

Military and Veterans Consumer Guide

A GUIDE FOR SERVICE MEMBERS AND THEIR FAMILIES



Missouri Attorney General
JOSH HAWLEY

Introduction

On behalf of all Missourians, thank you for all that you do to keep our nation safe. Your dedication to our country and the sacrifices you make on our behalf is very much appreciated. The Missouri Attorney General's Office is committed to protecting those who protect us.

One of my goals is to help Missouri's active-duty service members, reservists, and veterans avoid becoming the victims of consumer fraud. Scam artists often target members of the military and their families because of the extraordinary demands that military service can place on them, both domestically and overseas. My goal is to help you identify potential scams before you become a victim and to provide you with information regarding who to contact if you are scammed.

While there are many types of consumer fraud, this booklet focuses on the types of scams that commonly target service members and veterans.

I hope you find this guide informative and helpful. Thank you for your service to this great nation.

Sincerely,



Joshua D. Hawley
Attorney General

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Servicemembers Civil Relief Act

The most effective tool providing protection to military members is the Servicemembers Civil Relief Act (SCRA). Some of the key components of the SCRA include:

- Protection against default judgments
- Stays of civil and administrative proceedings
- Extensions on time limits for filing lawsuits
- Stays of eviction proceedings
- Protections against foreclosure on residential property
- Residential lease termination rights
- Automobile lease termination rights
- Cellular telephone contract termination rights
- Six percent interest cap on consumer debt incurred prior to entry on active duty

Photo courtesy of U.S. Marines



General Consumer Fraud

Service members are subject to the same scams as the general public, but sometimes they and their families may be more vulnerable. Because of this, scam artists may target areas with large numbers of military personnel.

It is unlawful in Missouri for any person selling merchandise to engage in misrepresentation, fraud, deceptive acts, unfair practices, or to conceal material facts from consumers in that sale or advertisement. There are many types of scams that fall into these categories.

A more complete description of specific scams can be found in the Missouri Attorney General's booklet *Know Your Rights*, which can be found on our website www.ago.mo.gov/other-resources/publications. It is important that you report any suspected scam or unlawful business practice to the Consumer Hotline at 800-392-8222.

CONTACT

Please contact your service's Judge Advocate General's Office or a private attorney for guidance as to how the SCRA's protections apply to your specific circumstances.

Predatory Lending

Predatory lending involves loans that often have excessive fees, have extraordinarily high interest rates, and can have prepayment penalties.

Many consumers who enter into predatory loans find that they cannot repay their loans and are required to borrow more money, often from a predatory lender. For example, after adding finance charges, interest, and fees, a typical two-week payday loan often charges an annual percentage rate (APR) over 400%. With such high costs, borrowers can find themselves caught up in a circle of debt from which it is difficult to escape.

There are several different types of predatory lenders that often target military members. These include payday loans, title loans, tax refund anticipation loans, and short-term loans.

Under the Military Lending Act, a service member cannot be charged more than 36% interest on some types of consumer loans. This interest rate cap includes interest and fees as well as some ancillary “add on” products such as a charge for credit default insurance.

Financial assistance programs are available to service members encountering financial hardship. Check to see what specific programs are offered by your branch of service. Military OneSource (www.MilitaryOneSource.mil) is also a good place to start.

For additional assistance, contact the Missouri Attorney General’s Office Consumer Hotline at 800-392-8222.

Debt Collectors

Scammers are known to pose as debt collectors in order to try to get service members or members of their family to send money to pay-off a debt that was paid long ago or that may not have ever existed. This scam often starts with a telephone call regarding an allegedly unpaid debt and may include threats to report the debt to a commanding officer. The scammer will try to pressure the victim to send payment information over the telephone or send money through a service similar to Western Union or MoneyGram.

In other cases, debt collectors might contact you regarding a legitimate debt that you owe. Some debt collectors, however, use inappropriate or illegal tactics to attempt to scare you or a family member into paying.

