

ARTICLES FOR 6-16-16 ROUNDUP

Montana Motor Vehicle Division Receives Prestigious Awards

The Montana Department of Justice today announced its Motor Vehicle Division (MVD) recently received two awards from the American Association of Motor Vehicle Administrators (AAMVA).

“Our Motor Vehicle Division has worked hard to offer outstanding customer service and convenience to the public, to Montana’s auto dealers, and to our law enforcement community,” said Attorney General Tim Fox. “I’m pleased our MVD team has been recognized for its efforts to integrate technology and best practices to offer tax payers improved and efficient services.”

The first honor MVD received from AAMVA was its Customer Convenience Award for MVD’s Drivers Services Appointment Scheduling System. This system replaced an outdated program with an on-line system that’s mobile friendly and enables customers to schedule, change, or cancel their appointments. The new system includes text message and email notifications and reminders, links to MVD’s web page, and is easy to use for both customers and staff.

Secondly, AAMVA honored MVD with the Improvement through Efficiencies Award for the division’s Montana Vehicle Dealer Licensing Efficiency Project. MVD Administrator Sarah Garcia said, “In the past, licensing Montana vehicle dealers was a paper-intensive and time consuming process involving multiple MVD employees. We’ve redefined the vehicle dealer licensing business process, applied a practical, already in-place technology that enabled dealer licensing files to be electronically exchanged, and allowed access to the same files to our staff so they can work through the licensing process simultaneously with our customers.”

In 2015, MVD processed over 220,000 total cards, which includes standard licenses, commercial licenses, and identification cards for Montanans. In that same timeframe, MVD also licensed 1,146 vehicle dealers in the state. To access MVD’s services, visit <https://dojmt.gov/driving/>.

Attorney General Statement on Ute Tribe Agreements

SALT LAKE CITY June 14, 2016 – Utah Attorney General Sean Reyes released the following statement today about certain agreements signed by Utah and the Ute Council:

“It was an honor to visit Chairman Shaun Champoos and other members of the Ute Council in their offices and on their sacred land to sign these historic agreements. I applaud the Ute Tribe, county commissioners, law enforcement leaders, the Governor and his team and all in the Attorney General's Office who have worked so diligently over the years to re-establish these accords.

"While each of the parties acknowledges that there remains issues to resolve, today's signing is a significant move in the right direction, toward mutual understanding, cooperation, health, safety, prosperity and respect.

"With the support of Governor Herbert, legislators and commissioners, we are making available to the Tribe training and education resources for their law enforcement personnel, intervention resources for teen suicide and drug addiction and any other resources of the Utah Attorney General's Office that may assist the Tribe in whatever manner seems best to them.”

Attorney General Kamala D. Harris, 9 States and the District of Columbia Send Letter to the Senate Armed Services Committee Opposing Amendment that Weakens Existing Protections of Military Personnel from Predatory School Recruitment Practices

LOS ANGELES - Attorney General Kamala D. Harris and the Attorneys General of Connecticut, District of Columbia, Hawaii, Iowa, Maine, Maryland, Massachusetts, Minnesota, New York, Pennsylvania, and the State of Hawaii, Office of Consumer Protection yesterday sent a letter to the Senate Armed Services Committee expressing opposition to an amendment to the National Defense Authorization Act (NDAA) proposed by Senator Joe Manchin (D-WV) that would allow any college approved for military tuition benefits to have unrestricted access to recruit on military bases.

“Predatory schemes targeting veterans are unconscionable,” said Attorney General Harris. “The proposed amendment would weaken current rules intended to protect our servicemembers, and harm veterans by making them vulnerable to fraud and exploitation. We must protect our nation’s veterans and servicemembers from predators who would exploit them for their educational benefits.”

Under existing standards, educational institutions already have sufficient access to military installations, especially for counseling purposes. This amendment would weaken the existing protections and leave veterans and servicemembers more susceptible to aggressive and deceptive recruiters on military properties.

