

Approved: March 10, 1997
Date

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Garry Boston at 1:30 p.m. on March 5, 1997 in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Mary Galligan, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee: C. Steven Rarrick, Deputy Attorney General
Bob W. Storey, District Marketing Association

Others attending: See attached list

HB 2479 - Consumer Protection; Relating to Prize Notification

Staff gave a briefing stating the bill was requested by the Attorney General's Office. This bill deals with prize notifications that are given to people and represent that people have been selected for or are eligible to receive a prize. This bill clarifies that these notifications apply to both oral notifications and written notifications. The way the current statute is written in many instances it refers to written notifications and does not apply to oral notices. The definition of prize notice is changed to refer to promotions that are offering prize or chance to obtain a prize based on representation that the individual has been selected or may be eligible to receive a prize. It requires in all cases the odds of winning a prize be stated currently is required if only one prize is being offered. There are also specific requirements regarding what has to be disclosed and in the case of a written prize notification the items have to be in not less than 10.0 phase and it requires that the retail value of the prize and statement of the odds has to be given in case of an oral prize notification at the time immediately following the statement that offers the prize. The penalties for violation of the section are increased to \$1,000 and there are increase in the number of exemptions from the current statute including catalogue promotions, membership-type promotions such as record and video clubs, subscription or contractual purchase plans, serial purchase plans where you receive something at regular intervals that are sent subject to approval and possible return and all of those exemptions are included in the statute.

C. Steven Rarrick, Deputy Attorney General, Consumer Protection Division, Office of Attorney General, testified as a proponent for **HB 2479**, stated the Attorney General proposed the amendments to K.S.A. 50-692 which are contained in the bill. Numerous complaints are received that are related to mail order, contests, sweepstakes and telemarketing. Unfortunately, the elderly are often the primary targets of these companies. In attempting to apply K.S.A. 50-692 to traditional sweepstakes and prize contest companies involved in many of our complaints is that the statute does not apply to most of these companies because the definition of "prize notice" is too narrow and the exemptions in the statute are too broad. (Attachment 1)

Bob W. Storey, an opponent to **HB 2479**, representing DeHart and Darr Associates, Inc., a public relations firm in Washington, D.C., which in turn represents Direct Marketing Association ("DMA") and its 16 member employers headquartered in 8 Kansas cities and 39 members located in Kansas, which generates millions of dollars in Kansas. DMA has worked with the Attorney General's office and the legislature in attempting to regulate the unethical practices of some telemarketers whereby consumers are induced into prize promotion schemes or contracts for purchases of goods or services. The intent of **HB 2479** is not opposed to but are opposed to the present form of the bill. Would like an amendment to the bill as object to removing lines 14 thru 26 on Page 4. (Attachment 2 & 3).

The Chairperson closed the hearing on **HB 2479**.

The Chairperson opened the hearing on **HB 2159**.

Representative Faber moved and Representative Swenson seconded an amendment on page 6, line 2 to strike "into" and add "in any the following places if the place is posted, in a manner reasonably likely to come to the

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE FEDERAL AND STATE AFFAIRS, Room 519-S
Statehouse, at 1:30 p.m. on March 5, 1997.

attention of persons entering the place, as a place where carrying a concealed weapon is prohibited.

After discussion Representative Faber moved and Representative Swenson withdrew their motion and second.

Representative Klein moved and Representative Ruff seconded to amend on page 2, subsection (5), to add language that would read as follows:

“(5) has not been, during the five years immediately preceding the date the application is submitted...convicted or placed on diversion, in this or any other jurisdiction, for an act that constitutes a violation of section 12 or a violation of subsection (a) (4) of K.S.A. 21-4201 and amendments thereto or adjudicated, in this or any other jurisdiction, of committing as juvenile an act that would be a violation of section 12 or a violation of subsection (a) (4) of K.S.A. 21-4201 and amendments thereto if committed by an adult..” The motion carried.

Representative Lloyd moved and Representative Faber seconded in New Section 11 page 6, part b to strike “in any the following places if” and add “provided that if the place posted, in a manner reasonably likely to come to the attention of persons entering the place as a place where carrying a concealed weapon is prohibited” of Representative Faber’s original amendment that failed. The motion carried.

Representative Ballou moved and Representative Ruff seconded to change Page 1, line 43 (2) “21” to “25”. The motion failed.

Representative Mason moved and Representative Samuelson seconded to add “Hospitals” to Section 10 (n).

Representative Ballou moved and Representative Ruff seconded a substitute motion to move **HB 2159** out of committee as amended. The motion carried.

The following requested to be reported as voting “NO” on **HB 2159**: Representatives Samuelson, Kuether, Crow, Findley, and Gilbert.

Testimony was distributed from Undersheriff Ray C. Morgan, Lakin, Kansas, opponent to **HB 2159**, (Attachment 4)

The meeting adjourned at 2:55 p.m.

The next meeting is schedule for March 6, 1997.



CARLA J. STOVALL
ATTORNEY GENERAL

State of Kansas

Office of the Attorney General

CONSUMER PROTECTION DIVISION

301 S.W. 10TH, LOWER LEVEL, TOPEKA 66612-1597
PHONE: (913) 296-3751 FAX: 291-3699 TTY: 291-3767

CONSUMER HOTLINE
1-800-432-2310

Testimony of

C. Steven Rarrick, Deputy Attorney General
Consumer Protection Division

Office of Attorney General Carla J. Stovall
Before the House Federal and State Affairs Committee

RE: HB 2479

March 5, 1997

Chairperson Boston and Members of the Committee:

Thank you for the opportunity to appear before you today on behalf of Attorney General Carla J. Stovall to testify in support of House Bill 2479. My name is Steve Rarrick and I am the Deputy Attorney General for Consumer Protection.

The Attorney General has proposed the amendments to K.S.A. 50-692 which are contained in HB 2479. K.S.A. 50-692 was enacted in 1994 to provide protection to Kansas citizens from prize solicitations/notifications.

We receive numerous complaints related to mail order, contests, sweepstakes and telemarketing. Unfortunately, the elderly are often the primary targets of these companies. Attached to my testimony are examples of letters we have received from consumers which can be placed in one of two categories: (1) individuals upset they were deceived or (2) individuals asking us not to investigate matters brought to our attention by their families or friends because they are certain they will soon win at least one, if not several, of the contests they have entered.

A recent trend in sweepstakes and prize contests involves telephone prize promotions. These companies usually call with the fantastic announcement that, "Congratulations, you have just won.....". This often leads to an individual forwarding a substantial cashiers check, by overnight express, to pay items described by some of these businesses as "taxes", processing fees, redemption fees, shipping and handling charges, etc. Naturally, the consumer is soon calling our office to say they have not received their "prize". These types of oral prize notifications are not currently covered by K.S.A. 50-692.

What our office has discovered in attempting to apply K.S.A. 50-692 to traditional sweepstakes and prize contest companies involved in many of our complaints is that the statute does not apply to most of these companies because the definition of "prize notice" is too narrow and the exemptions in the statute are too broad. The Attorney General would like to see the requirements of this statute applied equally to all companies involved in prize notification schemes.

FedState
3-5-97
Atch #1

Statistics published in a Federal Trade Commission report (Fighting Consumer Fraud, January 1997) indicate that 57% of people 50 years of age and older were likely to receive telemarketing calls at least once a week. In addition, they report that 40% of all complaints received in the Federal Trade Commission/National Association of Attorneys General Telemarketing Complaint System related to prize promotions.

Based upon the above, Attorney General Stovall is proposing the following amendments to K.S.A. 50-692. First, we would propose to include oral prize notifications in the definition of prize notice and in the references throughout the statute. (p. 1, line 16; p. 2, lines 2, 27-29, 33-34; p. 3, lines 13, 29, 34).

Secondly, our office has proposed changing the definition of "prize notice" (p. 1, lines 20-23) and adding a definition of "promotion" (p. 1, lines 24-26). These changes are suggested to increase the effectiveness of the statute as the current definition does not apply to the majority of the companies conducting contests or providing prize notices with sales solicitations. We have added the "promotion" definition as different companies use different terminology to describe their mailings or telephone solicitations.

On page 4, lines 11-12, we would propose increasing the private action penalty from \$500 to \$1,000 because of the increased frequency of prize notification and to make the penalty fit the act..

Finally, at page 4, lines 14-26, Attorney General Stovall has proposed eliminating the exemptions in this statute. Although enacted in 1994, we have not located any prior testimony as to the reasoning behind the exemptions. The most common way for companies to avoid the disclosure requirements of this statute is to include some type of catalog with their promotion.

Attorney General Stovall has proposed these amendments to help strengthen the statute and use its requirements to protect Kansas citizens from the overwhelming number of prize notifications they receive on a regular basis. Most of us simply throw sweepstakes and prize offers away. Unfortunately, as demonstrated by some of the letters attached to my testimony, many people sincerely believe their chance of winning big prizes increases with each entry, subscription, order, etc.

On behalf of Attorney General Stovall, I urge your favorable consideration of House Bill 2479. Thank you.