Photo courtesy of U.S. Army



Fair Debt Collection Practices Act

The Fair Debt Collection Practices Act (FDCPA) prohibits debt collectors from using illegal tactics to collect money from consumers. For example, debt collectors may not:

- Lie about the name of the company collecting the debt
- Threaten physical violence against you or your family
- Call you on the phone frequently for the purpose of annoying or harassment
- Contact you at inappropriate times or places (such as at work)
- Say that they are lawyers or work for a government agency unless it is actually true
- Be untruthful or inaccurate about the amount of money you owe
- Threaten you with arrest if you don't send them the money they say you owe

FDCPA

More information regarding the FDCPA is available on the Federal Trade Commission's website at:
www.consumer.ftc.gov/articles/0149-debt-collection

HOW YOU CAN PROTECT YOURSELF

- Know the debts that you owe and become familiar with the rules that debt collectors must follow.
- Always make sure that the debt collector is who he says he is:
 - › Get the name of the person with whom you're speaking and the name of the company he works for
 - › Make sure you get the name of the company to which the debt is supposedly owed
- Do not send money to pay a debt until you are certain it is a debt you actually owe.
 - › If you actually owe the debt, try to speak directly with the company to which you owe the money
- Be very skeptical of requests that you pay a debt through Western Union, MoneyGram, or another wire transmittal service. These services are often used by scammers and may result in additional fees.

- Report debt collection scams to the Missouri Attorney General's Office at www.ago.mo.gov, the Federal Trade Commission (FTC) at www.ftc.gov, or the Consumer Financial Protection Bureau (CFPB) by calling 855-411-2372 or online at www.consumerfinance.gov/service/members/.
- For additional assistance and resources, contact the Missouri Attorney General's Office Consumer Hotline at 800-392-8222.

Photo courtesy of U.S. Air Force



Mortgage Rescue Fraud

For a number of reasons, homeowners can find themselves in difficult financial circumstances that can cause them to fall behind on their mortgage. There are businesses, often referred to as foreclosure consultants, that target these homeowners with high pressure sales tactics and promises of being able to obtain a mortgage modification or save the consumer's home from foreclosure. Sadly, these proposed services are often scams. Some of these businesses may operate through the Internet, but service members are also targeted through unsolicited telephone calls and the mail.

Scammers may pose as a law firm to make you think that, because they are lawyers, they can guarantee you a mortgage modification. Often, these mortgage rescue businesses request upfront fees before any work is performed. The business may advise you to stop making a mortgage payment to their original lender or mortgage servicing company and to only pay them. Once the fee is paid, the scammer disappears without providing meaningful services.



WHAT TO LOOK OUT FOR

- Advice that you stop making your mortgage payment or pay the foreclosure consultant instead of paying your monthly mortgage payment
- Offers to perform legal work from a lawyer who is not licensed to practice law in Missouri. You can check to see if a lawyer is licensed to practice law in Missouri by contacting the Missouri Bar at 573-635-4128 or online at www.mobar.org/
- Advice that you should stop working with your lender and only deal with the foreclosure consultant
- Requests that you pay money to someone for helping modify your mortgage or save your home from foreclosure before all work has been performed
- Demands from the foreclosure consultant that you make your payments via wire transfer or by signing-up for automatic withdrawals from your bank account

Remember, if you stop making your monthly mortgage payments your home may go into foreclosure. Help for homeowners is available without charge through the Making Home Affordable program. Get more information by going to www.makinghomeaffordable.gov or calling 888-995-HOPE (4673) and finding a housing counselor in your area who has been approved by the U.S. Department of Housing and Urban Development (HUD).

In Missouri, it is illegal in most cases for a foreclosure consultant or mortgage rescue business to charge any fees before all work has been performed. Please report these mortgage rescue scammers to the Missouri Attorney General's Office Consumer Hotline at 800-392-8222.

Education Fraud

Missouri has many options for service members and veterans seeking to achieve their educational goals. Today's world has also seen an increase in on-line and for-profit colleges and educational institutions that may offer additional convenience. It is important to know that not all of these institutions and programs are equal. The education benefits provided for current and former service members can make them a target for scammers.

Some for-profit academic institutions have provided misleading information to potential students regarding accreditation, graduation rates, job placement rates, and transferability of credits. Their goal may be to make money using your federally guaranteed student loans and GI Bill benefits, rather than to provide you with a quality education. A poor quality education may leave you with a lot of student debt and a certificate or degree which is not helpful in the military or the civilian job market.

PROTECT YOURSELF AND YOUR FUTURE

- Be on the lookout for sales tactics from educational institutions that pressure you to make a decision right away. This is your future. Take your time and look at all options that are available to you. There are many public and private non-profit institutions of higher learning in Missouri that may be a perfect fit for your educational goals.
- Find out if the school is accredited by the U.S. Department of Education. The Missouri Department of Higher Education is a good resource for information about schools in Missouri and can be reached at 800-473-6757 or <http://dhe.mo.gov/>.
- Some students plan to attend a for-profit school and then transfer those credits earned to a different school to complete their degree. Be sure to contact the school to which you intend to transfer credits (the second school) to make certain that it will accept credits from the for-profit school.
- Check with your branch of military service to make sure it will recognize, or give you credit for, a degree earned at a school you plan to attend.
- Contact the Missouri Attorney General's Office at 800-392-8222 if you believe you have been subjected to education fraud.

