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Attorney General
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

2009 ANNUAL REPORT ON
CONSUMER PROTECTION, COMPETITION, TELEPHONE
SOLICITATION AND TOBACCO ENFORCEMENT, EDUCATION AND
OUTREACH ACTIVITIES



The Attorney General enforces various consumer laws, including Idaho's Consumer Protection, Competition, Telephone Solicitation, and Charitable Solicitation Acts. These laws protect consumers, businesses, and the marketplace from unfair or deceptive acts and practices. The Attorney General seeks to fulfill this charge efficiently and economically through education, mediation, and enforcement.

The Attorney General also enforces and defends the state's Master Settlement Agreement with the tobacco industry and has been delegated the duty of enforcing Idaho's Tobacco Master Settlement Agreement, Tobacco Master Settlement Agreement Complementary, and Prevention of Minors' Access to Tobacco Acts. The Master Settlement Agreement and these acts seek to promote the public health and protect the fiscal soundness of the state.

Attorney General Lawrence Wasden reports to the public annually regarding consumer protection, telephone solicitation, charitable solicitation, competition, and tobacco enforcement activities. He also reports on mediation, education and outreach efforts. This report covers the calendar year 2009.

2009 ACTIVITIES SUMMARY

The national foreclosure crisis, which hit Idaho especially hard, was the dominant consumer protection issue in 2009. Complaints about mortgage modification topped the consumer complaint list for the first time. To assist Idaho consumers who are dealing with foreclosure, the Attorney General acted aggressively, pursuing several enforcement actions against deceptive loan modification companies, hiring a part-time housing counselor and publishing two free consumer handbooks addressing mortgage modification and purchasing a home.

In 2009, the Attorney General recovered \$7,431,388 in restitution, the largest amount ever recovered by the Attorney General's Office. This equates to \$12.14 for each taxpayer dollar appropriated for consumer operations.

For the past 19 years, Idaho's Attorneys General have recovered more money for Idaho residents and businesses than the Legislature has appropriated from the general fund for consumer protection operations. Salaries and benefits of those who are involved primarily in consumer protection efforts are expected to cost taxpayers approximately \$612,000 for the 2010 fiscal year.

Another \$221,200 is budgeted from the Attorney General's consumer protection account for consumer education and outreach efforts. The consumer protection account is comprised of moneys obtained through the Attorney General's enforcement actions. These funds are spent pursuant to legislative appropriation. The Attorney General's consumer education and outreach efforts do not use tax dollars, but are fully funded from the consumer protection account.

The Attorney General also recovered \$5,944,188 in civil penalties, fees and costs, also the largest amount ever recovered by the Attorney General's Office.

In addition, the state received \$30,964,513 in 2009 pursuant to the tobacco Master Settlement Agreement (MSA) negotiated between the Office of the Attorney General and tobacco manufacturers in 1998. To date, the state has received \$254,520,882 under the MSA.

Activity this year related to consumer protection, competition, telemarketing, tobacco law enforcement, and consumer education and outreach.

The Attorney General prosecuted, as well as settled, significant consumer protection cases with Eli Lilly & Company, other pharmaceutical manufacturers, mortgage modification promoters, and other businesses.

In the antitrust arena, the Attorney General continued litigation involving price fixing and illegal monopolization claims. He also reached a significant price fixing settlement involving vitamins.

The year 2009 marked the Attorney General's eighth year of enforcement and administration of Idaho's No Call Law. By year's end, there were 939,958 Idaho phone numbers registered on the No Call List. This compares to 855,696 phone numbers in 2008. Citizens continue to report receiving fewer unwanted telephone solicitations.

The Attorney General also undertook actions related to enforcement and defense of Idaho's various tobacco laws and the MSA. He continues to litigate against Internet cigarette sellers and cigarette wholesalers violating Idaho's tobacco sales laws. The Attorney General also continues to vigorously defend the state's interests in cases alleging that the MSA is unconstitutional or otherwise in violation of various laws.

The Attorney General's Consumer Protection Division logged 16,151 instances of consumer assistance in 2009. Of those consumer contacts, 1,896 contacts were consumer complaints, an increase of 11 percent over 2008. In 2009, Idaho consumers reported losses of \$2,271,203.

Other than complaints, the remainder of consumer contacts—14,255—consisted of information from consumers, requests for information and forms, and consumer inquiries about particular businesses. This number also reflects the telephone calls and personal contacts responded to by Consumer Protection Division staff.

