Speaking Community.  
16 But actually, as we've talked about, the panel will be talking more about forward looking,  
17 what can we do rather than what has been done or what issues we have.

18 The panel is going to work a little differently than some of the other panels.  
19 We have of course a distinguished panel, but also as a trial lawyer, I have to say that the  
20 people on this panel are all people I would not want to try cases against. They're all very  
21 well experienced, and they really know their stuff.

22 So what I'm going to do is I'm going to introduce every panelist  
23 individually, ask them for a very short statement about some things going on in their areas.  
24 We'll go down the panel, and when we get to our last panelist then I'll open the  
25 conversation with a question. And unusually for me, I'm actually going to keep my mouth

1 shut except to ask a few questions.

2 So let's start with -- I'll introduce my co-moderator. Marcos Jimenez is the  
3 U.S. Attorney for the Southern District of Florida, and he has a very distinguished resume.  
4 He's on the attorney general's advisory committee. He's worked in private practice, then as  
5 an assistant U.S. attorney, and then back in private practice, and now he's back in law  
6 enforcement, and his background is complex commercial and white collar cases. And,  
7 take it away.

8 MR. JIMENEZ: Great. Well, thanks. We have a large office, and it's a  
9 pleasure for me to be here because in our large office, unfortunately most of the time we  
10 see Hispanics as defendants. So it's a real pleasure for me to be here in a conference that  
11 focuses on Hispanics as victims.

12 We have, you know, the whole gamut of fraud down there, some of the  
13 things that we're focusing on and that we've seen where Hispanics are victims. I'll focus on  
14 consumer fraud first. And briefly, we have a very large and interesting case with the FTC  
15 down there, an immigration fraud scam over the Internet.

16 Obviously, the scams over the Internet are increasing in all kinds. As one  
17 of my colleagues down from Miami recently said, you know, health care fraud obviously is  
18 a huge problem. On the federal side we deal with Medicare. We have very, very many  
19 Medicare fraud cases where Hispanics are either victims or unfortunately participants,  
20 where they take kickbacks and bribes to assist those that are committing the frauds.

21 We have Pell Grant frauds, you know, student loan type frauds that are  
22 directed against Hispanics, and we have many other types of fraudulent activities. So I'll  
23 just stop there and just say I'm happy to be here and happy to participate in the conference.

24 MR. ELBEIN: Joel Cruz is the Director of the Consumer Protection  
25 Division for the New Mexico Attorney General's Office. His office hosted me a couple of

1 weeks ago in New Mexico. I hope he'll invite me back, because it's wonderful out there.

2 Mr. Cruz has 20 years of practice, started off with a long stint in legal  
3 services and the private practice. And let me turn it over to you.

4 MR. CRUZ-ESPARZA: Thank you very much. Good morning, everyone.  
5 I'm privileged to be here and I want to thank the organizers and the sponsors of this event  
6 for inviting me to this very important and timely conference about the effect on consumers,  
7 and in particular Hispanics, and also the issue of language.

8 I am very fortunate to be working at this point under the direction of our  
9 New Mexico Attorney General. Patricia Madrid gives to our office a fresh perspective as a  
10 woman, as a Hispanic, and as a New Mexican, because she has been there in New Mexico  
11 here entire life.

12 And with that perspective, I think it makes it a lot easier for a person like  
13 me to work in her office under her command and really reach out to the Hispanic  
14 community.

15 New Mexico is small state, relatively speaking, to other states in the United  
16 States. We only have, according to the last 2000 census, 1.8 million people, 42 percent of  
17 those are Hispanic. So a little bit less than 2 million people, but a great chunk of that is  
18 Hispanic because of the history of course of New Mexico.

19 New Mexico also is proud to say that the original constitution of the state  
20 was written in both languages, Spanish and English. It continues to be in the books, in the  
21 statutes in Spanish. Of course, the entire trend of this country has been English only.  
22 However, even with those attempts of a couple of hundred years, things have not  
23 completely erased from the memory of people the language and the culture.

24 About 388,000 people in New Mexico actually speak Spanish. About  
25 120,000 of those people only speak Spanish well, which gives an indication of course

1 between the tension of the New Mexicans who have been there for generations and the  
2 newly arrivals into New Mexico.

3 Suffice it to say that the type of stuff that we receive in our office of course  
4 is the gamut of all consumer issues. I think that if I were to say what are the major  
5 problems in New Mexico, of course are auto sales and the financing aspect of it, and also  
6 mobile home sales and mortgage loans and its financing problems to New Mexican  
7 Hispanics and also to Spanish-speaking Hispanics in New Mexico.

8 One thing I wanted to just share with you that Attorney General Madrid has  
9 of course told me that I have sort of a free rein in terms of reaching the community, and  
10 one thing that she specifically told me, when you talk to Univision or Telemundo or  
11 anybody of the media, you make sure that you tell them that our office will receive  
12 consumer complaints regardless of whether the person has any immigration status in this  
13 country. That's irrelevant to us. And I think that that's a very good start for me to try to  
14 reach to the community.

15 I will share with you a couple of stories later on as I speak as to how those  
16 play out in our jurisdiction, in our state, so you can get a better idea of what exactly I'm  
17 talking about.

18 Thank you.

19 MR. ELBEIN: Thank you. Our next panelist is Robert Griffy, who goes by  
20 Griff. He's a prosecuting attorney with the Nevada Attorney General's Bureau of  
21 Consumer Protection.

22 He is a litigator's litigator. He does everything from search warrants to  
23 convictions, and they're always convictions, right?

24 MR. GRIFFY: There's always convictions, yes.

25 MR. ELBEIN: In private practice he worked the civil and the criminal side,



1 and he's been a prosecutor for several law enforcement agencies. Bob?

2 MR. GRIFFY: Yes. I must say my office was excited when they heard that  
3 I had been asked to come to this, because for the first time ever in the state of Nevada, we  
4 have an attorney general who is Hispanic, and we also have the chief of our Las Vegas  
5 office who is Hispanic.

6 And so one of the things that he ran on as far as his election was getting  
7 more involved in the Hispanic community and things that were happening with that  
8 community as far as being targeted in frauds and everything else that was going on.

9 Some of the things that we see on a regular basis that aren't too unusual, we  
10 see a lot of contractor issues. We see a lot of international driver's license scams going on.  
11 We see a lot of the same immigration papers, immigration status that's going on.

12 What we started to see that was a little bit unusual was a little bit unusual  
13 was about a month ago, one of the activists in the Hispanic community brought us some  
14 victims, what we're seeing is the buying and selling of your, for lack of a better word,  
15 consumer credit.

16 That they are targeting the Hispanic community, finding people who have  
17 good credit, taking their credit, and what they're basically doing is they are getting them to  
18 buy houses using their credit. And then of course they're quitclaiming deeds over to the  
19 people they're buying the houses for, and of course they're getting \$1,500, \$2,000 for their  
20 service in selling their credit.

21 And as you can imagine, what's happening is, they don't own the houses,  
22 and one guy luckily hadn't signed over them, but he had bought two houses, one for  
23 \$400,000 and one for \$500,000, for these two gentlemen. And it suddenly dawned on him  
24 when they wanted him to sign it with the quitclaim deeds that he maybe shouldn't be doing  
25 that. So he started talking to people, but some of the other victims that they brought in had

1 in fact signed the quitclaim deeds over, and they're sitting there with a \$400,000 mortgage  
2 on a house they don't even have.

3 The way this is being sold is this is being sold basically like an Amway type  
4 thing. The meetings are in people's houses. They're inviting their friends and their  
5 relatives. They're being given the pitches in the houses, and people are starting to invest.  
6 That's one that we just had never seen before.

7 The other thing that I do is I also do security fraud. And for the first time,  
8 we're starting to see some security fraud involving Hispanics. The one case that's coming  
9 down to me right now involved a Hispanic family, extended family, relatives getting other  
10 relatives to invest in a bail bonds company.

11 In the state of Nevada, the bail bonds companies are regulated by the  
12 Division of Insurance. You just can't go out and start your own bail bonds company. But  
13 these people have now invested well over \$100,000, \$150,000 as a group and they don't  
14 know where the money is. So I'm also beginning to see security fraud violations involving  
15 the Hispanic community.

16 All of the work I do is criminal. I don't do any civil work. That's, for lack  
17 of a better word, passed off to the other deputies. Mainly because I just enjoy the criminal  
18 much more. So my background is basically criminal. That's all that I do. That's why  
19 when he mentioned I do search warrants and we do arrest warrants and we do extraditions,  
20 yes, we will go after you and bring you back from wherever you need to come back from.

21 What our office also does, we work with the community. We work with the  
22 Latin chamber. We work with the Nevada Hispanic Realtors Association. We work with a  
23 group called Hispanic American Resource Team, which is a team made up of the  
24 metropolitan police department, the AG's office, law enforcement.

25 Our northern office offers Spanish classes for the employees. We do have

1 obviously staff who are bilingual, and also our web site is in Spanish.

2 MR. ELBEIN: Thank you. Our next panelist is Laura Koss. Laura is an  
3 attorney, a senior attorney with the FTC's Division of Enforcement, and she's been here for  
4 about ten years. She's the coordinator of the Spanish Language Initiative.

5 And Laura, I don't know if you noticed, but we're almost related because  
6 your current boss is married to one of my former bosses.

7 (Laughter.)

8 I think that makes us cousins.

9 (Laughter.)

10 So, Laura, can you give us -- can you take it away?

11 MS. KOSS: I can take it away. I can take it away. I think, you know,  
12 we've all heard from the chairman of the FTC and the director of bureau, Howard Beales, a  
13 little bit about our Hispanic law enforcement outreach initiative, but I'd like to tell you a  
14 little bit more about it, some more details.

15 We obviously are doing extensive monitoring of Spanish-language media  
16 and complaints. And most recently, we've brought seven federal court actions against  
17 companies that were targeting Spanish speakers.

18 Three of the cases, American Dream Enterprises, Latin Hut and Alternative  
19 Medical Technologies, involved false claims for weight loss products. A lot of people  
20 have mentioned that, you know, there's television commercials, radio commercials.

21 And we've seen them for weight loss products, and we've seen a lot of what  
22 we call red flag false claims, where these are claims that are just not scientifically feasible;  
23 claims that if you put a patch on or if you take a little packet and, you know, you'll create  
24 an effervescent action, some bubbles, and it'll detach the fat from your body and you'll lose  
25 weight permanently.

1 (Laughter.)

2 It's not true. You know, we wish it were. But it's not true.

3 (Laughter.)

4 So these companies also sold other bogus products, including breast  
5 enhancement and smoking cessation products. The smoking cessation product in  
6 particular, the company was advertising in high circulation Hispanic magazines basically  
7 saying taking this product can reduce the damage caused by smoking, and, you know,  
8 reduce -- in addition to making you quit, it's actually going to reduce the nicotine cravings  
9 and take away the damage from years of smoking.