Residential Rental Scams

Military members are required to frequently relocate to unfamiliar places. This can make service members the target of residential rental scams.

A common scam is when a rental property is advertised with monthly rent that may be considered a great deal for the location. The listing may include very convincing details such as photos of the house or apartment being offered for rent.

The scammer pressures the service members to pay a deposit before having a chance to view the property in person, and then disappears. The advertised property doesn't actually exist and the scammer is nowhere to be found. Free internet sites such as Craigslist, or similar web sites, are often used in this type of scam.

HOW TO PROTECT YOURSELF

- Do not be pressured into signing a lease or sending money by wire transfer or any money transmittal services. Take your time and make sure you're dealing with a reputable landlord.
- Do not send money to someone you have never met for a rental property you have not seen and inspected.
- Conduct research ahead of time for trustworthy real estate and rental options when looking for housing in unfamiliar locations, including checking the Better Business Bureau.
- Call ahead to your new duty station and ask about any assistance that your command or military installation provides in locating off-base housing.
- Speak to fellow service members at your new duty station about the local area and get tips on where to find off-base housing.

Landlord-Tenant Law

The best way to avoid problems with a landlord is to make sure the lease is clear about your responsibilities and the landlord's. Put **in writing** who has to mow the lawn, fix a clogged sink, pay utility bills, etc.



RENTAL LEASE

Put **in writing** who has to mow the lawn, fix a clogged sink, or pay utility bills.

A landlord cannot require more than two months' rent as a security deposit and has 30 days to return the security deposit after the lease ends. Provide the landlord with your new address and telephone number so they can contact you to do a final walk through of the rental premises to view any damages. If damages are claimed and all or part of the security deposit is not returned, the landlord must provide a list of damages to be paid from the deposit.

A lease should state which repairs are the landlord's responsibility and which are the tenant's. A tenant cannot legally withhold rent payments until repairs are completed. You can be evicted if you do so. If a home becomes unsafe, the tenant should contact local health or housing authorities.

A landlord cannot evict a tenant without a court order. The landlord may begin eviction proceedings for a number of reasons, including damage to the property and the failure to pay rent. The tenant must be given notice if an eviction lawsuit has been filed and have the chance to be heard in court before any eviction can be ordered.

More detailed information is available in the booklets “Know your Rights” and “Missouri’s Landlord-Tenant Law” published by the Missouri Attorney General’s Office. They are available online at www.ago.mo.gov.

SPECIAL PROTECTIONS FOR SERVICE MEMBERS

Active duty members of the armed forces may end a lease with 15 days’ notice if they:

- Receive a permanent change of duty station
- Receive temporary duty orders (TDY) to a station at least 25 miles away for 90 days or more
- Are discharged or released from active duty
- Are ordered to live in government-supplied quarters

Under these conditions, a tenant is entitled to a full refund of the security deposit if other lease provisions have been met. Tenants may have additional rights under the Service Members Civil Relief Act.

Photo courtesy of U.S. Navy



Identity Theft

One of the fastest growing crimes in the United States is identity theft. Identity theft is a form of taking, accessing, or using someone's personal information, such as their name, social security number, account number, or payment card number, without their permission, pretending to be someone else by assuming another's identity, or creating a fake identity or account.

TYPES OF IDENTITY THEFT

1. Financial identity theft occurs when someone uses another's identity to obtain money, credit, goods, or services.
2. Tax fraud identity theft occurs when an identity thief uses a taxpayer's stolen identity to file a fraudulent return and claim the identity theft victim's tax refund.
3. Medical identity theft occurs when someone uses another's identity to obtain medical care or drugs.
4. Insurance identity theft occurs when someone uses another's information to obtain insurance coverage or benefits or to obtain health care services and products. Auto insurance, personal property insurance, and health insurance are all subject to abuse.
5. Synthetic identity theft occurs when someone uses various data elements of others in order to create a synthetic, or fake, person.
6. Driver's license identity theft occurs when someone obtains a driver's license using another's personal information.
7. Criminal identity theft occurs when someone poses as another person when being investigated or apprehended for a crime.
8. Social Security identity theft occurs when someone uses another's Social Security Number (SSN) to apply for government benefits, open bank and credit card accounts, apply for a loan or utility service, or rent a place to live. This can apply to a child's SSN as well as an adult's.