During the year, the Consumer Protection Division also introduced two new manuals—*Foreclosure Prevention and Foreclosure Scams: How to Tell the Difference* and *Buying a Home*. The Attorney General produced radio and television public service announcements to raise awareness of these free publications. The public service announcements will be broadcast statewide from January 1 through March 31, 2010. The Attorney General also updated four other consumer education publications: *Credit and Debt*, *Idaho Consumer Protection Manual*, *Idaho Senior Citizens Manual*, and *Young Adult Handbook*.

To protect children from Internet sexual predators, the Attorney General updated ProtecTeens, an award-winning, informative video presentation and resource kit concerning Internet safety. The new ProtecTeens DVD is set for release in early 2010.

The Attorney General's staff also implemented a comprehensive consumer education and outreach program. This program includes consumer education presentations to community groups and participating in consumer education events throughout Idaho.

The Attorney General transferred \$661,901 in unspent consumer protection account funds to the General Fund at the end of fiscal year 2009. The Attorney General has transferred \$8,454,429 to the General Fund since fiscal year 2000. Prior fiscal year transfers were \$2,580,272 in 2008; \$1,282,752 in 2007; \$158,758 in 2006; \$181,292 in 2005; \$746,861 in 2004; \$503,129 in 2003; \$1,128,516 in 2002; \$510,948 in 2001; and \$700,000 in 2000.



APPLICABLE LAWS

In the field of consumer protection, competition, tobacco, and telephone and charitable solicitations, the Attorney General enforces the following Idaho statutes and rules:¹

- Consumer Protection Act
- Competition Act
- Charitable Solicitation Act
- Telephone Solicitation Act, including the Idaho No Call Law
- Credit Report Protection Act
- Tobacco Master Settlement Agreement Act
- Tobacco Master Settlement Agreement Complementary Act
- Prevention of Minors' Access to Tobacco Act
- Reduced Cigarette Ignition Propensity Act
- Consumer Protection Rules
- Telephone Solicitation and Pay-Per-Telephone Call Services Rules
- Tobacco Master Settlement Agreement Complementary Act Rule

The Attorney General also enforces provisions of other consumer-related statutes, including those dealing with chain and pyramid distribution schemes. In addition, the Office of the Attorney General provides information regarding Idaho's Lemon Law and Mobile Home Park Acts, Idaho's landlord-tenant laws, and identity theft.

LEGISLATION

The Attorney General did not propose consumer-related legislation in 2009.

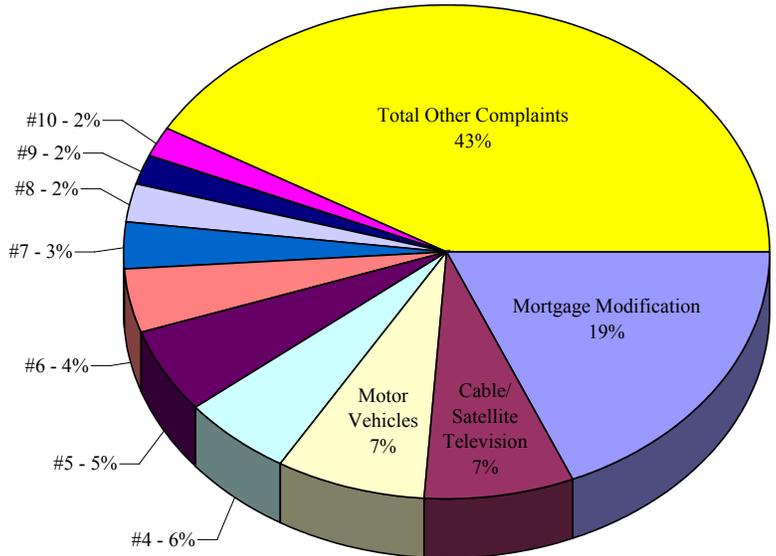


¹ The listed Idaho statutes and rules are codified, respectively, as follows: Consumer Protection Act, title 48, chapter 6, Idaho Code; Competition Act, title 48, chapter 1, Idaho Code; Charitable Solicitation Act, title 48, chapter 12, Idaho Code; Telephone Solicitation Act, title 48, chapter 10, Idaho Code; Credit Report Protection Act, title 28, chapter 52, Idaho Code (Supp.); Tobacco Master Settlement Agreement Act, title 39, chapter 78, Idaho Code; Tobacco Master Settlement Agreement Complementary Act, title 39, chapter 84, Idaho Code (Supp.); Prevention of Minors' Access to Tobacco Act, title 39, chapter 57, Idaho Code; Reduced Cigarette Ignition Propensity Act, title 39, chapter 89, Idaho Code (Supp.); Consumer Protection Rules, IDAPA 04.02.01 et seq.; Telephone Solicitation and Pay-Per-Telephone Call Services Rules, IDAPA 04.02.02 et seq.; and Tobacco Master Settlement Agreement Complementary Act Rule, IDAPA 04.20.01 et seq.

