

consumeraction

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FY 2018-2019

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We need volunteers!

Our Complaint Hotline is always looking for volunteers. Qualifications include good computer, research, writing and phone skills. If you think you'd be a good fit, drop us an email at info@consumer-action.org.

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About Consumer Action

Consumer Action is a non-profit organization that has championed the rights of underrepresented consumers nationwide since 1971. Throughout its history, the organization has dedicated its resources to promoting financial and consumer literacy and advocating for consumer rights both in the media and before lawmakers to promote economic justice for all. With the resources and infrastructure to reach millions of consumers, Consumer Action is one of the most recognized, effective and trusted consumer organizations in the nation.

Consumer education. To empower consumers to assert their rights in the marketplace, Consumer Action provides a range of educational resources. The organization's extensive library of free publications offers in-depth information on many topics related to personal money management, housing, insurance and privacy, while its hotline provides non-legal advice and referrals. At ConsumerAction.org, visitors have instant access to important consumer news, downloadable materials, an online "help desk," the Take Action advocacy database, and more. Consumer Action also publishes unbiased surveys of financial and consumer services that expose excessive prices and anti-consumer practices to help consumers make informed buying choices and elicit change from big business. Our in-language media outreach allows us to share scam alerts and other timely consumer news with a wide non-English-speaking audience.

Community outreach. With a special focus on serving low- and moderate-income and limited-English-speaking consumers, Consumer Action maintains strong ties to a national network of nearly 7,000 community-based organizations. Outreach services include training and bulk mailings of financial and consumer education materials in many languages, including English, Spanish, Chinese, Korean and Vietnamese. Consumer Action's network is the largest and most diverse of its kind.

Advocacy. Consumer Action is deeply committed to ensuring that underrepresented consumers are represented in the national media and in front of lawmakers. The organization promotes pro-consumer policy, regulation and legislation by taking positions on dozens of bills at the state and national levels and submitting comments and testimony on a host of consumer protection issues. Additionally, its diverse staff provides the media with expert commentary on key consumer issues supported by solid data and victim testimony.

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From our executive director

Dear Friends,

Sadly, in December 2018 we learned of the death of Consumer Action's founder, Kay Pachtner. The passing of this extraordinary woman prompts me to reflect on where we started, the current state of the consumer rights movement, and my hope that we can find and enlist new people with her level of dedication and tenacity so that we can prevent further erosion of the rights she fought so hard to protect.

Our founder's work on behalf of consumers began in 1971 with a "consumer action" complaint phone line—a lifeline for people who lacked the agency and influence to fight back when they were sold a bill of goods by corporations and businesses acting with relative impunity. When a complaint came in from a customer of San Francisco's posh British Motors who had purchased a used Jaguar that kept breaking down, Pachtner and her band of consumer advocates organized a picket outside the auto dealership, leading to a \$6 million defamation lawsuit brought by the car dealer. Consumer rights were vindicated when Consumer Action prevailed in the case, which established precedent for the right of aggrieved consumers to picket businesses in response to unfair and deceptive sales.

The era in which Consumer Action and other consumer groups around the country were founded was in many ways a golden age of consumer activism. Many consumer-friendly laws were passed during that period—a very good thing. But the consumer movement soon met with backlash from big businesses that "woke" to the perceived threats to profits and shareholder wealth. One could say that the fledgling consumer movement ran smack into a wall of corporate influence that continues to stymie it today. Regulations—even consumer protections—became the enemy.

We still operate that consumer complaint hotline today, and I wish I could say the need had diminished. However, the litany of problems and stumbling blocks we gather and respond to speaks otherwise. There simply are not enough regulatory enforcers with budgets robust enough to solve the imbalance of power between corporations and consumers; the lobbying power of big business has tentacles in Congress and the Administration. Conversely, it becomes more and more difficult for organizations with the mission to protect consumers from corporate abuses and end our country's huge and worrisome economic divisions to raise the funds needed to do our work.

As Consumer Action approaches its 50th year in 2021, doubts sometimes creep in about the sustainability of our mission to fight for strong consumer rights and policies that promote fairness and financial prosperity for underrepresented consumers. With the abuse of social media and fake news, it is difficult to separate the wheat from the chaff. Few people

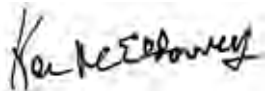


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have the time or even the interest in the footwork needed to determine if an organization is reputable or simply an animal created by lobbyists and special interests to bend us to their will. If you do take the time, I believe you will find that Consumer Action continues its legacy as an organization that cares deeply about individual rights for underrepresented consumers. The roundup of our past year's work and the testimonials included in this annual report provide ample evidence that our efforts are still needed and of value.

Please join me in a moment of reflection on the legacy of our founder, Kay Pachtner, who helped make our country a better place for consumers—especially the underrepresented. We will remember you always!

In solidarity,



Ken McEldowney



Ken McEldowney is seen with Kay Pachtner in the 1980s.



Kay Pachtner: Consumer Action will remember you always!

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The year in review

National advocacy

As the assault on marketplace fairness and transparency, consumer rights and individual privacy continued in Washington, D.C., so did the need to present an even broader opposition against legislation, regulation, policies and business practices that not only do not move consumer protection forward, but actually turn back the clock.

