

SMART CONSUMER STARTER KIT



Department of
**Commerce &
Insurance**

Consumer Affairs



Introduction/Rules

Think you're smart enough to beat the scammers? At the Department of Commerce & Insurance, we believe education is the first line of defense. Our Smart Consumer Starter Kit gives students a chance to educate themselves about the tricks and traps scammers often use.

Instructions: Have students break out into 6 groups, giving each group one question card. Give them time to discuss their card and come up with an answer. Once each group has their answer, have each group read their card and explain their answer. The teacher can then read the correct answer and explanations from the answer card.



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Franklin is the most widespread
and most frequent cultural
heritage in Tennessee.

"I'm going out to see
summer dust and
sweat of the old
Frenchie.
Won't you c

Question 1

Scammers are trying to steal your money or personal information. Work with your team to come up with a plan to combat scams and fraud.

- What precautions will you take?
- What are your rules when you are asked or threatened for money?



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Answer 1

Important tips to combat scams and fraud:

- a) If you don't recognize the number of an incoming call, consider not answering and let them leave a voicemail.
- b) If you answer a call and realize it's a scam or unwanted telemarketing call, it's okay to just hang up.
- c) If you are shopping online with an unfamiliar retailer or seller, always take your time to do your research first:
 - i. Call the number listed on the website to make sure they are who they say they are.
 - ii. Conduct a quick internet search and read reviews of previous customers. If you can't find any reviews about a company or seller, consider looking into an alternate buying option.



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Question 2

About a year ago, you purchased a new vehicle. The most important feature you were looking for was good gas mileage. You found a nice, reliable car that claimed it got 32 miles per gallon on the highway and you were very happy with your purchase. Over the last year, though, you've noticed that you never average 32 miles per gallon on the highway, it's usually around 25.

- Do you think this is deceptive or misleading advertising of fuel efficiency?
- Could this violate consumer protection laws?



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Answer 2

While driving conditions and driving habits can influence the average miles per gallon you get out of your car, consistently coming out under the advertised fuel efficiency could indicate deceptive or misleading advertising from the car maker.

Additionally, this could violate the Tennessee Consumer Protection Act if it was found that the company misrepresented that standard, quality or grade of the cars.

In 2016, automakers Hyundai and Kia reached a settlement of \$41.2 million to resolve the claims that the automakers misrepresented mileage and fuel economy ratings for some of their model year 2011, 2012 and 2013 vehicles.



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Question 3

“Congratulations! You’ve been approved for a government grant of \$9,000. In order to receive this grant, you need to give us your checking account information so we can deposit your grant money. Second, we will need you to send two \$100 iTunes gift cards to cover your processing fee.”

- Is this legit or is it a scam?
- Why?



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Answer 3

Scam!

- a. No legitimate grant or scholarship will require an up-front fee to receive the money. Some grants may require you to pay back the money if you do not uphold the requirements of receiving the money. Such as, using grant money for other purposes than what the grant intended or not meeting community service hour requirements or of a scholarship or dropping out before the end of the grant period.
- b. Never give personal or account information over the phone to someone you don't know or didn't initiate contact with.
- c. iTunes gift cards are only a valid form of payment in the iTunes store. If you are asked to use this payment method outside of the iTunes store, it's a scam.



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OUTRAGE



REMEMBER PEARL HARBOR

December 7th

On this day in 1941, the Japanese navy attacked the United States naval base at Pearl Harbor in Hawaii. The surprise attack destroyed the battleships USS Arizona, USS Oklahoma, and USS West Virginia, and killed 2,335 Americans. The attack led to the United States' entry into World War II.

The USS Arizona Memorial is a neoclassical building that commemorates the USS Arizona. It is a National Historic Landmark and is part of the Pearl Harbor National Memorial. The memorial is a symbol of the sacrifice of the crew members of the USS Arizona and the other ships that were sunk at Pearl Harbor.