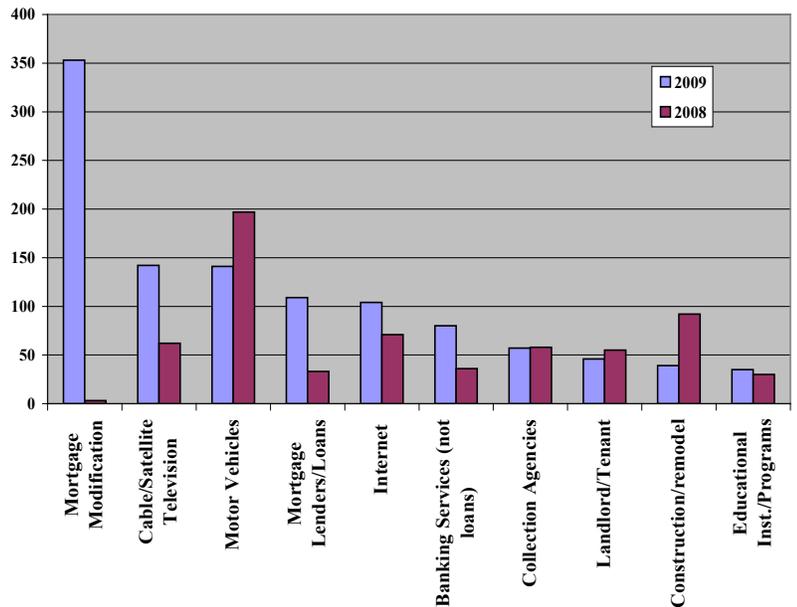
2009 TOP TEN CONSUMER COMPLAINTS

Total consumer complaints increased in 2009. Complaints related to mortgage modification services ranked as the number one complaint category. Telephone solicitation and telecommunications complaints had held the first or second position on the Top Ten Consumer Complaint List for more than the past ten years. Mortgage modification complaints have never previously appeared on the top ten list.

2009 Total	1,896
1. Mortgage Modification	353
2. Cable/Satellite Television	142
3. Motor Vehicles	141
4. Mortgage Lenders/Loans	109
5. Internet	104
6. Banking Services (not loans)	80
7. Collection Agencies	57
8. Landlord/Tenant	46
9. Construction/Remodel	39
10. Educational Inst./Programs	35
Total of all other complaints	790



2008 Total	1,676
1. Telephone Solicitations	299
2. Motor Vehicles	189
3. Internet	116
4. Telecommunications	109
5. Construction	93
6. Cable/Satellite TV	72
7. Debt Collection	71
8. Health Care	66
9. Finance/Lending	64
10. Landlord/Tenant	59
Total of all other complaints	538



ENFORCEMENT

CONSUMER PROTECTION

Enforcement of Idaho's consumer laws protects the free and competitive market and ensures a level playing field for all businesses. A market place unfettered by false, deceptive, and misleading practices, and free of unreasonable restraints of trade, will yield the best allocation of Idaho's economic resources, the lowest prices, the highest quality, and the greatest material progress. The Attorney General undertook a variety of consumer protection matters in 2009 that were noteworthy in scope and impact.

Housing, Home Ownership, and Foreclosure Prevention

Between 2008 and 2009, Idaho faced an 89% increase in home foreclosures. During the past year, the Attorney General's Consumer Protection Division assisted homeowners, homebuyers, and tenants. The Division mediated complaints between homeowners and their mortgage services and disputes between landlords and their tenants. An increase in sham mortgage modification and foreclosure rescue businesses in Idaho resulted in the filing of a record number of complaints against these entities.

The Consumer Protection Division accomplished the following in the housing area in 2009:

- Communicated with 56 Idaho homeowners to help facilitate loan modifications with more than 15 different mortgage servicers;
- Facilitated the reversal of three home foreclosures;
- Facilitated the postponement of six home foreclosures;
- Facilitated the cancellation of two home foreclosures;
- Investigated 436 complaints against ten² mortgage modification and foreclosure rescue consultants;
- Filed consumer protection lawsuits against two³ mortgage modification and foreclosure rescue consultants;
- Entered into settlement agreements with three⁴ mortgage modification and foreclosure rescue consultants;
- Recovered \$60,935 in restitution for consumers related to mortgage modification and foreclosure rescue and other housing complaints;
- Participated in two nationwide law enforcement sweeps involving foreclosure rescue fraud;
- Participated in two multistate groups to share information regarding mortgage and foreclosure rescue fraud;

² Apply 2 Save, Inc., APS Northwest Idaho, LLC., Best Interest Rate Mortgage Co., LLC, Highland Financial, LLC, Intellichoice Mortgage Services, LLC, International Co-Op, LLC, Steven C. Lux, OnPoint Consumer Law Center, SaveMortgageNow.com, and TD Financial.