Knowing that more voices means greater influence on decision makers, Consumer Action was one of 10 advocacy groups that planned, organized, recruited and participated in training local and state advocates for the (third) annual Consumer Lobby Day. More than 120 advocates came to Capitol Hill—some for the first time—to lobby their congressional representatives and senators on returning the CFPB to its consumer protection mission, upholding the proposed Payday Lending Rule, and supporting a ban on mandatory arbitration clauses in credit card, loan and other financial contracts. The hope is that these new voices will continue to speak out and be heard on critical consumer issues that have a particularly harmful impact on low-to-middle-income, underserved and limited-English-speaking people.

During the 2018-2019 fiscal year, our advocacy staff in Washington, D.C.—often in partnership with allies similarly dedicated to consumer privacy, marketplace fairness, financial access and corporate account-

ability—took part in numerous other efforts that amplified the voices of consumers on a wide range of issues.

These included submitting comments to congressional representatives, agency heads and other decision makers in support of: combatting illegal, automated, harassing robocalls; making drug prices affordable; requiring financial advisers to act in investors' best interest; reforming the credit reporting system; creating affordable housing and modernizing anti-discrimination rules such as the Community Reinvestment Act (CRA); and creating data protection laws (in California and federally) that offer baseline consumer control over personal information.

Comments were submitted in opposition to: consumer protection exemptions for pilot financial products; federal pre-emption of stronger state consumer laws; mandatory arbitration that eliminates consumers' right to sue a company (individually or via class actions); special bank charters for FinTech companies, without requiring a commitment to the CRA; and delaying, then gutting, the CFPB Payday Lending Rule requirement for lenders to assess a borrower's ability to repay a loan.

Following are summaries of the year's activities in some of our main areas of advocacy.

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Consumer Financial Protection Bureau (CFPB): We continued to lead a coalition of consumer, civil rights, community, privacy and fair lending organizations to maintain and improve the CFPB complaint process, which came under threat by Trump-appointed officials. Consumer Action has led the national campaign against removing this critical consumer tool from the public's toolbox. The complaint database empowers consumers to protect themselves by making informed decisions about who to do business with (based on the types of financial disputes other consumers have had with a particular company and how—or if—the dispute was resolved). It helps to hold companies accountable precisely because the complaint information is public.

Consumer Action met with Bureau leadership to advocate for maintaining public access to the complaint database. At follow-up meetings, we recommended ways to enhance the system, ensure all complaints submitted are counted, increase complaint resolutions, and advance communications between the CFPB and consumers. In the summer of 2018, we issued an alert encouraging consumers to tell the CFPB to keep its consumer complaint database open to the public.

Consumer Action staff also made the case, both in public settings and directly to the Trump-appointed Bureau leadership, for the CFPB to return to its consumer protection mission and refocus its energies on enforcement actions and

consumer relief (restitution for consumers harmed by financial firms). In the rare instances where violators were fined for harmful behavior, most often the CFPB did not compensate the aggrieved consumers.

We provided updates on the CFPB's activities every month in the CFPB Watch column of our *Consumer Action INSIDER* newsletter.

Payday loans/predatory lending:

Consumer Action continued the fight against predatory payday lending as part of the 700+-member Stop the Debt Trap coalition. Early in the year, the coalition caught wind that the Trump appointee-led CFPB would attempt to overturn an Obama-era rule to rein in payday and other types of predatory high-cost loans (slated for implementation in early 2019). This wasn't a surprise, as the payday lending industry and its political supporters had wanted to kill the rule for some time, since it would require short-term payday and vehicle title lenders to check a borrower's ability to repay before extending a loan, and would also limit lenders' automatic access to borrowers' bank accounts.

Building up to the inevitable opposition to the rule, Consumer Action worked to make the public, media and Congress aware of the agenda of the special interest groups who stood to gain through payday, car title and other predatory lending, and the high stakes for consumers, who typically become trapped in a never-ending cycle of debt. Consumer

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Action was quoted in a number of national publications, including *U.S. News & World Report* and the *Los Angeles Times*, explaining the importance of the CFPB Payday Lending Rule and how CFPB Director Kathy Kraninger would likely “weaken, even destroy, the Bureau” and the payday rule along with it.

Sure enough, in February 2019, the CFPB announced a proposed notice of rulemaking to weaken the original rule after a short public comment period. Consumer Action leapt into action, sending a number of consumer alerts to our email list of thousands of concerned consumers, encouraging them to write public comments in opposition to the proposed changes to the rule, which included destroying the “ability to repay” standard (thereby rendering the rule useless, for all intents and purposes).

That same month, we also sent a statement to the media outlining how the new CFPB leadership was opting to protect the predatory lending companies rather than consumers. We also used social media to educate consumers on the dangers of payday lending and the need to defend the existing Military Lending Act to protect servicemembers.

Consumer Action remained abreast of changes in the payday lending industry, including its efforts to weaken or circumvent strong state protections and take advantage of regulatory loopholes to introduce new high-cost lending products (often disguised as FinTech “innovations”).