T/A S
1:
96-5414

[REDACTED]
[REDACTED]
[REDACTED]

RECEIVED
KANSAS ATTORNEY GENERAL
1996 DEC -5 A 10: 36

December 5, 1996

[REDACTED]

MEMO TO: All Sweepstakes/Junk Mail Initiators (Per Enclosed List)

I, along with my brother and sister, have assumed the responsibilities of overseeing our mothers' personal affairs since she is no longer able or capable of making decisions on her own.

Over the past years she has managed to be placed on an excessive number of mailing lists and receives numerous amounts of mail which are considered junk mail or gimmick mail. It is absolutely ridiculous trying to sort out the bona fide mail and the junk mail. Laws should prohibit these types of mailings. It is unbelievable the number of pieces of mail she has received that I am now attempting to sort through. My feeling is that it should all just hit the trash but I wanted to write this letter first. Any mail other than legitimate personal mail received subsequent to this letter *will* hit the trash. It is apparent that the more vulnerable a person is, the more mailings they receive. I can see where it can be very confusing to elderly people who receive these types of mailings. My mother has even gone so far as purchasing several dollars worth of new clothing, believing she was going to go to New York to accept her millions of dollars in winnings.

In any event, an attempt is being made to notify all interested parties of the situation. Since there are so many different pieces of mail, this letter is being sent to anyone who she has received something from in recent weeks.

There are several different categories this letter is directed to. She has subscribed to many types of magazines with the hopes of receiving some sort of "Special Prize, Gift or Money". She has made donations to many organizations thinking she was being billed for something. She has bought many worthless items just to enter a sweepstakes.

I now request that the name of [REDACTED] be removed from all mailing lists. If she has subscribed to a publication or has accepted some type of "gift" which she needed to pay for to be entered into a sweepstakes I request that the order or subscription cease and applicable refund made.

In the event you feel payment is due for some reason, please send me a signed document and if request is determined valid, payment will be considered.

Sincerely,

[REDACTED SIGNATURE]

Durable Power of Attorney

cc: T. F. Robrahn, Attorney-at-Law, Burlington, KS 66839
MS. Carla Stovall, Attorney General, State of Kansas

Harred Hitchcock Mystery Magazine, PO Box 5123, Harlan IA 51593
American Family Publishers, PO Box 62000, Tampa, FL 33662-2000
American Institute for Cancer Research, 1759 R Street NW, Washington, DC 20009
American Paralysis Association, 500 Morris Avenue, Springfield, NJ 07081
Anne Chamfort, 170 Boston Post Rd., Suite 103, Madison, CT 06443
Arthritis Foundation, Kansas Chapter, PO Box 4284, Pittsfield, MA 01202-4284
Auto Cash Admin. Award Section, 6400 E. Rogers Circle, Boca Raton, FL 33499
Automobile Dist. Office, Sweepstakes Fund of America, International Home Shopping, Canton, OH 44767-0001
Blair Menswear, 220 Hickory Street, Warren, PA 16366
Buick Program Headquarters, PO Box 2024, Flint, MI 48501-2024
Carolyn Davis, Reader's Digest, PO Box 2005, Marion, OH 43307-2005
Cash Claim Center, 130 Business Center Drive, PO Box 869, Reistertown, MD 21136
Cash Claim Service, 245 8th Avenue, Suite 342, New York, NY 10011
Cash Control Headquarters, USPE, North Hollywood, CA 91611
Check Of The Month Club, USPE, North Hollywood, CA 91611
Citibank (South Dakota), N.A., PO Box 6048, Sioux Falls, SD 57189-6048
Citizens State Bank, PO Box 718, Clara City, Minnesota 56222
Consumer Value Network, PO Box 1229, Northridge, CA 91328-1229
CVP Sweepstakes Awards (The Million Dollar Sweepstakes), Box 1788, Hicksville, NY 11855
CVP Sweepstakes Awards, Box 1110, Westbury, NY 11595-0207
CVP Sweepstakes Dept., PO Box 1085, Hicksville, NY 11855
Dell Magazines, Sweepstakes Headquarters, 1270 Ave of Americas, New York, NY 10020
Democratic National Committee, 430 Capitol Street, SE, Washington, DC 20003
Department of Reward Issuance(W.J.Daniels), USPE,12150 Victory Blvd., N. Hollywood, CA 91611
Dept. of Prizewinners Notification,Lindenwold Jewelers, 7800 Whipple Ave., NW, Canton, OH 44767-0001
Direct Marketing Enterprises Ltd,Box 1315, Westbury, NY 11595
Discover Card Services Inc., PO Box 5016, Sandy, UT 84091-5016
Discover Card, PO Box 5770, River Forest, IL 60305-5770
Easter Seal Society, 230 West Monroe St., Chicago, IL 60606
Entertainment, PO Box 60001, Tampa, FL 33660-0001
FC&A Publishing, 103 Clover Green, Peachtree City, GA 30269
Firestone After-Harvest Getaways, 2633 Fleur Drive, Des Moines, IA 50321
First Bankcard Center, PO Box 3331, Omaha, Nebraska 68103-0331
First USA Bank, 201 North Walnut Street, Wilmington, DE 19801
GE Capital Assurance, PO Box 91091, Seattle, WA 98111-8911
Global Winner's Identification Center, 11765 West Avenue, Suite 550, San Antonio, TX 78216
Global Winner's Identification Center, PO Box 2109, Vancouver, BC Canada V6B 3T5
Globe Life & Accident Ins. Co., Globe Life Center, Oklahoma City, OK 73184
Grand Giveaway Sweepstakes SP-32, PO Box 404, Sayreville, NJ 08871-0404
Guideposts, 39 Seminary Hill Road, Carmel, NY 10512
Hit the Jackpot Sweepstakes, PO Box 351, Sayreville, NJ 08871-0351
House Beautiful, 250 West 55th Street, New York, NY 10019
Institute of Cosmic Awareness, One Greentree Centre, Marlton, NJ 08053
International Home Shopping, 7800 Whipple Ave NW, North Canton, OH 44767
KFDI, PO Box 1402, Wichita, KS 67201
Ladies Home Journal Magazine, 6060 Spine Rd., PO Box 53946, Boulder, CO 80322-3946
Lady Agnes, 7620 Elbow Dr SW, Suite 614, Calgary, Canada T2V 1K2
Leisure Arts, PO Box 2463, Birmingham, AL 35201
Life, PO Box 60500, Tampa, FL 33660-0500
Linda J. Fleming, 344 Maple Avenue W., Vienna, VA 22183-0789
Lindenwold Fine Jewelers, 7800 Whipple Ave. NW, Canton, OH 44767
Little Shelter, PO Box 8991, Topeka, KS 66608-8991
Luxury Car/Cash Sweepstakes, PO Box 437, Sayreville, NJ 88871-0437
Madame Vargas, 1744 Goldbach Ave, Lakeland, NY 11779
Mayo Clinic, 200 First Street SW, Rochester, Minnesota 55905
McCall's Prize Awards Department,PO Box 9251, Bridgeport, NJ 08014-9251
Men's Journal, PO Box 57064, Boulder, CO 80322-7064
Millionaires Circle Sweepstakes, PO Box 316, Sayreville, NJ 08871-0316

national Committee to Presrve SS and Medicare, 2000 K Street NW, Dept. 52014, Washington, DC 20090
National Consumer Awards Cash Distribution Center, 6400 E. Rogers Circle, Boca Raton, FL 33499
National Heart Council, PO Box 96914, Washington, D.C. 20090-6914
National Park Trust, 1776 Massachusetts Avenue NW, Washington, DC 20036-1903
National Parks & Conservation Association, 1776 Massachusetts Avenue NW, Washington DC 20036-1904
National Sweepstakes Database Payments Section, Box 1085, Hicksville, NY 11855
New York Magazine, PO Box 54638, Boulder, CO 80322-4638
New York National Sweepsaction Prize Office, PO Box 9001, Wantagh, NY 11793-9001
Nora Lam Chinese Ministries Intemational, PO Box 5910, San Jose, CA 95150-5910
North Shore Agency, Inc., 117 Cuttermill Rd., Great Neck, NY 11021
Old American Insurance Company, PO Box 2417, Thomasville, GA 31799-9922
Oxmoor House, PO Box 1862, Birmingham, Alabama 35201
Perfume Sweepstakes, PO Box 1083, Hicksville, NY 11855-1083
Physicians Mutual Insurance Company, 2600 Dodge Street, Omaha, Nebraska 68131-2671
Powerful Secrets, Distribution Center, PO Box 15196, Montclair, CA 91763-5196
Publishers Clearing House, 101 Winners Circle, Port Washington, NY 11050
Publishers Clearing House, 382 Channel Drive, Port Washington, NY 11050
Publishers Clearing House, PO Box 9561, Uniondale, NY 11555-9561
Quick and Easy Crochet, PO Box 7129, Red Oak, IA 51591-4129
Readers Digest, Prize Council, PO Box 1000, Marion, OH 43305-1000
Retirement Income Newsletter, PO Box 21457, Santa Barbara, CA 93121
Retirement Income Newsletter, PO Box 573, Mt. Morris, IL 61054
Ronald J. Leslie, Sweepstakes Director, Reader's Digest. Pleasantville, NY 00401-0001
S & H Marketing Group, Inc., 1505 Wallace Drive, Carrollton, Texas 75006-6639
SETA Corporation, (W. L. Keim) , 6400 East Rogers Circle, Boca Raton, FL 33499
St. Jude Children's Research Hospital, PO Box 1818, Memphis, Tennessee 38101
Sweepstakes Committee, Lewyt Street, Port Washington, NY 11050
Sweepstakes Financial Services, 6400 E. Rogers Circle, Boca Raton, FL 33499
Sweepstakes Headquarters, 6400 E. Rogers Circle, Boca Raton, FL 33499
Sweepstakes Reporter, PO Box 10362, Kansas City, MO 64111
Sweepwinners, PO Box 1000, Jericho, NY 11753
The Billing Center, PO Box 60001, Tampa, FL 33660-0001
The National Children's Cancer Society, 1015 Locust, Suite 1040, St. Louis, MO 63101
The Reader's Digest Association, Inc., Pleasantville, NY 10570
Time Inc., PO Box 362992, Des Moines, IA 50336-2992
Time Life, 1450 E. Parham Road, Richmond, VA 23280
Travel Opportunities, Inc., 2701 W. Oakland Park Blvd., #100, Ft. Lauderdale, FL 33311
TV Guide, PO Box 5060, Radnor, PA 19088-5060
U. S. Electronics, Inc., 16 West 25th Street, New York, NY 10010
United States Commemorative Fine Art Gallery, Premium Merchandise Office, Canton, OH 44767-0001
United States Purchasing Exchange, US Purchasing Exchange Bldg, North Hollywood, CA 91611
Veterans Life Insurance Company, Valley Forge, PA 19494-9990
Your Money, PO Box 3209, Harlan, IA 51593-4055

