EXHIBIT 2
DATE 2/15/13
HB 287

- Statement in support of HB 287 -

An act providing for an additional civil penalty for a violation of the Montana Unfair Trade Practices and Consumer protection act of 1973 if the victim is elderly or a person with developmental disabilities.

I am here today to speak on behalf of House Bill 287 and the added protection it seeks to provide to older persons who may become victims of scammers who seek to take advantage of older or impaired persons. My concern springs from a personal experience with a man who fell into the trap of a real estate "quick money" scheme that was heavily advertised on late night television.

He retired from his professional life in 2008. In February of 2008, he confided in me and a mutual friend that he was very concerned about whether or not he would be able to retire, as he had accrued some serious debt in recent months and didn't know what to do. His problems began when he ordered materials in mid 2007 from the Real Estate Program advertised. The initial charges were for books costing less than $100.00. Before long he began to receive high pressure sales calls from the company encouraging him to buy more detailed programs and services. These included assistance with forming a corporation, so as to reduce his future tax liabilities when his profits began to roll in. There was, of course, a cost for advice on how to incorporate his "business". Later he was encouraged to subscribe to a bookkeeping service; then the company recommended that he should have a payroll service company (there were no employees and thus no payroll). Another charged him for a mentoring service on management skills. Most of these so called companies provided little or no actual materials, training or assistance. His name was passed from one company to the next and each one was quick to offer some service and to charge his credit card accounts for their supposed assistance. Irony of ironies, in the end one final company charged him for their services to resolve his debt management problems.

In all 12 companies charged over $60,000 for bogus programs and services to his three credit cards and two checking accounts. Six of these companies all had the same telephone number. Much of the billing was done by sending materials that would automatically enroll him in one program or another if he did not "uncheck" a box requesting service and return it to the sender. He had never spoken with most of the companies that were charging to his accounts. He made an initial inquiry of the Office of Consumer Protection but was unable to provide them with the information they needed, credit card account numbers, statements, or correspondence; he was unable, in fact he was incapable, by this time, of putting together a paper trail for the office to pursue.

After cancelling his credit card accounts and changing bank account numbers, I contacted the Attorney General with a request for how to proceed in resolving what had, by then, become a serious financial concern. I was referred to the Office of Consumer Protection and they began an investigation in August 2009. After receiving back credit card and bank statements and meeting and teleconferencing with two of the staff from the Office, they began the arduous task of contacting all parties involved.

In the end, the fraudulent charges plus credit card overcharges and late fees amounted to nearly $70,000.00. All but $1,000.00 was recovered or removed from his credit card bills.

I strongly support every effort to legislate severe penalties for those who attempt to defraud and take advantage of those who are elderly or unable to deal with complex of issues like those that I have spoken about here today. An additional factor for many of our older citizens is the fact that when they become entrapped, they are embarrassed to admit it to others and ask for assistance. As this case outlines, matters can escalate quickly to the point of becoming devastating for the individual's financial and emotional stability. I encourage and ask your support for House Bill 287.

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