Credit reporting/credit access: Consumer Action has long supported expanded access to credit for consumers with thin credit files by affording them the opportunity to use bank account information demonstrating a reliable payment pattern for monthly bills to help qualify for credit. This included support for House Financial Services Committee Chair Maxine Waters’ Comprehensive Consumer Credit Reporting Reform bill (HR 5282), which aims to improve the dispute process for credit report error resolution, limit credit report access for employment purposes, delay medical debts appearing on credit records (allowing time for insurance payments to resolve outstanding debts), and reduce the length of time that negative information remains on a credit report from seven to four years.

Mandatory binding arbitration/class actions: Not to be dissuaded after Congress’ 2017 repeal of the CFPB’s rule to prohibit class action bans in consumer contracts, Consumer Action worked with allies to pass legislation that would ban forced arbitration clauses outright. We also joined a call to the leaders of the tech industry’s biggest companies, including Apple, Google and Facebook, to remove forced arbitration provisions in employee contracts. In November 2018, Google announced that it would end the practice for sexual harassment and assault claims, but not for all employee disputes. By February 2019, after increased coalition and employee pressure, Google announced it was

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ending the practice completely, regardless of the type of employee complaint. (Arbitration clauses are often a condition of employment, impacting an estimated 60 million Americans.)

After a Republican Congress, in the summer of 2017, used a loophole known as the Congressional Review Act to wipe out the CFPB's final rule to restore the right of individuals to participate in class actions against corporate wrongdoers, Consumer Action joined a working group to help Congress draft comprehensive legislation. In February 2019, Rep. Hank Thompson and Sen. Richard Blumenthal introduced the resulting Forced Arbitration Injustice Repeal (FAIR) Act (HR 1423/S 610). (Subsequently, in September 2019, the FAIR Act passed the House but faced a battle in the Senate.) The bill would prevent corporations from forcing consumers, employees and small businesses to resolve disputes through private, company-controlled arbitration systems, but would still allow consumers and others to choose arbitration if they believe it has benefits over a traditional court case.

Unfortunately, amidst the wins were losses. In early 2019, the Trump administration reversed an Obama-era Centers for Medicare & Medicaid Services (CMS) rule that would have made it easier for nursing home residents to take the facilities to court for mistreatment and legal violations.

Financial services: At the start of our fiscal year (April 1, 2018), the investment coalitions we belong to, including Save

Our Retirement and Take on Wall Street, were switching their efforts from supporting the (now dead) Department of Labor fiduciary rule for financial advisers to analyzing and responding to the Securities and Exchange Commission's proposed "best interest" rule. By the end of our fiscal year (March 31, 2019), we were still pushing back against the SEC's best interest rule proposal, which advocates found weak and confusing. The SEC's alternative would not, despite its "best interest" moniker, provide specifics about exactly how brokers are supposed to act in their customers' best interest and relies on brokers to simply *disclose* major conflicts of interest to their customers, not eliminate them. The year's efforts ended with a coalition meeting with SEC Chairman Jay Clayton and Commissioner Rob Jackson to press for a stronger investor protection rule than the agency's Regulation BI (best interest) proposal. (Unfortunately, the SEC subsequently adopted Reg BI.)

Another focus was opposing the SEC's proposed Rule 30e3, which would allow financial firms to flip the default from paper, and deliver all shareholder reports electronically, with just a paper notice of online availability sent by mail. (Our press release provides details: https://www.consumer-action.org/press/articles/leading_consumer_organizations_decry_mutual_fund_industry_give-away_by_sec.) Despite overwhelming opposition to abandoning the default paper delivery method, the SEC voted behind closed doors to allow mutual funds to adopt electronic delivery as of Jan. 1, 2021. In late 2018, Consumer

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Action joined a petition for review (*Twin Rivers Paper Co., LLC v. SEC*) seeking to reverse the ill-conceived rule. In January 2019, we submitted five declarations from paid Consumer Action members, who would, for various reasons of age and disability, be disadvantaged by Rule 30e3. Nonetheless, the court ruled against the petitioners on “standing.” (Standing is a specific legal requirement that a petitioner must show concrete injury caused by the rule in order to challenge it in the courts.) The rule will go into effect as planned.

Consumer Action staffers were out and about during the summer months. June 2018 had us at the Aspen Institute’s “Future of Work and Wealth” report release event in D.C. Audience members were able to question and comment during a panel discussion following introduction of the report’s findings on the struggles of LMI consumers.

The 8th annual Federal Deposit Insurance Corporation (FDIC) Consumer Research Symposium in September provided an opportunity to hear academics from across the country present and discuss the latest research on consumers’ views on the financial services marketplace. Presenters also discussed how public policy affects consumers, communities and financial institutions.

During the year, we focused more attention on peer-to-peer payments and cashless platforms (Apple Pay, Venmo, Cash App, Intuit, PayPal, etc.). These popular “real-time,” smartphone-initiated payment options pose new secu-

rity challenges and greater consumer exposure to fraud (over cash and credit cards) that will have to be addressed.

Consumer Action became a member of the Faster Payments Council, a new industry-led membership organization whose mission is to facilitate a “world-class” payment system where every person or organization can safely and securely pay anyone, anywhere, at any time and with near-immediate funds availability. Its members have been collaboratively assembling guidelines about how a future payment system should function, how it can be secure and safe, and how best to educate the public about faster payments.