CHECKS WRITTEN BY ██████████ FOR SWEEPSTAKES GIMMICKS (1994-1996)

CHECK NO	DATE	TO	AMOUNT
2181	1-20-94	Readers Digest	\$21.91
2191	2-17-94	Magazine Clearinghouse	\$99.83
2189	2-12-94	Publishers Clearing House	\$11.05
2195	3-4-94	Family Circle	\$11.97
2192	2-25-94	Publishers Clearing House	\$16.21
2193	2-25-94	Readers Digest	\$9.99
2186	2-8-94	Publishers Clearing House	\$11.97
2305	3-20-94	Publishers Clearing House	\$19.05
2304	3-19-94	American Family Publishers	\$11.96
2303	3-19-94	American Family Publishers	\$19.92
2302	3-19-94	American Family Publishers	\$15.98
2301	3-19-94	Publishers Clearing House	\$12.45
2198	3-10-94	Entertainment Magazine	\$18.63
2197	3-8-94	American Family Publishers	\$22.45
2312	5-6-94	Readers Digest	\$9.99
2191	5-26-94	Magazine Clearinghouse	\$66.55
2314	5-10-94	American Family Publishers	\$9.95
2307	4-15-94	Publishers Clearing House	\$13.05
2319	5-13-94	Readers Digest	\$17.33
2309	4-23-94	Publishers Clearing House	\$58.63
2323	6-4-94	Publishers Clearing House	\$9.97
2324	6-4-94	Readers Digest	\$9.99
2313	5-10-94	Publishers Clearing House	\$25.44
2175	8-6-94	Publishers Clearing House	\$13.49
2174	8-5-94	Publishers Clearing House	\$16.21
2172	8-4-94	Heritage House, Inc.	\$35.80
2170	7-20-94	American Family Publishers	\$11.97
2208	8-20-94	Publishers Clearing House	\$8.99
2229	8-27-94	American Family Publishers	\$34.90
2233	9-6-94	Publishers Clearing House	\$33.74
2234	9-7-94	American Family Publishers	\$14.95
2235	9-13-94	American Family Publishers	\$14.95
2204	8-16-94	American Family Publishers	\$15.98
2227	8-19-94	Publishers Clearing House	\$45.57
2237	9-15-94	American Family Publishers	\$9.97
2240	9-20-94	American Family Publishers	\$9.97
2242	9-20-94	Publishers Clearing House	\$13.05
2244	9-27-94	Publishers Clearing House	\$10.98
2245	9-27-94	Time, Inc	\$19.88
2247	10-4-94	Publishers Clearing House	\$54.85
2133	12-3-94	American Family Publishers	\$7.97
2130	10-24-94	American Family Publishers	\$7.97
2132	11-3-94	Publishers Clearing House	\$11.05
2248	10-10-94	Publishers Clearing House	\$13.05
2250	10-14-94	Publishers Clearing House	\$7.60
2138	11-15-94	Readers Digest	\$2.47
2142	11-25-94	Publishers Clearing House	\$27.65
2143	11-25-94	Publishers Clearing House	\$10.89
2140	11-21-94	CVP Company	\$19.31
2144	11-26-94	SETA Corporation	\$48.18
2251	12-12-94	Readers Digest	\$27.70

2147	12-10-94	Publishers Clearing House	\$12.11
2253	12-19-94	Publishers Clearing House	\$24.94
2258	1-5-95	Readers Digest	\$22.46
2259	1-5-95	US Purchasing Exchange	\$35.00
2268	1-21-95	Boardroom Classics	\$9.99
2263	1-12-95	Publishers Clearing House	\$30.92
2269	1-22-95	Publishers Clearing House	\$13.45
2271	1-23-95	Publishers Clearing House	\$24.45
2272	1-23-95	Publishers Clearing House	\$9.97
2270	1-23-95	American Family Publishers	\$11.97
2274	1-28-95	Readers Digest	\$12.50
2273	1-26-95	CVP Company	\$18.70
2266	1-21-95	Publishers Clearing House	\$15.97
2275	1-30-95	CVP Sweepstakes Awards	\$13.70
2281	2-20-95	US Purchasing Exchange	\$14.00
2283	3-3-95	Bantam Books	\$9.98
2285	3-4-95	US Purchasing Exchange	\$21.34
2287	3-6-95	US Purchasing Exchange	\$66.02
2286	3-6-95	CVP Company	\$10.00
2292	3-15-96	CVP Company	\$13.75
2293	3-13-95	Publishers Clearing House	\$13.45
2221	4-8-95	US Purchasing Exchange	\$47.46
2300	3-27-95	US Purchasing Exchange	\$50.00
2219	3-31-95	Bantam Books	\$15.08
2298	3-23-95	Sweepstakes Award Section	\$15.31
2299	3-27-95	Inside Information	\$19.98
2297	3-23-95	CVP Sweepstakes	\$31.80
2294	3-15-95	Bantam Books	\$9.98
2295	3-15-95	Publishers Clearing House	\$15.05
2351	4-16-95	US Purchasing Exchange	\$38.36
2222	4-12-95	US Purchasing Exchange	\$49.28
2354	4-20-95	Publishers Clearing House	\$23.42
2326	4-12-95	US Purchasing Exchange	\$39.41
2360	5-3-95	US Purchasing Exchange	\$43.35
2352	4-19-95	US Purchasing Exchange	\$21.38
2359	5-1-95	Publishers Clearing House	\$24.95
2353	4-20-95	CVP Company	\$39.75
2355	4-22-95	CVP Company	\$17.95
2356	4-24-95	Publishers Clearing House	\$9.97
2370	5-9-95	American Family Publishers	\$9.97
2365	5-8-95	American Family Publishers	\$19.74
2364	5-5-95	Publishers Clearing House	\$52.87
2407	6-5-95	Publishers Clearing House	\$11.97
2408	6-8-95	Time Warner-Sony	\$14.20
2406	6-5-95	Bantam Books	\$21.94
2412	6-10-95	US Purchasing Exchange	\$65.35
2416	6-14-95	Sound Exchange-Sony	\$14.20
2366	5-8-95	CVP Company	\$17.90
2367	5-8-95	CVP Sweepstakes Dept	\$30.85
2375	5-15-95	Publishers Clearing House	\$6.27
2372	5-12-95	Publishers Clearing House	\$28.90
2374	5-15-95	Readers Digest	\$63.59
2405	5-31-95	Publishers Clearing House	\$12.30
2413	6-12-95	Bantam Books	\$13.09
2415	6-14-95	US Purchasing Exchange	\$41.39