Attorney General Harris and the other state attorneys general also point out that current protections are indeed insufficient and should be strengthened to ensure that servicemembers are able to perform their duties free from harassment by unscrupulous recruiters.

In issuing this letter, the attorneys general join a number of military and veterans service organizations as well as other advocacy organizations in voicing concerns over the amendment. These organizations have noted their opposition in the following letters: <http://veteranseducationsuccess.org/s/Letter-to-Manchin-re-NDAA-43d5.pdf>

<http://veteranseducationsuccess.org/s/Letter-to-McCain-Reed-re-NDAA-Manchin-Provision-arm9.pdf>

This letter is Attorney General Harris’ latest effort to protect veterans from targeted scams and predatory practices. In March of this year, Attorney General Harris obtained a \$1.1 billion default judgment against Corinthian Colleges, which targeted servicemembers and veterans and illegally used the seals of the military services in its marketing materials. Attorney General Harris and seven states also sent a letter to the Department of Veterans Affairs urging VA Secretary Robert McDonald to take steps to ensure that veterans are given accurate information about the risks associated with using their benefits at predatory schools like the now-defunct Corinthian Colleges, Inc.

Last year, Attorney General Harris issued a consumer alert warning veterans and their survivors to be on alert following a rise in reported pension poaching scams, and last Friday, in honor of Memorial Day, issued consumer tips to help California servicemembers and veterans protect themselves from common scams. In November 2015, Attorney General Harris announced a stipulated judgment against JPMorgan Chase over allegations of credit card debt-collection abuses that violated the Servicemembers Civil Relief Act and the California Military Veterans Code and

required the payment of restitution to servicemember-victims nationwide. The Attorney General's office has also provided training and support to military legal assistance attorneys on consumer protection issues.

Attorney General Cynthia H. Coffman Returns Nearly \$8 Million to Victims of Unlawful Lending

DENVER—Colorado Attorney General Cynthia H. Coffman announced today that 5,000 Colorado consumers will share in millions of dollars after several lenders were ordered to repay excessive and illegal loan costs.

The Attorney General's Office reached a settlement agreement with CashCall, Inc., WS Funding, LLC, Delbert Services Corporation, and J. Paul Reddam to resolve allegations that they made, serviced, and collected high-cost loans in violation of Colorado's consumer credit protection laws. According to the Attorney General, Defendants made, serviced, and collected personal loans - some of which had annual percentage rates exceeding 355% - to over 5,000 Colorado consumers. In the most egregious cases, consumers paid over five times the amount they borrowed in unlawful fees and interest.

The consent judgment entered by the Denver District Court requires Defendants to pay \$7,384,005.12 in disgorgement and restitution. Attorney General Coffman is sending that money back to impacted consumers. The defendants also are permanently prohibited from directly or indirectly servicing, collecting, or attempting to service or collect consumer loans in Colorado.

"I am pleased to be returning money to Coloradans who were ripped off by these unscrupulous operators," said Coffman. "This is not the way we do business in our state."

This is the second settlement that the State of Colorado reached in connection with these loans. Defendants had an arrangement with Martin A. "Butch" Webb and his company, Western Sky Financial, LLC, that required Defendants to take assignment of the unlawful and usurious loans immediately after Western Sky originated them. In January 2014, the Denver District Court entered a consent judgment requiring Western Sky Financial, Webb, and other South Dakota lenders to pay \$565,000 to the State and permanently prohibited Mr. Webb and his companies from making or collecting consumer loans to Coloradans. Between these two settlements, nearly \$8 million will be returned to Colorado consumers. Checks have already been sent to impacted consumers.

To learn more about consumer loans and credit or debt collection in Colorado, to file a complaint, or to verify whether a supervised lender or debt collector is licensed in Colorado, please visit www.coag.gov/ccu.