10 In that vein, our case against Heritage Health Products involved claims that  
11 shark cartilage and una de gato dietary supplements could cure numerous diseases,  
12 including cancer and AIDS and a huge laundry list of serious conditions.

13 We also sued Unicyber Technology. Esther Chavez was speaking earlier  
14 about this company that was advertising on television that you could get this new  
15 computer. But in reality, people would pay, you know, up to \$700 or more for a junk  
16 computer and initially getting only the peripheral parts. Finally after making all the  
17 different payments, they find that if the computer worked at all, it was a refurbished or a  
18 used computer.

19 We sued Payment Tech for a work-at-home scheme advertised in Spanish-  
20 language newspapers and circulars. People were paying about \$179 or more to essentially  
21 -- thinking that they would get assembly work, to make picture frames, to make crafts. But  
22 in the end, they basically get a booklet with a list of other companies. When they called  
23 those companies, the companies listed were either not -- were defunct or they had their  
24 own fees.

25 Finally, we got a court order against PT Resources for bogus international

1 driving permits that were sold as an alternative to state-issued driver's licenses.

2 Now a lot of these cases weren't necessarily against large companies, but  
3 what they all had in common for the most part is they ran their ads in high circulation  
4 magazines, Spanish-language magazines and newspapers like Cosmopolitan Español,  
5 Prevention, Vanidades and Spanish-language TV channels -- Univision, Telemundo,  
6 Telefutura, and on Spanish-language web sites.

7 And prior to this, these cases were just announced a little bit more than two  
8 weeks ago, but prior to that time, we've also brought another weight loss case involving  
9 false claims on Spanish-language radio, an advance fee loan credit card case advertised on  
10 television, additional international driver permit cases, and a debt collection case.

11 And we're working very hard; the headquarters, the regions, all around the  
12 country, bringing more cases. So we have more cases in the pipeline in many of the areas  
13 that people have identified over the last couple of days.

14 And finally, I just wanted to mention that as we saw yesterday, outreach is  
15 also a very significant component to this initiative. And we're working very hard to make  
16 consumer information available in Spanish and reaching out to the Spanish-language  
17 media.

18 And as the director, Howard Beales, mentioned, for us, reaching out to the  
19 media has been critical. When we have these law enforcement cases and we announce  
20 them, we see a huge spike in the complaints that we receive from our consumer response  
21 center. So that's something that we are continuing to do.

22 MR. ELBEIN: Okay. Thank you, Laura. Our next panelist is Garth  
23 Lucero. Garth is a Senior Attorney with the Consumer Protection Division of the  
24 Colorado Attorney General's Office. He has 20 years of experience and practice. Right  
25 now he oversees a whole range of things, including antitrust and consumer protection, and

1 a whole laundry list of other things.

2 Garth also has a background that starts with legal aid. And as he told me  
3 last night, he's been around for a really long time.

4 (Laughter.)

5 MR. LUCERO: I was hoping you wouldn't --

6 MR. ELBEIN: So, Garth, can you give us a couple of minutes on what's  
7 going on?

8 MR. LUCERO: Thank you, Brad. I was hoping you wouldn't mention that  
9 last part.

10 (Laughter.)

11 MR. ELBEIN: Well, it hasn't been that long.

12 MR. LUCERO: Thank you. Just a couple of real quick comments. In  
13 Colorado, we have a fairly small consumer protection program, and our main components,  
14 like any other enforcement program, is bringing cases, educating the public and in some  
15 cases, getting legislative fixes to demonstrated problems.

16 And we really need information for us to make good decisions in allocating  
17 our resources and bringing cases. And like perhaps other agencies, we suffer from a lack  
18 of data and a lack of information, and that's a real problem that we're trying to address.

19 In Colorado, we see the same type of scams that we've heard mentioned  
20 probably yesterday and today, earlier this morning. Immigration consultant scams,  
21 mortgage lending scams, foreclosure assistance, bad car sales and lending problems,  
22 business opportunity problems.

23 There are lot of new citizens that are starting up businesses in Colorado.  
24 they are susceptible to the classic franchise fraud services, business directory scams.  
25 There's a lot of different things. Moving services, moving money, automobiles back to a

1 Latin country, whatever. We're seeing all of those.

2 But you know what? It's all anecdotal. Very rarely do we get written  
3 complaints that establish something solid, and that's a real big problem. We can talk to  
4 legal aid attorneys. We can talk to media representatives. We can talk to church and  
5 community activists, and it is very difficult to get written complaints that allow us to  
6 identify somebody to target for an enforcement action.

7 When we do get good information, we will take down the fraudulent  
8 immigration consultant in the Vale area who -- in a joint operation with the local police. If  
9 there is an insurance agent in Colorado Springs that's selling bogus financial advice and  
10 insurance policies to elderly people, Spanish-speaking consumers in Colorado Springs and  
11 Pueblo, we go in and get a TRO and do it.

12 But we have written complaints in those situations, solid evidence to allow  
13 us to issue a subpoena and actually take action. Many times it's none of those things, the  
14 insurance division will say there's a problem with health discount plans. Doctors are  
15 calling and saying people are showing up at clinics with bogus cards, pharmacy cards,  
16 what have you.

17 But we never get that information in writing or enough to really develop it.  
18 And with limited resources, that's a terrific problem. In that instance, we went in this  
19 legislative session and got some new regulations with regard to health discount plans and  
20 marketing.

21 So we'll try to do whatever we can, resources permitting.

22 In terms of beefing up that intake, our attorney general has a very strong  
23 policy that we want to take action against perpetrators of frauds against the vulnerable  
24 consumers -- elderly, unsophisticated people that cannot bring a private action on their  
25 own or don't have the resources to do so.

1                   We have Spanish-speaking intake staff and legal assistants that will call  
2 every consumer who leaves a message on our system and actually interview each person.  
3 It only maybe 15 or 20 a week, but it's something that's a personal service that we  
4 previously had only extended to very elderly consumers that looked like they had been  
5 exploited by somebody to the tune of thousands of dollars.

6                   MR. ELBEIN: Can we talk more about -- we can take a little bit later?

7                   MR. LUCERO: Okay.

8                   MR. ELBEIN: Thank you. Let me move to our next panelist, Jose Perez.  
9 Jose is the Deputy Bureau Chief for the New York Attorney General's Consumer Frauds  
10 and Protection Bureau.

11                   He started as an assistant district attorney in Queens and has done all kinds  
12 of prosecutorial work. Interestingly, he also started in legal aid. In 1996, he was the  
13 winner of the New York Bar Legal Services Award. And, Jose, would say a few minutes  
14 about what's going on in your area, please?

15                   MR. PEREZ: Yes. I'd like to thank Laura and the FTC for inviting me here  
16 today. More often than not, the invitations to my office are for the attorney general to  
17 come out and speak, and due to his busy schedule, normally those types of requests for  
18 consumer outreach and education get passed on to me, particularly those with the Latino  
19 community.

20                   The attorney general, I'm sure everybody here knows who the attorney  
21 general in New York is by now. Despite all the types of different cases that we've brought  
22 since he took office, he has consistently said among the most important cases that the  
23 office has brought are those on behalf of the day laborers, the undocumented that actually  
24 our labor bureau has brought.

25                   And the reason I mention that is that there on those cases that, you know,



1 clearly we are having an impact on the quality of life of New York's residents. And the  
2 reason again I mention that is that we have used -- our labor bureau has facilitated dialogue  
3 and partnerships with various Mexican and other Central and South American community  
4 groups and organizers, and we have tried to piggyback on that in terms of having them  
5 encourage -- encourage them to come forward to our office, again, irrespective of their  
6 immigration status, so that they can feel comfortable and file a complaint with us.

7 We offer a mediation service for the individual complain, and in addition to  
8 that, we take law enforcement action. We have authority to bring civil enforcement under  
9 New York's deceptive practices act, and as well as in certain circumstances, criminal  
10 action. We can prosecute criminally.

11 Some of I guess the typical areas that we've heard repeatedly over the last  
12 few days: Immigration services frauds, notarios, unauthorized practice of law.  
13 Particularly, you know, when the Life Act was passed or the deadline was coming up in  
14 1991, at the end of every year when the visa lotteries are announced that it's the deadline to  
15 file again we see an influx of complaints. And again, those cases where, again, there are  
16 notarios engaged in the unauthorized practice of law, we can take action and we will take  
17 action. We have taken action.

18 Other areas I think that cut across the board that we've heard Hispanics,  
19 again, is the growing majority/minority, I guess for lack of a better word, access to credit,  
20 buying a house, buying a car, health care. I've heard it mentioned prominently in the  
21 earlier panel. We have partnered with -- again, we have consumer fraud bureau I guess  
22 initially we were the largest bureau in the office, and we've been partitioned off.

23 We have a health care bureau now, but we work collectively with them in  
24 terms of suing some of these bogus companies selling these discount medical cards  
25 claiming that, again, that they're providing some type of medical insurance. Not so.

1           Another area again is jobs and employment. As our community increases in  
2 moving along on the American Dream of becoming more affluent, folks trying to better  
3 themselves, we have -- an example is a case we brought earlier this year, what we call the  
4 540 cases, but one of these basically pay-per-call operators.

5           And again, this is an example of partnership that we've engaged in with  
6 some of our local elected officials, one an assemblyman in the Bronx who is Puerto Rican  
7 whose community was affected, and the other was an assemblyman from Corona Queens  
8 who is Dominican and whose constituency is primarily Dominican and other Central and  
9 South Americans.

10           Again, what we had were signs being posted prominently in the  
11 neighborhoods on the street corners. I guess this is not just a North Carolina problem. It's  
12 a New York problem as well. Advertising everything from no-fee apartments to access to  
13 credit, you know, guaranteed credit cards, you know, with lines of credit to jobs.

14           City jobs employment, federal jobs. Lo and behold, you know, again,  
15 without the required disclosures that these types of numbers, 540, are a toll call. Without  
16 the disclosures that, you know, if you stay on that the call was \$19.95 or \$29.95 or \$39.95.  
17 And the bottom line is, even if you stayed on and got all the information, you didn't get a  
18 job, you didn't a broker-free apartment, and you didn't get a credit card.

19           We brought a number of actions earlier this year, and we successfully shut  
20 down those operators and froze -- we were able to locate bank accounts, restrained a  
21 sizable amount of cash, and we were able offer restitution for consumers.

22           Other cases that we've brought in the past, something that hasn't been  
23 mentioned again at all, but that we brought with partnering with our environmental  
24 prosecutions bureau is against these black market pesticides. Again, I think you see  
25 sometimes with Central or South American countries, these things -- in New York we had

1 Tres Pasitos, which is like a Dominican thing and Tempo, again, sold these pesticides.

2 They're not licensed. They're not authorized. They're highly toxic. And  
3 again, partnering with our environmental bureau, we conducted sweeps in local  
4 neighborhoods, the bodegas, the corner stores. We were able to arrest a number of  
5 individuals, and in these cases we did, we prosecuted. We had authority to bring criminal  
6 prosecutions, and we arrested and fined them appropriately.

