

**WISCONSIN STATE
LEGISLATURE COMMITTEE
HEARING RECORDS**

2007-08

(session year)

Senate

(Assembly, Senate or Joint)

**Committee on
Small Business,
Emergency
Preparedness,
Workforce
Development,
Technical Colleges &
Consumer Protection**

(SC-SBEPWDTCCP)

COMMITTEE NOTICES ...

➤ Committee Reports ... CR
**

➤ Executive Sessions ... ES
**

➤ Public Hearings ... PH
**

➤ Record of Comm. Proceedings ... RCP
**

**INFORMATION COLLECTED BY
COMMITTEE FOR AND AGAINST
PROPOSAL ...**

➤ Appointments ... Appt
**

➤ Clearinghouse Rules ... CRule
**

➤ Hearing Records ... HR (bills and resolutions)
**

(companion bill: _____)

➤ Miscellaneous ... Misc
**

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Vote Record
**Committee on Small Business, Emergency Preparedness,
 Workforce Development, Technical Colleges and Consumer
 Protection**

Date: December 12, 2007

Moved by: Carpenter Seconded by: Plale

AB _____ SB_211 _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

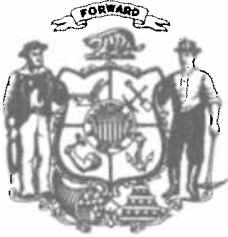
SB
211

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

- Be recommended for:
- | | | | | |
|---------------------------------------|------------------------------------|---------------------------------------|---|--|
| <input type="checkbox"/> Passage | <input type="checkbox"/> Adoption | <input type="checkbox"/> Confirmation | <input type="checkbox"/> Concurrence | <input type="checkbox"/> Indefinite Postponement |
| <input type="checkbox"/> Introduction | <input type="checkbox"/> Rejection | <input type="checkbox"/> Tabling | <input type="checkbox"/> Nonconcurrency | |

Committee Member	Aye	No	Absent	Not Voting
Senator Robert Wirth, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Tim Carpenter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Jeffrey Plale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Neal Kedzie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Carol Roessler	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>5</u>	<u>0</u>	_____	_____





MARK POCAN

WISCONSIN STATE REPRESENTATIVE

June 25, 2007

Senator Wirch
Wisconsin State Capitol, Room 317 East
Madison, WI 53707

Dear Senator Wirch:

I am writing to request a public hearing for Senate Bill 211, which received bi-partisan support from more than one-third of the state legislature.

This bill would protect consumers and businesses by banning the use of the “check scam”, an intentionally misleading practice of sending what seems like a normal check (attached) that, when cashed, deceptively commits a person or business to a contract for a product or service that the victim did not intend to sign-up for. This scam frequently targets seniors and businesses and tricks them into costly binding contracts by simply cashing the check.

This bill does not just have the support of one-third of the legislature. Because this is clearly a deceptive practice, the Merchants Federation, National Federation of Independent Businesses, Wisconsin Independent Businesses Inc, Coalition of Wisconsin Aging Groups and the Association for the Advancement of Retired Persons are also supportive of this bill.

The penalty for violation of this law would be derived similarly to violations of the No Call List with a maximum fine of \$10,000 in a seven day period.

For the above reasons, I ask that your committee hold a public hearing on this bill in the near future. If you have any questions about this bill, please contact me at 266-8570 at your earliest convenience.

Sincerely,

Representative Mark Pocan
78th Assembly District

DIRECTORY BILLING, LLC

P.O. Box 370
Boca Raton, FL 33429-0370
1-800-842-1499

SUNTRUST BANK
BOCA RATON, FL 33432
64-70811

Ref. # 0120903581
608-238-9080

281572960
03/13/06

PAY TO THE
ORDER OF

Budget Signs & Specialties

Three Dollars and 25/100*****



Member Financial Institution
Check expires in 90 days
Please's name cannot be altered
VOID IF ALTERED
Amount not in excess \$3.25

*****ALTO** 5-DIGIT 53705

Budget Signs & Specialties
2825 University Ave
Madison, WI 53705-3631



Sarah L. Puriglove
AUTHORIZED SIGNATURE

⑈ 28 1 5 7 2 9 6 0 ⑈ ⑆ 0 6 1 1 0 0 7 9 0 ⑆ 6 6 0 7 6 0 7 9 1 1 7 6 5 ⑈

Check Date: 03/13/06

Check No. 281572960

ITEM	DESCRIPTION	AMOUNT
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Solicitation for Internet Yellow Page Advertising