ONLINE CAR TITLE LENDER BANNED FROM NC FOR UNLAWFUL LOANS, AG SAYS

Borrowers hit with 257 percent APR, hidden balloon payments, quick repossession of their cars
Raleigh: An online car title lender that charged outrageous interest rates and took consumers' cars with little or no warning is now banned from making loans in North Carolina, Attorney General Roy Cooper said today.

“Families who need a little extra money to deal with an illness or a layoff deserve a fair loan, not a rip off,” Cooper said. “North Carolina has long made illegal these expensive loans with excessive interest rates, and my office is here to enforce the law for consumers.”

Cooper filed suit last week against the lender, which does business as Autoloans, Car Loan, Sovereign Lending Solutions and Title Loan America, for charging North Carolina consumers average interest rates of 257 percent on loans of \$1,000 to \$2,500. Title loans are small dollar loans secured by consumers’ car titles. State law caps interest rates on such loans at 30 percent for licensed lenders and at 16 percent for unlicensed lenders, such as the defendants.

Under an order signed by Wake County Superior Court Judge Donald W. Stephens, while the lawsuit is underway the company and its owners are barred from: making or collecting on loans in North Carolina; repossessing, selling or placing liens on any car owned by a North Carolina consumer; destroying records; and spending or transferring any money. Cooper is seeking a permanent ban on the defendants’ illegal lending business, cancellation of previous loans and liens, and refunds for North Carolina consumers.

According to the Attorney General’s investigation, the title lender has operated since 2012 under various names and appears to be based in Florida, although to evade lending laws the business incorporated in the Cook Islands, New Zealand and previously claimed affiliation with a Native American tribe in Michigan.

As alleged in the complaint filed with the court, at least 700 North Carolina consumers took out title loans from the defendants. In addition to charging sky-high annual interest rates of 161 percent to 575 percent, most of the loans included payments on interest only for the first 11 months and a final balloon payment larger than the original loan amount. This came as a shock to many borrowers because the lender often misstated interest rates, withheld details of the loan, and failed to give consumers a copy of their written loan agreement.

The lawsuit contends that when consumers couldn’t make the onerous payments, the defendants repossessed their cars illegally. The lender sent borrowers a GPS tracker to install on their cars and placed a lien on their car titles. If a consumer paid late or missed a payment, the defendants used the GPS tracker to find and repossess the consumer’s car.

Consumer affidavits filed with the lawsuit show the impact of the illegal lending scheme:

A Greensboro couple took out a loan from Title Loan America to help with medical expenses. They paid nearly \$3,400 on a \$2,000 loan but were told they owed an additional balloon payment of \$1,700—which they hadn’t known because they never received a copy of the loan agreement. When the couple couldn’t make the unexpected payment, the defendants repossessed their car while they were taking their daughter to school and sold the car at auction.

A Garner man borrowed \$1,250 from the defendants after his in-laws became ill and needed to move in with him. He paid more than \$4,000 on the loan but was told he owed nearly \$4,500 more. He asked for an extension because he didn’t want to lose his car, but the defendants still towed it and sold it.

A Burgaw family facing foreclosure on their home turned to the defendants for a \$2,900 loan with what they were told was an interest rate of 18 percent and a final balloon payment of \$531. Months later, after repeatedly requesting a copy of the loan agreement, they learned their loan actually came with an interest rate of 218 percent and a final payment of \$3,531. When they complained, the defendants threatened that they knew where the family lived and would come take their car. The family had to move their car to keep it safe.

The Attorney General's Office has mailed letters to consumers who took out loans from the defendants to make them aware that the defendants cannot collect payments or repossess cars under the current court order. The office has also written towing companies and automobile auction houses that have previously done business with the defendants to notify them about the court's order.

A total of eight consumers have complained to the Attorney General's Consumer Protection Division about the defendants' unfair loans to date. To file a consumer complaint, call 1-877-5-NO-SCAM toll-free within state or use the online complaint form at ncdoj.gov.

"Consumers who are desperate for quick cash may feel pressured to overlook the warning signs of a bad loan," Cooper said. "If you need a small loan, talk to multiple lenders, get everything in writing and review it carefully before you sign."