2418	6-16-95	American Family Publishers	\$23.92
2419	6-22-95	US Purchasing Exchange	\$30.39
2426	6-24-95	Time	\$12.82
2421	6-22-95	SETA Corporation	\$24.94
2425	6-22-95	US Purchasing Exchange	\$35.39
2430	7-3-95	Publishers Clearing House	\$13.30
2427	6-27-95	Bantam Books	\$13.09
2429	7-3-95	Publishers Clearing House	\$12.45
2428	6-28-95	US Purchasing Exchange	\$50.36
2431	7-3-95	Life Publications	\$20.97
2433	7-3-95	Time Magazine	\$12.87
2432	7-3-95	Publishers Clearing House	\$13.30
2434	7-3-95	American Family Publishers	\$23.92
2435	7-3-95	Publishers Clearing House	\$11.97
2437	7-5-95	US Purchasing Exchange	\$47.39
2436	7-5-95	CVP Sweepstakes	\$15.80
2422	6-22-95	Publishers Clearing House	\$9.97
2443	7-11-95	Publishers Clearing House	\$6.50
2446	7-12-95	US Purchasing Exchange	\$39.40
2449	7-18-95	Publishers Clearing House	\$5.24
2448	7-18-95	Time Books	\$13.30
2450	7-20-95	Publishers Clearing House	\$2.00
2447	7-18-95	Midwest Living	\$18.88
2379	7-21-95	Money	\$7.88
2380	7-21-95	Agatha Christie	\$15.98
2383	8-2-95	Publishers Clearing House	\$12.97
2384	8-2-95	Time, Inc.	\$12.70
2381	7-31-95	Life	\$6.99
2387	8-7-95	Publishers Clearing House	\$13.20
2385	8-3-95	Harlequin Reader Service	\$5.48
2386	8-3-95	Bantam Books	\$15.98
2438	7-7-95	Readers Digest	\$22.04
2441	7-11-95	Money Magazine	\$7.88
2397	8-18-95	Readers Digest	\$16.74
2395	8-18-95	Publishers Clearing House	\$12.00
2396	8-18-95	American Family Publishers	\$9.97
2393	8-16-95	US Purchasing Exchange	\$30.86
2394	8-19-95	Bantam Books	\$13.09
2400	8-26-95	Readers Digest	\$8.88
2451	8-29-95	Publishers Clearing House	\$15.00
2454	8-29-95	American Family Publishers	\$9.97
2398	8-25-95	Publishers Clearing House	\$15.00
2453	8-29-95	Bantam Books	\$12.99
2455	8-29-95	Harlequin Reader Service	\$9.96
2452	8-29-95	Publishers Clearing House	\$12.00
2468	10-30-95	Publishers Clearing House	\$21.25
2473	11-3-95	Publishers Clearing House	\$15.97
2470	10-31-95	Harlequin Reader Service	\$9.96
2469	10-29-95	Consumer Digest	\$15.97
2472	11-3-95	Bantam Books	\$34.95
2551	11-10-95	SETA Corporation	\$26.94
2475	11-9-95	US Purchasing Exchange	\$39.00
2555	11-15-95	Men Journal	\$12.97
2553	11-14-95	American Family Publishers	\$9.97
2552	11-14-95	US Purchasing Exchange	\$33.36

2556	11-15-95	McCalls	\$11.98
2563	12-3-95	Readers Digest	\$26.22
2560	11-27-95	Publishers Clearing House	\$12.70
2554	11-15-95	Publishers Clearing House	\$7.95
2561	11-27-95	Bantam Books	\$39.27
2565	12-5-95	US Purchasing Exchange	\$43.42
2567	12-8-95	Publishers Clearing House	\$7.95
2564	12-5-95	SETA Corporation	\$24.19
2573	1-2-96	Harlequin Readers Service	\$9.96
2476	1-11-96	SETA Corporation	\$24.94
2478	1-22-96	Readers Service	\$9.90
2483	2-4-96	SETA Corporation	\$26.94
2486	2-6-96	Loveswept Books	\$13.09
2491	3-9-96	US Purchasing Exchange	\$52.41
2488	2-22-96	Time (Gift)	\$15.74
2509	4-7-96	Publishers Clearing House	\$6.23
2506	4-1-96	SETA Corporation	\$24.94
2507	4-1-96	SETA Corporation	\$10.44
2501	3-30-96	Oxmoor House	\$8.94
2497	3-20-96	SETA Corporation	\$35.94
2494	3-18-96	SETA Corporation	\$26.94
2495	3-20-96	Time	\$7.85
2496	3-19-96	SETA Corporation	\$26.94
2493	3-15-96	SETA Corporation	\$14.85
2508	4-7-96	American Family Publishers	\$7.97
2513	4-13-96	SETA Corporation	\$27.94
2512	4-12-96	US Purchasing Exchange	\$78.31
2519	4-17-96	New York Magazine	\$18.70
2526	4-20-96	Publishers Clearing House	\$12.30
2516	4-16-96	SETA Corporation	\$49.85
2517	4-16-96	Publishers Clearing House	\$21.55
2521	4-18-96	SETA Corporation	\$41.99
2524	4-20-96	SETA Corporation	\$21.29
2523	4-20-96	SETA Corporation	\$21.99
2520	4-17-96	Time	\$7.85
2528	4-25-96	Publishers Clearing House	\$21.55
2518	4-17-96	SETA Corporation	\$85.00
2525	4-20-96	Time, Inc.	\$16.43
2535	5-17-96	SRC	\$12.00
2534	5-17-96	SETA Corporation	\$59.93
2537	5-20-96	Publishers Clearing House	\$49.85
2543	5-25-96	Publishers Clearing House	\$6.22
2545	5-28-96	Publishers Clearing House	\$25.46
2546	6-11-96	Publishers Clearing House	\$25.46
2547	6-11-96	Publishers Clearing House	\$2.95
2550	6-26-96	Lindenwold Jewelers	\$38.00
2582	6-28-96	SETA Corporation	\$16.94
2584	7-2-96	Publishers Clearing House	\$21.87
2585	7-2-96	Publishers Clearing House	\$90.75
2596	7-31-96	American Family Publishers	\$43.91
2597	7-31-96	American Family Publishers	\$16.97
2599	8-2-96	American Family Publishers	\$35.92
2587	7-18-96	Lindenwold Jewelers	\$27.85
2588	7-19-96	United Release Center	\$9.00
2592	7-20-96	Corporate Distribution Office	\$9.00

2590	7-22-96	Life	\$31.43
2591	7-20-96	Your Money	\$15.97
2594	7-27-96	Publishers Clearing House	\$29.89
2595	7-29-96	Publishers Clearing House	\$13.30
2602	8-19-96	Publishers Clearing House	\$14.47
2341	11-3-96	North Shore Agency	\$14.97
2617	11-17-96	Publishers Clearing House	\$43.88
			\$4,959.55

August 21, 1996

Carla J. Stovall
Attorney General
301 S.W. 10th Avenue
Topeka, KS 66612-1597

ATTN: Ms. Stovall

This is in regard to my mother, [REDACTED] This has been going on for several years now and it has gotten out of hand.

My mother is 88 years old and very confused. She has been receiving sweepstakes brochures from: American Family Publishers House (800-237-2400), Reader's Digest (800-234-9000), and Publisher's Clearing House (800-645-9242).

[REDACTED] receives these sweepstakes entries and is so sure she is going to win and if she buys something she has a better chance. At one time, she was subscribing to about 30 to 40 magazines. She has gotten so possessed with this that she calls friends, family and doctors and tells them she's won the 10 million and she packs to go and dresses up on the date that Ed McMann is supposed to come. She even thinks Ed McMann is the one who is having the contest. Also, on the day Publisher's Clearing House is to come and surprise that someone, she gets up and dresses in her best clothes. She is so sure she is going to win. She talks all the time about her personal letters from all three. She is so obsessed she won't go visit family out of town because she'll miss Ed.

She won't even mail her return entries from anyplace but the Post Office because she doesn't trust her mailman or even the family to mail them for her. She has spent thousands of dollars on magazines, VCR tapes, book clubs and CD clubs. She has no VCR player or CD player and all the books are still packaged.

I knew that I had to try to stop them from sending her all this mail and I can't talk to her, she won't listen and says that's okay, if I win you're not getting any money from me. Then she gets upset and won't talk to me. So, I called American Family on March 13, 1996, and talked to Mrs. Venezia and explained everything to her and she assured me that after two months all mail would stop. On the same date, I called Reader's Digest and got Mrs. Brown, ID #0490822335, and talked to Lucia. She also assured me it would stop in two or three months due to the mailers made up in advance. I called Publisher's Clearing House and talked to Kathy. Same response so we waited. Everything is still the same. I called all three on July 17, 1996 - same response from them, except Publisher's Clearing House said as long as [REDACTED] is still sending orders, they will continue sending sweepstakes entries. I talked to a lady who's name was India. As long as they keep sending them, she'll keep ordering.

Then she told a grandson that Reader's Digest had sent her a bill for \$600.00 from a collection agency, also one for \$44.00 and \$24.90 from Publisher's Clearing House. So I called again on July 26, 1996 and asked Reader's Digest about the \$600.00 and found out she has really been spending the money for years. The man I talked to was Wade Erick. I explained it to all of them - she's 88, confused and really does not know what she is sending. Then she tells us, look what they sent me and I didn't order it. Of course she did and then she was turned over to the collection agencies. She had paid the \$600.00, I was told by either India or Wade at Reader's Digest.

All we ask is that her name be taken off the mailing lists. She will not know why she's not getting mail anymore. She's too confused, except when a sweepstakes comes. Please help get all this stopped, it's ruining her life in many ways, financially and peace of mind. She's so involved she forgets to mail her cable, electric bill, and telephone bill. I can only do so much without her finding out. Please see if you can get all three companies stopped from sending material to her. We would like all correspondence to come to us. We do not want Agnes C. Brown to know what we have done. When I called your office, I was told that she would never know. She can't take this financially or mentally any more. It is ruining her life and hurting all her family seeing her like this. Her whole life is wrapped up in all three sweepstakes.

Send all mail from you to: [REDACTED]

My mother's name is: [REDACTED]

Thank you for your assistance.

