

Consumer Protection in North Carolina

No Longer a Radical Notion

by
Jack Betts and Amy Butterworth

Mention the words consumer protection, and most folks probably think of the Consumer Protection Division set up in the state Department of Justice in 1969 by then-Attorney General Robert B. Morgan. But the fact is that consumer protection reaches much farther in state government today. For instance, the Consumer Services Division of the state Department of Insurance is much larger than the Justice Department operation, with a 50 percent bigger staff (32) and more than twice as large a budget (\$1 million). And Insurance handles many more complaints each year. The Attorney General's Consumer Protection operation is also handling far more complaints than it did when it was set up, but today's budget is just about the same (\$450,000 in actual dollars, and when you figure in the rate of inflation, the budget has declined) as it was in the early 1970s. And, the state has nine of the 12 major types of consumer protection laws on the books. Here's a who's who and a what's what of consumer protection programs and laws in North Carolina that shows how consumer protection—once almost a radical notion in North Carolina—has come to be part of the mainstream of government services.

Bought a used car but discovered someone had monkeyed around with the odometer? Received a shipment of photocopy paper—and a bill—that you never ordered for your small business? Getting the runaround with your health insurance company on the reimbursement for your double-hernia operation? Promised a Mediterranean cruise for visiting a coastal resort, but got tickets for a bus trip to Monck's Corner instead?

Some consumers who encounter problems like these don't know where to turn, but tens of thousands of North Carolinians find out each year that state government has gradually gotten into the consumer protection business in a big way. In fact, the state spends more than \$5 million each year to respond to consumer complaints, resolve problems, and represent consumers in regulatory proceedings for such consumer services as electricity and telephones. There's even a state office consumers can call to find out where to go to resolve a specific consumer complaint—the Office of Citizen Affairs in the Governor's office (919-733-5017).

Consumers' complaints have increased enormously in the past 15 years, and the record shows that consumers have far more questions and complaints about their insurance policies than any other single kind of product or service. In 1972, for instance, the Consumer Protection Division at the Department of Justice handled 3,230 consumer

complaints; in 1973, the newly created consumer services staff at the Department of Insurance received 4,497 complaints on almost every type of problem. By 1985, the number of insurance consumer complaints and telephone inquiries had grown enormously, to more than 34,600, while the number of formal consumer complaints received at Justice had climbed steadily to nearly 10,000. (The Justice Department, like the Insurance Department, also handles thousands of telephone inquiries each year, but unlike Insurance, Justice does not include the number of inquiries in its total of 10,000 complaints). Yet the consumer advocacy agency with the biggest budget and largest staff is a third office, the Utilities Commission's Public Staff, located nominally in the Department of Commerce, which spends more than \$3.2 million a year to do its job of representing consumers in rate and other cases.

Almost every state agency considers itself a consumer-oriented agency. The Department of Transportation, for instance, concerns itself with the roads that consumers use to travel about. The Department of Public Education supervises the education that our younger consumers receive in public schools. The Department of Agriculture manages programs aimed at enhancing agriculture

Jack Betts is associate editor of North Carolina Insight. Amy Butterworth is a former intern at the N.C. Center for Public Policy Research.

in the state so that consumers will have a plentiful supply of food and fiber, and so on. Arguably, then, every state agency is consumer-oriented. But a relatively few agencies are more directly involved in consumer protection and consumer advocacy. These agencies include the state Departments of Justice, Insurance, Commerce, and Agriculture.

What gives state agencies the legal authority to represent a consumer in a squabble, and how do they go about it? And with consumer service programs spread over a variety of agencies, where does a consumer go first when he needs help? And, for that matter, what constitutes a consumer protection program in the first place?



What Role for Government?

The consumer movement has existed for ages, more often in the form of folk wisdom than in formal government programs. Typical was the quaint wisdom of a 16th century English writer named John Fitzherbert. In his 1547 *The Boke of Husbandry*, Fitzherbert warned his readers that some unscrupulous horse dealers would hide warts under a blanket at the time of the sale, and only later would the seller realize he had been duped—and perhaps dumped unceremoniously in the middle of a dusty road. Fitzherbert admonished, “If he be tame, and haue ben rydden vpon, than *caveat emptor!* beware the buyer.”

Popular support for a government role in protecting consumers has not always been so strong as it is now. In the years following American independence, for example, consumers had just freed themselves from what they considered to be unfair restrictions and were not interested in government protection, at least at first. Gradually, though, attitudes began to change, and consumer protection evolved as a government service. Today, business markets are larger and more specialized, and the old phrase “caveat emptor” requires more expertise from the consumer—and regular help from government. In the United States, consumption accounts for about two-thirds of the Gross National Product, and state governments have intervened to protect consumers out of a recognition that normal market forces may be insufficient to protect the public.

Consumer protection by government is difficult to define, partly because the term “consumer” includes everyone, and partly because state govern-

ment provides many services to consumers which, under a broad interpretation, can be labeled as “protection.” In addition, consumer protection covers a wide variety of problems. Because of the mind-boggling array of products, services, and goods available in every color, size, and description, consumers often don’t know how to cope when they have complaints or questions. For that reason, effective state consumer protection services usually offer three basic functions: (1) complaint processing, which includes investigation, mediation, and litigation; (2) regulation, to ensure quality, safety, and reasonable rates; and (3) education, as a preventive self-help measure. These functions need not be housed under the same agency or directed by one official, but together they represent a comprehensive approach to consumer protection. North Carolina’s state government addresses all three areas and has traditionally been a leader in consumer protection.

The first consumer program in North Carolina, like those in other states, developed largely in response to a wave of consumer awareness nationwide in the 1960s and 1970s. Through catalysts like Ralph Nader and Rachel Carson, consumer concerns eventually received presidential support. In recognition of the growing influence of consumerism, President John F. Kennedy said in 1963, “What is new is the concern for the total interest of the consumer, the recognition of certain basic consumer rights. The right to safety, the right to be informed, the right to choose, the right to be heard.”¹