Attorney General Morrissey Reaches \$336,000 Settlement with Online Lender

CHARLESTON — Attorney General Patrick Morrissey today announced a \$336,000 settlement with Avant, Inc. to resolve allegations the online lender's business practices violated the state's Consumer Credit and Protection Act.

The settlement involves allegations related to the marketing, promoting and enabling of 90 unsecured consumer loans from April to August 2014 in West Virginia.

"It is our duty to protect consumers from unscrupulous business practices," Attorney General Morrissey said. "We work hard to enforce the state's consumer protection laws to ensure businesses operate legally and fairly."

The settlement alleges Avant led consumers to believe that it was licensed to make loans in West Virginia and do so with higher interest rates than permitted by state law. It also alleges Avant caused unnecessary confusion and misunderstanding, misled consumers as to its affiliation with foreign banks and advertised loans and credit services with intent not to sell the services as advertised.

Attorney General Morrissey further contends Avant operated without registering with the Secretary of State's Office or complying with the state's Credit Services Organizations Act.

Avant denies any wrongdoing as a part of the settlement and assures it will comply with the state's Consumer Credit and Protection Act.

The settlement requires Avant to pay a civil penalty of \$225,000.

The company must also refund and cease to collect at least \$111,843.89 in interest and fees associated with the 90 loans. Additionally, all negative credit reports linked to the loans must be deleted.

View a copy of the settlement at: <http://1.usa.gov/1U9s0hD>.

Attorney General Cynthia H. Coffman Unveils New Fraud Prevention Resources to help Colorado Businesses

DENVER – Colorado Attorney General Cynthia H. Coffman today announced that Colorado businesses have new anti-fraud resources available on her office’s www.stopfraudcolorado.gov website.

“Legitimate businesses can be targeted by fraudulent and deceptive schemes just as easily as individual consumers,” said Attorney General Coffman. “Some scams, like phony invoices, bogus classified advertising, and corporate filing schemes have been around for decades,” said Coffman. “More recently, businesses are being targeted by identity thieves and patent trolls.”

The “It’s Your Business” page on www.stopfraudcolorado.gov offers information and resources on a variety of topics, including business identity theft, data breaches, fraudulent invoice scams, and patent assertion fraud. The site also provides advice on protecting customers’ personal and financial information, working with the Colorado Secretary of State, and other practical business resources.

Some simple things business operators can do to protect their customers’ information include:

- Collect and store a limited amount of personal and financial information; retain only what is necessary to conduct your business;
- Limit access to such information to those employees who absolutely must use it as part of their job; and
- Have a written policy in place (it’s required by law) to dispose of business records containing this information.

Phony invoice scams are used to collect payment for unauthorized goods or services:

- Advertising – Directory and Phone Book Fraud: Digital and print advertising.
- Communication Services: Networking and telecom services, including domain registrations and renewals.
- Equipment Maintenance Contracts: Contracts associated with all facets of your business.
- Office Supplies: Copy paper, general office supplies, and toner.

Businesses should train their staff to compare every invoice against an actual order form. If any questions arise, contact the originating party directly from established contact information, not from contact information contained on the suspect invoice.

“Our hope is that businesses will use these new resources to avoid becoming victims of these common scams and that they will continue to report any new scams they see so that we can investigate,” said Attorney General Coffman.

Businesses that believe that they have been the victim of fraud or wish to report suspicious activity may file a report here or may call 1-800-222-4444.

Utah's lawsuit over federal lands nearly ready, expenses questioned

By ROBERT GEHRKE | The Salt Lake Tribune

A draft of Utah's lawsuit demanding the federal government turn over 30 million acres to the state is expected to be complete by next week, but Democrats on the commission overseeing the project still want to know more about how \$1 million in taxpayer dollars have been spent.