Housing: Reflecting our commitment to housing education and advocacy, Consumer Action signed on as a sponsor of the Fair Housing Conference 2018: Past Accomplishments, Future Challenges, an event commemorating the 50-year anniversary of the passage of the Civil Rights Act of 1968, commonly referred to as the Fair Housing Act. Consumer Action’s Audrey Perrott participated in the April event, which was hosted by the non-profit Fair Housing Advocates of Northern California, a longtime partner of Consumer Action that has combated housing discrimination in Marin County since 1982. Perrott served on the Fair Housing Conference advisory committee.

In response to the 2018 announcement by the Office of the Comptroller of the Currency (OCC) that it planned to revise

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Community Reinvestment Act (CRA) rules, we participated in a campaign to improve and expand the 1977 law that requires banks to invest in and help meet the credit needs of the communities where they do business. Consumer Action supports CRA updates, including that the law be applied to all lenders, especially those online; expanding the geographic areas in which banks are assessed; involving all bank affiliates in evaluations; analyzing the amount and type of lending made to communities of color; and making bank exam results more delineated and transparent.

In the summer of 2018, Consumer Action submitted comments to HUD on its disparate impact rule, a measure adopted during the Obama administration as a way to enforce the Fair Housing Act. Under the rule, lenders, landlords, and other housing providers can be held liable for discrimination against protected classes, even if it was not their intent to discriminate. The agency requested public comment on whether its rule is “consistent” with a Supreme Court decision that upheld the use of disparate impact as a legal means to establish liability for discriminatory actions but did not specifically rule on HUD’s policy. Our comments laid out the numerous reasons (including previous court decisions and real-life examples of housing discrimination that can be addressed by the disparate impact rule) why HUD should uphold and enforce the rule rather than submit to lending and insurance industry demands.

Language access: Consumer Action continued to participate in efforts to expand access to documents for limited-English-speaking consumers, including sitting on a language access working group through the Federal Housing Finance Agency (FHFA) and a language access task force established by Americans for Financial Reform (AFR)—all geared toward making mortgage materials more understandable and accessible. We continued our work helping the FHFA establish a clearinghouse of materials for LEP borrowers, including a Spanish—and soon-to-come Chinese—glossary for common mortgage terms.

Student lending: The crisis around student loans continued to brew. Halfway into the Trump presidency, we continued to be disappointed by his U.S. Education Secretary appointee, Betsy DeVos, and her failure to prioritize students over lenders and for-profit colleges.

In response, we pushed back against the Department of Education’s (ED) continued attempt to rewrite the existing 2016 borrower defense rule and urged the Department to retain and implement that stronger rule, which was developed during a lengthy rulemaking process in which expert stakeholders, including consumer advocates, educators and industry leaders, participated with the best interests of students, taxpayers and the higher education industry in mind.

Consumer Action continued to oppose the ED’s proposal to eliminate the gain-

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ful employment rule, which protects students and taxpayers from funding career education programs that do not prepare students for gainful employment. We joined our coalition in urging the Department to abandon its proposal to eliminate the existing rule and instead start properly enforcing it.

In the wake of sudden for-profit school closures, we expressed concern that over 25,000 students were being given incomplete, incorrect and even harmful information about their options for closed-school discharge and transfer.

We partnered with national veteran groups in opposing the Department of Veterans Affairs' attempt at waiving a 50-year-old statute that prevents its employees from receiving money from or owning a stake in for-profit colleges. There is a documented history of for-profit schools targeting veterans with deceptive recruiting for substandard educational services.

Consumer Action continued to call on U.S. House and Senate appropriators to support a more robust Pell Grant fund, which reached \$6,095 a year, per student, for the 2018-2019 school year.

Consumer Action policy advocate Alegra Howard gave a TV interview with Joe Ducey, consumer reporter for ABC's Phoenix affiliate, in which she provided student loan repayment tips.

We celebrated two significant court rulings pertaining to student lending regulation, both led by our coalition partner Project on Predatory Student Lending. In May, a federal judge banned

the ED from using private earnings data from the Social Security Administration to grant only partial student loan forgiveness to Corinthian Colleges students who had been misled and defrauded by the school. In October, we celebrated a federal court ruling that cleared the way for the borrower defense rule to take effect immediately. This meant that the 2016 Obama-era regulation aimed at providing relief for scammed student loan borrowers could no longer be delayed.

Data privacy: As a member of the Electronic Privacy Information Center's (EPIC) digital privacy coalition, Consumer Action met with fellow members many times over the year to discuss issues ranging from the Facebook-Cambridge Analytica scandal to Europe's new General Data Protection Regulation (GDPR) (which became enforceable in May 2018 and would impact international companies like Google and Facebook).

In the spring of 2018, coalition members met with European Data Protection Supervisor Giovanni Buttarelli to discuss what the complex GDPR rules might mean for U.S. consumers when they became enforceable a couple of months later. In the summer, we, along with 50 representatives from other privacy/consumer groups, met with the European Parliament's Committee on Civil Liberties, Justice and Home Affairs (LIBE) to further discuss U.S./European privacy laws and the implications of the GDPR. Also that summer, we met with FTC

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Chairman Joseph Simons to discuss the agency's request for public comments on an upcoming congressional hearing to discuss U.S. consumer protection law and the government's role in regulating privacy while ensuring a competitive economic landscape.