7 And it's an area -- we're looking at this constantly. The FDA has  
8 periodically come out with warnings on different types of these pesticides or remedies that  
9 are commonly prescribed but in fact may be highly dangerous.

10 In the areas of I guess predatory lending, predatory credit, we have been  
11 bringing actions for a number of years now starting with Delta Funding back in 1999  
12 through Household Beneficial. We were one of the lead states working with the other  
13 states attorney generals and state banking commissioners in terms of what I believe at that  
14 point was the largest settlement, I think \$487 million in restitution awarded to consumers.

15 In between, we've targeted -- again, cases that we brought that have  
16 benefitted or impacted directly on the Hispanic community are those kind of one-stop-  
17 shopping real estate operators that kind of you can go in, get your loan get a mortgage, get  
18 a lawyer, get an appraisal, all these one-stop shoppings. We brought a number of cases  
19 and shut down those operators. And again, we've seen that those types of operators are  
20 targeting primarily minority, black and Hispanic consumers.

21 MR. ELBEIN: Jose, can we -- I'd like to go back a little later in the  
22 program and talk about partnering. I think it's an important point. But let me move to Lisa  
23 Raleigh, who is Bureau Chief for the Florida Attorney General's Economic Crimes Unit.

24 She's an experienced litigator of big cases. She's vice chair of the Florida  
25 Bar Consumer Protection Law Committee, and hopefully later in the program she'll tell us

1 about the Raleigh rule, which is kind of interesting.

2 Lisa, would like to tell us a little bit about what's going on in your area?

3 MS. RALEIGH: Sure. I think that central to enforcement efforts in this  
4 area is the standard, whether you have to meet an ordinary or reasonable consumer  
5 standard.

6 Now I think it's arguable in Florida that we still have an ordinary consumer  
7 standard that you have to meet in enforcement cases, but I think the reasonable consumer  
8 standard is coming our way across the country as sure as the sun shines in the morning.

9 And so I think we're going to have to treat the ordinary consumer, and when  
10 I think of ordinary consumers, they're not gullible, they're not illiterate, but they're not very  
11 particularly sophisticated consumers, and I think that a large portion of our elderly  
12 population may fall in that category and a large portion of our Hispanic population may  
13 fall in that category.

14 And I think we've got to treat the ordinary consumer with education, and  
15 then we protect reasonable consumers with disclosures that are understandable and in  
16 legible language, so that they have opportunity to protect themselves.

17 The Florida attorney general's office, under a relatively new attorney  
18 general, his name is Charlie Crist, he was elected in the fall of 2002 and took office in  
19 January of 2003, has instituted a number of measures within his office in the short time  
20 he's been in focusing on Hispanic communities.

21 The first thing we have is a translatable web site, myfloridalegal.com. And  
22 there's a button you press and it automatically translates our web site.

23 When we have Hispanic initiative areas, we issue those press releases in  
24 both English and Spanish. And then in conjunction with the Florida bar, we are slowly  
25 providing Spanish translations of the consumer law education pamphlets.

1                    Additionally, he has instituted a hotline statewide, 1-866-NOSCAM, where  
2 we provide assistance in both English and Spanish.

3                    Legally, my office tends to focus on broad cases that affect many people.  
4 My office would routinely not accept a notorio case but turn that over to the unlicensed  
5 practice of law division within the Florida bar.

6                    So an example of a couple of cases that we've addressed these types of  
7 issues with Hispanics and we address them with what I call modestly the Raleigh rule.  
8 The Raleigh rule is if you advertise in Spanish, every opportunity thereafter in that  
9 transaction will be made available in Spanish.

10                    So if you advertise in Spanish and you're Ford Motor Company, you will  
11 provide an owner's manual in Spanish. If you are Echostar and you're advertising direct  
12 dish television services in Spanish, you will provide contracts in Spanish. You will  
13 provide customer service in Spanish, so when you can't get the thing working, you can call  
14 somebody and they can explain how to work it.

15                    Now out in the front, there have been many beautiful, glossy multi-color  
16 pamphlets made available to you, and my stuff is not that. It's the one-page piece of print  
17 with my business card attached. And that gives you the specific language from the Ford  
18 agreed final judgment addressing the owner's manual issue and the Echostar information.

19                    I will say both of those cases were multi-state, but only Florida received the  
20 provisions addressing the Spanish language issues in that settlement, where if they  
21 advertised in Spanish, they had to provide all back-up information and services in Spanish.

22                    And that's the focus. You may ask about our statutory authority for this.  
23 Florida is a constitutionally English official language state, but I believe that there is some  
24 precedent to pointing to previous settlement agreements, pointing to FTC rules and  
25 regulations requiring transactions that occur in Spanish to provide documentation in

1 Spanish, and just your sheer moral authority.

2 (Laughter.)

3 To provide a level playing field and equal rights for consumers to force this  
4 rule down everybody's gullet.

5 (Laughter.)

6 MR. ELBEIN: Okay. Thank you. Well, let me start the discussion off by -  
7 - I want to quote something Garth said in one of our preparatory sessions, and I hope I get  
8 it right. He said: Consumer protection areas are driven by demonstrated problems.

9 And I'm curious after listening to the presentations for the last two days, is  
10 the extent of consumer fraud in the Hispanic community demonstrated in the way that  
11 Garth meant? Garth, why don't you start and everybody can jump in.

12 MR. LUCERO: Well, Brad, it was a little bit what I was mentioning just a  
13 minute ago. In case selection, you have to have factors that you look at: number of  
14 complaints, egregiousness, so on and so forth.

15 And in making those decisions, you need information, you need to  
16 determine, you know, what kinds of cases to bring, you know, where you place your  
17 resources. And in our view, that always goes back to how much information you have,  
18 what's out there and who's vulnerable and how you best make the policy decisions as to  
19 what cases to bring.

20 If you're not bringing cases, you're in educational outreach and other  
21 projects, that's time-consuming, resource-consuming, and so we tend to look at what's out  
22 there, how do you demonstrate a need for doing anything in a consumer protection  
23 program.

24 MR. ELBEIN: Can other panelists talk to how you demonstrate that?

25 MS. RALEIGH: Traditionally, in the prior administration under the

1 attorney general's office, we did not have access to a hotline. The hotline was actually  
2 managed by a different -- so we've used what I viewed as the looking out the window and  
3 thinking about it method of case selection.

4 (Laughter.)

5 MS. RALEIGH: And what we generally looked for was things that had a  
6 broad effect on people; things where people probably couldn't know in advance that this  
7 was going to be an extremely bad deal.

8 And circumstances where people were not going to be able to drive  
9 themselves away from the transaction, because the information they had at the time they  
10 made their decision was inadequate for them to know they were going to get a bad deal  
11 down the road.

12 And so that's what I mean when I talk about if you're going to advertise in  
13 Spanish and give people a certain pitch, then you can't bait-and-switch them by saying  
14 we're going to draw you in with your mother tongue, but now we're going to give you  
15 some foreign language with all our disclosures.

16 In Echostar, we actually had advertisements where the bold print was in  
17 Spanish and, you know, the micro type was in English. You know, that's insulting to me.  
18 Don't do that. And so I think that as we focused on cases, now we're in a better position  
19 where we can hear both where people are complaining to us, and cases where people are  
20 not.

21 And I think that generally speaking, relying solely on consumer complaints  
22 means you may be missing up to 90 percent of the story. Because people will complain if  
23 they know they've been ripped off, but if they don't -- and in the case of buying clubs,  
24 we've done a series of surveys. Over a third don't even know they have them.

25 So you have circumstances where there may be great and substantial harm

1 being done over a broad spectrum of the population, but people don't know it. And so we  
2 do not traditionally in our office wait for consumer complaints to reach a certain saturation  
3 point before we ac.

4 MR. ELBEIN: Joel, what's your experience in

5 --

6 MR. CRUZ-ESPARZA: Very recently I got a call from a metro court judge  
7 there in Albuquerque, and he said, I just have to share this information that I have with  
8 you, because I'm really worried as to what is happening.

9 He says, I get this auto dealer coming to my court all the time suing  
10 consumers, and invariably always getting either a default judgment or people not  
11 appearing to the hearing. But what I see, though, is that I see a lot of the responses. Some  
12 responses are in Spanish. People are responding to the lawsuit in Spanish.

13 What is happening is that this auto dealer -- we are investigating this matter  
14 now, and we're ready to take legal action -- is actually selling damaged or wrecked cars  
15 coming from other states, and selling them because invariably that's the problem that  
16 people have.

17 And the responses that people are filing in metro court -- metro court is a  
18 small claims court -- is exactly that. I bought this car and then it failed soon after, and I  
19 tried to return it and the dealer attempted to fix it but then kept it and now repossessed it  
20 and now sued me for the deficiency.

21 And people are afraid to respond -- I mean, they respond in court, but they  
22 never show up or they're never prepared to defend themselves.

23 But the interesting thing about this is that we have discovered about 200  
24 cases in metro court filed in Albuquerque, and in looking at our database, we have not seen  
25 any of those complaints in our office. Incredible. Even though we've done outreach, we



1 do Spanish television and so forth.

2 So that has not been enough. We have to go even, you know, deeper, go  
3 deeper. We're very grateful that this judge with this conscience said I've got to do  
4 something about this.

5 And so that's the kind of thing that -- that just fell in our lap, and obviously  
6 that is going to be a priority in our office, because it has a tremendous effect on people.

7 People's credit is being -- and the second thing that they do is that they get a  
8 judgment and then they enforce it so they get a garnishment. And all along, it's all sorts of  
9 unfair practices violations in the case itself.

10 MR. ELBEIN: Garth, you had mentioned the problems with reporting and  
11 collecting. I think, Lisa, you had mentioned it as well. What do we do about that? If there  
12 are these whole bodies of cases that we only -- we fall across, we don't get the complaints,  
13 what do we do?

14 MR. LUCERO: It really is a problem. I think we just need to go out, as  
15 Joel said, and talk to judges, talk to legal aid attorneys, talk to media representatives, go  
16 out in the community and determine what's really bad that's going on out there.

17 We've had clerks and recorders call our office and complain about 10 or 15  
18 people a week coming in to register their automobiles and having fake, counterfeit if you  
19 will, license -- I'm sorry -- auto insurance cards that somehow, you know, were being  
20 marketed to these folks. And they confiscate those.

21 And we've had judges call us and say the same thing, that Spanish-speaking  
22 consumers were coming into court and defending themselves against not having mandatory  
23 auto insurance, and they will have counterfeit paper.