³ Apply 2 Save, Inc. and APS Northwest Idaho, LLC.

⁴ Best Interest Rate Mortgage Co., LLC, International Co-Op, LLC, and Steven Curtis Lux.

- Published the following consumer education manuals, tip sheets, and public service announcements regarding housing issues:
 - Manual: Foreclosure Prevention & Foreclosure Scams: How to Tell the Difference
 - Manual: Buying a Home
 - Manual: Landlord & Tenant Guidelines
 - Tip Sheet: The Protecting Tenants at Foreclosure Act
 - Public Service Announcement: Foreclosure Prevention
 - Public Service Announcement: Buying a House
 - Public Service Announcement: Rental Foreclosures

Eli Lilly and Company

On behalf of the State of Idaho, the Attorney General reached a \$13 million settlement with pharmaceutical manufacturer Eli Lilly and Company. The monetary payment is the Attorney General’s largest financial recovery under the Idaho Consumer Protection Act, other than the 1998 tobacco settlement. The settlement resolved the state’s allegations that Eli Lilly engaged in deceptive marketing of the anti-psychotic drug Zyprexa and failed to warn health care providers of serious side effects, resulting in significant costs to Idaho Medicaid. Other settlement terms mandate that Eli Lilly shall not make any false, misleading or deceptive claims regarding Zyprexa, and shall take certain actions relating to dissemination of medical information, continuing medical education and grants, payments to consultants and speakers, product samples, and clinical research.

Average Wholesale Pricing

The Attorney General has filed lawsuits on behalf of the State of Idaho against drug manufacturers, based on the companies’ alleged false and deceptive average wholesale price reporting practices. Idaho Medicaid provides health care services, including prescription drugs, to low-income Idahoans. By law, Idaho Medicaid must reimburse pharmacies and hospitals at the “estimated acquisition cost” of the drug. Idaho Medicaid primarily uses “average wholesale prices,” as reported by drug manufacturers, as a basis for determining this amount. The Attorney General alleges in his lawsuits that the defendant drug manufacturers reported false average wholesale prices, and that this resulted in the state reimbursing various health care providers at rates and in amounts higher than what they would have been had the correct average wholesale prices of the applicable drugs been reported. Average wholesale price lawsuits filed by the Attorney General are pending against the following drug companies:

Abbott Laboratories
 Alparma USPD Inc.
 Astrazeneca Pharmaceuticals LP
 Astrazeneca LP
 Aventis Pharmaceuticals Inc.
 Barr Laboratories, Inc.
 Centocor, Inc.

Mylan Pharmaceuticals Inc.
 Novartis Pharmaceuticals Corp.
 Ortho Biotech Products, LP
 Ortho-McNeil Pharmaceutical, Inc.
 Par Pharmaceutical Cos., Inc.
 Pfizer Inc.
 Pharmacia Corp.

Forest Laboratories, Inc
Ingelheim Roxane, Inc.
Ivax Corp.
Ivax Pharmaceuticals, Inc.
Janssen Pharmaceutical Products, LP
Johnson & Johnson
McNeil-PPC, Inc.
Merck & Co., Inc.
Mylan, Inc.

Purepac Pharmaceutical Co.
Sandoz Inc., f/k/a Geneva Pharmaceuticals, Inc.
Teva Pharmaceuticals USA, Inc.
Schering-Plough Corp.
Smithkline Beecham Corp., d/b/a Glaxosmithkline
Watson Pharma, Inc., f/k/a Schein
Pharmaceuticals, Inc.
Watson Pharmaceuticals, Inc.
Warrick Pharmaceuticals Corporation

Boehringer Ingelheim Pharmaceuticals, Inc.; Boehringer Ingelheim Roxane, Inc.; and Ben Venue Laboratories, Inc.

These drug manufacturers paid Idaho \$660,000 in a legal settlement resolving the Attorney General's claims relating to their reporting of "average wholesale price."

Dell, Inc.

The Attorney General entered into a \$25,000 settlement with computer manufacturer Dell, Inc. The settlement resolved allegations concerning Dell's business practices, and requires changes in Dell's advertising of financing and credit offers, fulfillment of rebate offers, provision of warranty services, and its account collection procedures. The settlement funds will be used to pay refunds to certain consumers.