Consumer Action's Linda Sherry traveled to Brussels, Belgium, in June 2018 to attend the 18th annual Transatlantic Consumer Dialogue (TACD) public forum (<http://tacd.org/tacd-annual-forum-2018-consumer-protection-in-a-connected-world/>). As a member of the financial services subcommittee, Sherry presented an update on predatory lending and the state of financial services in the U.S., where she noted that the U.S. can learn a lot from the EU, which has some of the strongest consumer protection rules in the world.

In October, we participated in a meeting with National Telecommunications and Information Administration (NTIA) Assistant Secretary David Redl to discuss the agency's mission to develop policy on issues related to the internet economy, including online privacy. (The NTIA advises the president on telecommunications and information policy issues.) Then, in December, we joined a meeting with Steve Wood, Deputy Commissioner of the UK Information Commissioner's Office (ICO), who outlined the ICO's approach to strategic investigations, including the one into Facebook and Cambridge Analytica, and how the office plans to tackle the risks arising from new technologies such as AI. The meeting gave advocates a better idea of

how the U.S. could enact and enforce stronger privacy regulations itself. Also in December, we joined a group meeting with FTC Commissioner Noah Phillips to discuss U.S. privacy regulations and voice our concerns about the lack of enforcement.

In February 2019, we met with Abigail Slater, Special Assistant to the President for Tech, Telecom, and Cyber Policy, to learn more about any steps the Executive branch had been taking to form national privacy laws (and if these laws would be meaningful). The hope is that they would reflect the recommendations that our coalition, Privacy Now, proposed in its "Framework for comprehensive privacy protection and digital rights in the U.S.," presented in November 2018 (<https://www.consumer-action.org/press/articles/34-civil-rights-consumer-and-privacy-groups-release-privacy-principles>). Among other recommendations, the framework calls for: the establishment of a national data protection agency with independent authority and enforcement capabilities; accountability for automatic "machine learning"-type decision-making (which can lead to discriminatory decisions about who should benefit from access to credit, housing, jobs and other important resources); and limiting government access to personal data.

Over the course of the year, Consumer Action also attended meetings on the Hill with representatives of a new group, the Progressive Privacy Coalition, an informal coalition working to ensure that any federal privacy legislation does

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not preempt state laws; push for a new, separate privacy agency (“data protection agency”) to handle enforcement instead of the FTC; and ensure that any federal privacy legislation allows consumers to sue over violations of the law.

We also joined EPIC’s campaign to encourage the FTC to take action against Facebook following the Cambridge Analytica scandal. (Subsequently, in the summer of 2019, the FTC settled on a \$50 million fine for Facebook.)

We also participated in the U.S. Vehicle Data Access Coalition and the Global Alliance for Vehicle Data Access focusing on the issue of who controls the data generated by the vehicles consumers own, lease or rent.

Telecom: In June 2018, we wrote to the Federal Communications Commission (FCC) to comment on a proposal that threatened to make consumer-unfriendly changes to the Telephone Consumer Protection Act (TCPA). Our comments asked the FCC to ensure that consumers always can revoke permission to receive robocalls to their cell phones; opposed any weakening of the definition of “auto dialing” technologies that would allow currently used technology to evade legally mandated limits; and called for the preservation of the TCPA-granted private right of action that allows consumers to seek redress in the courts, singly or in class actions. To amplify the message, we sent an e-blast to our mailing list encouraging consumers to file comments opposing the changes and took to social media to spread the word.

In March, our director of national priorities attended a meeting with various FCC departments about the robocall issue in general, and to voice opposition to any exemption for businesses filing petitions for relief from robocall auto dialer rules under the TCPA.

Educating consumers about the Lifeline telephone service subsidy program and protecting the program from cuts continued to be a priority. Every year, we update our *Connect to California Lifeline and Save!* publication (https://www.consumer-action.org/modules/articles/connect_to_california_lifeline_and_save) to reflect changes in qualifying household income as well as any other changes to the program.

Consumer Action’s executive director, chair of the California Public Utilities Commission’s Lifeline administrative committee, engaged in discussions about issues such as inadequate outreach to the state’s Asian population; a drop in program participation; and the transition to a new, third-party program administrator.

Throughout the year, our executive director attended AT&T consumer panel meetings. Established in 2008, this panel consists of 19 national consumer leaders who meet quarterly with corporate leaders from AT&T to discuss ways that the company can better serve its customers in diverse and various communities.

Airline passenger rights: As airlines have become bolder in their anti-consumer practices, Consumer Action

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has been working on airlines passenger rights issues with a coalition of groups that focus on consumer travel.

In mid-2018, the focus turned to rousing support for the Forbid Airlines from Imposing Ridiculous (FAIR) Fees Act, a bipartisan bill that would make airline fees proportional to the cost of the service. Nearly 9,000 people sent emails to Congress in response to our alert and call for action on the bill.

We dedicated the Fall 2018 issue of *Consumer Action News* to the topic, covering the range of air travel-related consumer issues, from cancelled flights and baggage fees to hidden airfare add-ons and families that cannot sit together unless they pay more.

We also pushed back against calls to privatize the government-run air traffic control system, which would put it into the hands of airlines.

Paper options: As the private and public sectors continued their push to go paperless, Consumer Action worked to protect individuals' right to choose between receiving important financial information online or in print; we believe that paper should be the default.