24 So you've got to go out and talk to everybody in the community. You've  
25 got to talk to the legal aid, the law school clinics and find out what's going on, because as

1 we were talking about earlier, you could just stumble over something that may seem very  
2 on its face small, and it might lead to a case with hundreds and hundreds of victims, and it  
3 happens all the time.

4 MR. CRUZ-ESPARZA: I was going to say, I think that we all share as law  
5 enforcement agents or agencies, we all share the reality that we have a tremendous amount  
6 of cases coming to us. I mean, sometimes I see it as a very hungry person who is now at  
7 the table and there's anything that I want to eat in terms of consumer problems.

8 And what I have to do is basically there's a danger that I can be  
9 overwhelmed and be frozen and not do anything. So what we need to do is constantly be  
10 doing -- and this is what we do in our office with small resources and so forth -- is set  
11 priorities and say, no matter what, all the bombardment that we get of complaints, is we've  
12 got to do something.

13 Because when we do something, at least that action is going to serve as an  
14 example of -- in the media, in the community, that the attorney general's office is taking  
15 action. And hopefully, that will be of course a way to prevent others from doing the same  
16 thing.

17 Being frozen and not doing at least one case  
18 -- just because we have a hundred possible cases and we do nothing, it's not going to have  
19 any effect. But we say, okay, we have resources to do three large cases or two large cases,  
20 let's do it. Let's just focus and let's do it.

21 And that's the approach that we're trying to do in our office.

22 MR. ELBEIN: So, Marcos, it occurs to me that you're probably actively  
23 every minute prioritizing to get the biggest bang for the buck. How do you do that? Other  
24 than just doing it?

25 MR. JIMENEZ: Well, you know, some priorities are set for us. I mean,

1 that's a really, really broad question for me because of, you know, on the federal side now  
2 we have national security as a driving priority of all that we do and that kind of thing.

3 But when it comes to fraud, I agree with what was just said. It's astonishing  
4 to me the amount and level of fraud that we have at all levels.

5 I mentioned Medicare fraud. I think South Florida is probably the leader in  
6 the country. You know, we have securities fraud. We have corporate fraud. We've got tax  
7 fraud. You know, you could just go on down the line. Our white collar section is growing  
8 incredibly.

9 Every year since I arrived there a couple of years ago, we've had more  
10 defendants, more trials, which is different than it was 15 years ago when I was an assistant  
11 U.S. attorney.

12 So it is difficult. I did want to make one comment, though, about the  
13 collecting of information. And I agree that you can't just rely on consumer complaints, but  
14 -- and maybe this is getting into another area that you wanted to talk about, which is the  
15 reluctance of Hispanics to come forward and be witnesses and be victims in a case.

16 I think we have to make -- we have to put across the message very clearly  
17 that the targets are the fraudsters and not Hispanics, regardless of their immigration status  
18 or their other problems that they may have. And that message really doesn't get across as  
19 often as it should.

20 MR. ELBEIN: Okay. How do we make that clear to folks? It seems as a  
21 lawyer, it seems obvious to me who our target is. But I guess all of us must deal with that.

22 Anybody else, talk about how we make it clear to victims that we think  
23 they're victims, not targets?

24 MS. RALEIGH: We've had the interesting experience of having targets  
25 provide us with customer lists. And we ring up their consumers and we say, well, you've

1           been a member of this club since 1996 and they say, no, you've made a mistake. And they  
2           are literally unaware that their bills have been crammed lo for the last eight years.

3                           They're unaware that their bills have been crammed for eight years.

4           Cramming is where unauthorized charges are placed on your bill, either on your phone bill,  
5           which is where the term originated, or on your credit card bill.

6                           And in talking with those folks on getting them to look at the bills, on  
7           providing them with information, they're horrified, they're outraged, and then they're  
8           embarrassed and ashamed.

9                           And time and time again, we have difficulty rounding up adequate numbers  
10          to show sort of saturation, particularly -- often where you have millions of harmed  
11          customers because they're embarrassed, because they don't want to become involved,  
12          because, you know, occasionally, they may not be as well documented as others.

13                          And these issues come up time and again. But with older people, we appeal  
14          to their sense of public right, to their obligation to the public and their civil rights  
15          obligation.

16                          With Hispanics, I put someone who speaks Spanish really well on the phone  
17          and let them talk to them.

18                          MS. KOSS: Right. And for the FTC, I mean, a lot of it has to do with our  
19          outreach, and our consumer education, and we're just, you know, to make sure that we're  
20          giving consumers the tools to identify the fraud so that they can see these are the kinds of  
21          things that are affecting us, and, you know, it's I'm not alone in this and there's somebody  
22          that I can talk to and there's someone that I can call.

23                          And at least, even if we can't do something individually, at least we can get  
24          a sense, you know, identify the patterns of complaints and hopefully do something about it  
25          on that basis.

1 MR. ELBEIN: Bob, how do you deal with it? I know you must have the  
2 problem all the time with victims being fearful of being targets.

3 MR. GRIFFY: Yeah. We deal with it in two ways. One that's really  
4 helped is the fact that our attorney general and the Las Vegas chief actively go out in the  
5 community and address the Hispanic different resources, to the point now where, like I  
6 say, we do have activists in the community who are bringing potential victims literally into  
7 our office.

8 They'll just call and say, this is what's going on. Can we make an  
9 appointment? Can we come in and see you?

10 A lot of other ways we just fall across the cases like everybody else. I  
11 mean, I had -- my one investigator had gone to lunch at her parents' house, and she's  
12 Hispanic, and she comes back and she's waving this card around going, my parents just got  
13 this. They were going to call. What is this?

14 And what it was, it was one of the local contractors -- because obviously air  
15 conditioning is a big thing in Las Vegas -- sending out this card saying that we've reviewed  
16 our records, and you need to call, and it's time for your annual servicing of our air  
17 conditioning company. And she goes, well, my parents were, you know, they were all  
18 ready to call.

19 And I said, well, stop and think about this for a minute. Have they ever  
20 used their service before? No. So why would this company have their records? But the  
21 point being is, she just went to lunch with parents and came back with what turned out to  
22 be a complaint that I coordinated with the Nevada State Contractors Board, and we  
23 brought those people before the contractors board and got it straightened out.

24 But what's really happening is I think because of the awareness, they're  
25 voluntarily starting to come into our office now which has never happened before. And it's

1 a good sign.

2 MR. ELBEIN: Let me -- go ahead.

3 MR. CRUZ-ESPARZA: One thing that I have done in my office is I have  
4 recognized that the history of the attorney general's office in New Mexico has not been that  
5 open to the public.

6 If you look at it historically, there's been no Spanish speakers. So when  
7 people talk to the attorney general's office, they received an English speaker.

8 So, recognizing that and trying to change the past behavior to a present  
9 behavior, to a better behavior, more open, I place myself a little bit of a burden in our  
10 office to be able to do extra steps to reach the community.

11 So, for example, I have identified that people have a lot more trust with  
12 Catholic Charities, for example, the Mexican Consulate. I have even gotten complaints  
13 from reporters on Univision who they actually bring the people to our office, or, here's the  
14 other kind of, if we want to call it sacrifice, we go to the office of the Somos  
15 Employmonedo in Santa Fe. We go to the office of the Mexican Consulate and there  
16 engage ourselves in interviews with people. People may not even want to come to our  
17 office yet.

18 And so we recognize that, and we say, well, we can do that. We can  
19 mobilize our office a couple of advocates go over there and do the interviews there. When  
20 we go to Las Cruces, we do the same thing. We identify an agency that is legal aid or an  
21 agency that is well connected in the community that has trust in the community, does not  
22 have the history that we do, and let them be the lead. And then we step in, partner with  
23 them, and people there at that time can really tell us what's going on.

24 MR. ELBEIN: That brings me back to something I wanted to get back to,  
25 Jose. You were talking about partnering. And I wonder if you can talk about that a little

1 bit.

2 MR. PEREZ: Yes. I think, again, especially if within our community  
3 you're dealing with undocumented folks or immigrants, they are going to be reluctant to  
4 come forward. We are law enforcement agencies. We're not going to necessarily lock  
5 them up. That's not our priority. That's not our concern.

6 But there's this fear and mistrust, culturally or whatever from their native  
7 country, government is not to be trusted, or whatever reason. It's corrupt and so forth.

8 Part of I guess establishing that credibility that allows, that will give  
9 confidence to folks in the community to come forward is networking and working with  
10 community-based groups.

11 One of the things I mentioned earlier is that our labor bureau has already  
12 have this resounding success in partnering with various Mexican community groups. They  
13 set up a meeting of all the various Mexican community groups, the leaders to come in to  
14 meet with folks from civil rights, from health care, from consumer. In turn, we gave them  
15 resources in terms that we were available.

16 Piggybacking on that even further, when we get calls to go out to their  
17 offices in the community, which are in Washington Heights if they're a Dominican group,  
18 or in a barrio if they're Mexican or parts of Brooklyn, we've gone out there and spoken to  
19 folks, being able to communicate in their own language, and again, reassuring them that  
20 we're not concerned about, you know, their immigration status is immaterial, although it  
21 may come up if you're dealing with an immigration services fraud case.

22 Part of the other difficulty with that is again in terms of partnering, I think  
23 we need to partner sometimes better with the federal government. I don't know, the  
24 Division of Homeland Security or citizenship services in terms of, you know, trying to  
25 bring these cases, we need to be able to reassure people that the information that they

1 provide us is not going to be used against them.

2 We won't, but we need to have those reassurances. And again, since, you  
3 know, the landscape has changed since 9/11, the focus has changed in terms of the  
4 country's concerns, both nationally and locally.

5 So it's again, I think forums like this where we can start to talk about these  
6 types of issues and try to establish the partnerships and maybe we can work collectively,  
7 government and community, federal and state and local and also with the community-  
8 based groups.

9 And also, the other part is you mentioned Catholic Charities. Again,  
10 churches are primarily leaders and organizers within our community dealing with local  
11 parishes. We coincidentally have a meeting with Catholic Charities in Brooklyn next week  
12 to talk about immigration fraud issues.

13 Again, these are things, you know, we're making the effort. It's a slow,  
14 gradual process. We hope to reap the rewards of being able to do more for our people  
15 down the road.

16 MR. ELBEIN: Lisa, do you work with community groups at all?

17 MS. RALEIGH: I don't work and play well with others, Brad.

18 (Laughter.)

19 MR. ELBEIN: Join the club.

20 MS. RALEIGH: And the answer is, is I don't know. And the reason I don't  
21 know is, I've only been a bureau chief a very short time, and prior to that, I was a tiller in  
22 the fields.

23 I am familiar with our office's interactivities with the Florida Bar in terms  
24 of doing consumer outreach through them and the experience we had with various  
25 universities through their consumer law institutes at three or four of the institutions across



1 the state.

2 And other than that, I don't know. To my knowledge, my agency has never  
3 met with Catholic Charities. It sounds like a brilliant idea.