These basic rights were not being recognized

Table 1. Consumer Protection Programs in N.C. State Government¹

Department/ Division ²	Address and phone #	Activities	Statutory authority	# of Full- Time Staff FY 85-86	Budget, N.C. FY 85-86 (7/1/85-6/30/86) (State Funds)
DEPARTMENT OF COMMERCE					
N.C. Utilities Commission					
Public Staff	Dobbs Building 430 N. Salisbury P.O. Box 29520 Raleigh, N.C. 27626 (919)733-2435	Represents the using and consuming public before the Utilities Commission in all proceedings involving the rates and service of regulated utilities	N.C.G.S. 62-15	78	\$3,219,418
DEPARTMENT OF INSURANCE					
Consumer Services Division					
	Dobbs Bldg. 430 N. Salisbury P.O. Box 26387 Raleigh, N.C. 27611 (919)733-2032	Provides information on insurance matters to consumers Resolves consumer complaints Investigates insurance agents and agencies in conjunction with other divisions	N.C.G.S. 58-9	32	\$1,071,000
Manufactured Housing Division					
	410 N. Boylan Raleigh, N.C. 27611 (919)733-3901	Investigates and resolves consumer complaints Licenses all segments of the manufactured housing industry	N.C.G.S. 143-143.8	10	\$ 341,855
DEPARTMENT OF JUSTICE					
Consumer Protection Section					
	Justice Building 1 West Morgan St. P.O. Box 629 Raleigh, N.C. 27602 (919)733-7741	Enforces State Consumer Fraud Laws Handles consumer inquiries and complaints Investigates and settles cases in or out of court Promotes consumer education	N.C.G.S. Chapter 75	20	\$ 449,297
Antitrust Section (Merged with the Consumer Protection Section, April 1986)	Same address	Investigates complaints of monop- olization, price fixing, and other practices which constitute illegal restraints of trade	N.C.G.S. Chapter 75	5	\$ 174,270
Utilities Section	Same address (919)733-7214	Represents the consuming public concerning public utility services	N.C.G.S. 75-9, 75-15	4	\$ 130,000
TOTAL STATE SPENDING FOR PROGRAMS ON CONSUMER PROTECTION:					\$5,385,840

FOOTNOTES

¹For the purposes of this chart, "programs on consumer protection" refers to programs which respond to complaints about a product, service or business practice from the general, consuming public, not from special groups by race, sex, age or handicap.

²This chart covers programs in N.C. state government only.

Table prepared by Amy Butterworth based on budget figures supplied by the state agencies.

*What's good for General Motors
is good for the country.*

—Henry Ford II

in most states at that time. Even as late as 1969, the Federal Trade Commission (FTC) lacked enforcement powers, jurisdiction, and investigative resources to deal with misleading advertising and fraudulent business activities. Because of the inability of the FTC to act, particularly in response to certain deceptive advertising practices, N.C. Attorney General Robert B. Morgan created the Consumer Protection Division to respond to these problems at the state level.

North Carolina's and Kentucky's consumer protection offices, among the first in the nation, were set up under a directive from their attorneys general based on common law enforcement responsibilities rather than specific legislation. After setting up the Consumer Protection Division in 1969, Morgan asked for and won legislation incorporating consumer protection responsibilities into the antitrust section of Chapter 75 in the North Carolina General Statutes—giving his office prime consumer protection responsibilities.² Kentucky's then-Attorney General, Robert B. Matthews, noted

Former Attorney General
Robert B. Morgan, who set up the
consumer protection division in 1969



in 1966 that, "As soon as we showed interest in this field of activity, we found that not only did we have the fundamental law, but also the important thing, the big stick of public opinion and the business community."³ As a result, the Attorney General's power to establish a consumer protection program was not challenged.

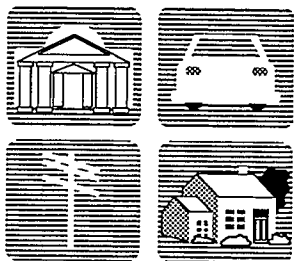
As Morgan put it in 1973, "When I first became Attorney General of North Carolina. . . we had almost no consumer protection activity at all. We quickly changed this, for to me, this is one of the most important areas to be dealt with by any Attorney General's Office. I believe if we do not deal with it quickly and effectively the Federal government is going to. . . . If we want to preserve states' rights—and I do—we must act responsibly to represent the interests of the consuming public before the state and federal regulatory bodies. In this day, consumers throughout America demand such representation and have every right to receive it."⁴

In a recent interview, Morgan recalls there was some hostility to his Consumer Protection Division at first. "There was a lot of suspicion from the business community," Morgan told *Insight*. "They thought I was a nut, anti-business, some sort of a socialist. But when they realized that we were also working to help legitimate businesses, many of whom were also getting hurt by unscrupulous operators, they came around to be very supportive."

Since those days, consumer protection programs have become part of the mainstream of government services. This article examines the state of the consumer protection movement in eight segments: the Department of Justice, the Department of Insurance, the Public Staff of the Utilities Commission, the Department of Agriculture, non-government consumer groups, consumer protection laws and legislative action, an interview with Attorney General Lacy Thornburg, and a short section that illustrates what protecting consumers was like when Morgan first began pursuing class action lawsuits.

*I am responsible for my actions,
but who is responsible for
those of General Motors?*

—Ralph Nader



The Department of Justice

Before Morgan created the Consumer Protection Division in 1969, there had been limited action on behalf of consumers in both the public and private sectors. North Carolina has had the equivalent of the federal Sherman Antitrust Act⁵ in G.S. 75-1 (entitled "Combinations in restraint of trade illegal") of the General Statutes since 1913.⁶ But the first broad consumer protection legislation, adopted in 1969, was G.S. 75-1.17 (entitled "Methods of competition, acts and practices regulated"), which prohibited the "unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce." This language, borrowed from section 5 of the Federal Trade Commission Act,⁸ is commonly referred to in North Carolina law as the "little FTC Act." Other amendments to Chapter 75 have strengthened the agency's authority but G.S. 75-1.1 remains the core legislation for its actions.

The *Consumer Protection Section* (so renamed in 1975), directed by James Gulick, a special deputy attorney general, has the authority to investigate complaints, seek injunctive relief, obtain restitution after a mandatory order, and to exact civil penalties for willful violations. "The focus of the division," says Gulick, "is to carry out the Attorney General's duty to see if businesses are engaged in unfair trade practices prohibited by G.S. 75-1.1. We have a strong arm in that we don't have to go to court and get an injunction." G.S. 75-10⁹ (entitled, "Power to compel examination") compels people to be examined (that is, to produce business records and other materials) without a lawsuit—which makes it a lot easier for the section to determine fraud and deception quickly and without protracted litigation.

Gulick says his office currently handles nearly 10,000 formal complaints and thousands of information calls—more than double the workload of just 14 years ago, but with a smaller staff. In 1972 the Consumer Protection office, with a bud-

get of \$416,126 and an authorized staff of 23, was the fifth largest of all the states' consumer protection offices. The section now operates with a staff of only 20, and a budget of less than \$450,000 (see Table 1, p. 21). In other words, in terms of staff and of actual budget dollars adjusted for inflation, the Consumer Protection Section is handling a much larger workload with about the same resources as it was in 1972.

Both Gulick and his boss, Attorney General Lacy H. Thornburg, say more staff members, including attorneys and support staff, are needed. In an interview with *Insight*, (see p. 37), Thornburg says the need for additional help is critical. "Certainly we would like to have some right now as a matter of fact because the workload has increased tremendously. The number of people who are handling it—it boggles the mind that they are able to handle it as well as they do."

The section's complement of staff members includes six consumer protection specialists and five attorneys. Together they handle some 10,000 complaints each year. Motor vehicle purchases and repairs represent the largest number of complaints, more than 12 percent of the total. Other major sources of complaints are mail orders (10.5 percent), credit and lending problems (9.2 percent), miscellaneous products and services (6.2 percent), land and land development (5.9 percent), home furnishings (5.5 percent), and health spas and dance studios (4.8 percent). A very small percentage of consumer complaints result in legal action, while approximately 70 percent are settled informally, usually by an exchange of letters. Gulick says the knowledge that a suit can be brought is usually effective in achieving voluntary settlement, and in most cases a letter from the Attorney General's office will get a prompt response.