Coca-Cola

The Attorney General joined 27 other states in a \$650,000 settlement with Coca-Cola, Nestle and Beverage Partnership Worldwide, the makers of the beverage Enviga. The settlement resolved allegations about the marketing of Enviga, which implied that drinking the beverage would burn extra calories and result in weight loss. Idaho's share of the settlement is \$15,800.

Merck & Co. and Schering-Plough Corporation

The Attorney General joined 35 other states in a \$5.4 million settlement with the makers of the cholesterol-lowering drug Vytarin. The settlement resolved allegations relating to the companies' delays in releasing negative results from a clinical trial and their marketing practices. The agreement requires the companies to change their marketing practices. Idaho's share of the settlement is \$100,000.

Pfizer, Inc.

The Attorney General joined 42 other states in a \$33 million settlement with Pfizer, Inc., the maker of the anti-psychotic drug Geodon. The settlement resolved allegations that Pfizer engaged in unfair and deceptive practices when it marketed Geodon for off-label

uses. Idaho's share of the settlement is \$489,448. In addition to the settlement funds, Pfizer is required to change its marketing practices.

Trading Places Consignment Home Furnishings

The Attorney General obtained an Assurance of Voluntary Compliance with Carrienne Recla who operated a consignment store in Boise. The Attorney General's Office received six consumer complaints against Ms. Recla, each alleging that she failed to remit payment to consumers after their property sold. The Assurance requires Ms. Recla to pay \$2,513.60 in restitution and \$500 to reimburse the Attorney General for his fees and costs.

Post Falls Mazda

The Attorney General obtained a judgment against this auto dealership, and recovered \$20,000 in restitution for consumers. The judgment resolves allegations that Post Falls Mazda and its owner accepted money from consumers for extended vehicle service and debt cancellation contracts but failed to forward the money to the insurance companies, leaving numerous consumers without the contractual coverage they believed they had purchased.

Eppie's Autos, LLC

Eppie Archuleta, the owner of a Boise car dealership, agreed to pay \$5,174 in restitution to consumers who purchased vehicle service contracts from him, but who, because Mr. Archuleta never paid the service contracts' administrators, never received the purchased coverage. Mr. Archuleta signed an Assurance of Voluntary Compliance, which prohibits him from owning or operating a dealership in Idaho and requires him to pay to the Attorney General \$500 in attorney fees and costs.

Dennis Dillon Auto Park and Truck Center; Gunning & Associates Marketing, Inc.; Cash Rewards, Inc.; and David Maloy

In March 2009, the Attorney General filed a lawsuit against Dennis Dillon Auto Park and Truck Center, Gunning & Associates Marketing, Inc., Cash Rewards, Inc., and David Maloy. The Attorney General alleges multiple violations of the Idaho Consumer Protection Act, including that the defendants operated four unlawful and deceptive dealer rebate schemes in 2004 and 2005 that resulted in more than \$600,000 in consumer losses. The trial is scheduled to begin in October 2010.

Adam Mobley

Mr. Mobley operated several mobile car repair businesses in the Treasure Valley. The Attorney General sued in April 2009, alleging that Mr. Mobley collected money from consumers, but failed to perform the purchased repair services. In a judgment entered

against him and his businesses, Mr. Mobley was order to pay the Attorney General \$57,094 in restitution, civil penalties, and attorney fees.

TJX Companies, Inc.

The Attorney General joined 40 other states in a \$9.75 million settlement with TJX Companies, Inc. resolving an investigation into the company's data security practices. The investigation resulted from a data breach in 2007 that placed thousands of consumers' personal data at risk. The agreement requires TJX to implement an information security program designed to guard against future intrusions or unauthorized disclosures. Idaho's share of the settlement is \$26,800.

Silver State Helicopters

The Attorney General and 11 other states negotiated a multi-million dollar debt relief settlement with Student Loan Xpress. Student Loan Xpress was the preferred student lender for Silver State Helicopter school, which discontinued operations abruptly in 2008, leaving numerous students with student loan debts up to \$69,900. Under the terms of the settlement, Student Loan Xpress will forgive up to 75% of the amount borrowed from certain students. The settlement will result in approximately \$1.5 million in debt relief for Idaho consumers.

DISH Network

The Attorney General joined 45 other states in a \$5.9 million settlement with DISH Network. The settlement resolves allegations that DISH engaged in numerous unfair and deceptive business practices such as making telemarketing calls to consumers in violation of the do-not-call rules, failing to disclose all terms and conditions of their customer agreements, failing to disclose that equipment was previously used or refurbished, and charging consumer credit cards and debit cards without providing adequate notice or obtaining appropriate authorization. Under the agreement, DISH paid Idaho \$125,000, agreed to change its business practices, and will provide restitution for certain consumers.