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RESOLVE



CALLS TO ARMS

August 1942

The USS Intrepid was the first of the Intrepid-class destroyers. She was named in honor of the USS Intrepid, a three-masted sailing ship that was the flagship of the United States Navy during the American Revolutionary War. The Intrepid-class destroyers were designed to be fast, maneuverable, and capable of operating in all weather conditions.

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VALOR



TURNING THE TIDE IN THE PACIFIC

May 1942

The Battle of Midway was a decisive naval battle in the Pacific Ocean during World War II. It took place on June 4-7, 1942, and resulted in a major American victory. The battle was a turning point in the war, as it marked the end of Japanese expansion in the Pacific and the beginning of the American offensive.

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FORTITUDE



STRIKING THE JAPANESE HOME ISLANDS

May 1945

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VICTORY



DEFEAT OF IMPERIAL JAPAN

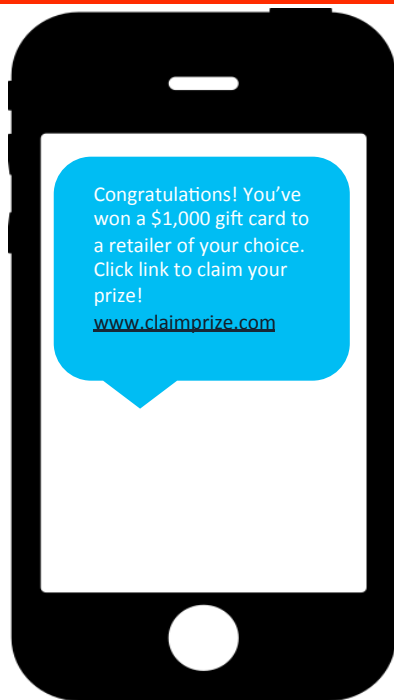
August 1945

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Question 4



You received this text message stating you've won a prize...

- What would you do?
 - a) Click it; I want a \$1,000 gift card.
 - b) Delete it; too good to be true.
- Why?



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OUTRAGE



REMEMBER PEARL HARBOR

December 1941

On the morning of December 7, 1941, the USS Arizona was one of eight battleships in the fleet at Pearl Harbor. The ship was hit by a surprise attack by the Japanese Navy. The ship was destroyed and sank to the bottom of the harbor. The attack on Pearl Harbor was a turning point in the war, leading to the United States' entry into the conflict.

The USS Arizona was the only battleship in the fleet to be destroyed in the attack. The ship was raised and moved to the Arizona Memorial in Pearl Harbor. The ship is now a national shrine and a symbol of the attack on Pearl Harbor.

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RESOLVE



CALLS TO ARMS

August 1942

The USS Intrepid was one of the first ships to be commissioned in the Navy. The ship was built at the New York Navy Yard. The ship was commissioned on August 15, 1942. The ship was the first of a class of ships that were built for the Navy during the war.

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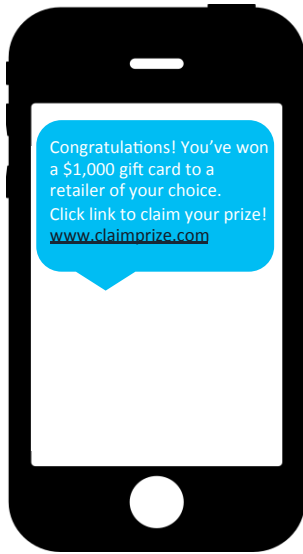
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Answer 4



Delete!

- a. Clicking links in messages like this, whether by text message, email, or on the internet, can release ransomware on your phone or computer leaving you locked out until you call the number on the screen.
- b. Calling the number on the screen could lead you to a scammer who will demand money to wipe the ransomware from your device. They could request credit card payment over the phone, by gift cards, or wire transfer.
- c. If this happens to you, contact a trusted IT specialist to wipe the ransomware properly. A scammer could end up installing viruses through remote access of your computer or stealing personal information.