Gulick says his office has become more litigious recently. For instance, in 1984, the section filed or intervened in six lawsuits. In 1985—

Thornburg's first year in office—the section filed or intervened in 10 lawsuits.

The section has a system of specialization among the attorneys and investigators based on the subject matter of the complaints received. Incoming complaints are categorized under broad subject headings such as housing (landlord-tenant relations, rent, and ownership), banking (credit, truth-in-lending), and automobiles (new and used car sales, repairs). "Some types of complaints," says Gulick, "can be resolved vis-à-vis the individual and the company through letters and receipt of complaint. If someone didn't receive their mail order, for example, a letter from the Attorney General usually resolves the problem."

Sometimes it takes more than a letter. For instance, a Reidsville woman purchased a used, low-mileage 1982 Buick from a dealer in 1984. When she took it in to the repair shop a short while later, though, she was hit with a big bill—and she complained to the Consumer Protection Section in March 1985 because she didn't think a car with such low mileage should have such problems. The Consumer Protection Section ran a title search on the car in North Carolina and found nothing out of the ordinary, but on a hunch the section also checked the car's odometer statements in two other states where the car had been registered—Illinois and South Carolina. Bingo. The car's odometer, it turned out, had been turned back to much lower mileage at a shop in South Carolina—completely unbeknownst to the Reidsville dealer. After a series of negotiations, the dealer agreed to buy back the Buick for \$6,400—more than the purchase price of the car, which allowed the woman to recoup her original investment, minus a sum for the use of the car while she was driving it, plus attorney's fees. The Reidsville dealer, meanwhile, was able to pursue his own damages from the South Carolina shop where the odometer was rolled back.

The section keeps a record of all complaints filed, as a method of spotting illegal business conduct. If investigation reveals that a business is systematically or blatantly violating the consumer protection laws and that legal action would be in the public interest, a formal lawsuit may be started. Such a lawsuit, however, must be brought

If business leaders had channeled one tenth of the energy they devoted to fighting this bill (consumer protection) into improving their products and services they would not find themselves in this fix.

—James J. Kilpatrick

in the name of the state of North Carolina and not on behalf of any private individual (for more on this point, see Thornburg interview, p. 37). "We have to be bureaucratic," Gulick says. "The number of people filing complaints requires a system of organization. We try to be responsive individually but we are not authorized to represent an individual consumer in court. Our goal is to stop unfair and deceptive practices through formal agreements or court injunctions." Adds Thornburg, "We try not to get into the private practice of law by representing an individual consumer. . . . What we can do if we are representing a class of complainants is to bring class actions."

As a practical matter, however, the department does represent individuals as it goes about protecting consumers as a class and enforcing state consumer protection laws. And individual complaints sometimes are the vehicle for a bigger deal. If an individual's case is important generally, it might be taken up by the Attorney General's office. "We serve individual consumers, but we don't represent them," says Gulick. "Our court authority is only for the public at large." However, under GS 75-15.1,¹⁰ (entitled "Restoration of property and cancellation of contract"), which was adopted in 1973, the Attorney General can seek restitution money for consumers. Civil penalties up to \$5,000 can be sought for willful violations. In this way, consumers who are victims of unfair and deceptive acts may benefit from the formal action through monetary recovery. For example, in another recent rollback case, the president and vice president of Poole's Used Cars in the Iredell County community of Troutman were charged with altering odometers and providing false statements of low mileage on the cars they sold. They were sentenced to two years in prison, plus five years on probation, and were fined nearly \$20,000, which was used as restitution to 12 buyers who were cheated in the odometer rollback scheme.

Gulick concedes that the section does not make every consumer happy. He says consumers' expectations are high, and they are sometimes disappointed by the section's efforts. "We like to be able to collect for people," says Gulick, "We try to do it, but it is not our first task." The section's first priority is to put a stop to unlawful

business practices, then to punish the offenders, and finally to seek restitution if possible. Although the agency cannot find everyone who may have been injured by an illegal business practice, the section can squelch the operation and thus protect others from possible injury.

According to Gulick, "The ability to seek restitution is a powerful collection device. We would not now accept a criminal sentence without restitution," and the Poole's Used Cars case is an example where the section got a conviction *and* restitution, because it involved violations of criminal law (G.S. 20-347, "The North Carolina Vehicle Mileage Act," and G.S. 20-71, "Altering or forging certificate of title, registration card or application, a felony..."). However, the extra leverage of *criminal* sanctions is not available for violations of G.S. 75-1.1, which provides only *civil* penalties, unless there are also violations of crim-

inal law. (In normal practice, the Justice Department does not pursue criminal charges, which are usually the province of the district attorney in each judicial district. However, the department may handle special prosecutions, as in the Poole case.)

Approximately 50 percent of the consumers who complain will get positive personal benefits—a sense of justice having been done, restitution, or a problem otherwise solved—but the section's efforts cannot guarantee satisfaction as often as it would like. "Businesses may run, or there may be no money," says Gulick. "Sometimes we can get access to their tax refunds, sometimes the money will come in late, or sometimes it will come in slowly."

Gulick says his office estimates that it helped consumers recover \$1.6 million through mediation and court action in 1984, and more than \$1.4 million in 1985. These figures represent direct res-

Class Actions Lawsuits:

"I will not be able to attend . . ."

Sometimes, being a consumer advocate is a lonely job, especially when those you're trying to help don't know it—or understand what you're doing. Consider what happened in 1970, when then-Attorney General Robert B. Morgan, who had developed the state's model consumer protection program, filed a class action lawsuit against five drug companies, seeking treble damages for violations of anti-trust laws. Morgan wanted to locate all North Carolinians who had purchased certain antibiotics from these companies from 1954-1966, so that they could be compensated if the state won the case. The most practical way to reach them was to send a notice of the lawsuit on their behalf to all two million persons who had filed North Carolina income tax returns in 1969.

The mass mailing brought a huge outpouring of responses, most of which indicated how few understood that Morgan was trying to help them by winning jury awards for damages. Here's a sampling of the responses:

"Dear Sir: I received this paper from you. I guess I really don't understand it. But if I have been given one of these's drugs I was not told why. If it means what I think it means though, I have not been with a man in nine

years if that answers your question."

"Dear Mr. Clerk: I have your notice that I owe you \$300 for selling drugs. I have never sold any drugs, especially those that you have listed. I have sold a little whiskey once in a while though."

"Dear Sir: I have not bouth none of tat stuff from nobodie and I don't know notin about it."

"Dear Sir: Due to circumstances beyond my control I will not be able to attend this class at the time prescribed on your letter due to the fact that my working hours are from 7:00 until 4:30."