Vonage

The Attorney General joined in a \$3 million multistate settlement with Vonage regarding Vonage's Voice over Internet Protocol ("VoIP") service. The settlement provides for refunds for consumers who experienced difficulties canceling their Vonage VoIP service, and requires Vonage to make significant changes to its marketing practices.

COMPETITION ACT

In enacting Idaho's Competition Act, the Legislature stated that the Act's purposes are to maintain and promote economic competition in Idaho commerce, to provide the benefits of that competition to consumers and businesses in the state, and to establish efficient and economical procedures to accomplish these purposes and policies. The Attorney General continued several

matters of litigation relative to claims brought under the Competition Act. He also announced one settlement.

Vitamin Manufacturers

The Attorney General joined with 21 other states in a \$25 million settlement with numerous vitamin manufacturers regarding a vitamin price-fixing conspiracy. The settlement will benefit Idaho businesses that indirectly purchased certain vitamins between 1988 and 2000, as well as government agencies and non-profit organizations that address nutrition and health matters. This is the second settlement the Office of the Attorney General has entered into related to price fixing and vitamin manufacturing.

Abbott Laboratories Fournier Industries et Sante, and Laboratoires Fournier, S.A.

The Attorney General sued these entities for alleged anticompetitive practices that kept generic versions of the popular drug TriCor off the market. TriCor is used to regulate triglyceride and cholesterol levels. The lawsuit seeks to end the alleged anticompetitive practices and allow the less expensive generic version of TriCor to be marketed. A settlement in this case has been negotiated, pending court approval.

DRAM Manufacturers

The Attorney General sued 13 DRAM manufacturers and their subsidiaries in 2006, for alleged price fixing related to DRAM chips. DRAM is a widely used form of computer memory found in personal computers, servers, and other electronic devices. As a result of the price fixing, the lawsuit alleges that Idaho consumers, businesses, and governmental agencies, both state and local, paid more for their computers, servers, and other electronic devices that they otherwise would have paid had there not been any price fixing. The Attorney General has settled with Samsung and several other smaller manufacturers. The lawsuit against the other manufacturers continues in federal court in California.

TOBACCO

The Legislature has assigned the Attorney General enforcement duties under Idaho's Tobacco Master Settlement Agreement Act (MSA Act), Tobacco Master Settlement Agreement Complementary Act (Complementary Act), and Prevention of Minors' Access to Tobacco Act. The Attorney General prosecutes violations of these laws and defends them against constitutional challenge in state and federal court actions. The Attorney General also enforces and defends the state's Master Settlement Agreement (MSA). In addition, Attorney General Wasden serves on the Board of Directors of the American Legacy Foundation. The foundation was created by the MSA to conduct ongoing national advertising to discourage youth tobacco use.

The MSA has had a substantial impact on cigarette consumption in the United States. Since 1998, the year the MSA was signed, cigarette consumption has dropped more than 30%. Youth smoking rates also have declined significantly, according to a study sponsored by the National Institute on Drug Abuse.

Master Settlement Agreement

During 2009, the tobacco industry paid \$30,964,513 to Idaho pursuant to the MSA. This brings the total the state has received under the MSA to more than a quarter billion dollars (\$254,520,882).

The Attorney General continues to defend the MSA and Idaho's tobacco laws in state and federal lawsuits. The lawsuits assert that the MSA, as well as Idaho's MSA and Complementary Acts, violate constitutional provisions or are preempted by federal law. To date, the Attorney General has defeated challenges to these Idaho laws in actions arising in Idaho, California, Washington, D.C., Oregon, Kentucky, and New York. Several matters are still pending.

Pursuant to Idaho's Complementary Act, the Attorney General maintains and administers a directory of tobacco manufacturers and brands that are in compliance with the Act. At present, the Attorney General has certified 45 tobacco manufacturers and 264 tobacco brands. The directory is available in the tobacco section of the Attorney General's website (www.ag.idaho.gov).

The Attorney General also promulgated and enforces rules under the Complementary Act.

The Attorney General is presently litigating a dispute with the tobacco industry over the state's enforcement of Idaho's MSA Act. The industry disputes the effectiveness of the state's efforts. The state has introduced evidence that it diligently enforced Idaho's MSA Act, that its enforcement efforts produced a compliance rate of 99%, and that this indicates effective, diligent enforcement. A finding of diligent enforcement will insulate the state from monetary claims of the tobacco industry.