Sincerely, [REDACTED]

96-5308 T1
121

Dec. 3. 1996

RECEIVED
KANSAS ATTORNEY GENERAL

1996 DEC -5 A 8:51

Carla Stovall Att. Gen.
Consumer Ad., Ks. Judicial Ctr.
Topeka, Ks. 66612

[REDACTED], my spouse ([REDACTED]) and I file joint
Inc. Tax Returns, which I prepare; and she has been notified
as the back side of this letter and the enclosed sheet of a photo-
copy of part of the file show, she is to win, rather than won
\$1, 666 675.00. It as yet has not been paid to her.
The State fo Ks. and the US. IRS. of course would have a stake
in this.

Would you please notify them to withhold for Ks. and the IRS
as we find we file as of the Calendar yr. and it hould be in this
years income. Thank you.

Sincerely,

[REDACTED SIGNATURE]



GRAND PRIZE WINNING NUMBER SELECTED.



YOUR GRAND PRIZE CLAIM NUMBER ENCLOSED.

And, if your Grand Prize Claim number is the Winning Number and you return it within 5 days, we will be pleased to confirm:

WE NOW HAVE A NEW WINNER,

[REDACTED]

**IS GUARANTEED PAYMENT OF
\$1,666,675.00!**

IMMEDIATE DELIVERY 



[REDACTED]

19

Dear **[REDACTED]**

It's absolutely official. The paperwork is now complete and our Grand Prize Winning Number has been selected. Only one thing is needed prior to making the \$1,666,675.00 Grand Prize Winner's payment: we must receive the Grand Prize winning entry by the Official Deadline. And, if your Grand Prize claim number is the correct match with our selection, we'll announce:

**CLAIM NUMBER SA6H30165
HAS NOW WON YOU \$1,666,675.00 CASH.**

Payment would commence when we have obtained appropriate documentation.



GRAND PRIZE WINNING NUMBER SELECTED.



YOUR GRAND PRIZE CLAIM NUMBER ENCLOSED.

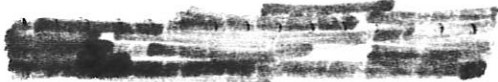
And, if your Grand Prize Claim number is the Winning Number and you return it within 5 days, we will be pleased to confirm:

**~~WE~~ NOW HAVE A NEW WINNER,
E BECKMAN
IS GUARANTEED PAYMENT OF
\$1,666,675.00!**

IMMEDIATE DELIVERY 

|||||
E BECKMAN
PO BOX 313
HOXE, KS 67740-0313

19



Dear E Beckman,

It's absolutely official. The paperwork is now complete and our Grand Prize Winning Number has been selected. Only one thing is needed prior to making the \$1,666,675.00 Grand Prize Winner's payment: we must receive the Grand Prize winning entry by the Official Deadline. And, if your Grand Prize claim number is the correct match with our selection, we'll announce:

**CLAIM NUMBER SA6H30165
HAS NOW WON YOU \$1,666,675.00 CASH.**

Payment would commence when we have obtained proper verification that the Grand Prize

TAS
629
96-4625

109 PM '96

Oct. 9, 1996

Dear Attorney General,

I'm writing this in behalf of my 78 year old mother in [REDACTED]. She received a phone call from an Al Pearson, phone #404-243-8296, telling her she had won two jackpots for a considerable amount of money, but she was to send \$700.00 to cover the taxes on her winnings to D M J, Inc., 3653-F Flakesmill Rd., Suite 306, Atlanta, Ga. 30034. She has heard nothing.

I tried the phone number he gave her but it has been disconnected. This appears to us to be a fraudulent operation, and I would appreciate your consideration on this matter immediately. If you have any questions, my phone number is 601-832-6611. Please find enclosed a copy of the original check that my mother sent to him. I would appreciate any help that you could give us on this matter.

Sincerely,

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

P. S. Mr. McGrail, tax law specialist with the IRS in Chicago (312-886-4607) has been notified and is taking appropriate action where they are concerned.

*Re: [REDACTED]
[REDACTED]
[REDACTED]*

Copy of cancelled check attached.

ACTION YOU HAVE TAKEN

HAVE YOU RETAINED AN ATTORNEY REGARDING THIS COMPLAINT? No IF SO, PLEASE STATE THE NAME, ADDRESS, AND PHONE NUMBER OF YOUR ATTORNEY:

HAS LEGAL ACTION BEEN TAKEN BY YOU OR AGAINST YOU WITH REGARD TO THIS COMPLAINT? No IF SO, PLEASE DESCRIBE THE CURRENT STATUS OF ANY LEGAL ACTION:

HAVE YOU FILED THIS COMPLAINT WITH ANY OTHER AGENCIES? Yes IF SO, LIST NAME OF AGENCY AND STATUS OF COMPLAINT:
I called the National Fraud They told me to call the Attorney General Consumer Protection.

DESCRIPTION OF TRANSACTION

PLEASE DESCRIBE THE TRANSACTION IN CHRONOLOGICAL ORDER (ADD ADDITIONAL PAGES IF NECESSARY).

On June 17-1996 I had a call from Regina Vancroft telling me I was a top recipient winner for 1996. Telling me I won 2 Bonus awards saying I won lots of money and a ~~10~~ X-10 powerhome system. And Mrs. Vancroft said it would cost a 1,000 dollars I said why do I have to pay if I won it. he said all big winners have to pay a fee. So he said to get 2-500 Money Orders so I did the next day June 18-96 - They sent two papers to sign and I sent them back. I have a letter I am sending to it states what I won. I talked to Mr. Vancroft 3 times after this. I called him. The last time I called him he said that the awards would be late because of the ~~vacation~~. I don't know what he meant. I have called the comp. said phone had temporary disconnected

DOCUMENTATION OF THE TRANSACTION

PLEASE PROVIDE COPIES OF ALL DOCUMENTS RELEVANT TO THIS COMPLAINT, INCLUDING ADVERTISING MATERIAL, CONTRACTS, WARRANTY INFORMATION, RECEIPTS, LETTERS, CHECKS (FRONT AND BACK), PHOTOGRAPHS, ETC. FAILURE TO PROVIDE ALL RELEVANT DOCUMENTS WILL CAUSE UNNECESSARY DELAY IN THE HANDLING OF YOUR COMPLAINT.

VERIFICATION

IN FILING THIS COMPLAINT, I UNDERSTAND AND AGREE THAT THE ATTORNEY GENERAL AND HER STAFF ARE NOT MY PRIVATE ATTORNEYS, BUT INSTEAD REPRESENT THE STATE OF KANSAS IN ENFORCING LAWS DESIGNED TO PROTECT THE PUBLIC FROM DECEPTIVE AND UNCONSCIONABLE BUSINESS ACTS AND PRACTICES. I UNDERSTAND THAT KANSAS LAW LIMITS THE PERIOD OF TIME DURING WHICH I MAY FILE ANY PRIVATE LEGAL ACTION(S), AND I HAVE BEEN ADVISED TO CONTACT A PRIVATE ATTORNEY IF I HAVE ANY QUESTIONS CONCERNING THOSE TIME LIMITATIONS AND MY LEGAL RIGHTS WITH REGARD TO ANY PRIVATE ACTION(S). I FURTHER UNDERSTAND AND AGREE THAT THE CONTENTS OF THIS COMPLAINT MAY BE FORWARDED TO THE BUSINESS OR PERSON THE COMPLAINT IS DIRECTED AGAINST OR TO OTHER APPROPRIATE AGENCIES. FINALLY, I VERIFY THAT THE INFORMATION CONTAINED IN THE ABOVE COMPLAINT IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

[Redacted Signature]
YOUR SIGNATURE
(REQUIRED)

11-15-1996
DATE

and Mr Vancroft said I made
but like a bandit. told me
was I standing or sitting ~~tho~~
that I had better sit down because
I was ~~a~~ 2 Bonus awards and
asked how was going to spend it.
he said I was the top winner
of Fifty thousand people.

I dont know what going on
down there I cant get a
answer on the phone. Operator or
answering machine is what I have.
Mr Vancroft said something
about a investigation. He didnt
say what it was for. I also
wrote a letter about 3 weeks
ago. Havent heard a thing. I am
72 yrs old and a thousand
dollars is a lot of money to me.
I would like my awards

But if I cant get them I would
like to get my Money back.

Thank you

~~XXXXXXXXXX~~

RECEIVED
KANSAS ATTORNEY GENERAL

1997 JAN -9 P 12:21

December 3, 1996 AM I received
 a call from a Steve Disorda
 - a check cashing Co., 784 State Rd
 Pompano Beach, Fl., 33304,
 Telephone 1-800-767-5538.
 Ext 22; telling me that I had
 won \$5000⁰⁰ from a lottery
 that I had played a year
 ago; but that I had to pay
 federal and state tax and
 I could receive the \$5000⁰⁰ quick
 So like a fool I sent them \$1652
 The \$5000⁰⁰ was supposedly
 to have been sent by
 Federal Express, so I had
 to stop around my house
 for the check.
 Everyday a different person

called me that I was to get
the check. The names of
the people that called was
Steve Disordo, Steve DeLong
Dave Pierce, Steve Wiley
December 18th Wiley called
and told me the \$5000⁰⁰
was not any good because
the company had gone
out of business.

I know they covered me, &
if I could get the \$1652⁰⁰
back I would be greatly
appreciative.