"Dear Sir: This is a request to be excluded from the class. Whatever gave you the belief that I was a member of such a class. I never take drugs. Maybe an aspirin once in a while, but I can't even take but one of them at a time."

"To Whom This May Concern: . . . About this lawsuit, I can't see how you or anyone can build a case after something I know nothing about, I can't imagine what it's all about, and about some kind of class I'm suppose to be in. I'm sorry, I'm in no kind of class, I'm only a mother and housewife, I do not have any kind of trade or class."

— Jack Betts

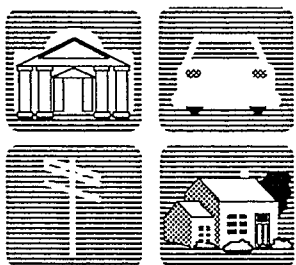
tution to consumers.

If the section cannot directly assist with a complaint, it may direct the consumer to another agency which could solve or mediate the complaint, advise the consumer of his rights to bring a lawsuit to seek treble damages (G.S. 75-16, "Civil action by person injured; treble damages")¹¹ or suggest filing a claim in Small Claims Court. Consumers may pursue claims of \$1,500 or less in small claims courts without having to hire a lawyer. It generally takes about a month to get a case heard in small claims courts—far faster than filing lawsuits in the higher courts. Small claims courts are located in each of the state's 33 judicial districts.

The Consumer Protection Section is not the only agency within the Department of Justice to work on behalf of the consumer. *The Antitrust Section*, with a staff of five, and the *Utilities Section*, with four workers, also labor in the consumer protection vineyards. The Antitrust Sec-

tion—merged into the Consumer Protection Section in May 1986—investigates complaints of monopolization, price fixing, and other antitrust allegations that under the law constitute illegal restraints of trade. The Antitrust Section, for instance, investigates the 1980 highway bid rigging scandal—first uncovered by federal authorities—and negotiated restitution and penalty payments to the state of North Carolina.

The Utilities Section also represents consumers by intervening in utility rate cases before the N.C. Utilities Commission. In the past, it has petitioned the commission to lower electric power rates, for example, and has opposed requiring ratepayers to foot the bill for abandoned power plants—a position that Thornburg says was "a matter of fairness." Thornburg in 1985 sought authority to merge the Public Staff of the Utilities Commission with the Utilities Section in his department, but legislative support never materialized.



Ensuring a Fair Shake

The Department of Insurance

Insight's examination of state consumer protection programs made it evident that even consumer protection professionals are not generally aware of the *Consumer Services Division's* work at the Department of Insurance. Yet, on the third floor of the Dobbs Building in downtown Raleigh, a large staff is at work assisting consumers with their inquiries, questions, and complaints about insurance. With an extensive computer system, a staff of 32 persons and a budget of \$1,071,000 for 1985-86, the section handles more than 34,000 insurance complaints on a yearly basis, says Don Wright, deputy commissioner of the Department of Insurance. "Approximately 10 percent of a family budget goes for insurance, and directly or indirectly, everyone in North Carolina has a connection to some type of insurance," explains Wright.¹²

A typical consumer complaint, departmental officials say, is collecting on an insurance claim.

In February 1986, for instance, the \$150,000 home of a Greenville couple burned to the ground. A few weeks later, the estimate of damage was forwarded to their insurance company, and for the next few months there was no reply until they received a conflicting—and lesser—estimate of damage from their insurer. Finally, in June 1986 the couple asked the Consumer Services Division for help. Division specialists summoned a claims representative from the insurance company and set up a meeting with the Greenville couple. Within seven days, the couple got their check for \$150,000.

The Consumer Services Division was set up by former Insurance Commissioner John R. Ingram in 1973. Prior to this, consumer services were handled through the department's legal office. Insurance Commissioner James E. Long, who built a reputation as a consumer advocate when he was a member of the General Assembly from

1971-76, beefed up the division when he took office in January 1985, raising its authorized complement of staffers from 29 to 36. The division's staff now comprises 11 clerical and 21 professional consumer protection workers. The modern offices, the computer network, and large staff is in stark contrast to the crowded, overburdened consumer protection operation of the Department of Justice.

The division's purpose is to provide information on insurance matters to consumers, investigate consumer complaints, conduct outreach programs for consumers, and promote consumer education. Working with other divisions, Consumer Services also investigates insurance agents and agencies. The division maintains a toll-free number and a WATS line and handles about 132 new complaints each day. Questions which can't be immediately answered are referred to specialists in one of five categories: life, health, homeowners/property, auto insurance, and miscellaneous. The division will contact or meet with insurance company representatives to obtain information. Most complaints, like those in the Attorney General's office, are solved through direct communication with the parties involved, but also, like the Justice Department, the division cannot act as a legal representative of a consumer in or out of court or interfere in a pending lawsuit.

But, if the division finds that an insurance company or representative appears to be involved in an unlawful or illegal activity, the division may, in accordance with G.S. 58-9¹³ (the statute establishing the department's consumer section and regulatory powers), revoke the license and, subject to court approval, levy civil penalties or restitution of violations. The commissioner may order the payment of a penalty ranging from \$500 to \$40,000 and may also order restitution to compensate the victim of a violation, subject to a court's approval.

In addition to Consumer Services, the Department of Insurance has under its wing the *Manufactured Housing Division*, which has the explicit authority to investigate and resolve consumer complaints about mobile homes. It operates as the staff for the Manufactured Housing Board, which serves as a licensing board with certain regulatory functions, including some consumer protection services such as maintaining

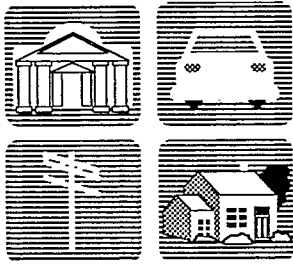
quality standards. Although some licensing boards do receive consumer complaints, the Manufactured Housing Board is unique in that it was created in response to a high volume of consumer complaints. In 1976, mobile homes outranked automobiles and mail fraud as the number one source of consumer complaints. A 1974 study found that the problem was partly due to a "lack of a single government agency with power to help mobile home dwellers. Any government regulation was through branches of state government."¹⁴ Since the Manufactured Housing Board was established in 1982 by G.S. 143-143.10,¹⁵ mobile home complaints have continued to increase, but the number of complaints resolved has also risen.

That law authorizes the Manufactured Housing Board to receive and resolve complaints from buyers of manufactured homes and from the manufactured housing industry itself. The board also is responsible for licensing and bonding all segments of the manufactured housing industry. All new homes must have a 12-month warranty, which the division enforces. The division has a budget of \$341,855 a year and handles an average of 80 complaints a month, primarily concerning roof and floor leaks and mobile homes that have not been set up properly and are not level. The division has five field inspectors who investigate complaints. If a problem is not fixed within 45 days of notification, a formal administrative hearing is held. Suspension or revocation of a license, or civil penalties of up to \$250 for each violation, may be ordered.

