



CONSUMER AWARENESS

TRAINING TECHNIQUES

MODULE DESCRIPTION

Consumer Awareness is a 70-90 minute program focusing on deterring, detecting and defending against consumer fraud in the marketplace. Designed with the junior sailor in mind, although appropriate for all audiences, this interactive program also focuses on basic steps every consumer should take to ensure they get the most for their money.

The *Consumer Action Handbook*, published by the Federal Trade Commission, is a critical part of this program. It may be helpful to consider it the “textbook” for this module. Try to get this publication into the hands of as many sailors as possible. Order bulk copies to distribute or at least ensure that all participants know where to go on-line to download a copy.

As an optional activity, the trainer can show the FTC’s excellent video on Identity Theft, available through their website.

The program can be taught by following the curriculum and incorporating some or all of the optional activities below, or it can be taught by using the PowerPoint review game as a lesson leader. Prior to facilitating this program, trainers should research local and state consumer laws, especially any auto repair facilities acts, state lemon laws, and other consumer protection initiatives (check with the state office of Consumer Affairs or the state Attorney General’s office).

LEARNING OBJECTIVES

At the conclusion of this program, participants will be able to:

- Identify consumer misrepresentations, scams, and frauds.
- Differentiate between misleading and reputable advertising practices.
- Identify methods for resolutions of consumer complaints and issues.
- Detect, deter and defend against internet fraud, predatory lending, and identity theft.
- Demonstrate knowledge of consumer rights.
- Identify consumer resources - both military and community.

■ REFERENCES

- SECNAVINST 1754.1, Family Service Center Program.
- OPNAV Instruction 1740.5B, Personal Financial Management Education, Training and Counseling Program.
- Command Financial Specialist Training Manual, NAVPERS 15608D (or later).
- Consumer Awareness Module, Personal Financial Management Standardized Curriculum 2004/2005, and all references listed therein.
- Federal Citizen Information Center. *2007 Consumer Action Handbook*. U.S. General Services Administration. (www.consumeraction.gov)
- Federal Trade Commission. 2006. “Deter-Detect-Defend” and various other pamphlets available to consumers.
- National Consumer Law Center, Inc. May 2003. *In Harm’s Way at Home: Consumer Scams and the Direct Targeting of America’s Military and Veterans*. Boston, MA: NCLC. (www.nclc.org)
- National Consumer Law Center et. al. February 2007. “COMMENTS of the National Consumer Law Center, Consumer Federation of America, Center for Responsible Lending, Consumers Union, National Association of Consumer Advocates Regarding Limitations on Terms of Consumer Credit Extended to Service Members and Dependents.” Department of Defense, FR Doc. 06-9518, DOD-2006-OS-0216, 71 Fed. Reg. 70512 (Dec. 5, 2006).
- Pew Internet and American Life Project. December 2005. “Internet Use and E-Mail Data Memo”. (<http://www.pewinternet.org/trends.asp>)
- www.adage.com (Ad Age Website, Advertising Statistics)
- www.bbb.org (The Better Business Bureau)
- www.callforaction.org (Network of Consumer Hotlines)
- www.citizen.org (Public Citizen Consumer Advocacy Website)
- www.consumer.gov (Consumer Safety Tips)

- www.consumer.gov/military (Military Sentinel Program)
- www.consumeraction.gov (Consumer Action Website)
- www.consumerreports.org (Consumer Reports)
- www.consumerworld.org (Consumerworld Website)
- www.fraud.org (Internet Fraud Watch)
- www.ftc.gov (Federal Trade Commission)
- www.pueblo.gsa.gov (Federal Citizen Information Center)
- www.naag.org (National Association of Attorneys General)
- www.natlconsumersleague.org (National Consumer's League)
- www.ffsp.navy.mil (Fleet and Family Support Programs)
- www.nlada.org (National Legal Aid and Defenders Association)
- www.responsiblelending.org (Center for Responsible Lending)
- www.scambusters.org (Scam Site updated regularly)

■ MODULE PREPARATION

Handouts:

- Sources of Help for Military Consumers
- Deter-Detect-Defend: Avoid Identity Theft
- *The Consumer Action Handbook* (Available in bulk from the FTC)

Materials (varies depending on activities chosen):

- Sample Advertising (Optional)
- FTC Video (CD) on Identity Theft (Optional)
- Consumer Jackpot PowerPoint Review Game

■ SUMMARY OF OPTIONAL PARTICIPANT ACTIVITIES

- **Consumer Jackpot Review:** A jeopardy-style game covering topics contained in this module. Can be conducted as a review or used in lieu of a lecture. If used in lieu of lecture, trainer should be prepared to provide information contained in the content module when necessary.