Discount Incentive

\$3.25

Check Total \$3.25

Advertiser:

Budget Signs & Specialties
2825 University Ave
Madison, WI 53705-3631
Ref: #0120903581
608-238-9080

SUNTRUST BANK

See Terms of Offers on back of Sign-Up Check
000415040

3.25

By depositing this check you confirm that you are 18 years of age and duly authorized by the telephone account owner to make changes to and/or incur charges on the telephone account. You certify you have read and on behalf of your company accept the terms of Offer which were enclosed with this check, authorize Decency Billing LLC to enroll your company and agree that your company will pay \$49.95 per month for a Pre-empted Business Listing, you authorize Decency Billing, LLC to obtain from you in advance on your local telephone bill on the O&M bill page or obtain payment from the bank by direct ACH or bank draft from your company's bank account and you understand that you may cancel or revoke this authorization and receive a full refund by calling 1-800-442-1426 or by mailing written notice to Decency Billing, LLC, 999 NW 51st St., Ste 200, Boca Raton, FL 33431 within the next 90 days after depositing this check.

TO ENSURE THAT YOUR DEPOSIT IS CREDITED TO THE PROPER ACCOUNT WRITE OR STAMP ACCOUNT NUMBER BELOW:

ACCOUNT NUMBER _____

X

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE





AARP Wisconsin T 1-866-448-3611
222 W. Washington Ave. F 608-251-7612
Suite 600 TTY 1-877-434-7598
Madison, WI 53703 www.aarp.org/wi

August 22, 2007

To: Senate Committee on Small Business, Emergency Preparedness, Workforce Development, Technical Colleges and Consumer Protection

From: Patricia Finder-Stone, AARP WI State President

Re: Support SB 211 – relating to check scams

AARP Wisconsin supports Senate Bill 211, relating to soliciting purchases of goods or services using unsolicited checks or money orders. I am Patricia Finder-Stone, AARP Wisconsin State President. We appreciate the bipartisan support for this legislation.

According to the Wisconsin Department of Financial Institution one of the top ten complaints reported each year includes fraud. Statistics for fraud are in the top ten even though this kind of fraud is considered to be drastically under-reported. We all know that there is social stigma associated with victims of this kind of a crime. The elderly are especially sensitive to this due to stereotypes, true or not, about vulnerable populations. Criminals target this demographic making consumer fraud an especially important issue for AARP.

AARP policy provides that contracts, advertisements, sales practices, telemarketing, warranties, mailing envelopes and other materials or practices should not confuse, mislead or frighten the public. Check scams easily fall into the category of confusing and misleading the public. An ethical business would not think to engage in this practice.

We support SB 211 prohibiting unfair and deceptive practices in trade or commerce. We ask you to also support this legislation.

Thank you for the opportunity to speak with you today.



WISPIRG

**Standing Up
To Powerful Interests**

122 State St., Ste. 309 www.wispirg.org
Madison, WI 53703 info@wispirg.org
P (608) 251-9501 F (608) 287-0865

To: Senate Committee on Small Business, Emergency Preparedness, Workforce Development, Technical Colleges, and Consumer Protection
From: Bruce Speight, WISPIRG Advocate
Date: August 22, 2007
Re: Senate Bill 211

Good morning Chairman Wirch and members of the committee. Thank you for the opportunity to speak today. My name is Bruce Speight and I am a Public Interest Advocate for WISPIRG, the Wisconsin Public Interest Research Group. WISPIRG is a statewide non-profit, non-partisan public interest organization that stands up to powerful interests. We represent 9,000 members across the state.

I am here today in strong support of SB211, the check scam protection bill.