[REDACTED]



RECEIVED
ATTORNEY GENERAL
DEC 30 A 9:05

State Of Kansas

Office of the Attorney General

CONSUMER PROTECTION DIVISION

301 W. 10TH STREET, LOWER LEVEL

TOPEKA, KANSAS 66612-1597

PHONE: (913) 296-3751 Fax: (913) 291-3699

Office Use Only

Agent: TAS

Category: 629

File No.: 97-0086

CARLA J. STOVALL
ATTORNEY GENERAL

CONSUMER HOTLINE
1-800-432-2310

CONSUMER COMPLAINT

INFORMATION ABOUT THE CONSUMER
(SIGNATURE ON BACK REQUIRED)

INFORMATION ABOUT THE COMPANY
YOUR COMPLAINT IS AGAINST

NAME: MR. MS. DATE OF BIRTH:
 ADDRESS: APT. #:
 CITY, STATE, ZIP:
 DAYTIME PHONE #:
 HOME PHONE #:
 I AM A: INDIVIDUAL CORPORATION
 (CIRCLE ONE) SOLE PROPRIETOR PARTNERSHIP

COMPANY NAME:
 ADDRESS:
 CITY, STATE, ZIP:
 PHONE #:
 SALES PERSON:
 CONTACT PERSON: David Jirnie

INFORMATION ABOUT THE TRANSACTION

DATE OF TRANSACTION: Dec 1996 Dec 3rd
 DID YOU SIGN A CONTRACT? DATE SIGNED: PLACE SIGNED:
 PRODUCT OR SERVICE INVOLVED:
 AMOUNT PAID: \$ 350.00 PAID BY: CASH CHECK CREDIT CARD LOAN
 ARE YOU MAKING PAYMENTS ON A CONTRACT? no IF SO, LIST COMPANY NAME, ADDRESS, AMOUNTS PAID, AND YOUR ACCOUNT NUMBER:

FIRST CONTACT BETWEEN YOU AND THE COMPANY: (CHECK ONE)
 PERSON CAME TO MY HOME
 I TELEPHONED THE COMPANY
 I RESPONDED TO A RADIO/TV AD
 I RECEIVED INFORMATION IN THE MAIL
 I WENT TO COMPANY'S PLACE OF BUSINESS
 I RECEIVED A TELEPHONE CALL FROM COMPANY
 OTHER (EXPLAIN)
 WHERE DID THE TRANSACTION TAKE PLACE: (CHECK ONE)
 OVER THE PHONE
 AT HOME
 AT THE COMPANY
 BY MAIL
 OTHER (EXPLAIN)

RESOLUTION SOUGHT

WHAT ASSISTANCE ARE YOU SEEKING? (CIRCLE ONE) REFUND PRODUCT DELIVERY
 SERVICE PERFORMED OTHER
 EXPLAIN:
 IF YOU ARE SEEKING A REFUND, PLEASE STATE THE AMOUNT: \$ 350.00

PLEASE COMPLETE BOTH SIDES - INCOMPLETE FORMS MAY BE RETURNED

ACTION YOU HAVE TAKEN

HAVE YOU RETAINED AN ATTORNEY REGARDING THIS COMPLAINT? No IF SO, PLEASE STATE THE NAME, ADDRESS, AND PHONE NUMBER OF YOUR ATTORNEY:

HAS LEGAL ACTION BEEN TAKEN BY YOU OR AGAINST YOU WITH REGARD TO THIS COMPLAINT? No IF SO, PLEASE DESCRIBE THE CURRENT STATUS OF ANY LEGAL ACTION:

HAVE YOU FILED THIS COMPLAINT WITH ANY OTHER AGENCIES? No IF SO, LIST NAME OF AGENCY AND STATUS OF COMPLAINT:

DESCRIPTION OF TRANSACTION

PLEASE DESCRIBE THE TRANSACTION IN CHRONOLOGICAL ORDER (ADD ADDITIONAL PAGES IF NECESSARY).

On Dec 3-1996, I was called 3 times in one day on phone with this message, that I had won or been chosen to receive, to receive two gifts from the following group:

- 1- 1997 Ford car
- 1- Diamond ring
- 3- Home entertainment center

4- 2500.00 Cash

First I said no, as there would be some cash involved and I could not afford. He said it would be worth the small amount. He talked nice and sound so sincere. He said I had won this prize & that I should take it. He talked & talked to encourage me on it. He kept hoping I would decide to take. - he also said he was doing this for me as he thought I would enjoy the car. That was Sat & he was to call me Monday & tell how to get the car & also that he had gotten the check. He never called or did I hear any more until I got this surprise.

DOCUMENTATION OF THE TRANSACTION

PLEASE PROVIDE COPIES OF ALL DOCUMENTS RELEVANT TO THIS COMPLAINT, INCLUDING ADVERTISING MATERIAL, CONTRACTS, WARRANTY INFORMATION, RECEIPTS, LETTERS, CHECKS (FRONT AND BACK), PHOTOGRAPHS, ETC. FAILURE TO PROVIDE ALL RELEVANT DOCUMENTS WILL CAUSE UNNECESSARY DELAY IN THE HANDLING OF YOUR COMPLAINT.

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YOUR SIGNATURE
(REQUIRED)

Dec 25-1996
DATE

This is what he had some write.
I ~~understand~~ understand that I
am in a promotion and that with
the order invoice I will receive two
of the following awards

- 1- 1997 Ford
- 2- Diamond Rings
- 3- Home Ins. Center
- 4- 2500.00 Cash

Dec 3 - 1996

His name? ~~David~~ David Simms - as near as I
can remember - David something.

421 N Rodeo Drive
Beverly Hill Calif California
90210

telephone - 1-800-619-2864

I am so hurt and ashamed that I would be
taken in that way. I thank you a lot and hope
something can be done with people like ^{his} I know
I should not let him encourage me to do
that but I thought he was honest and I was
needing a car - so I hope something be done
with him. Not just for me but for other
older people like me. Thank you

ROYAL TRADING INTERNATIONAL

Invoice

No. 76200

Purchase Item	Amount	Date	Payment
JFK COIN SET	\$625.00	DEC. 11/96	\$350.00

Customer

Address

Customer
Code

Balance
Owing

\$275.00

421 N. Rodeo Drive
Suite 15-795
Beverly Hill, CA, 90210
Tel: 1 800 619 2864

3269 St. Jacques
Montreal, Quebec
H4C 1G8
Tel: 1 514 933 0106

November 16, 1996

Teresa Salts

Special Agent

Consumer Protection Division

96-3503

Dear Teresa:

I want to apologize to you for giving you the O.K. to go ahead with U.S.P.E. It really was a matter of financial problems getting the best of me, and USPE got drag in on it. My sister, Joan had no business starting it in the first place. Big businesses know how to protect themselves, especially after 30 years of handling the public. Joan knew I was connected with them, then after she decided whether Ed + Dick were with Publishing clearing house, Readers Digest or whoever, that was the next place to go. I held my breathe. I've been working for USPE and American Family Publishing for over a year and a half now. I've had no problems with either one of them. I have a good record, and a chance to make it big with one or the other, or maybe both. I've spent many years counting pennies, then I had to go and mess up my checking account, but good! I'm still trying to make it big so that I can pay off

a couple credit card companies, and then take it easy in my old age. — Joan probably has half of the first dollar she ever made, and she's afraid if I strike it rich I'll have more than she does. I think it all came from jealousy as a kid, and she never outgrew it.

As for the Order Forms and the communications with USPE that didn't have anything to do with "Hanky Panky"; They sent back bad checks that were mine. And as soon as I could, I sent money to clear the checks. This happened back in August. I was supposed to send back some of the merchandise to pay for some of the things I had bought. The people working there got the idea I didn't like what I bought, and were real concerned about it. So, that didn't work too good, and postage is too high for individual shipping.

So, now I'd like to go back to working for USPE. I'm sorry this all went as far as it did. A costly project for a foolish Frank.

I hope I've said something to clear the air! Truly like doing Sweepstakes, and I feel like it was my fault for you getting involved. Please forgive me, and would you forgive Bruce Stone for having

IDENTIFIED CANDIDATE NOTICE

ACTUAL MONEY & AWARDS

DEPARTMENT OF REPORTING
KNOWN IDENTITY FILE

OFFICE OF PUBLISHED FILES
ACQUISITION CONFIRMATION



RECORD OF DISTINGUISHED INDIVIDUAL

MONETARY PAPERWORK

Dstnsd.Cndt. #40699757-7 T0158M AMA19

[REDACTED]
[REDACTED]
[REDACTED]

Full Confirmation Made on:

06/20/96

Signed on Record by AMA Office

Dear [REDACTED]

This is it... this is the letter we are sure you have been hoping to receive, it is final... your Identification and Distinction are complete and now on Record!

Your Known Identity was recognized by our candidate acquisition officer whom has Fully Confirmed you through your recent participation in a national promotion.