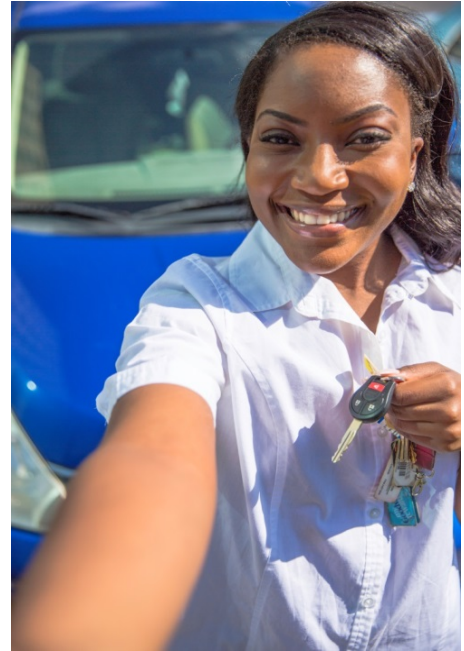
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Question 5

You're looking to purchase a car and want to make sure you know the warning signs of a shady sale.

- What are some common red flags you should look for when purchasing a car?





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Answer 5

Common Car-buying Red Flags:

Not being allowed to test drive the car: This may indicate that the seller is concerned about the condition of the vehicle.

High-pressure sale tactics: This may indicate that the seller is trying to quickly get rid of a bad vehicle, up-sell you on certain features, or pressure you into making a quick decision without a chance to do your research.

Seller won't provide the VIN number or car history report: This may indicate that there is a serious or concerning history such as wreck that required the car to be rebuilt.

Refusal to provide title at time of sale or providing an unsigned title: Refusal of a title may indicate ownership issues while an unsigned title could indicate possible tampering with the vehicle that the seller doesn't want to be easily traced to or as a way to avoid paying taxes on the sale.

Seller refuses or deters from having a third-party mechanic inspect the vehicle: This may indicate that the seller is concerned about the mechanical integrity of the vehicle.

The VIN number on the vehicle doesn't match the VIN on the title: This is a red flag that the vehicle could be stolen or a clerical error was made. Always check that your VIN numbers match up on all paperwork, reports, and vehicle stickers.

The odometer reading on the vehicle report is significantly different than the car odometer: This may be an indication of odometer fraud. If you think you are a victim of odometer fraud, report it to the Tennessee Highway Patrol – Special Victims Unit.



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Question 6

You're getting ready to move into your first apartment. Which of the following is not true:

- a) You should get a copy of your lease agreement
- b) If you cause damage to the rented space, you are not responsible for repairs; the landlord will take care of it.
- c) You should perform a walkthrough with your landlord before move-in and before moving out.
- d) You should know when and where to pay your rent.
- e) You should know who should make repairs and how to request those repairs.
- f) You should know who is responsible for paying utilities such as water, electricity, or gas.



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Answer 6

B is not true

- a. You should get a copy of your lease agreement.
 - i. It's important that everyone entering into the lease and the landlord should sign and receive a copy of the lease for future reference.
- b. If you cause damage to the rented space, you cannot be responsible for repairs; the landlord will take care of it.**
 - i. You may be responsible for damage to the rented space. You should carefully review your lease and, if it applies in your county, the Uniform Residential Landlord Tenant Act.
- c. You should perform a walkthrough with your landlord before move-in and before moving out.
 - i. This needs to be done to determine damage you are responsible for as it may affect your security deposit.
- d. You should know when and where to pay your rent.
 - i. This should be disclosed ahead of time in order not default on your rent payment.
- e. You should know who should make repairs and how to request those repairs.
 - i. Generally, regular maintenance will be covered by your landlord. You should be advised prior to move in how to request these repairs and who to contact in an emergency.
- f. To know who is responsible for utilities such as water, electricity, or gas.
 - i. While some utilities may be included in your rent, most utility accounts will need to be set up and paid by the renter.