■ CURRICULUM OUTLINE

1. Welcome and Introduction (5 minutes)
2. Deter (20 minutes)
 - a. The Savvy Consumer (10 minutes)
 - i. Military Personnel
 - ii. The Impact of Advertising
 - iii. Common Advertising Techniques
 - iv. Meaningless Terms
 - v. Misleading Ads
 - b. The Impact of Technology (1 minute)
 - c. How to Deter (10 minutes)
3. Detect (20 minutes)
 - a. Misrepresentations, Scams and Frauds (3 minutes)
 - b. Major Issues of Concern
 - i. Internet Fraud (5 minutes)
 - ii. Predatory Lending (10 minutes)
 1. Pay Day Loans
 2. Other Businesses Considered “Predatory”
 - iii. Identity Theft (5 Minutes)
 1. Detecting Identity Theft
4. Defend (25 minutes)

- a. Defensive Techniques for the Savvy Consumer (15 minutes)
 - i. Remember the Basics
 - ii. Make Smart Purchases
 - iii. Borrow Wisely
 - iv. Take Action
 - v. For Identity Theft ...
- b. Your Legal Rights (5 minutes)
 - i. How to Cancel a Contract
 - ii. Cooling Off Periods
 - iii. Federal and State Consumer Protection Laws
- c. Sources of Help (5 minutes)

■ INSTRUCTOR TECHNIQUES BY SLIDE NUMBER

7

Driver's Wanted: Volkswagon

Just Do It!: Nike

Head for the Border: Taco Bell

1st Amendment: Freedom of Speech

7th Amendment: Trial by Jury

8

Energizer Bunny: 1989

Pillsbury Doughboy: 1965

Green Giant: 1928

Tony the Tiger (Frosted Flakes): 1951

The Marlboro Man: 1955

Additional information for common advertising techniques:

Beauty Appeal: Beauty attracts us; we are drawn to beautiful people, places and things.

Celebrity Endorsement: Associates product use with a well-known person. By purchasing this product we are led to believe that we will attain characteristics similar to the celebrity.

Escape: Getting away from it all is very appealing; you can imagine adventures you cannot have; the idea of escape is pleasurable.

Independence/Individuality: Associates product with people who can think and act for themselves. Products are linked to individual decision making.

Intelligence: Associates product with smart people who can't be fooled.

Lifestyle: Associates product with a particular style of living/way of doing things.

Nurture: Every time you see an animal or a child, the appeal is to your maternal or paternal instincts. Associates products with taking care of someone.

Peer Approval: Associates product use with friendship/acceptance. Advertisers can also use this negatively, to make you worry that you'll lose friends if you don't use a certain product.

Rebel: Associates products with behaviors or lifestyles that oppose society's norms.

Rhetorical Question: This technique poses a question to the consumer that demands a response. A question is asked and the consumer is supposed to answer in such a way that affirms the product's goodness.

Scientific/Statistical Claim: Provides some sort of scientific proof or experiment, very specific numbers, or an impressive sounding mystery ingredient.

Unfinished Comparison/Claim: Use of phrases such as "Works better in poor driving conditions!" Works better than what?

10

Look through the local newspapers (base and city) for advertisements geared toward the military and have them available as samples.

12

Provide participants with the handout “Sources of Help for Military Consumers”. Explain that most of the information they need from this presentation is included in the handout. If you have a supply of the *Consumer Action Handbook*, you can hand that out as well.

17

Provide participants with the handout “Deter-Detect-Defend: Avoid ID Theft”.

26

Explain that all of these sources and the websites on the following slide are on the “Sources of Help” handout.

Optional Participant Activity: Consumer Jackpot

See “Introduction to the Modules: PowerPoint Games”

Consumer Jackpot Question Bank

Categories: Where to Complain, Your Legal Rights, What a Rip-Off!, Sources of Help, Deter-Detect-Defend

WHERE TO COMPLAIN

100

A: A network of nonprofit organizations supported by local businesses that tries to resolve buyer complaints against sellers

Q: WHAT IS . . . the Better Business Bureau?

200

A: The military board that has the power to place a business establishment off limits for illegal and unsafe practices.

Q: WHAT IS . . . The Armed Forces Disciplinary Control Board?

300

A: An organization to contact to reduce the amount of “junk” mail you receive.

Q: (any one of the following) WHAT IS . . . the Direct Marketing Association, the U.S. Post Office, the Credit Reporting Agencies or Call 1-888-5OPTOUT?

400

A: One place you can report to about scams on the internet.

Q: (any one of the following)

WHAT IS . . . Internet Fraud Watch, The BBB, Your Internet Service Provider (ISP), Military Sentinel Program?