4 We do have a subgroup within my agency called Seniors Versus Crime, and  
5 one of the ideas I'm taking away from this is to try and use them as an access point to the  
6 Hispanic community through our larger groups, particularly in South and Central Florida,  
7 to reach out through the churches and through the communities to spread this news,  
8 because I am understanding better now that this community is not a community to reach  
9 through the Internet, but voice-to-voice.

10 MR. LUCERO: Brad, there's another angle that I wanted to mention real  
11 quickly. In Colorado, the Consumer Protection Act which is a great tool to address a lot of  
12 these frauds, has a real tremendously incentivized private right of action provision, and we  
13 try to get out to the Hispanic Bar Association and a lot of the plaintiff's bar, this notion  
14 through CLEs and other meetings to take on private actions, be a private attorney general.

15 There's great remedies available. There's mandatory attorney fees if you  
16 prevail under our statute. And government can't do it all. There's a lot of good things that  
17 the private bar can do.

18 MS. KOSS: May I ask, what kinds of cases did they bring? Do you know  
19 of any that the private bar took on?

20 MR. LUCERO: Indeed. Mortgage foreclosure scam cases that start out as  
21 a simple FED and suddenly it develops into a very large consumer case. A lot of  
22 automobile transactions, lemon law cases, a lot of just routine consumer cases can be  
23 brought under the unfair and deceptive practices statute.

24 And, again, with the nice incentives in the private action. It's a great tool.

25 MR. ELBEIN: So I'm curious if anybody feels uncomfortable when you go

1 to a community organization because we're law enforcement and you never know when  
2 you're going to trip across a target. Anybody feel that tension, and how do you deal with  
3 it? Nobody feels that tension?

4 MS. RALEIGH: I personally seek out targets. I love to go to their  
5 association meetings and cause trouble, tell them the sorts of things I look for, tell them the  
6 various ways I will roast them slowly over hot coals if they come to my attention. It  
7 makes me happy.

8 MR. GRIFFY: Yeah, we basically, if we know they're targets, we send our  
9 investigators. Because we want them to come back and testify on the stand. So I have no  
10 problem interacting with the community. But if we think there are actual targets,  
11 investigators always go with me, or I just send the investigators, depending upon what's  
12 going on.

13 MR. ELBEIN: Okay. We're close to being out of time, but I'd like anybody  
14 who feels like answering to talk a little bit about -- we know we have this huge problem.  
15 We don't know how big the problem is. We don't know how big the victim community, if  
16 I can call them that, is in the Hispanic community, yet we have limited resources.

17 So if you had to give your top tip for dealing with this problem, what would  
18 it be? And Marcos, I'll start with you.

19 MR. JIMENEZ: What was the question again?

20 (Laughter.)

21 MR. ELBEIN: Your top tip for dealing with the problem of limited budgets  
22 on the one hand, huge problem on the other and reaching the Hispanic community.

23 MR. JIMENEZ: You know, top tip is, you know, pick obviously the most  
24 important target, the biggest impact, and the one that'll make you look best.

25 (Laughter.)

1 MR. CRUZ-ESPARZA: Yeah, I would say the same thing. Don't freeze at  
2 the bombardment of cases or problems, but focus on the ones that you have the resources  
3 to make an impact.

4 MR. GRIFFY: I just think you have to keep an open mind and just try and  
5 gradually develop resources. I mean, we've developed resources in a lot of other areas  
6 without having any financial backing. So, you just -- and you have to do it on a personal  
7 level. You can't just say we're the AG's office. You have to go out there yourself and meet  
8 people and do things.

9 MS. KOSS: Right. I would say that one thing that we'd like to focus on  
10 following this workshop besides obviously keeping in touch with everyone, because I  
11 think we've all established some important connections, is to work with the media directly,  
12 and, you know, maybe set up, you know, give them information in terms of media  
13 screening.

14 Maybe they're not aware that advance fee loans are an issue. Maybe they're  
15 not aware of the red flag weight loss claims even though we're making an effort to make  
16 the media aware.

17 And then again I'd reiterate that hopefully after all of this that we can all  
18 keep in touch and keep the lines of communication open.

19 MR. LUCERO: I would say a combination of both of those, take a good  
20 case, prosecute it, get excellent remedies, use the media, that will serve the deterrent and  
21 the educational impact, and that does wonders.

22 MR. PEREZ: Going back it seems my mantra of the day, partnering with  
23 other organizations even if you can't do it, work with someone else who might be able to,  
24 and partnering in terms of combining, reiterating Garth's word, enforcement, education and  
25 legislative.

1                   Certain things we need to legislate. We need to have the tools to do a better  
2 job of enforcing what we need to do.

3                   MS. RALEIGH: Raleigh rule. People do not want to be subject to a scam.  
4 They will save themselves if they can. Give them the tools. Give them the disclosures.  
5 Give them the information in their own language so they can save themselves.

6                   MR. ELBEIN: We are out of time, but would you sum up for us?

7                   MR. JIMENEZ: Sure. Well, I think that, you know, we all agree this is an  
8 important area we need to continue to focus. And one of the things I didn't mention is that  
9 we do need to develop more resources in this area, especially Spanish-speaking agents and  
10 Spanish-speaking representatives who can actually deal.

11                   Because I think the point Lisa made about the language is crucial. When  
12 someone can speak to someone in our office -- and our office is fortunate because we have  
13 a large number of Spanish-speaking prosecutors, but we do see that in the agencies that we  
14 work with.

15                   There is often a lack of a person who can communicate immediately in  
16 Spanish with the people who are reporting, and they're more likely to call the IRS than us.  
17 And that's in Miami, which is heavily Hispanic. So I can imagine the problem is even  
18 worse in other cities.

19                   So we need to work on that, and we need to get the message out that these  
20 folks that are here illegally are not the targets. There are creative ways of dealing with  
21 that. There are things that can be done. And I think if that message gets out, we will go  
22 after the people who really are causing the problem, which are the folks that are doing  
23 these frauds.

24                   So that's where I'll stop. Thanks.

25                   MR. ELBEIN: Thank you very much.

1 (Applause.)

2 MR. GREISMAN: Good afternoon, everyone. My name is Lois Greisman.  
3 I work in the Bureau of Consumer Protection in what's called the Division of Planning and  
4 Information.

5 It's my pleasure to moderate a 40 to 50 minute program, our next one, on  
6 the resources available to law enforcers. This is a top priority for both the Federal Trade  
7 Commission and the Office for Victims of Crime.

8 We have with us three panelists, each of whom will make a brief  
9 presentation. Then I hope we'll have some time for questions at the end. What I'd like to  
10 do is introduce them individually before their presentation.

11 First we have Leon Geter, who is the Senior Project Manager for two core  
12 systems for OVC, the Bureau of Justice Statistics Clearinghouse and the Office for Victims  
13 of Crime Resource Center.

14 Mr. Geter.

15 MR. GETER: Thank you. And I know it's sort of difficult sometime  
16 coming back from lunch and having to participate in any sort of kind of exercise other than  
17 having more fun, so we'll try to make this as lively as we can.

18 Just one little point of clarification, I'm actually the project manager of two  
19 clearinghouses for NCJRS. One is the Office for Victims of Crime and the other is the  
20 Bureau of Justice Statistics, which is sort of a separate kind of project itself. I just wanted  
21 to clear that up.

22 We're here to give you an overview of the Office of Victims of Crime  
23 Resource Center. What I'd like to do first is show you a video clip that sort of gives you a  
24 good sense of the bulk of grant and the bulk of funding in the Crime Victims' Fund. So I  
25 want to show that to you first, and then afterwards I'll go into my presentation and give you

1 more insight into the resource center itself. So bear with me for just one moment.

2 (Video presentation.)

3 MR. GETER: Thank you. Actually, that was part of a DVD that was part  
4 of the National Crime Victims Rights Week, but it gives you a good overview of what the  
5 bulk of crime fund is geared to do.

6 All 50 states receive funds to provide services, crime victim services, to the  
7 crime victims within their state, fund the crime victims fund. In addition, deposits from  
8 the fund are also used to provide OVC resources that we provide here at the resource  
9 center, the Office of Victims of Crime Resource Center, as well as the Training and  
10 Technical Assistance Center which you will hear about a little later on. What I'm going to  
11 do is just give you a brief overview.

12 The Office of Victims of Crime Resource Center is really your link to OVC  
13 materials. If you're looking for crime victim information, products, services and resources  
14 that are produced by the Office of Victims of Crime, then you get that via the  
15 clearinghouse, and that's who we are. We are the information arm of OVC.

16 It's the place where, if you're looking for videotapes such as these  
17 videotapes, the opportunity to get videotapes that are educational, informative, you can get  
18 them from OVC. You can go online and get them, and we'll talk more about that. But this  
19 is also available as well.

20 The clearinghouse is a component of NCJRS, which is a national criminal  
21 justice reference service. Are any of you familiar with the NCJRS or maybe members of  
22 NCJRS by chance? Any of you?

23 That's a good number. For those of you who are not, there is an opportunity  
24 in your registration bags that you have, which are products of also OVC, there is a  
25 registration form. It does not cost anything to register. But what it will do for you is you

1 will be very proactive in receiving victimization information. Whenever a new report,  
2 newsletter, solicitation, something comes out on victims issues, you will be proactively  
3 notified, get that material or receive an e-mail. So there is a registration form in your  
4 package. If there's not one or you do not have a package, the exhibit outside, you can stop  
5 at the booth after this presentation and you can get a registration form and we can talk in  
6 more detail as well.

7           Some other things that OVC do is they've provided for, which we launched  
8 this year, which is called the Director of Crime Victims Services. What this is is a online  
9 directory. It's a searchable database of crime victims service programs. And for example,  
10 if you're here in Maryland or D.C. and someone wants to make a referral to a victims  
11 service program a consumer program in Texas or Alabama, what would you do? Who  
12 would you call? Who would you contact? How would you make that referral? Are you  
13 aware of any programs outside of your catchment area, your service area?

14           So what OVC has committed to doing and it has done is develop this new  
15 database. It's a searchable database, and also agencies can add themselves, once verified,  
16 will be added to the database as well. So it's a growing database.

17           If you're looking for information, looking for referrals statewide, locally,  
18 countywide, this is a new tool that you can use right now. And please have a chance, when  
19 you leave here, to go to the website and take a look at this. This is a great new tool from  
20 OVC.

21           In addition, OVC produces fact sheets, bulletins, reports consistently about  
22 victims issues. Once again, it's about awareness, it's about education, it's about keeping  
23 current information into practitioners and service providers and enforces hands so,  
24 therefore, you are working from a learned and educated position with the latest and  
25 greatest information out there, and that's another commitment of OVC.

1                   So once again, through the resource center you have an opportunity to  
2 receive all these materials and access these materials, and I'll talk more in detail as to how  
3 you do that as we go on.