Prevention of Minors' Access to Tobacco

The Attorney General is part of an ongoing, multistate enforcement effort related to the retail sale of cigarettes to minors. The Attorney General, along with other states, has negotiated agreements that are designed to reduce youth tobacco product sales. Idaho has entered into such agreements with retailers, including Kroger, Wal-Mart, Walgreens, and RiteAid stores and with gas station and convenience store chains operating under the Chevron, ConocoPhillips, ExxonMobil, and BP brand names. Preliminary research indicates that the agreements are meeting that goal. The Attorney General continues to review data and monitor retail compliance with Idaho's tobacco sales laws.

TOBACCO ENFORCEMENT

Scott Maybee

Scott Maybee sells cigarettes over the Internet under several names, including smartsmoker.com, ordersmokesdirect.com, and buycheapcigarettes.com. Idaho's lawsuit alleged that he sold more than two million cigarettes that were not on the Attorney General's Directory of Compliant Tobacco Product Manufacturers and Brand Families and that he sold the cigarettes at retail without obtaining a tobacco permit from the Department of Health and Welfare, as required by Idaho's Prevention of Minors' Access to Tobacco Act. The court entered judgment against Maybee for \$163,225 in civil penalties and \$8,742 for attorney's fees and costs and permanently enjoined him from selling cigarettes in violation of Idaho's tobacco laws. Maybee appealed the judgment to the Idaho Supreme Court. The Court affirmed the judgment in January 2010.

Lil' Brown Smoke Shack

Lil' Brown Smoke Shack sells various tobacco products over the Internet. Idaho's lawsuit alleged that the business has sold various tobacco products at retail without obtaining a tobacco permit from the Department of Health and Welfare, as required by Idaho's Prevention of Minors' Access to Tobacco Act. The state also alleges that Lil' Brown Smoke Shack has sold tobacco products that were not on the Attorney General's Directory of Compliant Tobacco Product Manufacturers and Brand Families, a separate violation of Idaho tobacco sales laws. The case is currently before the Fourth Judicial District Court, Ada County.

Native Wholesale Supply Company

The Attorney General and the Idaho State Tax Commission filed suit against Native Wholesale Supply, an unlicensed cigarette wholesaler from Perrysburg, New York. The Attorney General alleged Native Wholesale illegally sold Seneca and Opal brand cigarettes in Idaho and sold wholesale cigarettes without the required permits. These cigarette brands and their manufacturer, Grand River Enterprises, have been enjoined from sale in Idaho following entry of a judgment against Grand River Enterprises in 2002. Records received by the Attorney General show that, since 2004, Native Wholesale Supply has sold more than 90 million illegal cigarettes in Idaho. Despite receiving notice of these illegal sales and being served with the lawsuit, Native Wholesale Supply continued illegal cigarette shipments into Idaho. The case is currently before the Fourth Judicial District Court, Ada County.

THE ATTORNEY GENERAL'S NO CALL LIST

Idahoans continue to add telephone numbers to the Attorney General's No Call List. By the end of 2009, Idahoans had registered 939,958 telephone numbers, a ten percent increase from the 855,696 telephone numbers registered at the end of 2008. Idahoans registered on the No Call

List continue to report that unwanted telephone solicitations have decreased significantly or have stopped completely.



EDUCATION AND OUTREACH

OUTREACH

ProtecTeens

ProtecTeens is a video presentation and resource kit to educate parents about the potential danger to their children from sexual predators and others on the Internet. Attorney General Wasden and Secretary of State Ben Ysursa are responsible for the development of ProtecTeens. The Attorney General and the Secretary of State created a broad partnership that includes Governor C.L. “Butch” Otter, First Lady Lori Otter, Superintendent of Public Instruction Tom Luna, the Idaho Prosecuting Attorneys Association, the Idaho Sheriffs’ Association, the Idaho Chiefs of Police Association, the Idaho Internet Crimes Against Children Task Force, the Idaho Medical Association, the Idaho School Boards Association, the Idaho Association of School Administrators, and the Idaho PTA.

Attorney General Wasden and his partners presented ProtecTeens to groups throughout Idaho in 2009 and have distributed more than 100,000 ProtecTeens CDs to Idahoans to date.

The Attorney General has prepared a new, revised, and updated DVD version that will be released in 2010. ProtecTeens is available for viewing on the Attorney General’s website at www.ag.idaho.gov. Idahoans may also use the website to request that a ProtecTeens DVD be mailed to them or request a ProtecTeens presentation to a group or organization.

Consumer Presentations

In 2009, Consumer Protection staff made consumer education presentations throughout the state and spoke to hundreds of people at a variety of speaking engagements. Topics covered issues affecting Idaho consumers and included presentations on identity theft, health and safety, and mortgage foreclosures

The Attorney General’s educational and outreach efforts do not use tax dollars. Money from civil penalties, fees, and reimbursed costs is deposited into the consumer protection account. Funds from this account pay for the Attorney General’s educational activities, pursuant to legislative appropriation.