We know you must be very excited [REDACTED], and we are honored to reach you personally as Known Candidate now Distinguished as Fully Identified and appointed as:

RECOGNIZED
CANDIDATE:
Betty Thomas

DISTINGUISHED
IDENTIFICATION:
* * *Fully Confirmed* * *

I.D. NUMBER
NOW KNOWN
#40699757-7

AMOUNT CASH and PRIZES CONFIRMED
IN A.M.A. REPORT

* * * \$500,000.00 - - \$ FIVE HUNDRED THOUSAND DOLLARS - - * * *

Now [REDACTED], as Distinguished Candidate with full identification for this notice, it is our duty and pleasure to inform you of and provide you the appointed A.M.A. paperwork for your immediate request for \$500,000.00 DOLLARS in Cash and Prizes for winner 100% Guaranteed to be paid.

The Full Amount of the Money and each Prize reported is guaranteed paid in full to entered winning candidate so please be sure that you complete and return your Distinguished Candidate Form included, and be sure of the spellings of your name and address.
You are already identified for entrant paperwork with receipt of this notice.

Actual Money & Awards, A.M.A. reports on amounts assigned to be paid and is sent to you immediately upon completion and receipt of your attached request form. Upon receipt of your completed form with the \$19.95 cost your participation opportunity is guaranteed for the Sweepstakes Cash & Contest Awards paid in full.

As a private reporting firm we carefully acquire and make available the entry directives for known cash, awards, and prizes which are then placed on report by A.M.A. for our important patrons countrywide whom desire to enter participation in such opportunities. We are not a government agency. We strive diligently in serving consumer entrant interests. All Monies and Prizes are sent directly by the reported providers.

* * * We know you must be very excited [REDACTED] and again, we are so honored to have reached you personally as Distinguished Candidate on Record for Delivery at;

[REDACTED] - Dstnsd.Cndt. #40699757-7

re: * * * \$500,000.00 Dollars in Cash and Prizes * * *

At your request on your attached form we shall enact immediate delivery and we are so happy for you [REDACTED]

(Identification of: [REDACTED])
(Reported Amount: \$500,000.00)

In waiting to attend you personally [REDACTED],
we send our excitement and our sincere Salutations to you...

Lauren Bridgmonte
Lauren Bridgmonte/Registrar

TESTIMONY OF BOB W. STOREY
HOUSE BILL NO. 2479
HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS

Chairman and Members of the House Federal and State Affairs
Committee:

My name is Bob W. Storey. I represent DeHart and Darr Associates, Inc., a public relations firm in Washington, D.C., which in turn represents Direct Marketing Association ("DMA") and its 16 member employers headquartered in 8 Kansas cities and 39 member employers located in Kansas, which generates millions of dollars in Kansas.

DMA is one of the largest and oldest national trade associations serving the direct marketing industry. Members include the "Book of the Month Club" and "Record of the Month Club."

In past legislative sessions, DMA has worked with the Attorney General's office and the legislature in attempting to regulate the unethical practices of some telemarketers whereby consumers are induced into prize promotion schemes or contracts for purchases of goods or services. We believe the Attorney General's office is aware that the members of DMA do not conduct prize promotion schemes or use unethical or illegal means to induce customers to purchase goods or services.

First, I would like to state that my client does not oppose the intent of HB No. 2479, however, we are opposed to the present form of the bill. We would like to see an amendment or at least language similar to the following added to the bill:

FedeStat
3-5-97
Atch #2

The provisions of Section 1 shall not apply to the sale or purchase, or solicitation or representation in connection therewith, of goods from a catalog or of books, recordings, videocassettes, periodicals and similar goods through a membership group or club which is regulated by the Federal Trade Commission trade regulation rule concerning use of negative option plans by sellers in commerce or through a contractual plan or arrangement such as a continuity plan, subscription arrangement, or a single sale or purchase series arrangement under which the seller ships goods to a consumer who has consented in advance to receive such goods and the recipient of such goods is given the opportunity, after examination of the goods, to receive a full refund of charges for the goods, or unused portion thereof, upon return of the goods, or unused portion thereof, undamaged.

The states of Oklahoma, Virginia, Wyoming, Minnesota, Iowa, West Virginia, Nevada, Idaho, New Hampshire, South Carolina, and Tennessee have adopted legislation similar to HB No. 2479, however, each of these states have included an exemption for sellers who have traditionally used a promotion not intended to be covered and in the same form or having the same content of the above-proposed amendment.

The purpose of this testimony is to explain why the exemption is necessary.

DMA supports state efforts to curb deceptive "too good to be true" offers. DMA's ethics department works with state and federal officials and consumers to identify false and deceptive schemes.

The problem with HB 2479 and similar proposals is that definitions also apply to traditional marketing promotions which are not unfair or deceptive and have been used for 75 years.

We offer the following definitions for your consideration.

"Prize" means gift or other item which could be:

- (a) a free civil war map with book (Readers Digest);
- (b) a free prescription record book with Family Health Book (Mayo Clinic); or
- (c) a free tote bag with club membership (Doubleday Book and Music Clubs).

"Prize notice" means selected:

- (a) magazine subscribers (Readers Digest);
- (b) patients or contributors (Mayo Clinic); or
- (c) former customers (Doubleday).

We understand that the intent of the bill is to curb promotions which make "too good to be true" offers to induce someone to purchase a product. In this particular case, the promotions of DMA's clients do not propose an offer "too good to be true." The consumer receives the offer, the offer is not attractive enough to cause the purchase of the goods but rather is "a little something extra" to go along with the purchase.

The written prize notice requirements are onerous and unable to be complied with by these promotions. For example, there is no "verifiable retail value" as the item is not otherwise sold and the price will depend on the number purchased over time.

We believe the exemption is appropriate, does not harm the intent of the bill, does not provide loopholes and protects the consumer.

Gifts or items have been used as promotional support for the sale of books, periodicals, recordings, and films for many, many years.

Book-of-the-Month Club has presented an introductory offer since the 1920's. Literary Guild (Doubleday) offers a book bag to new members. Columbia House offers a free tape case. BMG Direct Marketing offers a free video. Reader's Digest currently offers a glass vase with any order from their catalog. Time-Life Books offers a tape measure with their Home Repair Book Series. Newsweek magazine offers a small button quartz clock for a desk.

These promotions are very different from the deceptive "free offers" used to lure consumers into expensive or phony purchases. Here are some important distinctions:

1. The above-mentioned sellers, and others like them, sell educational/cultural enriching goods;
2. The gift or item is not presented as a "great value" and would not lead a reasonable person to purchase merchandise just to get the item;
3. The merchandise listed above (books, periodicals, recordings, and films [videos]) are available to the consumer for his/her preview and include a guaranteed refund for return of the goods or cessation of a subscription and a refund for the unused portion (subscriptions);
4. The consumer only pays money in connection with the offer of a gift or item if he/she decides to keep it;
5. No travel or submission to a sales presentation is required; and
6. A seller of books, periodicals, recordings, and films must have a substantial and recognizable business in order to offer these products--it requires inventory; significant investment; lead time; appropriate, informative, and attractive advertising; and compliance with Federal Trade Commission mail order sales rules, etc.

DMA has worked closely with Attorneys General in many states to help in targeting the deceptive schemes used by fly-by-night

operators--not reputable, legitimate, and identifiable businesses who help us learn and provide entertainment.

1. What kind of companies are covered by this exemption?

Publishers and marketers of education and cultural goods such as BMG Direct Marketing (RCA), Columbia House Record and Tape Clubs, Time-Life Books and Magazines, Doubleday Book and Music Clubs, Meredith Corporation (publisher of Better Homes and Gardens, Ladies Home Journal, etc.) and Reader's Digest.

2. Why should this exemption not be deleted as proposed in HB No. 2479?

The kind of sales practices which are included in the exemption are not the targets of this legislation. These sales practices, by their nature, are represented by companies which are substantial, established, and identifiable to any attorney general who questions their advertising and selling practices. The key distinction is that these kind of marketing practices offer the consumer the right to inspect the merchandise, return it if not satisfied and obtain a full refund if any money has been paid.

3. These companies are not the targets of this law.

Kansas, like many other states, is attempting to regulate the advertised promises of a gift or item which appear "too good to be true" in return for (a) a substantial purchase of merchandise or (b) a special effort such as a trip to a prospective living site to attend a sales presentation, etc. After the consumer fulfills his or her part of the bargain, they find that the gift or item is not nearly what it appeared to be--or is perhaps even nonexistent. This places the consumer at risk. Kansas consumer protection

officials want to regulate that risk by requiring additional disclosures and we support their efforts.

4. These companies are established and identifiable and the consumer is not at risk.

The publishers/marketers of educational/cultural goods are part of our history and have marketed goods and services using a token premium for well over 50 years. The gift or item is fairly depicted as a token appreciation for accepting a trial offer--it is not "too good to be true." The consumer is not at risk because the goods are offered to the consumer on a preview or trial basis and the consumer has the right to return the goods and pay no money.

In the case of book and record and video clubs--they are regulated by the Federal Trade Commission.

In the case of continuity and subscription and single purchase plans, the consumer has the right to preview the merchandise, return it if not interested, and either not make any payment or receive a full refund.

This is not the way fly-by-night operators (deceptive invitations to travel to prospective living sites) operate.

5. Is there a precedent for including this amendment in legislation to regulate the advertising of gifts or awards?

Yes. Virginia, Iowa, West Virginia, New Hampshire, South Carolina, Nevada, Oklahoma, Wyoming, Minnesota and Tennessee included the exemption in their gift and prize laws. A bill with this exemption is pending in Iowa.