4                   Additionally, comprehensive information. What OVC provides is a  
5 resource center, and the resource center is there for you to simply ask questions. If you  
6 have a question about consumer fraud, if you have a question about victimization, if you  
7 have a question about statistics in crime or criminal justice, that's what the resource center  
8 is designed to do.

9                   If you're looking for a program and don't know where to look or where to  
10 find it, the resource center is -- that's what we're here for. If you want to find a website, a  
11 URL about consumer fraud or Hispanic victims or any other kinds of victims of crime,  
12 that's our job. We have a staff of information specialists and analysts who work basically  
13 around the clock sometimes to provide this information for you. So if you're looking for  
14 crime victim information, it's there.

15                   Recently I think we had someone from George Washington University  
16 contact the clearinghouse I think the other day looking for statistics and research on  
17 consumer fraud, and it's like he was having a difficult time.

18                   Some of you have in your packages a bibliographical search which we did  
19 through our library, and that is just a list of some of the latest research that we provide --  
20 that is available to you. So, once again, it's a place where you can get current information.

21                   In addition, the resource center and OVC is committed to that they have at  
22 least five or seven of their most popular documents have been translated into Spanish as  
23 well as several other languages as well. Once again, meeting people where they are,  
24 talking to people in their languages, and some of the publications are out on the exhibit  
25 table as well. So if you haven't seen them, please stop by and take a look at those as well.



1           As I said, we have information specialists, and their job is to do two things.  
2           If you're looking for a publication and you can't seem to find that document and you want  
3           that document, our information specialists are going to help you receive it, make sure it's  
4           the current correct document that you want, because we have -- you know, all the  
5           information on our database is on our publication. Therefore, if you want to order one,  
6           you want to order seven or 30 or 100 for a conference or a training, they will facilitate that  
7           for you, making sure that you get this material in a timely fashion.

8           If you're looking for information from the UCR or the National Crime  
9           Victimization Survey, they will help you find statistics with numbers of information within  
10          a report. The idea is that they are your eyes and ears if you can't seem to find something or  
11          you want clarification on something, this is what their role is with NCJRS.

12          As I said, we also do custom searches. If you wanted to do a topical search  
13          on identity theft, consumer fraud, you know, medical malpractice or whatever you may  
14          want to be researching whether you're doing a policy paper or RFP or any kind of project  
15          you're producing that you need additional assistance, please think of the resources. That is  
16          what our job is and our task is in OVC is committed to doing and providing you services  
17          with.

18          As a part of this, we also have the abstract database, which is a virtual  
19          library. Out in Rockville, Maryland, we actually have the largest criminal justice reference  
20          library in the entire world where we have over 180,000 abstracts there on multiple criminal  
21          justice topics. And only yesterday, I did a brief search of the database prior to coming  
22          here, and I think there were about a minimum of 450 documents that I know that are there  
23          on consumer fraud and Hispanics.

24          So once again, this is a database that is growing every day. We're accessing  
25          documents, journals, research, reports that are vital to the field. It is a library that is

1 available to the public. It is accessible. You can call and make an appointment as far as  
2 that's concerned. But the most important thing I think is that it is a library where current  
3 information is available to the field. What is not there, we're also trying to find. If we  
4 need to find more additional information on the Hispanic population or any other  
5 populations or any other kinds of crimes or those kinds of things, we are always on the  
6 lookout for what the field you practitioners, enforcers -- what do you want, what do you  
7 need to do your job to provide better services. So that's the role of the library as that is  
8 concerned.

9 Another good thing about the resource center is everything is available  
10 online. Every document is available -- well, not every -- most of the documents are  
11 available online. You have an opportunity to get them, order them via the internet, and  
12 they will be processed and sent to you.

13 We have a web chat, which if you have difficulty locating the full title or  
14 number of a document, you can talk to information specialists in real chat-time, and that's  
15 another feature we just launched this year, trying to being very proactive, making things  
16 accessible to the field as much as possible.

17 Conference support. Via the conference support, OVC reaches -- you  
18 know, we go to conferences on behalf of OVC throughout the country, and OVC is  
19 committed to providing services and support to state level conferences because that's the  
20 way you reach a lot of people statewide who may not have the budgets to come to regional  
21 or national level conferences. So if you're doing any conferences in your area, in your  
22 state, and you need some sort of support or resources or trying to help identify some topics  
23 of speakers or those kinds of things, you can contact the resource center as far as that's  
24 concerned and Vicki will talk more about trainers and specialists in her presentation.

25 In addition, I know the Economic Crime Summit is coming up in June.

1 That's a conference that OVC will be supporting. That's a conference that talks about a lot  
2 of consumer fraud issues and identity theft issues, and these are the kinds of things we  
3 support year round.

4 So, please, if you're doing anything after this, and you know you're working  
5 on a project, you can stop by the booth and let us know, and we'll put that into our  
6 database.

7 Also, as I said before, you can register with the NCJRS. It doesn't cost a  
8 thing to register. And once again, you have this blue registration form in your packet.  
9 You can stop by and get one. And it allows you to get the publications free. It allows you  
10 to get an online newsletter which is called "Just Info." And what's important about the  
11 "Just Info" newsletter is it is a part of the OJP office's program. Therefore, you have the  
12 Bureau of Justice Assistance and Bureau of Justice Statistics, JIJ OJDDP. So all these  
13 agencies, when they announce their new initiatives, their new grants and fundings, the new  
14 evaluations, it's going to be announced in "Just Info." By registering, you will get this in a  
15 proactive manner. So please do the registry if you have a chance today.

16 If you contact us, here's our 1-800 number, if you need to contact us via e-  
17 mail, but the most important thing I think to remember about the resource center is that it's  
18 your resource center. If you're working with victims of crime, you're looking for  
19 resources, if you have any questions, if you need any referrals, if you need help finding a  
20 document or locating a document, the resource center is definitely the group that you want  
21 to contact.

22 I think after this we'll have some time for questioning, and I can answer  
23 more specific questions. We needed to be brief here, and I wanted to make sure we got the  
24 gist of what's important, that this is your resource center. OVC is committed to it. So if  
25 you need anything, please contact us.

1 Now, I'll let Ms. Greisman introduce Vicki.

2 MS. GREISMAN: Thank you, Leon.

3 MR. GETER: Thank you for your time.

4 MS. GREISMAN: Our next speaker, as you know, is also with OVC.  
5 Vicki Hancock is the division director for Education and Outreach focusing on new  
6 product development and strategic planning. Dr. Hancock.

7 DR. HANCOCK: Thanks. We are very fortunate to be here in an air  
8 conditioned environment today. I came here by Metro, and I have to go back the same  
9 way, so I'm not looking forward to it. I'd like to spend as much time with you as possible,  
10 so thank you for having me.

11 I represent the technical assistance center, the training and technical  
12 assistance center. We call ourselves TTAC. If you're fans of Tic Tacs after lunch, just  
13 remember Tic Tac and think of TTAC.

14 You can always get in touch with us if you're interested in training and  
15 technical assistance. We develop and deliver high quality, comprehensive technical  
16 assistance, which is distinguished from the other thing we do, which is preparing capacity  
17 building training resources, and we'll talk about what the distinction is between each of  
18 those concepts through this little presentation.

19 We serve a variety of audiences, and you represent an important segment of  
20 those audiences. We certainly serve victim service providers. We serve you, whom we  
21 consider allied professionals who are out in the field supporting victim service providers  
22 and all the folks they serve, volunteers as well as advocates. So this encompasses a wide  
23 variety of audiences, and you are certainly part of those audiences.

24 MS. GREISMAN: If I may interject for a moment. The Powerpoint is not  
25 displaying on the screen behind, but hopefully will shortly.

1 DR. HANCOCK: Well, okay then.

2 MS. GREISMAN: It may.

3 DR. HANCOCK: It looks like it's up again. See, you ask and suddenly it  
4 happens. This is a powerful woman right here.

5 Okay. Beginning with technical assistance. Technical assistance we define  
6 at TTAC essentially as on-site work with you to meet your specific needs, customized on-  
7 site service for your benefit.

8 We provide speakers for conferences if you're having meetings with small,  
9 medium or large groups of people. We can find speakers that address particular topics on  
10 your behalf that you're interested in. We provide trainers to give education for you in  
11 longer-term topics like one day, half a day or several days of training on a particular topic  
12 you might be interested in, for a meeting you have scheduled, for discussion groups that  
13 you may hold, for workshops that you have planned. So all these are customized kinds of  
14 things that you can request through our offices at TTAC.

15 We also have a database of experts to provide assistance for you to needs  
16 assessments if that's part of the work that you provide or the work that you do as well as  
17 program development. So if providing professional development or training for your  
18 constituents, your colleagues, the folks you work with in the field for example, is part of  
19 your work, we can help you with that work.

20 We also help you with policy development if that's part of your venue as  
21 well or your responsibility. Some examples, we have a database of hundreds of expert  
22 consultants. Each of those consultants applies to us using a lengthy enrollment process so  
23 that we have a very good idea of what their specialties are, what their experiences have  
24 been in a variety of victim service related topics. They also go through a criminal  
25 background check so that we are confident and OVC is confident that the people we send

1 into the field to represent OVC are trustworthy and they're certainly authoritative on the  
2 topics they represent.

3 So they can provide you with developmental support for the work you're  
4 doing. They can provide you with mentoring on-site. They can also provide facilitation  
5 skills and services in not only capacity building topics but also victim related topics like  
6 identity theft, consumer fraud, and a variety of other areas.

7 They have expertise in capacity building topics such as program design and  
8 implementation, strategic planning, the board picture, program management, evaluation  
9 activities, quality improvement that many of you are certainly concerned about in your  
10 organizations, as well as community coordination and collaboration, working with the  
11 grass roots levels of service you provide. So those are other services you can look to us for  
12 at TTAC.

13 Just some examples of some recent technical assistance activities, the  
14 cultural competency issues and working with Spanish-speaking immigrants. We typically  
15 provide speakers for conferences, speakers for workshops, folks you can come and work  
16 with groups for longer periods of time on topics like these. We typically provide speakers  
17 for the Economic Crime Summit. Another example of a piece of assistance we provided  
18 was the rural sexual assault evidence collection and document activities. This a workshop  
19 that several consultants presented.

20 Another one, identity theft, the perfect consumer crime. That was a topic  
21 that we found a consultant for a conference recently, as well as a workshop on identity  
22 theft basics. So these are simply a few topics to sample from, and we have many others  
23 available and experts that represent them available in our database.

24 Now on the other side of things, we just spoke about technical assistance,  
25 which is essentially your customized request for service in which you call us, we do a brief

1 conversation with you which we get a needs assessment. We find out from you what your  
2 activity is, how you would like to proceed with scheduling a meeting or workshop or what  
3 your event might look like, and match you specifically with an expert who can meet that  
4 need.

