



**For Immediate Release**  
**Contact: Robyn Ziegler**  
**312-814-3118**  
**877-844-5461 (TTY)**  
**[rziegler@atg.state.il.us](mailto:rziegler@atg.state.il.us)**  
**January 29, 2007**

## **MADIGAN ANNOUNCES TOP 10 CONSUMER COMPLAINTS FOR 2006; ID THEFT COMPLAINTS TOP LIST**

Chicago—Attorney General Lisa Madigan today announced that for the first time in the history of the Illinois Attorney General’s Top 10 Consumer Complaint List, identity theft complaints topped the list, exceeding the other categories by far. Madigan attributes the dramatic increase in consumer complaints concerning ID theft to her office’s new Identity Theft Hotline, announced in February 2006.

Madigan also announced that her office’s Consumer Protection Division received a record number of consumer complaints in the last year. In 2006, the Consumer Protection Division received 32,724 consumer complaints, a more than 18 percent increase over the 26,652 consumer complaints received in 2005. This increase follows a nearly 11 percent increase in consumer complaints in 2005.

In 2006, Madigan’s Consumer Protection Division fielded 188,292 calls for assistance and recovered through mediation more than \$7.7 million with litigation savings of more than \$18 million for a total of more than \$26 million in savings to Illinois consumers.

Of the complaints received in 2006, 5,237, or 16 percent, concerned identity theft. Just as in 2005, credit-related complaints ranked second on the Top 10 list, with 3,444 consumer complaints. Coming in third on the list are the 3,204 construction and home improvement complaints that Madigan’s office received in 2006.

Along with the striking jump in the number of identity theft complaints, Madigan noted that the 2006 statistics reveal another significant new trend in consumer complaints. For the first time, her office received more than 700 complaints from homeowners with mortgage-related problems. Although this number falls just shy of the top ten, it marks a greater than 100 percent increase in mortgage-related complaints since 2005.

In a large number of these complaints, consumers contacted the Attorney General’s office seeking help in problems with so-called “mortgage rescuers.” In a typical case, the mortgage rescuer promised to help homeowners on the brink of foreclosure to save their home, but, instead, the rescuer purchased the

property for a fraction of its value and stripped the equity from the home, leaving the homeowners with nothing.

In response to this disturbing trend, Madigan drafted and worked to pass the Mortgage Rescue Fraud Act in the last legislative session. This Act, which went into effect on January 1, 2007, requires that mortgage rescuers either save the home as promised, or pay the homeowners 82 percent of the home's fair market value. Madigan also filed three law suits in 2006 against mortgage rescuers for allegedly engaging in illegal practices to deprive several Illinois homeowners of their homes.

“The 2006 Top Ten list provides an overview of the problems that consumers faced in the marketplace over the past year and our consumer protection priorities. It clearly shows that identity theft continues to be one of the fastest growing frauds in Illinois and across the country,” Madigan said. “The sharp increase in ID theft complaints reflects both this disturbing trend and our increasing efforts to provide needed help to consumers who are struggling to restore their good name and those who are looking to protect themselves from this fraud.”

“This snapshot of our consumer protection work also shows a troubling increase in the number of homeowners who are victimized by unscrupulous scam artists,” Madigan noted. “We are continuing to devote greater resources to protecting homeowners from these devastating frauds. All of the information that we receive from consumers who file complaints with our Consumer Protection Division is vital to our ongoing consumer protection work.”

### ***No. 1: Identity Theft Complaints***

Consumer complaints regarding identity theft raise a range of issues confronting victims of this rapidly-growing fraud. Specifically, the ID theft consumer complaints involved:

1. **Credit cards (1,428 complaints)**, including reports of the takeover of an existing credit card account by a thief and also instances of a thief opening a new credit card account in the name of an ID theft victim;
2. **Phone, internet, and utility company complaints (736)**, concerning fraudulent wireless or landline phone, Internet, gas, electric, and water accounts opened in the ID theft victim's name;
3. **Bank fraud complaints (439)**, including complaints regarding stolen checks, new bank accounts opened in an ID theft victim's name, and fraudulent withdrawals of money from victims' bank accounts;
4. **Collection agency complaints (202)**, involving attempts by collection agencies to collect debts from ID theft victims that actually were incurred by ID thieves.

Consumers brought most of these complaints to Madigan's office by contacting her new Identity Theft Hotline (1-866-999-5630). Through this help line, trained advocates and attorneys have worked with consumers to help them restore their credit.