Rep. Keven Stratton, R-Orem, co-chairman of the Commission for the Stewardship of Public Lands, said he plans to have a finished draft of the state's potential lawsuit to present to lawmakers when they hold their monthly meetings June 15.

It would be up to Attorney General Sean Reyes and Gov. Gary Herbert to decide whether to file the complaint, committing the state to litigation with a projected price tag of \$14 million.

But Sen. Jim Dabakis, one of two Democrats on the commission, wants to know more about how the commission is spending taxpayer dollars. Specifically, Dabakis, D-Salt Lake City, has sent letters to Stratton and Sen. David Hinkins, R-Orangeville, the other co-chairman of the commission, demanding to know details of \$341,513 in expenditures listed on invoices as public-relations work.

Dabakis said he suspects that the commission might be spending the money to run a PR campaign opposing the creation of the proposed 1.9 million-acre Bears Ears National Monument in southeastern Utah.

"I don't know because they won't let me see. They're spending that much money and they say, 'consultation.' What does that even mean?" Dabakis asked. "They cannot be lobbying with this money. Where is it going?"

Stratton wouldn't say exactly what the money was spent on — only that it would be clear when the work is presented to his colleagues next week. The actual complaint will not be released until Reyes and Herbert decide whether to file it.

Generally, he said, the consulting firms did work supporting the Davillier Group, the Louisiana-based law firm hired to prepare the complaint. If attorneys had done the nonlegal work, it would have cost the state much more, Stratton said.

According to a listing of payments made by the committee, Strata, a policy institute that operates in collaboration with Utah State University, had been paid \$129,409 through May 2 for "graphics," "audio video," "pr writing" and "case development."

The Davillier Group also reported paying \$212,104 to Nuffer Smith Tucker Public Relations out of San Francisco for "Relations Services."

Earlier invoices also had showed payments to Foxley & Pignanelli, a prominent Salt Lake City lobbying firm, for public-relations work on the project.

In total, the commission has spent more than \$900,000 for a legal analysis of the argument that Utah is entitled to claim ownership of federal lands in the state and for the drafting of the complaint. Stratton said the commission budgeted \$2 million for the work and managed to come in well under budget.

"Frankly, we've been very pleased we've been able to hold the costs to where they are," Stratton said. "Some would say, 'Are you kidding me?' But we need to put it in perspective of what we're dealing with and what is at stake, so the state's interests are protected and the attorney general and the governor have the best information possible to move forward."

The legal analysis by the Davillier Group said there is a legitimate case to be made that Utah should be entitled to ownership of federal land within the state's borders because Congress said it would dispose of the land and has turned over tens of millions of acres in states east of the Rocky Mountains to state governments and private landowners.

Other legal analyses, such as one done by professors at the University of Utah, have concluded that Utah has no legal right to demand ownership of the land, and Utah and other Western states disavowed any claims to the federal holdings when they were granted statehood.

Dabakis had previously asked for any legal analysis of the weaknesses of the state's claim, but he was told that it was subject to attorney-client privilege and the lawyers technically work for the chairmen of the committee, not the entire committee.

"This just should not be acceptable in an open society," Dabakis said. "You should not be able to spend hundreds of thousands of dollars of state money and then be able to cover it all up. ... It just isn't right, and it ought to stop."

ATTORNEY GENERAL LAXALT JOINS 20 STATE COALITION CHALLENGING THE STATE OF DELAWARE'S TREATMENT OF UNCLAIMED MONEY

Carson City, NV –Today, Nevada Attorney General Adam Paul Laxalt joined 20 other states in filing a complaint in the United States Supreme Court against the State of Delaware for alleged violations of the Disposition of Abandoned Money Orders and Traveler's Checks Act. The complaint seeks the return of an estimated \$200 million from the State of Delaware to the 21 affected states, including Nevada.

The complaint alleges that Delaware violated the law by keeping all unrepresented and uncashed MoneyGram Payment Systems, Inc. checks instead of transferring them to the states where the checks were purchased. The complaint asks the Supreme Court to hear the dispute between Delaware and the other states and to declare the states' legal obligations under the Act.