In April 2018, we participated in a call with a Pennsylvania PUC representative to learn more about the state's law to prevent paper billing fees for utility customers. In an October 15 presentation to the National Association of Regulatory Utility Commissioners (NARUC) governing board, we requested the commission's help in ensuring that PUCs

throughout the country stand against paperless billing fees imposed by utility companies on their customers.

Consumer Action's Linda Sherry joined the Keep Me Posted (<https://keepmepost-edna.org/>) advisory board and helped guide the group's December 2018 North America launch. Keep Me Posted works with industry and consumer groups to educate and challenge corporations that are removing consumer choice and charging fees for paper, and encourages service providers to give consumers a choice in how they receive bills and other communications. Companies that allow consumers to choose paper or electronic delivery of bills and statements—and don't automatically default consumers to electronic delivery—are eligible to feature the Keep Me Posted supporter logo on their websites and consumer correspondence.

In January 2019, Consumer Action reported the results of its online survey (https://www.consumer-action.org/downloads/Consumer_Action_Paper_v_electronic_survey.pdf) of over 2,600 people, revealing that approximately three-quarters opted for bills and other communications to arrive by mail rather than email, apps or other non-paper format. The survey results were part of the Winter edition of our *Consumer Action News* devoted to the issue of "Paper vs. Digital" (<https://www.consumer-action.org/news/articles/paper-or-digital-winter-2018-2019>).

Postal service privatization/rates: In April 2018, we met with Treasury of-

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officials about proposed postal regulatory reform introduced by Trump's newly created postal task force. We strongly stated that we opposed privatization of the United States Postal Service (USPS), championed its universal service mandate, and discussed Congressional bills designed to help the post office rescue itself fiscally. However, the administration's Office of Management and Budget (OMB) subsequently released a proposal to restructure and then privatize the agency. The White House said privatization could occur through an initial public offering or by sale to an existing company. (Our June press release states our position: https://www.consumer-action.org/press/articles/ordering_a_package_off_amazon_may_cost_way_more_soon).

Lens prescription rights: To bring more attention to the issue of lens prescription rights and provide consumers with the information they need to make an informed decision about where they stand, we launched our online Vision Action Center (<https://www.consumer-action.org/vision>) in May 2018.

At around the same time, we sent letters and emails to the Rhode Island state legislature opposing a bill that would limit ocular telehealth. This was a continuation of our efforts to prevent attempts (promoted largely by optometrists fearing a reduction in market-share) to weaken state laws allowing ocular telehealth and to inform state lawmakers about why such an option for online eye exams and prescription renewal are so crucial for consumers,

many of whom do not have the ability to travel to an optometrist or ophthalmologist for in-person care (due to finances, physical limitations, distance, etc.).

A new video on ocular innovation (such as online refraction), featuring Dr. Darius Moshfeghi, professor of ophthalmology at Stanford University, and Consumer Action's Linda Sherry, was added to the Vision Center page on July 31.

Healthcare/prescription drug prices: As the skyrocketing cost of prescription drug prices became a crisis, we worked closely with allies and stakeholders to mobilize and build power to hold Big Pharma accountable.

In 2018, we joined Consumers for Quality Care, a coalition of advocates and former policymakers partnering with health advocacy organizations to provide a voice for patients in the healthcare debate. We support three key principles in the fight for better healthcare: Ensure that high-quality, comprehensive health care is available and affordable; improve insurance design to better meet the needs of consumers; and transform the health care delivery system to put patients at the center. As members of the multi-stakeholder organization Coalition Against Patent Abuse (CAPA), we participated in efforts to fight abuses of the patent system that drive higher drug prices, including strengthening the patent review system and eliminating legal and regulatory gamesmanship that stops generic drug competition.

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We joined the Better Medicare Alliance, a group headed by former Pennsylvania Congressmember Allyson Schwartz, that works to protect Medicare's managed care option, Medicare Advantage, from cuts and program changes that would adversely affect beneficiaries. The program, where available, can save Medicare beneficiaries money and provide additional benefits not covered by original Medicare.

California advocacy

In our home state, Consumer Action's California legislative coordinator, Joe Ridout, advocated for bills we considered favorable to consumers' interests and opposed those we viewed as harmful. In Sacramento, we collaborated with allied organizations including the Consumer Federation of California, Consumers Reports, the ACLU, the California Reinvestment Coalition, and Consumers for Auto Reliability and Safety (CARS).

We supported SB 898 (Hertzberg), which would have promoted fairness in bail bond contracts and increased public understanding of the onerous terms they often contain. SB 898 passed the Senate, but died in the Assembly insurance committee.

We supported SB 1028 (Hill), which would allow utility ratepayers to share in the savings generated by the Trump income tax cuts. SB 1028 was signed into law in September, and requires utilities to pass savings from federal corporate tax cuts along to ratepayers.

SB 822 (Weiner), which was passed and

signed into law, will preserve net neutrality protections for Californians in the wake of the Federal Communications Commission's December 2017 decision to remove internet neutrality protections. Net neutrality is the principle that internet service providers should enable access to all content and applications regardless of the source, without favoring or blocking particular products or websites.

The purpose of SB 818 (Beall) was to maintain California's Homeowner Bill of Rights (HBOR) rather than have it sunset at the end of the year. Even though the foreclosure crisis is now over, many California homeowners still face the prospect of losing their homes when they experience difficulties such as job loss, divorce or unforeseen medical bills. SB 818 passed and restored the HBOR protections.