### ***No. 2: Credit-Related Complaints***

Complaints regarding credit came in second place in 2006, including **2,210** complaints about **collection agencies**, reflecting consumers' ongoing and significant problems with collection agencies. While complaints regarding credit also came in second place on the 2005 Top 10 List, the 2,210 complaints involving collection agencies in 2006 represents a significant increase from 1,451 collection agency complaints received in 2005.

Consumer complaints about collection agencies include allegations that an agency has violated the Illinois Consumer Fraud Act by refusing to substantiate a debt that the agency is trying to collect even after the consumer requests substantiation, making collection calls to a consumer's work place and to family members, placing collection calls at inappropriate times, and using inappropriate and threatening language when contacting consumers. Other collection agency complaints include failing to properly trace the consumer, resulting in attempts to collect a debt from the wrong consumer, attempting to collect on time-barred debts, and sending misleading collection letters which resemble court documents.

In addition to collection agency complaints, other credit-related complaints involved:

1. **Credit cards (907)**, including complaints about unauthorized membership club charges appearing on credit card accounts, balance transfer and introductory rate problems, higher interest rates than expected, and unexpected fees; and
2. Erroneous entries on **credit reports (178)**.

### ***No. 3: Construction and Home Improvement Fraud Complaints***

Construction and home improvement fraud came in third on the 2006 list and consistently has ranked as one of the top three consumer complaints since 1984. Complaints regarding construction and home improvement in 2006 include those related to **remodeling (1,101 complaints)**; **roofs and gutters (391)**; **siding, windows, and doors (350)**; **new construction (263)**; and **plumbing and sewers (175)**. This category also includes 924 complaints about other construction-related issues.

Most of the consumers who contacted Madigan's office to file complaints involving construction and home improvement alleged that the companies either failed to begin or complete the construction work or, in other cases, provided poor quality work. Throughout 2006, Madigan's office filed numerous lawsuits against contractors alleging construction and home improvement fraud.

### ***No. 4: Telecommunications Complaints***

Telecommunications complaints ranked fourth in 2006 and included claims regarding **wireless service and cellular phones (749 complaints)**, such as complaints about wireless phone bills reflecting higher rates than consumers expected as a result of confusion over rate plans, complaints about the assessment of early termination fees when the consumer canceled after unknowingly having extended the contract term when upgrading the phone or changed rate plans, unauthorized charges for ring tones or games, and unsolicited text messages.

Consumer complaints about telecommunications problems also included:

1. **Long distance service (394 complaints)**, such as bills for long distance charges for dial up internet service when consumers accidentally chose local toll numbers instead of local access phone numbers and general billing issues and errors;
2. **Cable and satellite service (376)** such as unwanted telemarketing calls to consumers on the do not call list, and reports of misrepresentation of charges and available channels;
3. **Do not call (372)**, concerning telemarketing calls placed to consumers who are on the do not call list or calls placed after consumers specifically have requested not to receive further telemarketing calls;
4. **Internet service providers and DSL (295)**, including complaints of continuing to bill consumers after they attempt to cancel their monthly internet service;
5. **Local phone service and repairs (277)** such as general billing issues; and
6. **Other telecommunications-related complaints (319)**, such as pay-per-view website charges and phone bill cramming.

**The Top 10 consumer complaints for 2006 are as follows (the figures listed below do not reflect all of the complaints):**

CATEGORY	# OF COMPLAINTS
1. Identity Theft	5,237
2. Credit	3,444
3. Construction/Home Improvement	3,204
4. Telecommunications	2,782
5. Promotions and Schemes	2,261
6. Financial Services	1,695
7. Motor Vehicles/Used Auto Sales	1,486
8. Mail Order	1,475
9. Business to Business Fraud	815
10. Motor Vehicle/Non-Warranty Repair	790

For all consumer fraud issues, consumers can visit Madigan's website at [www.illinoisattorneygeneral.gov](http://www.illinoisattorneygeneral.gov) or call one of the Consumer Fraud Hotlines or the Identity Theft Hotline at the numbers listed below.

**Chicago Consumer Fraud Hotline:** 1-800-386-5438 and 1-800-964-3013 (TTY)

**Springfield Consumer Fraud Hotline:** 1-800-243-0618 and 1-877-844-5461 (TTY)

**Carbondale Consumer Fraud Hotline:** 1-800-243-0607 and 1-877-675-9339 (TTY)

**Spanish Language Hotline:** 1-866-310-8398

**Identity Theft Hotline:** 1-866-999-5630 and 1-877-844-5461 (TTY)

-30-

---

[Return to January 2007 Press Releases](#)