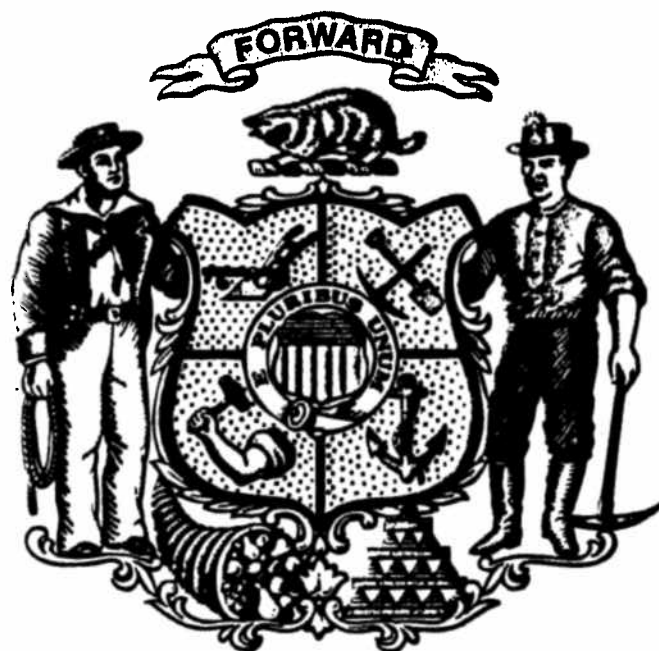
Sometimes consumers aren't given all the information needed to make informed choices. Even more insidious, sometimes consumers are misled by deceptive practices. Such is the case with the 'check scam.'

It's one thing to market a product to a consumer, it's another thing to, in an underhanded way, lure a consumer into purchasing a product or service that they do not intend to purchase. WISPIRG strongly supports legislation that protects consumers from the misleading practice of sending a check that, when cashed, commits the victim to products or services that they do not intend to purchase.

Consumers have the right to full disclosure and should never be manipulated. They should not be deceived into purchasing products or services unknowingly or unwillingly.

WISPIRG thanks Representatives Pocan and Gottlieb and Senators Olsen and Lehman for introducing this bill to ban the 'check scam' and for standing up in opposition to this deceptive practice.

Thank you for the opportunity to comment today.





State of Wisconsin
Jim Doyle, Governor

Department of Agriculture, Trade and Consumer Protection
Rod Nilsestuen, Secretary

August 22, 2007

The Honorable Robert Wirch, Chair
Committee on Small Business, Emergency Preparedness,
Workforce Development, Technical Colleges and Consumer Protection

Re: SB 211 relating to soliciting purchases of goods or services using unsolicited checks or money orders.

Dear Senator Wirch:

Thank you for giving the Department of Agriculture, Trade & Consumer Protection the opportunity to testify for information regarding SB 211.

We support the idea behind SB 211 as we have never liked the “cash-the-check” promotion scheme. Typically the notice provided to consumers about how you are signing up for something by cashing the check is in very small print on the back side of the instrument and is not designed to be readily noticed. While the bill addresses this issue we believe there is a potential problem with the penalty portion.

Under the current language, the maximum forfeiture cannot exceed \$10,000 for a 7-day period. Thus, a business could saturate the state with prohibited “checks” for 7 days and easily receive \$100,000 of revenue from persons who cash the “check”. To that business, a maximum \$10,000 forfeiture means that the scheme netted \$90,000 – an amount well worth the penalty.

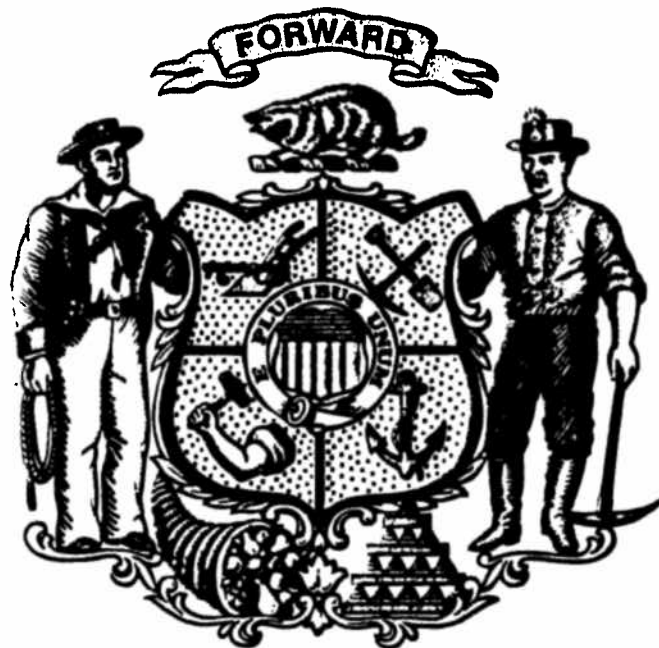
If the bill is to effectively stop the scheme of using these devices to entrap unwary consumers, the penalty should be enhanced.