Insurance Commissioner James E. Long



Jack Betts



Utilities: Consumer Protection and Regulation

The Public Staff of the Utilities Commission represents the public before the Utilities Commission in all proceedings involving rates and service of regulated utilities. If a customer has difficulties with a utility service and the company does not respond to his satisfaction, he may write, call, or visit the Consumer Services Division of the Public Staff.¹⁶ For example, if a utility decides to terminate a customer's services, the customer may appeal to the Public Staff, which can ask the Utilities Commission to order the utility to restore and continue the service until the appeal has been resolved.

The Public Staff also handles billing complaints. For instance, a few years ago, a man moved into a new, all-electric residence, and was amazed to receive electric bills that were much lower than he expected. He called his power company numerous times, and sent extra money with his payments, but the power company merely credited the excess to his account and continued the low billings. When the company finally realized that it had under-billed the consumer by \$1,000 over a year's time, the utility demanded the remaining balance. The consumer, however, filed a complaint with the Public Staff contending that because he had tried to alert the company of its mistake, he should not have to pay. The Public Staff investigated informally and assisted in presenting his argument to the Utilities Commission, which then ordered the company to drop the additional charges.

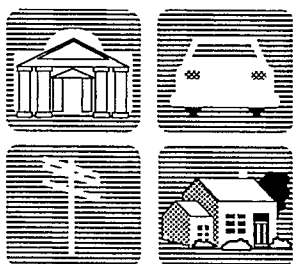
The Public Staff, established in 1977, was proposed by former Gov. James B. Hunt Jr., who campaigned on a platform of giving consumers a greater voice in Utilities Commission deliberations. The agency handles about 6,000 calls annually reporting utility service problems, and the Consumer Services Division has three staff mem-

bers who process complaints. If necessary, a complaint will eventually receive a formal hearing before the Utilities Commission. According to Robert Gruber, the executive director of the Public Staff, fewer than 100 complaints go to a formal hearing each year. The agency has a contact person with each utility in the state, and most complaints can be solved informally through cooperation and agreement. The Public Staff employs 78 persons, including attorneys and engineers who provide professional and technical assistance in cases which do reach a hearing.

The Public Staff also represents consumers in a direct fashion by examining proposals for changes in utility rates and levels of service. The staff often argues against rate increases, and sometimes proposes that not only should utility rates not be increased, but that they should be reduced by the Utilities Commission. The commission has all the powers and jurisdiction of a court of general jurisdiction. (Other commissions with similar authority include, for instance, the N.C. Savings and Loan Commission, the N.C. Banking Commission, and the N.C. Alcoholic Beverage Control Commission.)

*If the government was as afraid
of disturbing the consumer as it
is of disturbing business, this
would be some democracy.*

—Kin Hubbard



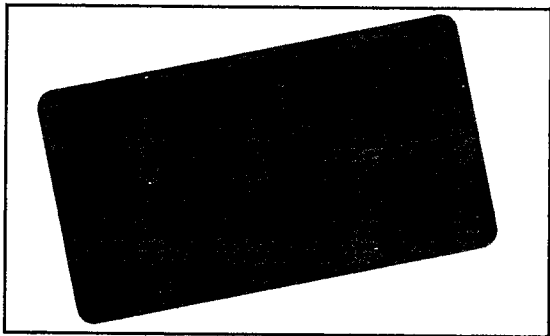
Agriculture: Monitoring, Inspections, & Education

Never buy a pig in a poke.

—Anonymous

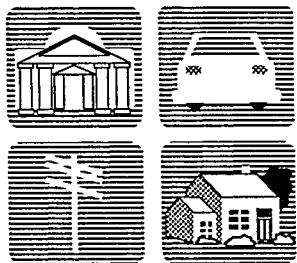
The regulatory aspects of consumer protection are far-reaching, and they involve much more than questions of law resolved in hearings and in formal decisions by state government commissions. For example, a major part of North Carolina's consumer protection duties are the day-to-day inspections and monitoring procedures required to uphold statutory responsibilities assigned to various departments. Consumers take for granted that they will get a full tank of gas or that the food they eat will be free of harmful additives. But the *N.C. Department of Agriculture* has the actual task of making sure gas pumps record the right amount of fuel and that farm produce is not contaminated with DDT. It's also responsible for the regulation of food, drugs, weights, and measures.

The department has 15 separate divisions, some of which are regulatory in nature. The Food and Drug Protection Division, for example, regulates the production and sale of foods, animal feeds, pesticides, drugs, cosmetics, and automotive antifreezes. The division monitors products for harmful bacterial contamination and proper labels. Inspectors also check production premises for sanitary conditions and conduct chemical analyses.



Among other duties, the Standards Division determines whether scales, meters, and fuel pumps are accurate. Its inspectors check retail stores to ensure that cereal boxes and other packaged products contain the amount they claim. If not, they remove the package. The Gasoline and Oil Section of the Standards Division tests petroleum products to determine octane levels and lead content. These services are vital to consumer safety and represent areas in which the average consumer would not be able to make an accurate assessment of quality on his own initiative.

One final aspect of consumer protection that should not be overlooked is consumer education. The N.C. Agricultural Extension Service, a part of the land-grant universities (N.C. State and A&T State) has the only comprehensive state government program that is specifically geared towards educating consumers on their rights and responsibilities under current legislation, regulation, and common business practice. Extension home economics agents in each county present programs and materials that range from general information on consumer protection and recommended procedures for handling complaints to such specifics as family money management during crises or Small Claims Court procedures. "We provide non-biased information and make referrals to complaint-handling agencies," says Jan Lloyd, home economics and family resource management specialist. The main emphasis of the program is individual responsibility for informed decision-making. The service is funded by federal, state, and local governments, and estimates that it commits the equivalent of 10.5 full-time staff members to education and consumer protection in the course of a year.



Other Consumer Organizations

Other organizations that provide information to consumers are the Better Business Bureau, the North Carolina Consumers Council, and the various chapters of the North Carolina Public Interest Research Group (see p. 31). The *Better Business Bureau of Eastern North Carolina, Inc.*, offers consumer information on a variety of products and services, provides information on companies and charitable organizations, handles and resolves some consumer complaints, and monitors advertising and sales practices. For instance, the Better Business Bureau (BBB) publishes in its monthly newsletter a list of local businesses that fail to respond to written complaints consumers file with the BBB. The newsletter also publishes exposés of misleading or fraudulent promotions, such as a recent article on so-called "free prizes" offered to consumers which aren't free at all—and which don't work as advertised.

The *North Carolina Consumers Council* examines and speaks out on legislation affecting consumers and taxpayers, compiles information on consumer issues, and provides educational mate-

rials on a broad variety of consumer interests. For instance, in the 1983 General Assembly, the Consumers Council testified before legislative committees that credit insurance rates in North Carolina were unfair and that the legislature should adopt a bill that would have the effect of reducing rates, but the bill died in the face of heavy lobbying (see *North Carolina Insight*, Vol. 8, No. 2, p. 42, for more on this subject).