5 On the other side, training resources allow us to provide you with action-  
6 oriented workshops for which curriculums have already been developed on topics you  
7 might be interested in providing for your colleagues and providing for the other groups you  
8 may serve in your organizations.

9 So we try to build your technical skills. We try to enhance your knowledge.  
10 We try to help you network with your colleagues. We try to help you understand what  
11 works in the field and especially in the topics you're interested in, and we try to help you  
12 build your capacity by acquiring knowhow and tools to leave the workshop and capacity  
13 building experience and go back to your offices and immediately apply what you've  
14 learned. So these are less customized but more capacity building, focused kinds of  
15 workshops and experiences that we offer on a scheduled basis, and those are our training  
16 resources.

17 Now we do have a schedule -- the Office for Victims of Crime offers  
18 through TTAC a training calendar. We just completed our first round of five full-length  
19 workshops ranging from two to three and a half days in length throughout the country, and  
20 we will be starting another round of training calendar workshops in September covering  
21 topics like leadership, professional development, how to develop your own professional  
22 development experiences that are specific to your sights, training design and delivery, how  
23 to become an effective trainer yourself or helping your colleagues do that, sexual assault  
24 advocate and counselor training, which is a very focused workshop for folks interested in  
25 that topic as well as support for state victim assistance academies through helping those

1 academy members do curriculum development as they exercise their grants and begin to  
2 develop their own capacities. So those are examples of topics we presented this year, and  
3 we'll have another round of those topics beginning in September. So you can pick up a  
4 brochure not only at a booth outside but also be looking at our website which I'll introduce  
5 to you in just a second.

6 So if anything I've said to you peaks your interest, if you have any needs  
7 that may be satisfied by an expert consultant or by participating in a capacity building  
8 workshop, you may want to become part of our learning community. You can request  
9 assistance from us for your agency. You can become a consultant if you have a particular  
10 expertise, and we are certainly actively looking for folks with expertise in consumer fraud  
11 and identity theft at this time. We don't have enough to go around for folks who are  
12 making requests in our offices. So if you have that expertise and are interested in joining  
13 the consultant pool, certainly get in touch with us and we'll send you the appropriate  
14 materials or have you download those from the website.

15 You can certainly register for a training calendar event, and that new  
16 calendar should be out by July at the latest, so you can look for that. You can download  
17 from our website, [capacitybuildingresources](#). We make a several -- a number actually of  
18 resource available online that you can download in full-length text so that you can begin to  
19 use them or to perhaps contact us to conduct a workshop around those resources at your  
20 site.

21 You can check for news and upcoming events, because we have a news and  
22 highlights section of the website that help you keep up to date on the events that are  
23 happening in the victims services field.

24 We have a toll free number, 866 might not look like but it is a toll free  
25 number, and there's our website address. That information is available in materials that are



1 in your canvass bags. So if you've been furiously trying to take notes and are trying to  
2 scribble down these website addresses and phone numbers, that's replicated in your  
3 materials as well. And of course, Leon and I will both be able to answer questions for you  
4 when we conclude this presentation.

5 (Applause.)

6 MS. GREISMAN: Thank you. Our third panelist is Jay Miller. He's with  
7 the Federal Trade Commission. He heads what we call the Consumer Sentinel Program  
8 which, as he'll describe to you shortly, is a unique database maintained by the Federal  
9 Trade Commission.

10 Mr. Miller.

11 MR. MILLER: I want to thank the conference organizers for giving me the  
12 chance to talk today on behalf of the Consumer Sentinel Program. Most people dive right  
13 into their Powerpoints. I'd like to point out some things on my title slide because they may  
14 raise some questions.

15 The Consumer Sentinel Network. What is that? Well, it comprises a  
16 database of consumer sentinel fraud complaints. It also comprises identity theft  
17 complaints as well. So when I speak of a consumer sentinel network, I may be referring to  
18 both fraud and identity theft complaints.

19 Now you get to this word cybertool. It sounds really fancy. What does it  
20 mean? What it means is actually I don't want to just call it a database because it's much  
21 more than that, and I'm going to explain that a little later on so that you can see what kind  
22 of resources are available not just for law enforcers but ultimately to help consumers and  
23 protect them.

24 Finally, it says "For law enforcers." It's true that the cybertool I'm going to  
25 describe is basically for use by law enforcers, but I don't know how many of you here may

1 have the opportunity to be able to access consumer sentinel, but it's important that you  
2 know what you take out of here, what you learn about consumer sentinel today will help  
3 you whether you're a law enforcer or not. It will help consumers, and ultimately you can  
4 also help law enforcement.

5 Just because I'm curious, and I want the FTC people to not raise their hands,  
6 how many of you actually have access to the Consumer Sentinel Network?

7 Okay, good, I have some people in the audience who are familiar. So then  
8 aside from the FTC people, you'll also be testing my knowledge today.

9 Consumer Sentinel. I want to paint this picture for you if you're a law  
10 enforcer. You've just received a complaint about a consumer fraud scheme, and you say to  
11 yourself, I have one complaint. There isn't really much I can do with it, and in fact the  
12 person being complained about or the entity being complained about is right across the  
13 country. I don't think there's much I can do with this. But there are other databases I can  
14 go to where I know people submit consumer complaints, so maybe I'll go to one of them or  
15 two of them or five of them or a hundred of them, and hopefully I'll be able to string  
16 together a pattern that's going to help me figure out if I don't have some kind of case I  
17 might be able to bring against the complainant.

18 Well, our answer is Consumer Sentinel. What we have done is we have  
19 made consumer complaints a one-stop shopping place. We take in complaints from many  
20 different governmental organizations. We take in complaints from private organizations.  
21 We take in international consumer complaints. And obviously, as probably you've heard  
22 earlier on, we take in most of our complaints in through our own call center. This is very  
23 important. Why? Because a law enforcer cannot spend the time going through all those  
24 databases, cannot spend the time trying to figure out where the patterns are when, in fact,  
25 the patterns can be put right in front of you through Consumer Sentinel.

1                   One of the nice things, though, is it's not just searching for data, it's also the  
2 ability for law enforcers in somewhat indirect way to talk to one another, to be able to find  
3 out hey, you across the country, I noticed that there's a complaint against the same person  
4 that this consumer just came in and complained about, and let's talk to one another. Let's  
5 get together. Let's put our resources together.

6                   And, as I've already been describing, consumer complaints are an incredibly  
7 valuable resource for discovering patterns and trends. One complaint alone does not  
8 necessarily a case make. 1.5 million complaints, fraud and identity theft, may indeed lead  
9 to a case.

10                  I'd like to give you a point -- I'd like for you to think about this. If you  
11 know a consumer and they were looking for a place to which to lodge a complaint, you  
12 think to yourself well, I want to have them lodge a complaint with the Consumer Sentinel  
13 folks with the call center at the FTC, but what good is that going -- is that one complaint  
14 going to do.

15                  Well, this is our 2003 annual report. It's not up on the Powerpoint. And  
16 what we reported is that last year we had over half a million complaints, consumer fraud  
17 and identity theft. So you can imagine what kind of a resource this becomes when that one  
18 complaint is combined with so many others. It's a resource not just for law enforcers but  
19 for consumers, because ultimately it protects them as well, and it educates us as to how we  
20 need to educate and assist consumers.

21                  Now I'll talk a little bit about the mechanics about the Consumer Sentinel  
22 network. It is, in fact, available to law enforcers through a restricted website. It's so easy.  
23 If you know a law enforcement agency or a law enforcement user, a detective in a fraud  
24 unit, somebody in the U.S. Postal Inspection service, whoever it may be, ask them if  
25 they're on this system. Why? Because one, and this is something I can never repeat

1 enough, it's free, and actually I'm going to repeat it, it's free and it's free.

2 Two, it's very simple to get to. It's just a matter of having a computer that  
3 connects to the internet. We pretty much do the rest for you. So it's a wonderful tool.  
4 And that's one of the things I love when I talk to law enforcement about this is they say  
5 what's the cost and how much technology do I need to buy. And I say no hidden costs --  
6 and we are the FTC, so we are the people who probably should be talking about hidden  
7 costs as much as we can -- and it is no technology is required other than your laptop, your  
8 desktop, and a connection to the internet. Wonderful.

9 How many people are actually on Consumer Sentinel right now? Good  
10 question. We have over 4,000 active users. Over one thousand law enforcement agencies  
11 throughout the United States, Canada and Australia. One of the things I like to call  
12 Consumer Sentinel is the equalizer. We have some of the smallest local police forces who  
13 can access Consumer Sentinel, and we also have some of the largest police forces, some of  
14 the largest federal agencies, all of which have equal access to these 1.5 million complaints.

15 Now you may think to yourself is this a competitive element? It is not. It is  
16 just the element that law enforcement, all -- whether you are in a small town or you're in a  
17 very large city or you're working for the federal government -- need the same access to  
18 these complaints. So they come in from various resources and they're made available to  
19 everyone. And again, I urge you, and I will urge you many times, that if you know a law  
20 enforcer, ask them if they're on this network. You can check for yourself on our public  
21 website to see if your local police force is on there. If they're not, give them a call, tell  
22 them about us.

23 I think I already mentioned there are over one and half million consumer  
24 fraud and identity theft complaints, but let me talk a little bit more about the mechanism.  
25 What we do with complaints is we're capturing data in an organization and categorized

1 fashion. In other words, we're not just going to compile a slew of information, consumer  
2 information, suspect information and comments together. We categorize it, which allows  
3 law enforcers to be able to better search on it.

4 Imagine this, you know that you want to target companies or suspects that  
5 have been praying on Spanish-speaking community. So you decide that you're going to go  
6 on the Consumer Sentinel and look for complaints. The first thing you decide is you're  
7 going to actually search by language. Fantastic, we're going to put in Spanish. We have  
8 other languages available as well, German and French, and next year actually there will be  
9 a lot of languages available.

10 What's the next thing you're going to do? Well, you're somewhere in Texas,  
11 so you put in your community. Or you're the state Attorney General's Office in Texas, so  
12 you put in Texas. In other words, what Consumer Sentinel lets you do as a law enforcer is  
13 to focus your search to find out where the companies and the consumers are that you want  
14 to, if you will, target when you're looking for suspects. This is an important element,  
15 because many times when you think about databases, the information is just there, but it's  
16 not organized necessarily. What we try and do is let law enforcement target their search.  
17 And our data is very rich.

18 If any of you have an experience in calling to our call center or submitting  
19 an online complaint form, especially an ID theft, you will note that we have many fields of  
20 information available, and we always encourage consumers, and I would encourage you to  
21 encourage consumers to fill out as much of that as possible. The richer the detail, the more  
22 it helps law enforcers.

23 I think it's also important to note that when law enforcement is searching,  
24 they frequently will not necessarily have a target. If they don't, we give them tools to be  
25 able to find those targets. And if they do have a target, for instance you are able to use

1 Spanish as your language to find complaints in Spanish and you're able to use let's say  
2 your own community or surrounding communities as well and search through that, after  
3 you find that target, you could then go back and look again at the particular companies that  
4 come up as, if you will, the top violators and search on them as well. It is a fantastic tool.

