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 Attorney General



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For Immediate Release:
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National Consumer Protection Week:

"Motor Vehicle Sales/Repairs" Climbs to Top of New Jersey's 2016 Consumer Complaints List, "Home Improvements" Drops to Number Two

NEWARK - Attorney General Christopher S. Porrino and the New Jersey Division of Consumer Affairs commemorated National Consumer Protection Week today by announcing New Jersey's top 10 consumer complaints from 2016 and highlighting the Division's initiatives to protect consumers from fraud.

Last year, the Division's Office of Consumer Protection ("OCP") received a total of 7,656 formal complaints from consumers expressing dissatisfaction with sellers of merchandise ranging from vacation packages and pets, to home heating oil and appliances. This is a separate count from the 70,047 citizen calls to the Division's Consumer Service Center hotline, many of which are resolved through various forms of mediation or are referred to other appropriate agencies.

"The Division of Consumer Affairs touches the lives of New Jersey residents every day through its role in enforcing the state's consumer protection laws and educating consumers about how they can avoid falling victim to fraud," said Attorney General Porrino. "Consumer complaints are invaluable to our work because they alert us when our consumer protection laws are being violated and help us identify and combat emerging fraud trends."

"The complaints we receive each year help the Division set its priorities and deploy its resources to best serve New Jersey's consumers," said Steve Lee, Director of the Division of Consumer Affairs. "Our public outreach campaigns and enforcement initiatives are guided by the complaints we receive and the information consumers provide to us."

For the first time since 2010, consumer complaints concerning "Motor Vehicle Sales/Repairs" surpassed complaints concerning "Home Improvement."

The Division's Top 10 consumer complaint list for 2016 is as follows:

1. Motor Vehicle Sales/Repairs
2. Home Improvement
3. Insurance
4. Professional/Occupational Services
5. Clubs/Health Club/Spas
6. Internet Sales/Goods
7. Miscellaneous Consumer Scams

8. Banks/Financial Institutions
9. Medical/Care/Drugs
10. Home-Furnishings/Furniture

In 2016, the Division initiated or resolved a variety of cases concerning the #1 consumer complaint, Motor Vehicle Sales/Repairs. These motor vehicle-related cases involving predatory towing, automotive repairs, car sales, and auto-parts pricing, included the following:

Advance Auto and Pep Boys – In January, the Division announced it had filed civil Complaints against two automotive parts retailers: Advance Stores Company, Inc., d/b/a “Advance Auto,” and Pep Boys – Manny Moe & Jack of Delaware, Inc., d/b/a “Pep Boys,” as a result of a joint investigation by OCP and the Office of Weights and Measures (“OWM”). The allegations against the retailers included failing to mark the total selling price on automotive parts and accessories offered for sale and selling merchandise that when scanned at the cash register, reflected prices that were higher than the prices posted at the location where the merchandise was offered for sale. The Division and Advance Stores reached a settlement last month which included the retailer’s agreement to ensure the accuracy of its pricing both at the point of display and at the register; implementation of a monitoring program in its stores, which includes regular audits of pricing and training of general managers and other employees; designation of a corporate compliance monitor to oversee the compliance program; and payment of more than \$69,000. The action against Pep Boys is pending.

In 2016, the Division initiated or resolved a variety of cases concerning the #2 consumer complaint, Home Improvement, which included the following:

Superstorm Sandy Fraud Actions – In 2016, the Division took action against a number of home improvement contractors who allegedly defrauded consumers who paid them to repair or rebuild homes damaged by Superstorm Sandy. Civil complaints were filed against four contractors who allegedly took initial payments for home improvements or new construction and then failed to begin work, performed work in a substandard manner, and/or abandoned unfinished projects without returning for weeks, months. Among the Sandy victims allegedly defrauded by these contractors were 44 consumers who lost more than \$2.4 million in federal relief funds they had received from the Department of Community Affairs' Reconstruction, Rehabilitation, Elevation and Mitigation (“RREM”) Program, the state's largest rebuilding initiative in the wake of Superstorm Sandy. The filing of actions against contractors who received money from consumers in the RREM Program is continuing in 2017.

Additionally, in 2016, the Division undertook numerous pro-active initiatives to protect the public from fraud, including:

- **Anti-Fraud Tool-Kit** - To protect senior citizens from financial exploitation, the Division launched the "Anti-Fraud Toolkit," a series of new educational materials that mixes up-to-the-minute information and old-fashioned common sense to help seniors recognize and avoid common scams being played on them. The Toolkit also offers advice on dealing with unwanted solicitations, provides tips on distinguishing legitimate businesses from clever hoaxes, and delivers real-time "Fraud Alerts" on new scams making the rounds in New Jersey.
- **Operation Mother’s Attic** – The Division cited 21 public movers for unlicensed operation following the Division’s “Operation Mother’s Attic” undercover investigation, during which Division investigators posed as consumers who needed items moved within the state.
- **Health Care Service Firm Citations** - The Division issued Notices of Violations to 36 health care service firms statewide seeking \$242,850 in civil penalties for alleged violations of the statutes and regulations governing agencies that place caregivers in the homes of senior citizens and the disabled who need their services. The violations cited range from improper record keeping and failure to

establish a patient plan of care, to sending uncertified or otherwise unqualified caregivers into patients' homes.

- **Health Club Sweep** – Following inspections of dozens of health clubs, the Division issued Notices of Violations seeking a total of \$102,750 in civil penalties against 16 clubs, for their alleged failure to comply with consumer protection laws, including failure to register their businesses, selling longer-term contracts to consumers without maintaining a required bond, letter of credit or other form of acceptable form of security, and/or failure to conspicuously post a notification of consumers' rights.

National Consumer Protection Week (“NCPW”) is a coordinated campaign that encourages consumers nationwide to take full advantage of their consumer rights and make better-informed decisions. NCPW 2017 is taking place from March 5 through March 11, 2017. Additional information is available at www.NCPW.gov.

Consumers who believe they have been cheated or scammed by a business, or suspect any other form of consumer abuse, can file an [online complaint](#) with the State Division of Consumer Affairs by visiting its [website](#) or by calling **1-800-242-5846** (toll free within New Jersey) or **973-504- 6200**.

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