Consumer Action opposed AB 33 (Quirk) because we believed the bill would enrich California utility PG&E but help neither the victims of the 2017 wildfires nor the utility's ratepayers. AB 33 proposed to issue bonds covering PG&E's legal liabilities from wildfires that would be paid for by customers of the utility. Fortunately, the bill died in the Senate energy committee.

We supported another bill by Assemblymember Quirk, AB 2652, which would have permitted online enrollment for California LifeLine. According to the Universal Service Administrative Company, 4,236,000 California households are eligible for LifeLine, but only 1,483,190

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currently subscribe as of 2018—a mere 35 percent state participation rate that might have been improved by the use of online enrollment. The bill passed both houses, but was vetoed by the Governor.

AB 1163 (Eggman) tried to establish a much needed “Right to Repair,” requiring device manufacturers to provide access to diagnostic guides and repair parts so that more devices would be repaired rather than replaced. Ultimately, device manufacturers killed the Right to Repair Act behind the scenes, but we hope other states will adopt this much-needed legislation.

On June 28, 2018, a ballot initiative called the California Consumer Privacy Act (AB 375) was pulled at the last min-

ute in exchange for a broadband privacy bill of the same name. When the California Consumer Privacy Act (CCPA) goes into effect in 2020, Californians will enjoy some of the strongest privacy rights in the country. All for-profit businesses in the state will be required to disclose to consumers, upon request, any specific personal information it collects and how it was obtained. Consumers can require companies to delete personal information, refrain from selling it and pursue legal action if businesses fail to comply.

Coalitions

During the 2018-2019 fiscal year, Consumer Action took part in activities as a member of more than 80 national and state coalitions (see full list of coalitions at end of report), making consumers’ voices heard through our submitted comments to legislators, the CFPB and other government agencies. Here are some highlights of our coalition efforts that don’t appear in other sections of this report:

- **Last-ditch effort to prevent auto lending discrimination fails.** Consumer Action and its allies wrote to Congress on April 16 to plead that it not interfere with the Consumer Financial Protection Bureau’s efforts to prevent auto loan discrimination. The Bureau’s “guidance”

to car lenders sought to end a common discriminatory practice to charge some borrowers more in interest and fees, regardless of their creditworthiness (“dealer mark-ups”). Even though these discriminatory violations still occur, the Senate on April 18 moved to eliminate the 2013 guidance document, allowing the practice to continue. These discretionary auto dealer mark-ups result, in some cases, in African Americans and Latinos paying more than similarly situated white borrowers. Learn more and read the letter. (<https://www.consumer-action.org/coalition/articles/congress-could-enable-discrimination-in-auto-lending>)

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- **Google and YouTube invading children's privacy.** Consumer Action joined 23 consumer and privacy groups in taking a major step to protect children's privacy by filing a Federal Trade Commission (FTC) complaint detailing how Google is collecting personal data from children on YouTube without parental consent. The coalition asked the FTC to hold Google accountable for violations of the Children's Online Privacy Protection Act (COPPA). The groups charge that the company collected and profited from the data of millions of children without parental permission. Learn more and read the letter. (https://www.consumer-action.org/coalition/articles/google_and_youtube_are_invading_childrens_privacy)
- **Border wall funding is a waste of taxpayer dollars.** A diverse coalition of organizations that include Latino, civil rights, consumer, environmental, faith and border community groups are strongly opposed to federal funding for a border wall. The coalition has spent months objecting to the militarization of the border and the vilification of border and immigrant communities. As Congress moves forward with the FY2019 appropriations process, we urge leadership to reject efforts to continue funding additional border wall construction, which draws scarce resources away from urgently needed national infrastructure. Learn more and read the letter. (https://www.consumer-action.org/coalition/articles/border_wall_funding_is_a_waste_of_taxpayer_dollars)
- **Health insurance tax would hit seniors hard.** An approximate \$22 billion health insurance tax (HIT) is scheduled to impact 20 million seniors and disabled individuals enrolled in Medicare Advantage in 2020. (Medicare beneficiaries can join Medicare Advantage HMOs voluntarily and may see significant savings and additional benefits by joining these managed care plans.) In a letter, coalition advocates urged Congress to delay the HIT for 2020, lest millions of American seniors and others with health insurance coverage face a major premium increase, including \$500 in additional annual premiums for the typical Medicare Advantage couple. Learn more and read the letter. (https://www.consumer-action.org/coalition/articles/health_insurance_tax_would_hit_seniors_hard)
- **Payday alternative loans shouldn't permit cycles of high-cost debt.** In a letter to the National Credit Union Administration, more than 100 coalition advocates opposed changes that would permit credit unions to make bigger profits on short-term loans. The changes would permit customers to take an unlimited number of high-cost loans, resembling the very payday loan debt traps that payday alternative loans are supposed to help Americans avoid. Learn more and read the letter. (<https://www.consumer-action.org/coalition/articles/payday-alternative-loans-shouldnt-permit-cycle-of-high-cost-debt>)
- **HUD's disaster relief program is limited.** In an official letter to the Department of Housing and Urban Develop-