500

A: One of the three steps in making a consumer complaint.

Q: (any one of the following)

WHAT IS . . . Contact the seller; contact the company president or headquarters; use your consumer advocates?

YOUR LEGAL RIGHTS

100

A: The total number of days you have in which to cancel a contract signed at the merchant’s place of business.

Q: WHAT IS . . . ZERO days?

Many states offer little consumer protection unless fraud is proven.

Bottom line: Can you get out of the contract? Probably not! The best protection is to write a 3 day cancellation clause in the contract. Do not sign any documents waiving (giving up) the right to cancel. The three day “cooling-off rule” (opportunity to cancel contracts) generally applies to home solicitations and telephone sales.

200

A: The common name for the Motor Vehicle Warranty Enforcement Act that applies ONLY to new cars involving safety or repeat mechanical problems.

Q: WHAT IS . . . The Lemon Law?

300

A: The law effective October of 2007 that protects the military from predatory lending.

Q: WHAT IS . . . the Military Lending Act?

400

A: The law in most states which prevents mechanics from exceeding a written repair estimate by more than 10% (unless you authorize it first).

Q: WHAT IS . . . Automobile Repair Facilities Act?

500

A: The best place to go when your consumer rights have been violated.

Q: What is the State Attorney General or State Consumer Affairs Office?

WHAT A RIP-OFF!

100

A: The name of the type of business that will accept a post-dated check for a loan amount plus interest that they will be happy to roll-over weekly at interest rates of 400% or more?

Q: WHAT IS . . . a “Payday Loan Company”?

200

A: One of the phrases used in misleading advertising.

Q: WHAT IS . . . We Finance E-1 and up! Greatly Reduced! Below Cost! Free Ride to the Store! Etc. (accept any answer from the discussion)

300 (Daily Double)

A: The type of fraud/money making scheme where the person at the bottom buys his or her way into a program which promises to make them a lot of money.

Q: WHAT IS . . . a “Pyramid Scheme”?

400

A: One way to detect identity theft.

Q: WHAT IS . . . Missing bills, mysterious trade lines on credit reports, credit cards not applied for, sudden denial of credit? (Any one is acceptable answer.)

500

A: The consumer combat strategy, motto or creed a consumer should live by in the marketplace in order to avoid being “ripped off.”

A: WHAT IS . . . “Caveat Emptor” or “Let the Buyer Beware”?

SOURCES OF HELP

100

A: The title of the point of contact in your command who provides members with sources of help and budget counseling.

Q: WHAT IS . . . Command Financial Specialist (CFS)?

200

A: The organization where sailors and family members can attend financial, parenting and resume writing classes at no cost.

Q: WHAT IS . . . the Fleet and Family Support Center?

300

A: A publication from the Federal Trade Commission that aids consumers with all aspects of consumer protection.

Q: WHAT IS . . . *The Consumer Action Handbook*?

400

A: The military resource where sailors can take unsigned contracts to be reviewed by an attorney for no cost.

Q: WHAT IS . . . NLSO, or the Navy Legal Services Office?

500

A: This Act originally passed by Congress in 1940 and revised in 2003 provides protections to active duty service members.

Q: WHAT IS . . . The Servicemembers Civil Relief Act? (One protection of this Act would be the opportunity to delay a court date until the service member can appear in court, a temporary suspension of civil proceedings to protect the servicemembers civil rights.)

DETER-DETECT-DEFEND

100

A: This is a key indicator of whether or not you should borrow money.

Q: WHAT IS . . . Who is willing to loan it to you? (Stay away from Predatory Lenders.)

200

A: Completes this sentence: Verbal promises are only as good as the paper they are _____ on.

Q: WHAT IS . . . “written”? (Verbal promises aren’t worth anything if you need to prove something in court.)

300

A: A way to keep yourself from being rushed into making a purchase.

Q: WHAT IS . . . Wait 24 hours, “Sleep on it”?

400

A: Three of the “basics” you should remember to defend against consumer rip-offs.

Q: (may include any one of the following) WHAT IS . . . Know why the military is targeted, Understand the impact of advertising, Have a budget and stick to it, Separate your needs from your wants, comparison shop, Don’t buy on impulse, Opt out of calling, mailing, and e-mail lists, Protect personal information and your computer, Be familiar with current scams in the marketplace?

500

A: One way to “Know what you can afford.”

Q: (may include any one of the following) WHAT IS . . . Calculating your budget, spending plan or financial plan; calculating your debt-to-income ratio?

FINAL JACKPOT

A: The first person you should contact if you are dissatisfied with a product or service you have purchased.

Q: WHO IS . . . the seller?