5 I'd like to tell you also that we've heard this feedback from some of our  
6 users. In fact, one of the other things I should point out to you is -- I already pointed out to  
7 you the national report. There are many times when we, ourselves, as well as other law  
8 enforcers will report on a case they just brought in a press release. Behind the scenes,  
9 playing a large role, is Consumer Sentinel. It may be the thing that is the tip of the iceberg  
10 because one day somebody just decided to go on and focus their search in a particular way  
11 and they discovered a company they knew nothing about in their backyard and it winds up  
12 is praying on victims.

13 I'd like to think that -- actually, I want to tell you that the press conference  
14 we had a few weeks ago on the cases that we released regarding the Spanish-speaking  
15 community, a number of those were developed with a lot of assistance from Consumer  
16 Sentinel complaints.

17 This, by the way, is my first experience using Clip Art. I hope you all like  
18 it.

19 Let me talk a little bit more about the other tools, because I say that  
20 Consumer Sentinel is so much more than a database. So if you're a law enforcer, the last  
21 thing you want to do is step on another law enforcers' toes when you're going after a  
22 suspect. And in fact, wouldn't it be nice if you knew somebody else was looking at a  
23 particular suspect, because then you could work together. Many times resources are  
24 developed outside of Sentinel but you would never know it but for the fact that you get an  
25 alert.

1                   What is an alert? Very simply put it's the ability for law enforcers to just  
2 put a flag on a piece of information about a suspect. It's going to come up in nice big red  
3 letters and tell me that in fact somebody else is looking at ABC, Inc. and maybe I should  
4 contact them, find out where they are with the case.

5                   It's again the them that we're trying to bring the law enforcement  
6 community together. We're trying to promote cooperation as much as possible.

7                   Auto query. Simply put, we like law enforcers to know that they don't  
8 always have to get onto Consumer Sentinel every single day to search. So they set an auto  
9 query.

10                  A Secret Service agent that used to be called to our office called it set it and  
11 forget it. It would be nice if we could do more things like that in life, but we try and help  
12 you out here on Consumer Sentinel.

13                  Trend and ad hoc reports. As I said before, we produce many reports  
14 through our data analysts, but also right on Sentinel users can get on and find out who the  
15 top violators in a certain state or actually in other areas by regions. So it's a nice tool to  
16 have because it can help you start on an investigation when you don't necessarily have a  
17 target. And you could categorize it also by what we call our product service codes which  
18 are essentially the crux of our complaints, the product of service being complained about.

19                  National tape library index. Are any of you familiar with the national tape  
20 library? FTC folks, you can't participate in this. Okay, good.

21                  The national tape library is an amazing resource. it is a library of  
22 something close to 20,000 tapes of cold call marketing calls. And essentially they're made  
23 by undercover people, sometimes just by folks recording calls. They submit them to the  
24 national tape library, which is now managed by the U.S. Postal Inspection Service, and we  
25 have made the index available through Consumer Sentinel. It's a fantastic tool to be able

1 to back up what you're already doing in your searches.

2 Law enforcement contact information of the 4,000 and some odd law  
3 enforcers who are actually able to access Consumer Sentinel, all they're contact  
4 information is there readily available for other law enforcers.

5 And finally, we have reference materials. We have various investigative  
6 manuals for different topics. And I think it's important to note that we're always open to  
7 adding more in.

8 I want to say the one other tool we're consider to put on the future is a sort  
9 of a bulletin board or chat room tool, and that will allow certain communities of law  
10 enforcers to be able to talk to one another, if you will, real time so that they can convey  
11 more than just an alert on a case but say hey, there's something going on here, we think we  
12 should talk about. Maybe a number of us in this region need to get together to converse  
13 about it.

14 I think it's worth mentioning, although I'm sure it's been gone over before in  
15 this conference, but I just want to bring up the topic of how we collect complaints and how  
16 we assist consumers because this goes so hand-in-hand with the Consumer Sentinel law  
17 enforcement side. And it's important to remember that all of these efforts are being done  
18 to protect consumers.

19 With respect to collecting complaints, we've already let you know that we  
20 have Spanish speaking consumer counselors, that we have Spanish online complaint forms,  
21 and we take in Spanish language complaints from external contributors.

22 One thing that maybe someone hasn't said to you is we talk about  
23 complaints and we make it sound like we're talking about is -- and we are most of the time  
24 -- a victim, somebody's been victimized by a fraud culprit or an identity theft victim. But  
25 also if you or someone you know spots a scam and doesn't necessarily fall prey to it, they



1 should report that to us. So many times you may get an e-mail that you think is deceptive  
2 or that you see as an attempt at somebody taking your personal identifying information,  
3 encourage folks to enter those kinds of complaints, because that information is as helpful  
4 to us as the information that we receive from victims of the crimes themselves.

5 And of course, I have our FTC help ID theft numbers up here and our  
6 websites in which you can lodge online complaints. Obviously, I think you've heard this,  
7 we provide victim assistance and consumer education for Spanish-speaking as well as all  
8 other consumers when they call us or when they send us complaints online. And what's  
9 nice about when they call us is it's real-time help. Our counselors are able to give them  
10 assistance right there on the spot. And even if you send in an online complaint -- and we  
11 love it when people do that -- we send you materials in response to your complaint. I think  
12 it's helpful for law enforcement also to know that because they know that this is a place  
13 they can send consumers but not only with a complaint in terms of what they can do with  
14 their investigations, but it also counts for us assisting the consumers, which hopefully  
15 helps law enforcement in their role.

16 Finally, provide Spanish language consumer education materials for law  
17 enforcers. We provide many materials for law enforcers to distribute. Leon mentioned  
18 before the Economic Crime Summit. We'll be there as well, and we have many materials,  
19 many of them in very, high, high demand. Our Office of Consumer and Business  
20 Education cannot get them printed out fast enough.

21 Anyway, I hope that what I have told you today is a lesson about what we  
22 can do to help consumers whether or not you're a law enforcer. The idea behind Consumer  
23 Sentinel is provide an environment for law enforcers to be able to interact, work together  
24 in a cooperative manner. Also the idea behind this is ultimately to help consumers in a  
25 way in which they can receive assistance both from us and also assistance from the

1 complaints that they put in as well as the complaints put in by others in order to further  
2 investigations and cases brought by the FTC and many other agencies which have access  
3 to Consumer Sentinel.

4 I want to thank you again for taking the time out to come to this conference  
5 and the organizers for letting me speak today. Thanks.

6 (Applause.)

7 MS. GREISMAN: We have time for one or two questions. I want to  
8 underscore something that Jay mentioned. Each week, and that's seven days, the Federal  
9 Trade Commission receives some 30,000 contacts from consumers nationwide and  
10 including Canada, and it is from that rich pool that we derive the complaints. Complaints  
11 can constitute anywhere from 40 to 60 percent of those contacts, even by mail, mostly  
12 telephone and online. So there is a huge source that is pooled into the cybertool.

13 We have time for one or two questions if there are any.

14 QUESTION: One of the things we were talking about (inaudible) among  
15 Hispanics to go to law enforcement because they feel -- for any number of reasons. So the  
16 question is, what about Sentinel makes it a more agreeable or the FTC's online or phone  
17 complaint center that makes it perhaps more accessible to folks who might not otherwise  
18 go to law enforcement?

19 MR. MILLER: Well, as I said, I think one of the things to emphasize is if  
20 you will the real-time advice we're able to offer and offer it in Spanish. In essence, what  
21 we can do -- and you know, it's not -- it's the Spanish-speaking community, but there are  
22 many people who sometimes don't want to necessarily discuss the fact that they have been  
23 victims of fraud. They're reluctance to do so maybe stops them from going to law  
24 enforcement.

25 What's important to remember is that what we can do is provide assistance

1 right there on the spot, that we can provide materials that are available to them. And one  
2 of the nice things is we let them tell their story, and I think that that's very helpful for them  
3 as well as the fact that ultimately this does become something that's accessible by law  
4 enforcement.

5 QUESTIONS: (Inaudible)

6 MR. MILLER: Well, yes. One thing I didn't -- i should go -- what I said  
7 before was I would encourage you as consumers and as people to encourage consumers to  
8 put in as much information as they necessarily want -- as they can. But one of the things  
9 that they don't necessarily have to do is put in that much information. In fact, they can  
10 remain anonymous if they so like, which obviously walking up to law enforcement office  
11 you're not going to be able to do. So it's really as much information as you want to put in.

12 MS. GREISMAN: Thank you very much. One last question.

13 QUESTION: (Inaudible)

14 MR. GETER: I think we need to -- Laura, do you want to chime in on that,  
15 immigration status. I'm trying to recall.

16 MS. IVKOVICH: I don't believe that that is (inaudible) ability to file a  
17 claim (inaudible). I don't believe that affects the ability to file (inaudible). There are other  
18 things that might affect somebody's ability to receive compensation for out-of-pocket loss  
19 and that is whether or not they do file with law enforcement and whether or not they do so  
20 in a timely manner. Sometimes that timeframe is designated at about a year after the crime  
21 has been committed or after it's been known to have been committed and reported. So  
22 there are other restrictions, but I don't believe that that is one of them.

23 QUESTION: (Inaudible)

24 MS. IVKOVICH: Each state has its own administrative rules on how it  
25 handles the administration of the funds, and the Governor's office is usually -- designates

1 which state agency is going to administer and then they promulgate the rules statewide for  
2 how they are going to do that.

3 QUESTION: (Inaudible)

4 MS. IVKOVICH: There is no federal requirement that says you must have  
5 a social security number to file your complaint, no.

6 MS. GREISMAN: I want to thank each of our panelists and turn the  
7 program back over to Laura Koss.

8 (Applause)

9 MS. KOSS: Now we're going to be moving into our breakout groups, and  
10 each person at the workshop on their name tag has been assigned a number one through  
11 eight. So we're going to break out into groups according to that number. Hopefully it will  
12 work. If not, we'll have to do some rearranging at the last minute.

13 Each group is going to be moderated by an FTC moderator and a guest  
14 moderator, and we're going to be  
15 asking a series of questions, and at the end we're all  
16 going to come back and report our findings to the entire group.

17 (Whereupon, at approximately 2:15 p.m. the workshop was concluded.)  
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CERTIFICATION OF REPORTER

CASE TITLE: HISPANIC OUTREACH FORUM

HEARING DATE: MAY 13, 2004

I hereby certify that the transcript contained herein is a full and accurate transcript of the tapes transcribed by me on the above cause before the FEDERAL TRADE COMMISSION to the best of my knowledge and belief.

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I hereby certify that I proofread the transcript for accuracy in spelling,  
6 hyphenation, punctuation and format.

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DIANE QUADE