And the *North Carolina Public Interest Research Groups*, an outgrowth of the activist consumer movement stimulated by Ralph Nader in the 1970s, has had chapters located at Duke University, Elon College, and Davidson College. The groups examine consumer and other public issues and occasionally speak out on the impact of proposed legislation and government policies, but have not been as active on the state level in recent years.

Finally, *private mediation services*, such as the nonprofit Guilford Dispute Settlement Center in Greensboro (which has received state "pork barrel" funds in the past), help resolve disputes between consumers. About 10 such dispute centers exist in North Carolina, resolving all sorts of disputes, including many consumer complaints. Most of them are members of the N.C. Association of Community Mediation Programs, based in Pittsboro.

One other source of consumer complaint resolution has had notable success—the so-called "Hotline" features that appear in a number of North Carolina newspapers, including *The Raleigh Times* and the *Greensboro News & Record*. Typically, "Hotline" writers attempt to resolve consumer complaints, such as auto repairs, mail orders, or retail sales problems, and then report how the "Hotline" was able to help the reader. Some television stations, including WRAL in Raleigh and WFMY in Greensboro, have had similar features.

BusinessLine

The official publication of the Better Business Bureau of Eastern North Carolina, Inc.

JUNE 1986

SO YOU'VE WON A SPA? CONGRATULATIONS, BUT . . .

Before you start redecorating your patio or deck in anticipation of receiving your "free" spa, you might want to know more about the spa. For several years now area businesses have been plagued by calls and letters from companies across the country telling them they've won a free prize. All you have to do to get your prize is to pay shipping and handling charges of \$100-\$150. Some companies use the "free gift" as an incentive to get you to buy some type of ad specialty product such as pens, calendars, key chains, etc.

Here is a picture of the "spa" won by a local company. The photo pool is made to look like wood. We had to accept our own factory to make it run.

This photo shows the spa's hydro pump and water action. If you're having trouble seeing the water action, we did too.

In case you forgot what the "free prize" looks like, here's a picture of the Super Sport Motorboat on its maiden voyage in early 1985. Subsequent to a lack early in the cruise.

In 1985 the prize was a Super Sport Motorboat. In 1986 the prize appears to be a "Mishu Spa". The prizes may have changed but the basic scam hasn't. Though the companies offering the prize make grandiose claims about what a great prize it is, the fact is...

Remember what the "free prize" looks like, we've given you a second look.

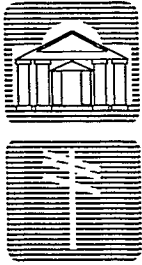
Keep in mind that until the law is changed, prizes sent to you C.O.D. cannot be examined before purchase and your money cannot be refunded by the Postal Service.

Other Consumer Protection Organizations

Organization	Address or Phone #	Activities
Better Business Bureau of Eastern N.C., Inc.	3120 Poplarwood Court G-1 Raleigh, N.C. 27604 Raleigh: (919) 872-9240 Durham: (919) 688-6143 Chapel Hill: (919) 967-0296 Auto Line: 1-800-558-3122	Offers consumer education programs and materials Provides information on companies and charitable organizations Handles consumer inquiries Monitors advertising and shop sales
N.C. Consumers Council	P.O. Box 3401 Chapel Hill, N.C. 27514 (919) 942-1080	Monitors legislation affecting consumers Compiles information on consumer issues Functions as an information resource on consumer interests
N.C. Public Interest Research Group	704-1/2 Ninth Street P.O. Box 2901 Durham, N.C. 27705 (919) 286-2275	Participates in public education efforts concerning consumer protection Monitors and appeals utility rate increases Publishes manuals for citizen education Conducts research on a variety of issues Provides speakers on request Has chapters at Elon College, Davidson College, and Duke University
Small Claims Court	Courts are located in each judicial district Clerks of court in each county have forms	Settles consumer disagreements over amounts of money or property that are worth \$1,500 or less Resolves cases at low cost to the consumer
N.C. Association of Community Mediation Programs	P.O. Box 217 Pittsboro, N.C. 27312	Private, nonprofit mediation groups operate in at least 10 North Carolina communities — Pittsboro, Asheville, Charlotte, Durham, Greensboro, Raleigh, Hendersonville, Winston-Salem, High Point, and Chapel Hill. Most are members of the N.C. Association of Community Mediation Programs. The centers offer trained mediators who can resolve various types of disputes including consumer complaints.

* The Better Business Bureau has 10 employees and 70 part-time volunteer arbitrators who are available to serve as judge and jury in business-related disputes which cannot be mediated and which are brought to arbitration by request and consent of the parties involved.

Chart compiled by Amy Butterworth



Are There Enough Laws? And Will the Legislature Act?

*You pays your money and
you takes your choice.*

—Punch

Through education, licensing and regulation, and complaint processing, the consumer in North Carolina is fairly well equipped to deal with typical consumer problems. And North Carolina law includes a number of provisions designed not only to protect the consumer, but also to allow the consumer to recover damages. According to a survey conducted by the National Association of Attorneys General (NAAG), North Carolina law embodies nine of the 12 major types of consumer protection statutes (see Table 2, pp. 34-35, for more). Seventeen states have more extensive legal protections on the books, and 10 other states have an equal number of statutes, though not in all the same categories. Twenty-two states have fewer consumer protection statutes than North Carolina. Only New York and Maryland have all of the statutes, and Arkansas has the fewest—just two.

North Carolina lacks three of what the NAAG describes as major types of consumer protection statutes. The state *does not have*: (1) a truth in lending statute, which requires the disclosure of interest and interest rates on sales and installment sales (but state consumer protection officials point out that the federal Truth in Lending Act applies in the absence of a strong state statute); (2) a credit reporting act, which controls the accuracy and issuance of credit reports; or (3) a creditor billings errors act, which requires a creditor to rectify any error in billing within a specified period of time upon a consumer complaint.

The nine types of statutes the state *does have* include the following:

(1) a small loan act, governing rates and terms of loans of less than \$3,000 for personal use (G.S. 53-164);

(2) an installment loan act, governing rates and terms for personal or consumer loans of

\$5,000 or less (G.S. 24-2.1);

(3) a revolving sales credit act, governing the rates and terms of consumer credit sales where charge accounts are used (G.S. 24-11 and G.S. 25A-11);

(4) a home solicitation act, which governs sales made at home, and permits cancellation of the contract within a few days' time (G.S. 25A-14; G.S. 25A-38 through G.S. 25A-42; See also G.S. 14-401.13[5]);

(5) a home improvement loan act, governing the terms of contracts for home improvements which are financed, and including a cancellation clause (G.S. 25A);

(6) an unfair trade act, protecting the consumer against unfair or deceptive advertising or business practices (G.S. Chapter 75, especially G.S. 75-1.1);

(7) an insurance premium financing act, governing the rates and terms of financing insurance premiums (G.S. 58-55);

(8) an unsolicited merchandise act, providing that unsolicited merchandise may be retained by the recipient as a gift (G.S. 75-27); and

(9) a consumer defense law, allowing a purchaser to assert against a subsequent business or manufacturer any rights or defenses he might have against the original seller of the goods or services (G.S. 25A-25).