"The State of Delaware has disregarded the law and misappropriated unclaimed MoneyGram checks for financial gain," said Laxalt. "My Office remains committed to returning these funds back to their respective states, and claiming what rightfully belongs to the State of Nevada."

In February 2015, an independent auditor determined that MoneyGram routinely tendered the funds of unclaimed checks to the State of Delaware. The amounts were subsequently transferred to that state. As a result, the audit further concluded that Delaware owes nearly \$200 million to affected states.

In addition to Nevada, other states who joined this filing include: Alabama, Arkansas, Arizona, Colorado, Florida, Idaho, Indiana, Kansas, Kentucky, Louisiana, Michigan, Montana, Nebraska, North Dakota, Ohio, Oklahoma, South Carolina, Texas, Utah and West Virginia.

Hoffa To US Attorney General Lynch: No Beer Merger Without Remedy To Antitrust Concerns Arising From Eden Brewery Closure

Teamsters General President Warns of Closure's Impact on Workers, Consumers

Jun 14, 2016, 10:41 ET from International Brotherhood of Teamsters

WASHINGTON, June 14, 2016 /PRNewswire-USNewswire/ -- In a letter to U.S. Attorney General Loretta Lynch last week, Teamsters General President Jim Hoffa urged the Justice Department to reject any remedy to the pending mega-merger in the beer industry that does not address the competitive effects arising from MillerCoors' decision to close its highly efficient brewery in Eden, North Carolina.

The proposed acquisition by Anheuser Busch-InBev (NYSE: ABI) of its largest competitor SABMiller (LON: SAB) is currently under review by the Department of Justice Antitrust Division, along with the related sale of SAB's stake in the MillerCoors joint venture to Molson Coors (NYSE: TAP).

"The companies involved, no doubt, would like to see the investigation wrapped up in short order so they can complete their mega-merger," Hoffa said. "Their desire to expedite cannot take precedence over the need to 'get it right' for consumers and working families."

The Eden brewery is responsible for 12.5 percent of MillerCoors' production capacity and 4 percent of all beer production in the United States.

"If this closure is permitted to move forward, it will not only affect good American jobs—roughly 500 at the brewery alone—but also negatively impact competition in the industry. The impact on consumers, we believe, will become apparent within months after the transactions take place and is likely to persist for years," Hoffa said. "Reductions in industry capacity of this magnitude translate directly into higher prices for consumers, particularly in an industry that the Antitrust Division itself characterized in 2013 as not behaving competitively."

Furthermore, Hoffa suggests, closing Eden is likely to introduce significant inefficiencies and drive down barrelage output in the remaining MillerCoors breweries.

"Particularly damning is evidence, available to the Division, showing that the company decided to close and not sell the brewery because it did not want the facility to end up in the hands of a competitor," Hoffa said.

A recent lawsuit filed by Pabst against MillerCoors reinforces Teamster concerns of how the closure will directly impact competition. Pabst, whose products are produced by MillerCoors on a contract basis primarily at the Eden facility, alleged that within weeks of announcing the Eden closure, MillerCoors informed Pabst it would no longer have "sufficient capacity" to produce its products beyond the current contract. According to the lawsuit, MillerCoors then demanded three times the price to continue brewing its products.

The Teamsters have urged that the Eden brewery be divested to a buyer who will keep the brewery operating in the relevant market.

"On behalf of the International Brotherhood of Teamsters, I urge the Department to take the time necessary to address the anticompetitive effects created by the Eden brewery closure in order to protect the interests of workers and consumers," the letter concludes.

The International Brotherhood of Teamsters represents 1.4 million hardworking men and women in the U.S., Canada and Puerto Rico, including some 15,000 members working throughout the brewery industry. Visit www.teamster.org for more information. Follow us on Twitter @Teamsters and on Facebook at www.facebook.com/teamsters.

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