We understand that fraud is a major problem for state officials today. We believe, however, that companies who are not

the source of the complaints should not be targets of legislation which would force them to change their marketing practices over 50 years.

In 1994, representative David Atkins introduced HB 2612, the law we are presently discussing. At that time, I had a conversation with the Attorney General's office and submitted an amendment to them, located in the section on page 4, lines 14-26 which are presently being deleted by HB 2479. I was advised by the Attorney General's office that it had no objection to the adding of the amendment and it was added onto the bill and is in the present law. A copy of a letter from Kathy Greenlee, counsel for the Consumer Protection Division of the Attorney General's office is attached.

In my discussions with the Attorney General's office this year, I have been advised that there have been no real problems concerning this provision, but that the purpose of the Bill was to make all of the laws equal.

I submit to you that it is very difficult to make the laws equal for reliable telemarketers and the unscrupulous ones which are the purpose for this legislation.

We believe that the system has been working well since the law was enacted in 1994, and would request the Committee to consider the amendments we have offered in this testimony if HB 2479 is recommended favorable for passage.

If there are questions, I will be happy to answer them at this time. If I do not have the answers, I will certainly provide them

for you in a short period of time. If you desire further information, I can give you the name and telephone number of an individual in Washington, D.C. with whom you can discuss what has happened in other states relative to legislation of this type.

Thank you very much for allowing me the opportunity to participate in these hearings.

Bob W. Storey



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612-1597

ROBERT T. STEPHAN
ATTORNEY GENERAL

March 14, 1994

MAIN PHONE: (913) 296-2215
CONSUMER PROTECTION 296-3751
TELECOPIER: 296-6296Honorable David Adkins
Kansas House of Representatives
State Capitol, Room 448-N
Topeka, KS 66612

Dear Representative Adkins:

We received a letter from Mr. Bob Storey regarding a proposed amendment to House Bill 2612. We are aware that many states have added the following, or similar, language to their "prize notification" statutes:

"The provisions of Section 1 shall not apply to the sale or purchase, or solicitation or representation in connection therewith, of goods from a catalog or of books, recordings, videocassettes, periodicals and similar goods through a membership group or club which is regulated by the Federal Trade Commission trade regulation rule concerning use of negative option plans by sellers in commerce or through a contractual plan or arrangement such as a continuity plan, subscription arrangement, or a single sale or purchase series arrangement under which the seller ships goods to a consumer who has consented in advance to receive such goods and the recipient of such goods is given the opportunity, after examination of the goods, to receive a full refund of charges for the return of the goods, or unused portion thereof, undamaged."

We do not oppose Mr. Storey's suggested amendment. As we have indicated, we support your sponsorship of House Bill 2612.

Very truly yours,

OFFICE OF THE ATTORNEY GENERAL
ROBERT T. STEPHAN
Kathy Greenlee
Assistant Attorney General
Consumer Protection Division

cc: Mr. Bob Storey

America's companies

who use a free prize, gift, sweepstakes in a fair and legal manner

and would be burdened by the impact of Kansas law

<u>Better Homes and Gardens</u>	gift-scissors
Book-of-the-Month Club	gift- <u>Story of Civilization</u> Beethoven Symphonies
Children's Book-of-the Month Club	gift-coloring book
Columbia House Video Library	preview
<u>Consumer Reports</u> magazine	prize
Crossings Christian Book Club	gift-book
Disney Books	gifts
DOUBLEDAY LARGE PRINT LIBRARY	gift-tote
<u>Forbes</u> Magazine	gifts-2 books
Harringtons (meats)	gifts-bacon and cheese
Harvard Health Letter	gift-booklet
Jewish Book Club	gift-book
<u>Kiplinger Washington Letter</u>	gift-book
<u>Ladies Home Journal</u>	sweepstakes
M.I. Hummel Club	gift-figurine
Mayo Clinic Health Book	gift-prescription book
National Geographic Society	gifts (3) gift-map flag poster
National Historical Society	gift
National Wildlife Federation	gift-watch
National Zoo	gift
<u>Naval History</u> magazine	gift-book
Norman Rockwell	gifts
Postal Commemorative Society	gift-gold stamp 1st day covers
Publishers Clearing House	sweepstakes
Reader's Digest	sweepstakes
Reader's Digest Kids Catalog	gift-playbook
Smithsonian	gift-poster free issues
Southern Living Books	gift-recipes
Spiegel	gift-catalog
<u>TV Guide</u>	win cash
<u>Time</u> magazine	gifts-bear travel guides sweepstakes
Time Life Cookbooks	gift-measuring cup
U.S. Postal Service	gift-free 1st day cover
<u>Washington Post</u>	free weekday delivery
WETA public TV	prize-car
World Book Encyclopedia	gift-video

these marketers alternate gifts and sweepstakes

Fed & State
3-5-97
Atch #3

offers that may be deceptive, misleading, or fraudulent
notable features

call 900 (\$16-25 charges) to find out you have not won
(can mail, but coupons only to callers)

must submit to presentation

vacation -- but no airfare -- must attend presentation

disclaimers

"This does not constitute an offer or offering in any
state."

"This is not a contest, sweepstakes, or lottery."!

must travel to location to receive prize

pay processing, shipping, and handling for \$199.50

award is coupon(s) for overpriced merchandise

prize is certificates to use to purchase overpriced goods

must pay for travel award

look-and-sound-alike names

USA Clearing House (Publishers Clearing House)

Sweepstakes Digest (Reader's Digest)

act as if they have received correspondence from the
consumer before -- and they have not

act as if they have received money from the consumer before -- and
they have not

and ask for additional (optional) more money

and then another letter comes from a different company in a
different place -- worded exactly the same -- asking for
optional money

cash prize -- but do not say how much

prize processed in 8-12 weeks -- (they will be out of business)

disclose odds -- But "odds depend on unclaimed cash prizes
received"?

note: VOID in KS and 16 other states
(including the state where marketers
are located!)

fake diamond is called diamond "simulant"

you win simulant--you pay to have made as jewelry--
you have junk



Office of the Sheriff

P.O. Box P

Lakin, Kansas 67860

James F. Jr.
Sheriff

Ray C. Morgan
Undersheriff

Phone 316-355-6211
Fax 316-355-6680

February 26, 1997

TO: *Garry Boston, Chairman
And all members of the House Federal and State Affairs Committee*

*State Capitol
Room 156 E
Topeka, Kansas 66612-1504*

RE: *Carry Conceal*

Dear Mr. Boston and members of the committee:

By way of introduction, I have been a Kansas Law Enforcement officer for the past 25 consecutive years. Before this, I spent two years in the U.S. Army as a Military Policeman. I have been a certified police firearms instructor for the past twelve (12) years. I have been a F.A.T.S. instructor for the past five (5) years. I serve on the Board of Governors of the Kansas Peace Officers Association. I have been re-elected every year for the past twelve (12) consecutive years. I have supported the concept of law abiding citizens right to carry a concealed weapon for years.

As an elected Board of Governor for the past twelve (12) years for the Kansas Peace Officers Association, I have consistently voted to support the law abiding citizens right to carry a concealed weapon. There are other board members who also vote in favor of the carry conceal law. You should know too, that there are members of the Kansas Sheriff's Association Board of Directors who have voted to support the carry conceal law. Although the majority of both Boards have voted to not support the carry conceal law, neither board has surveyed the general membership. I suspect that the respective Boards would be in for a real surprise if they conducted a survey.

*Fed+State
3-5-97
Atch #4*

Page 2

House Federal & State Affairs Committee

Those opposed, both law enforcement and legislators, have various reasons and more than one reason for opposing the carry conceal bill. I believe that a large number of both, purposefully and conveniently ignore the truth and facts when it supports their personal beliefs. Never let the facts get in the way of what you support.

I was present when the KPOA legislative committee called for a vote on the carry conceal. As you know, the majority voted to oppose it. The committee also called for a vote on a bill which would permit retired police officers the right to carry a concealed weapon. The legislative committee unanimously supported this bill. How hypocritical. These same officers voted against law abiding citizens having the same right they voted in for themselves.

I have read some of the testimony by fellow law enforcement officers who oppose the carry conceal law. It is obvious from their testimony that some of them are purposely exaggerating the problems they claim will occur if this law passes. Example; My officers will have to approach vehicle stops and people on the street much more cautiously. Or; My officers will not know who he/she is dealing with as to whether or not they are licensed to carry. It does not matter if there is a carry conceal law or not. Every officer, no exceptions, had better approach cars and or people as though his/her life depended upon on it. Officers have to rely upon their training and their wits.

No officer has anything to fear from a law abiding citizen who is licensed to carry a concealed weapon. If this law should pass, I predict that there will be a time when a law abiding licensed to carry citizen, will come to the aid of an officer.

Should this law pass and pass without the pre-emption provision, the law would almost be worthless. The purpose of this law is to afford the law abiding citizen the right and the ability to be able to protect themselves from deadly force not only in their own community but also wherever they travel within Kansas. As they travel, cities that choose to pass ordinances contrary to State law, effectively deny these people the right to self protection in a life threatening situation. Life threatening situations know no boundaries.

Respectfully,

Ray C. Morgan

Ray C. Morgan
Undersheriff