This list, prepared as a comparison of states by the National Association of Attorneys General, does not include all the consumer protection statutes in the North Carolina General Statutes. Among the N.C. statutes are laws aimed at preventing deceptive sweepstake sales promotions (G.S. 75-32 through G.S. 75-34); pyramid sales schemes (G.S. 75-31); unfair debt collection practices (G.S. 75-50 through G.S. 75-56); and work

at home schemes (G.S. 75-31). Other consumer protection statutes include laws governing business opportunity sales (General Statutes Chapter 66, Article 19); loan brokers (Chapter 66, Article 20); pre-paid entertainment contracts (Chapter 66, Article 21); discount buying clubs (Chapter 66, Article 22); and rental referral agencies (Chapter 66, Article 23).

Despite the number of statutes on the books, consumer representation in the General Assembly is not always evident. Consumer advocates point to an apparent decline in the number of private and volunteer consumer advocates willing to spend the time and effort to lobby in the legislature. In 1983, for example, the legislature gave consumers the right to directly revoke an automobile purchase directly from the manufacturer through the Manufacturer's Responsibility Act¹⁷ (better known as the Lemon Law), as an expansion of the rights the consumer has against the dealer from whom the car was bought. However, North Carolina's version of the Lemon Law does not offer consumers the remedies available to citizens in other states that have a tougher Lemon law. Consumer advocates originally sought legislation that would entitle the consumer to revoke acceptance of a new car if repairs have not been made within 30 days. But strong lobbying from the N.C. Automobile Dealers Association scuttled that proposal.¹⁸ Thus, due to the lack of specific standards for revocation, North Carolina consumers may have difficulties negotiating with dealers and manufacturers, unless they take the matter directly to court.

In past sessions of the General Assembly, notably in the 1970s, consumer advocates had strong voices. Representatives from Legal Services of North Carolina, the N.C. Consumers Council, the N.C. Public Interest Research Groups, and occasionally other groups such as the N.C. League of Women Voters, N.C. AFL-CIO, the State Council for Social Legislation, and the N.C. Council of Churches, would speak in concert on consumer issues.¹⁹

But in the latter half of the 1980s, those strong voices have diminished. Margot Roten, who handles legislative relations for Legal Services of North Carolina, acknowledges the lack of consumer advocates at the General Assembly. "There really isn't anyone who is doing it effectively on a daily basis," Roten says.

Her comments echo those of N.C. Utilities Commissioner Ruth Cook, a one-time lobbyist for the State Council for Social Legislation and later an effective consumer advocate when she was a member of the N.C. House of Representatives.

"The visibility of consumer issues has been overshadowed by other issues," Cook observes. "In some ways, consumer protection has been institutionalized. A number of laws correcting some of the worst abuses were adopted, and some very bad legislation was stopped before it could harm the consumer. But I'm not going to sit here and say that we took care of all the problems. There still are many abuses that need to be corrected, and I don't know who would be willing to take them on."

For instance, says Cook, credit insurance

The novice realtor asked his manager if he could refund the money to an irate customer who discovered that the lot he had bought was underwater. "What kind of a salesman are you, anyway?" demanded the manager. "Go sell him a motorboat."

remains a "horrendous" problem, one that state Rep. Harry Payne (D-New Hanover) has worked to resolve with little success. (Commissioner Long told *Insight* he intended to press in the 1987 General Assembly for regulatory powers over credit insurance that would bring down the price substantially.) Other consumer issues, including housing and other forms of insurance, need the close examination of consumer champions, she says.

Without a strong corps of consumer advocates in the legislature, the Attorney General's office could provide a valuable voice for consumer interests in the General Assembly. In an interview, Thornburg said he wanted to put the prestige of his office on the line for consumers. "I don't see any other agency doing that," Thornburg notes, "and since there isn't, we feel that responsibility."

In the 1986 short session of the General Assembly, Thornburg testified before legislative committees that legislation to limit the amount of jury awards in tort claims cases was not in the public interest, especially if there were no promise from the insurance industry that liability premiums would be reduced or coverage expanded. Yet Thornburg's enthusiasm for speaking out for

— continued page 36

Table 2. State Consumer Protection Legislation

KEY:

1 Credit Reporting Act	7 Unfair Trade or Consumer Protection Act
2 Small Loan Act	8 Insurance Premium Financing Act
3 Consumer or Installment Loan Act	9 Unsolicited Merchandise Act
4 Revolving Sales Credit Act	10 Consumer Defenses Against Assignee
5 Home Solicitation Act	11 Creditor Billings Error
6 Home Improvement Loan Act	12 Truth in Lending Act

State	1	2	3	4	5	6	7	8	9	10	11	12
Ala.		X	X	X	X	X		X		X		
Alaska		X	X	X	X		X	X	X	X		
Ariz.	X	X	X	X	X	X	X			X		
Ark.					X		X					
Cal.	X	X		X	X	X	X	X		X		X
Colo.		X	X	X	X	X	X		X	X		X
Conn.	X	X	X	X	X		X	X	X	X	X	X
Del.		X	X	X	X		X			X		X
Fla.	X	X	X	X	X	X	X	X	X	X		X
Ga.		X		X	X		X	X	X	X		X
Hawaii		X	X	X	X	X	X		X	X		X
Idaho**		X	X	X	X	X	X	X	X	X		X
Ill.		X	X	X	X	X	X	X	X	X	X	X
Ind.**		X	X	X	X	X	X	X	X	X		X
Iowa**		X	X	X	X		X	*	X	X		X
Kan.	X	X	X	X	X		X	X		X		X
Ky.	X	X	X	X	X		X	X		X		X
La.		X	X	X	X		X		X	X		
Maine	X	X	X	X	X	X	X	X	X	X		X
Md.	X	X	X	X	X	X	X	X	X	X	X	X
Mass.	X	X	X	X	X		X	X	X	X	X	X
Mich.		X	X	X	X	X	X	X	X	X		X
Minn.		X	X	X	X		X	X	X	X		X
Miss.		X	X	X	X		X	X				
Mo.		X		X	X		X		X	X		
Mont.	X	X	X	X	X		X			X		
Neb.	X	X	X	X	X	*	X					
Nev.		X		X	X	*	X		X	X		

Table 2. State Consumer Protection Legislation, *continued*

KEY:

1 Credit Reporting Act	7 Unfair Trade or Consumer Protection Act
2 Small Loan Act	8 Insurance Premium Financing Act
3 Consumer or Installment Loan Act	9 Unsolicited Merchandise Act
4 Revolving Sales Credit Act	10 Consumer Defenses Against Assignee
5 Home Solicitation Act	11 Creditor Billings Error
6 Home Improvement Loan Act	12 Truth in Lending Act

