



*Keeping Michigan consumers safe and informed!*

# Attorney General Bill Schuette's **CONSUMER EDUCATION**

**HAPPY MAY DAY!** And Happy Lumpy Rug Day? You read that right: Happy Lumpy Rug Day! May has some interesting national days to celebrate, some you recognize like Mothers' Day and Memorial Day; and others you may not, like National Star Wars Day (May the Fourth be with you), and National Learn to Swim Day. May also includes the only Friday the 13th for 2016.

With April showers bringing May flowers, what better time than now to spring into action and learn a little about national flood insurance facts; free fishing and scam phishing; Michigan's trade-in tax break for watercraft purchases; those notable May days; and our monthly feel-good news story, which this month features a fifty-state take down of a fake cancer charity.

Before you get the rug pulled out from under you, read on ...

## April Showers Too Much?

In case stories about the recent devastating floods have got you worried, here are the [Top Ten National Flood Insurance Facts for Consumers from the Federal Emergency Management Agency](#):

- Everyone lives in a flood zone.
- Flood damage is not covered by homeowners' policies.
- You can buy flood insurance no matter your flood risk.
- Your home or business may qualify for a low-cost Preferred Risk Policy.
- Flood insurance is widely available.
- Flood insurance is easy to get.
- Contents coverage is available.
- Many non-residential buildings and contents can be insured up to \$1 million.
- There is usually a 30-day waiting period before coverage goes into effect.
- Federal disaster assistance is not the answer.





## Free Fishing

Two days next month, families and friends can enjoy one of Michigan's premiere outdoor activities, Michigan fishing, for **FREE!**

All fishing license fees will be waived for Saturday, June 11 and Sunday, June 12, so mark your calendars now. Residents and out-of-state visitors may enjoy fishing on both inland and Great Lakes' waters for many species of fish

Please note all fishing regulations will still apply.

## FISHING FOR A NEW BOAT?

### Take Advantage of Michigan's Sales Tax on the Difference Law

Are you thinking about purchasing a new watercraft this year? If so, keep in mind that since November 2013, Michigan's Sales Tax on the Difference (STOD) law means that boat buyers pay sales tax only on the difference between the value of a trade-in and the purchase price of a new model. This means that the value of your old boat is subtracted from the selling price of your new boat before Michigan's 6% sales tax is added in. The old law required a consumer to pay sales tax on the full selling price of a boat before subtracting the amount of the trade-in.

The Michigan STOD, called a "trade-in tax break," also applies to sales of motor and recreational vehicles; but the tax breaks allowed for those sales are currently limited to \$3,000. The trade in value of a boat is not limited; it has full value.

It applies to all TITLED watercraft sold in Michigan, which includes all watercraft 20 feet and longer, all watercraft with a permanently affixed engine regardless of length, and all watercraft titled at request of a lienholder.

[Click here for a PDF of the Sales Tax on the Difference FAQs.](#)

## Don't Take the Bait! Phishing Scams to Avoid

By now, most people have heard about phishing scams; sending email to a large group of individuals with the intent of tricking them into clicking a link or revealing personal information.

Just as scams continue to evolve, so do scammer's schemes. Now you also need to know about spear phishing, whaling, vishing, and smishing.

- **Spear phishing** – targets a specific group of people (i.e. a specific company or organization). State of Michigan employees were recently "speared" to take part in a bogus employee satisfaction survey promising a chance to win a gift card.

- **Whaling** – similar to spear phishing, but the specific group is high-level executives. Prime whaling targets would be senior executives, high-level officials in private businesses, or even those with privileged access to government (or top secret) information. In these attacks, executives receive official looking documentation. The documents are only available through the link in the correspondence, and it must be reviewed right away. Once clicked, malware is installed and provides the scammers with access to the executive's system and passwords.

- **Vishing** – a form of phishing that uses a phone system or voice over IP (VoIP) technology. Users many times receive a voicemail, text, or email stating there is a problem with their account. They are instructed to call a specific phone number to clear up discrepancies. If they call, an automated recording requests their personal information (credit card or bank numbers, birthday, expiration dates, etc.,).

- **Smishing** – similar to vishing, smishing is a form of phishing that uses mobile phone text messages to lure victims in to immediate action such as downloading mobile malware, visiting a malicious website, or calling a fraudulent phone number. The incidence of smishing in the U.S. tripled in 2014 when one in four unsolicited SMS messages attempted to steal the victim's personal or financial information.

If you would like to learn more about phishing and other scams, [attend our next Phone, Mail & eScams presentation.](#)



### What to Look For and What to Do:

- Is your name missing?
- Is the message asking for personal information?
- Does the message have typos or grammatical errors?
- Is the URL link suspicious? (Roll your mouse over it)
- Does it convey a sense of urgency, threats, or warning? (E.g. "There is a problem with your account.")
- If suspicious, don't click on links or return phone calls.
- Make sure your virus software is up to date.
- Do not respond to smishing messages.

# MAY THIRD.



National Lumpy Rug Day, which is celebrated each year on May 3rd, sounds a little silly. But celebrants follow one of two themes for the day:

1. National Lumpy Rug day is a day to appreciate a good, clean rug and incorporate that into your spring cleaning. It also calls on you to appreciate your old lumpy rugs and the comfort they have brought to your home.
2. National Lumpy Rug day is a day to acknowledge the unwelcome facts and issues that you have "swept under the rug" and chose not to deal with and to deal with them.

Either way, May 3rd is a day to take action. [View our calendar to attend or to host one of our consumer education presentations](#), so you don't get called on the carpet.

## 2016's Only Friday The 13th: Lucky for Michigan Mega Millions Lottery Players

It typically occurs one to three times a year, when the 13th of the month falls on a Friday, but this year, 2016 will see just one Friday the 13th in May.

For Michigan lottery players, ladders and black cats aside, this may be your lucky day. Since 2009, Michigan Mega Millions players have won more than \$95.5 million in big prizes playing the game on Friday the 13th. Two very lucky players won jackpots of \$27 million and \$66 million on Fridays the 13th in 2011 and 2014.



## Schuette Achieves Shutdown of Two National Charity Sham Charity Charities

The Cancer Fund of America, a self-described charity based in Tennessee, agreed to dissolve after a court battle with Michigan Attorney Bill Schuette, the Federal Trade Commission, and the Attorneys General for the other 49 states.

The charities, run by James Reynolds Sr. and his family members, will go out of business and the president is banned from working for any non-profit organization in the future.

This "family" of cancer charities, listed as some of the worst in the United States, collected millions of donations without showing any real benefit to people suffering with cancer. Reynolds Sr. operated Cancer Fund of America. His ex-wife, Rose Perkins, ran Children's Cancer Fund of America. And their son, James Reynolds Jr., ran The Breast Cancer Society. A fourth man, Kyle Effler, operated Cancer Support Services.

In all, the four charities raised more than \$180 million over the years, and almost none of it was recoverable.

The Breast Cancer Society and The Children's Cancer Fund went out of business shortly after Schuette and his law enforcement partners targeted the four sham charities in May 2015. But the Cancer Fund of America and its fundraising arm, Cancer Support Services, contested the government lawsuit.

The final settlement concludes the largest joint enforcement action ever undertaken against a charity that fifty Attorneys General and the FTC said was fraudulent.

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