PREVENTING IDENTITY THEFT

- Use a paper shredder to destroy financial documents or other documents with personal information.
- Don't carry your Social Security card with you or write it on a check. Place the card in a safe place, and only give your number out when absolutely necessary.
- Don't share personal information with anyone you don't trust. Before sharing it with businesses or at the workplace, ask why they need it, how they will safeguard it, and the consequences of not sharing.
- Don't over-share on social networking sites. Consider limiting access to only a small group of people. Never post information that could identify you, like your Social Security number or your full name, on websites that

the public can access. Don't post the year of your birth if you decide to post your birthday.

- Change your passwords every 60 days and make them strong by using a combination of upper case letters, lower case letters, numbers, and symbols.
- Order a free copy of all three credit reports from www.annualcreditreport.com or on the CFPB website. You are entitled to one free report each year from each of the three major bureaus. Consider making these requests throughout the year so that you can review an up-to-date, free credit report once every few months.
- Have your mail sent to a post office box or get a locking mailbox. Also take outgoing mail to the post office.
- Use virus protection and a firewall program to prevent your computer from being accessed by others, and keep them up to date. Run your virus scan on a regular basis.
- Keep your personal information in a secure place at home.
- Opt out of pre-approved credit card offers and receive fewer solicitations at home by calling 888-567-8688 or visiting www.optoutprescreen.com.
- Destroy the labels on prescription bottles before you throw them away. Don't share your health plan information with anyone offering free health services or products.
- Password protect your cell phone and other devices.
- Read any notices that are sent to you by mail that describe the way your data might have been exposed in a data breach. If you need help understanding the letter or want to confirm that the notice is real, you can contact the Missouri Attorney General's Office at 800-392-8222.

Photo courtesy of MO Air National Guard



WHAT VICTIMS CAN DO

- Order a copy of your credit report for each of the 3 credit reporting agencies from www.annualcreditreport.com or on the CFPB website.
- Dispute any fraudulent charges or accounts promptly.
- Place a fraud alert on your credit report with the credit reporting agencies. This tells creditors to follow certain procedures before they can open new accounts in your name or make changes to existing accounts. Calling and alerting one bureau will place an alert to all three.
- Close any accounts that you think have been tampered with or opened fraudulently.
- Change all of your passwords, especially if you use the same password on multiple websites.
- Call the security or fraud departments of each company where an account was fraudulently opened or changed without your permission.
- Complete a Victim's Complaint and Affidavit form.
- Keep a log of all your actions, including all telephone calls, letters and other documents, and note any deadlines that you encounter.
- Block any fraudulent information from your credit report.
- If you've become a victim of identity theft, file a police report with your local police or sheriff's department.
- File a complaint with the Attorney General's Office at www.ago.mo.gov.

Photo courtesy of U.S. Air Force



Charity Scams

Some unscrupulous scam artists have posed as charities to steal money from those wanting to help the less fortunate. Scam artists have also posed as military veterans or claimed to be raising money to help veterans, only to pocket the donations.

QUICK FACT

Many charities and non-profits hire professional telemarketers who may take a portion of your donation as a fee. In some cases, the telemarketer may take up to 80% of your donation.

Most consumer advocates suggest giving to charities that spend no more than 35% on telemarketing and other administrative fees.

HOW TO PROTECT YOURSELF

- Research a charity before you donate money. Be wary of sound-alike groups
- Never give out personal information
- Use the Missouri Attorney General's Office "Check a Charity" at www.ago.mo.gov/civil-division/consumer/check-a-charity to see if a charity has registered with the Office
- If you are unsure, ask how the charity will use your donation and what proportion may be spent on its administrative and fundraising expenses

VA Benefit Scams

Some military veterans and family members have been contacted by scam artists who say they must pay a fee to obtain their Department of Veteran's Affairs (VA) benefits. Scammers may offer assistance with filing disability claims or obtaining other benefits from the VA for a fee. Scammers often imply they are affiliated with a government organization.

No fee is required to obtain any VA benefit. Additionally, there are numerous veterans service organizations that provide free assistance to veterans who need help obtaining their VA benefits or who have questions about the VA.

If you are contacted by one of these scammers you should contact the Missouri Attorney General's Office at 800-392-8222.