State	1	2	3	4	5	6	7	8	9	10	11	12
N.H.	X	X			X	X	X	X	X	X		
N.J.		X	X	X	X	X	X	X	X	X	X	X
New Mex.	X	X	X	X			X	X		X		X
New York	X	X	X	X	X	X	X	X	X	X	X	X
N.C.		X	X	X	X	X	X	X	X	X		
N.D.		X		X	X		X	X		X		X
Ohio		X	X	X	X		X	X		X		
Okla.**	X	X	X	X	X	X	X	X	X	X		X
Ore.		X	X	X	X	X	X	X		X		X
Pa.	X	X	X	X	X	X	X		X	X		
R.I.		X	X	X	X		X		X	X		
S.C.		X	X	X	X	X	X	X	X			X
S.D.		X	X	X	X		X		X	X		
Tenn.		X	X	X	X	*	X	X	X	X		X
Tex.	X	X	X	X	X		X	X	X	X		X
Utah**		X	X	X	X	X	X	X		X	X	X
Vt.		X	X	X	X		X		X	X		
Va.		X	X	X	X	X	X	X				
Wash.		X		X	X		X	X		X		X
W.Va.		X	X		X		X					
Wis.		X	X	X	X	X	X	X	X	X		X
Wyo.**		X	X	X	X	X	X	X	X	X		X

* These states include revolving credit legislation, insurance premium financing legislation, home improvement loan legislation, or legislation on consumer defense as part of Retail Installment Act or other laws.

** The Uniform Consumer Credit Code (UCCC) has, for the most part, supplanted the acts listed in the chart, but the reader is cautioned to check both the UCCC and the statute in question in specific states. Some of the states adopting the UCCC have not repealed a number of the statutes under consideration, but rather have maintained them to be interpreted and applied along with the UCCC.

Source: National Association of Attorneys General, 1986

the consumer is tempered, he says, by the fact that his department has other constituencies. And, says Thornburg, the sheer weight and volume of legislation necessarily limits how much he can do.

Brad Lamb, president of the N.C. Consumers Council, acknowledges Thornburg's role in helping scuttle the tort claims bill, but says the Attorney General's "higher profile has been on utility issues." Lamb says the Consumers Council was hopeful that Thornburg would speak out earlier and more often in the 1987 General Assembly.

State Sen. Timothy H. McDowell (D-Alamance) suggests that "the Attorney General's Office should not be seen as advocates but as protectors. Their role is to interpret the laws." While McDowell concedes that the legislature "is not real famous for representing the consumer's side," he adds, "I think we're doing a very good job. I can't think of many specific instances when the consumer has been done in."

Even pro-consumer legislators like McDowell and Sen. Russell Walker (D-Randolph) concede that the number of legislators who are consumer advocates is dwindling. "We are losing the younger members who are consumer oriented, and the new younger members are far more conservative," says McDowell. Adds Walker, "We've still got a lot of members who are interested in consumer issues, but we just don't have those folks like (former state Sen.) McNeill Smith (D-Guilford) and (former state Sen.) Bill Smith (D-New Hanover) who were fiery orators and who could make effective cases on behalf of the consumer."

Lamb himself concedes that consumer protection is no longer the cause célèbre it once was. "When I first got interested in it in 1974," says Lamb, "it was more in vogue to be a consumer activist, to stand up and be counted." In the mid-1980s, legislators are "less consumer-oriented than they once were. It's part of a national trend, and it's more low-key."

The Consumers Council itself has maintained a somewhat lower profile in recent years. Lamb has been the group's principal spokesman at the assembly, but he holds down a full-time job elsewhere to make a living. Years ago, the council had a full-time lobbyist, but found that hiring someone for a complete session depleted the organization's coffers. In the 1987 General Assembly, says Lamb, his group will explore retaining a full-time lobbyist, perhaps in conjunction with another public interest group with similar views. "Maybe next year, we'll get some consumer stuff started early."

McDowell, who leaves the Senate at the end

of this year, says that would help even up the odds. "When you walk the halls of the General Assembly, the lobbyists you see are primarily from business groups. The consumer groups need to hire a full-time lobbyist."

A strong consumer group with cooperation and support from a more active Attorney General's office in speaking out on consumer issues, at least in the legislative halls, could make all the difference in future legislation—and restore a sense of mission to an entrenched consumer movement.



FOOTNOTES

¹John F. Kennedy, *Public Papers of the President*, U.S. Government Printing Office, 1963, p. 235.

²"Consumer Protection and Unfair Competition in North Carolina—the 1969 Legislation," 40 *N.C. Law Review*, June 1970, pp. 896 and 911.

³National Association of Attorneys General, 1966 *Conference of Attorneys General*, 1966, p. 66.

⁴Committee on the Office of the Attorney General (COAG), Attorney General Robert B. Morgan, Remarks to the Committee on the Office of Attorney General, 1970, p. 8.

⁵Sherman Antitrust Act, adopted July 2, 1890, 26 Stat. 209, 15 U.S.C. pp. 1-7.

⁶N.C.G.S. 75-1, enacted as Chapter 41, Section 1 of the 1913 Session Laws. Revised, Chapter 764, Section 2 of the 1981 Session Laws.

⁷N.C.G.S. 75-1.1, enacted as Chapter 833 of the 1969 Session Laws. Revised, Chapter 747, Sections 1 and 2 of the 1977 Session Laws.

⁸Section 5(a)(1) of the Federal Trade Commission Act. 15 U.S.C. 45 (1951).

⁹N.C.G.S. 75-10, enacted as Chapter 41, Section 9 of the 1913 Session Laws. Revised, Chapter 44 of the 1969 Session Laws, and Chapter 833 of the 1969 Session Laws.

¹⁰N.C.G.S. 75-15.1, enacted as Chapter 614, Section 2 of the 1973 Session Laws.

¹¹N.C.G.S. 75-16, enacted as Chapter 41, Section 14 of the 1913 Session Laws. Revised, Chapter 833 of the 1969 Session Laws, and Chapter 707 of the 1977 Session Laws.

¹²See *North Carolina Insight*, Vol. 7, No. 4, Feb. 1985, which dealt entirely with state insurance programs and policy questions.

¹³N.C.G.S. 58-9, enacted as Chapter 54, Section 8 of the 1899 Session Laws. Revised extensively, most recently in Chapter 846, Section 2, 1981 Session Laws.

¹⁴"Mobile Home Study", by James L. Blackburn, Consumer Protection Division, N.C. Department of Justice, 1974.

¹⁵N.C.G.S. 143-143.10, enacted as Chapter 952, Section 2 of the 1981 Session Laws.

¹⁶N.C.G.S. 62-15, enacted as Chapter 1165, Section 1, of the 1977 Session Laws.

¹⁷N.C.G.S. 25-2-608, enacted as Chapter 598, of the 1983 Session Laws.

¹⁸Every other year, the N.C. Center for Public Policy Research asks legislators, the capital press corps and lobbyists to rank the "most influential lobbyists" in the General Assembly. The new rankings, released on July 21, 1986 (and reported on page 52 of this issue), ranked Sam Johnson as the most influential lobbyist. Among Johnson's clients are the N.C. Automobile Dealers Association.

¹⁹See "Lobbying for the Public Interest," *N.C. Insight*, Fall 1980, pp. 22-29.