We thank the Committee for the opportunity to provide comments on SB 211.

Respectfully,

Janet Jenkins
Administrator
Division of Trade & Consumer Protection

Agriculture generates \$51.5 billion for Wisconsin





WISCONSIN LEGISLATIVE COUNCIL

Terry C. Anderson, Director
Laura D. Rose, Deputy Director

TO: SENATOR ROBERT WIRCH
FROM: Dan Schmidt, Senior Analyst *DWS.*
RE: Proposed Amendment LRBa0958/1 to 2007 Senate Bill 211
DATE: December 10, 2007

This memorandum, prepared at your request, describes the substantive provisions of 2007 Senate Bill 211 and the modifications proposed in the draft amendment LRBa0958/1.

2007 Senate Bill 211 prohibits the solicitation for the purchase of goods or services by delivering to a recipient in this state a document that is or appears to be a check payable to the recipient, if the endorsement of the document purports to bind the recipient to purchasing goods and services and the recipient did not request the delivery of the document. Violations are punishable by a forfeiture of not more than \$100 per solicitation not to exceed \$10,000 for each seven-day period in which a person violates this provision.

LRBa0958/1 provides that the "purchase of goods or services" under this provision does not include an extension of credit, except an extension of credit by a lender licensed by the Department of Financial Institutions under s. 138.09, Stats. Examples of such "licensed lenders" generally include finance companies, payday lenders, car title lenders and certain pawnbrokers. Banks, savings banks, savings and loan associations, or credit unions are generally not included in this section.

If you have any questions, please feel free to contact me directly at the Legislative Council staff offices.

DWS:wu



DIRECTORY BILLING, LLC
P.O. Box 370
Boca Raton, FL 33429-0370
1-800-842-1499

SUNTRUST BANK
BOCA RATON, FL 33432
64-78611

281572960
03/13/06

Ref. # 0120903581
608-238-9080



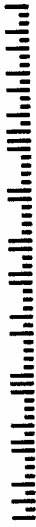
Attention financial institution
Check expires in 60-days
Payee's name cannot be altered
VOID IF ALTERED.
Amount not to exceed \$3.25

PAY TO THE ORDER OF Budget Signs & Specialties

Three Dollars and 25/100*****5-DIGIT 53705*****

*****AUTO** 5-DIGIT 53705

Budget Signs & Specialties
2825 University Ave
Madison, WI 53705-3631



Sarah L. Puriflove

AUTHORIZED SIGNATURE

⑈ 281572960⑈ ⑆061007906607607911765⑈

Check No. 281572960

Check Date: 03/13/06

ITEM	DESCRIPTION	AMOUNT
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Solicitation for Internet Yellow Page Advertising Discount Incentive \$3.25
Check Total \$3.25

Advertiser: Budget Signs & Specialties
2825 University Ave
Madison WI 53705-3631

SB
211
File

By depositing this check you confirm that you are 18 years of age and duly authorized by the telephone account owner to make changes to and/or incur charges on the telephone account, you certify you have read and on behalf of your company accept the Terms of Offer which were enclosed with this check, authorize Directory Billing, LLC to enroll your company and agree that your company will pay \$49.95 per month for a Preferred Business Listing, you authorize Directory Billing, LLC to bill such fees in advance on your local telephone bill on the OAN bill page or obtain payment of the fees by direct ACH or bank draft from your company's bank account into which this check is deposited or by other methods, according to the Terms Of Offer, you understand that you may cancel or revoke this authorization and receive a full refund by calling 1-800-642-1499 or by mailing written notice to Directory Billing, LLC, 999 NW 51st St., Ste 200, Boca Raton, FL 33431 within the first 90 days after depositing this check

**TO ENSURE THAT YOUR DEPOSIT IS CREDITED TO THE PROPER
ACCOUNT WRITE OR STAMP ACCOUNT NUMBER BELOW:**

ACCOUNT NUMBER _____

X

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE

DO NOT DEPOSIT TO LOCKBOX ACCOUNTS