Resources

Agency	Services Offered	Phone/Web
STATE AGENCIES		
Attorney General's Office	Handles complaints against businesses for deceptive or unfair sales, advertising practices & charitable solicitations. Offers online complaint form & allows consumers to lookup complaints filed against a business. No Call List & Hotline also available to reduce telemarketing calls.	Consumer Protection: 800-392-8222 No Call Hotline: 866-662-2551 www.ago.mo.gov
Crime Victims' Compensation Program	Provides financial assistance to violent-crime victims or their dependents.	573-526-6006 800-347-6881
Department of Health & Senior Services	Investigates reports of abuse, neglect or financial exploitation.	573-751-6400
Division of Finance	Handles complaints about mortgage bankers, credit bureaus, payday & title loan stores & other lenders.	573-751-3242
Department of Insurance, Consumer Affairs	Handles complaints regarding insurance companies and will verify credentials of insurance sales representatives.	800-726-7390
Public Service Commission	Investigates complaints against public utilities and manufactured housing (such as mobile homes) defects.	800-392-4211
Office of Chief Disciplinary Counsel	Processes complaints against attorneys in Missouri.	573-635-7400
Secretary of State	Toll-free hot line handles complaints and inquiries about stockbrokers, broker-dealers and investments. Provides information on registrations of corporations, fictitious names and benevolent organizations.	800-721-7996 573-751-4153

Agency	Services Offered	Phone/Web
FEDERAL AGENCIES		
Americans with Disabilities Act	Information line provides information on federal guidelines for the disabled.	800-514-0301 TTY: 800-514-0383 www.ada.gov
U.S. Dept. of Veterans Affairs	Provides information on numerous VA benefits & programs that include education, home loans, & health care.	800-827-1000 www.va.gov/care/
Federal Trade Commission	Provides information on consumer protection, tips for consumers, & allows consumers to file complaints against a business.	877-382-4357 TDD-TTY: 866-653-4261 www.ftc.gov/
Federal Information Center	Provides phone numbers & general information about federal agencies & programs.	800-333-4636
Labor Dept., Wage & Hour Division	Handles wage disputes.	866-487-9243 Kansas City: 913-551-5721 St. Louis: 314-539-2706
Social Security Admin.	Provides information on retirement, disability & benefits for dependents & survivors.	800-772-1213 TTY: 800-325-0778

Agency	Services Offered	Phone/Web
MILITARY AGENCIES		
U.S. Armed Forces Legal Assistance	Online form that service members can use to locate nearby military installations offering legal services.	http://legalassistance.law.af.mil/content/locator.php
U.S. Army Judge Advocate	Provides education, information and legal services to soldiers.	703-693-0000 https://www.jagcnet.army.mil/legal
U.S. Navy Judge Advocate	Provides in-depth information, downloadable documents & descriptions of legal services.	202-685-5275 www.jag.navy.mil/legal_services.htm
U.S. Air Force Judge Advocate	Provides information on legal services to the Air Force & it's members.	www.afjag.af.mil/
Coast Guard Judge Advocate	Provides advice & information regarding legal issues to service members, dependents & retirees.	www.uscg.mil/legal/la/legal_assistance_home.asp
MilitaryOne Source	Offers help to active duty & reserve service members & their families.	800-342-9647 www.militaryone-source.mil/

Agency	Services Offered	Phone/Web
PRIVATE AGENCIES		
AARP	Provides resources & promotes programs & issues of interest to seniors.	888-687-2277
BBB Wise Giving Alliance	Provides information on national nonprofit organizations.	703-276-0100
Better Business Bureau	Handles consumer complaints throughout Missouri. Offers free mediation services for disputes between customers and businesses.	Kansas City: 816-421-7800 Springfield: 417-862-4222 St. Louis: 314-645-3300
Better Business Bureau Military Line	Provides information, education & outreach to military communities.	703-276-0100
Missouri Bar	Provides free information on legal matters such as probate, wills, bankruptcy & finding legal help.	573-635-4128
Missouri Bar Lawyer Referral Service	Provides lawyer referrals in your area. There is a fee.	Greene County: 417-831-2783 Statewide: 573-636-3635
Missouri Victim Assistance Network	Nonprofit organization advocates for fair treatment of crime victims.	800-698-9199



**OFFICE OF ATTORNEY GENERAL
JOSH HAWLEY**

P.O. Box 899
Jefferson City, MO 65102
573-751-3321
www.ago.mo.gov

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