EDUCATION

Consumer Education Publications

The Consumer Protection Division introduced two new consumer publications in 2009: *Foreclosure Prevention and Foreclosure Scams: How to Tell the Difference* and *Buying a Home*, which have been very well received. Other consumer education publications by the Attorney General include:

<i>A Parent's Guide to Social Networking</i>	<i>Internet Lingo Dictionary</i>
<i>Charitable Giving</i>	<i>Internet Safety</i>
<i>Credit and Debt</i>	<i>Landlord and Tenant Guidelines</i>
<i>Guidelines for Motor Vehicle Advertising in Idaho</i>	<i>Pyramids, Gift Schemes and Network Marketing</i>
<i>Idaho Consumer Protection Manual</i>	<i>Residential Construction</i>
<i>Idaho Lemon Law</i>	<i>Senior Citizens Manual</i>
<i>Identity Theft</i>	<i>Telephone Solicitations</i>
	<i>Young Adult Handbook</i>

The Attorney General offers Spanish translations of the consumer protection publications listed above. The Spanish materials were produced using grant funds. The Attorney General's Consumer Protection Division continues to utilize the Language Line Service to enable Spanish-speaking consumers to obtain consumer information and referrals by telephone.

In addition to the publications listed above, the Attorney General offers consumer tip sheets covering telephone solicitors, automobile repairs, mail fraud, construction fraud, charitable donations and other subjects.

All of the Attorney General's printed consumer education materials are available free of charge upon request or through the Attorney General's website at www.ag.idaho.gov. The website also contains Idaho's consumer protection laws and information for citizens who wish to file a consumer complaint. Consumers may obtain additional information on consumer issues by calling 334-2424 (Boise) or toll-free (in-state) 800-432-3545.



MEDIATION

Consumer specialists in the Attorney General's Consumer Protection Division mediated 1,264 complaints in 2009 and, as a result of that effort, recovered \$175,219 for Idaho consumers.

CONSUMER PROTECTION -- BY THE NUMBERS

ACTIVITY	2009	2008	2007	2006	2005	2004	2003	2002
Complaints*	1,896	1,676	1,614	2,051	1,875	4,079	2,259	3,076
Other Consumer Contacts*	14,255	4,997	3,384	3,226	5,236	2,762	7,635	11,998
Dollars Claimed Lost	\$2,227,203	\$9,800,077	\$3,641,859	\$2,622,263	\$1,380,717	N/A	\$967,673	\$860,542
Consumer Restitution Recovered	\$7,431,388	\$932,134	\$662,253	\$1,692,089	\$603,089	\$5,777,643	\$1,671,078	\$1,147,339
Civil Penalties & Costs Recovered	\$5,944,188	\$2,988,047	\$1,772,175	\$281,678	\$252,777	\$528,138	\$566,486	\$1,569,232
Enforcement Actions**	18	39	19	12	22	15	30	45
Telemarketers Registered	62	53	71	66	52	76	76	69
Idaho Numbers on No Call List	939,958	855,696	702,513	624,222	434,382	362,061	256,182	45,968

ACTIVITY	2001	2000	1999	1998	1997	1996	1995	1994
Complaints*	3,664	2,193	1,874	5,678	5,451	4,497	3,627	3,228
Other Consumer Contacts*	21,925	8,125	8,005	N/A	N/A	N/A	N/A	N/A
Dollars Claimed Lost	\$1,190,849	\$765,555	\$793,493	\$882,486	\$920,285	\$528,945	\$960,191	\$1,268,283
Consumer Restitution Recovered	\$1,429,325	\$905,055	\$376,972	\$638,360	\$1,918,676	\$1,363,375	\$532,657	\$1,757,469
Civil Penalties & Costs Recovered	\$209,560	\$546,136	\$962,019	\$413,121	\$537,768	\$164,300	\$134,000	\$163,621
Enforcement Actions**	32	23	29	56	50	63	96	78
Telemarketers Registered	30	46	48	51	46	61	57	66
Idaho Numbers on No Call List	33,731	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* From 1989 to 1998, this category included all written complaints lodged, inquiries made, information provided and consumers' requests for written information. Implementation of a new database in 1999 enables the Division to now track complaints and other consumer contacts separately. Beginning in 2009, the Division also began tracking the number of telephone calls and personal contacts.

** Includes Assurances of Voluntary Compliance, Judgments and Orders Compelling Response and Granting Injunctive Relief obtained. Lawsuits filed, but not yet concluded, are not counted.