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ment (HUD), advocates urged the federal agency to improve its efforts to expedite the process for home loan borrowers located in disaster areas to access loss mitigation. While a good start, the advocates pointed out that HUD's Disaster Standalone Partial Claim program does not do enough for borrowers in disaster areas that have not yet fully recovered, and the program includes vague and unnecessary eligibility requirements that will impose barriers to loss mitigation. Learn more and read the letter. (<https://www.consumer-action.org/coalition/articles/advocates-warn-that-huds-disaster-relief-program-is-too-limited-in-scope>)

- **Consumer advocates oppose loosening rules for FinTech providers.** Consumer Action joined a coalition of 50 public interest groups in sharply criticizing the Consumer Financial Protection Bureau (CFPB) proposal (under interim director Mick Mulvaney) to gut important consumer protection rules, especially for FinTech companies. The coalition argued that the agency does not have the authority to create potentially unlimited exemptions from the very regulations it is obligated to enforce. Learn more and read the letter. (<https://www.consumer-action.org/coalition/articles/oppose-loosening-rules-for-fintech-providers>)

- **Oppose rollback of fuel efficiency requirements.** In comments to the Environmental Protection Agency, consumer advocates argued that the cuts outlined in the Trump administration's so-called Safer Affordable Fuel-Efficient Vehicles Rule pose a threat to public safety by weakening clean air standards and driv-

ing up costs for consumers. The proposals pose the most harm to the low-income households that would suffer not only from higher fuel costs but also higher rates of asthma and premature death. Learn more and read the letter. (<https://www.consumer-action.org/coalition/articles/trump-administration-to-roll-back-fuel-efficiency-requirements>)

- **Groups renew call for no 'poison pill' policy riders.** Consumer Action was among nearly 50 groups renewing a call to keep spending measures free of poison pill policy riders: unpopular, unnecessary and partisan provisions that get tacked on to existing legislation (often in secret). The coalition pointed out that these riders have nothing to do with government funding and everything to do with undermining essential government programs in order to fulfill special interest wish lists. Poison pill riders also stand in stark contrast to unmet national policy needs, such as ways to guard consumers from scams and corporate wrongdoing or defend campaign finance and election systems. Learn more and read the letter. (<https://www.consumer-action.org/coalition/articles/groups-renew-call-for-no-poison-pill-policy-riders>)

- **The government shutdown is putting working families at risk.** As the longest federal government shutdown in our nation's history dragged on, advocates voiced concerns about the long-term impact on working families, even after the government reopens its doors. Without a paycheck, federal employees who cannot pay their rent or mortgage risk losing their homes and damaging their

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credit due to missed payments (whether mortgage, utility or cell phone). These employees may take on risky loans to make ends meet while awaiting a delayed Earned Income Tax Credit or tax refund. Learn more and read the letter. (<https://www.consumer-action.org/coalition/articles/how-the-government-shut-down-puts-working-families-at-risk>)

- **Protect consumers, not pyramid-scheme businesses.** Consumer Action joined advocates in urging the co-sponsors of the 2018 Anti-Pyramid Promotional Scheme Act to refrain from reintroducing the bill in the current 116th Congress. If this bill were to become law, it would eliminate the Federal Trade Commission's authority to take action against all but the most blatant pyramid schemes, leaving millions of consumers vulnerable to fraud. Learn more and read the letter. (<https://www.consumer-action.org/coalition/articles/protect-consumers-not-pyramid-scheme-businesses>)

- **The time is now for a FAMILY bill to be passed.** Consumer Action joined dozens of advocacy organizations in urging members of Congress to co-sponsor and advocate for swift and thorough consideration of the Family And Medical Insurance Leave (FAMILY) Act (HR 1185/S 463). The bills would create a national family and medical leave insurance program to help ensure that people who work can take the time they need to address serious health and caregiving needs. Learn more and read the letter. (<https://www.consumer-action.org/coalition/articles/the-time-is-now-for-a-family-bill-to-be-passed>)

To learn more about what we are doing in coalition with other groups, check out our Coalition Efforts page online (<https://www.consumer-action.org/coalition/>).

Take Action!

Consumer Action encourages individual consumers to participate in the process to ensure that regulators and legislators are aware of their concerns and represent consumers' needs on important financial issues, from complaint resolution to data protection. On our website, we list all the legislative and regulatory issues we've taken a position on. We also create advocacy alerts with messages that consumers can use to email their elected representatives and other officials about these items.

During the 2018-2019 fiscal year, Consumer Action drafted "take action" alerts and template letters for consumers to express their priorities to leaders at the FTC, the FCC, the FHFA, the U.S. Department of the Treasury, the Department of Justice, the Department of Labor, the Department of Education, HUD, other federal agencies and Congress. In response, our followers sent 17,265 messages about these and other key consumer issues to decision makers.

Included among the dozens of bills and issues consumers weighed in on through our Take Action! Center were:

- **The FAA FAIR Fees provision in the Federal Aviation Administration (FAA) Reauthorization Act of 2018 (HR 302)**, which would protect passengers from

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unreasonable and disproportionate fees charged by airlines. This bipartisan measure would ensure that change and cancellation fees are not unreasonable or disproportionate to the costs of the serviced provided, meaning that passengers would cover only the costs of processing the new tickets and any potential loss of revenue due to the cancellation. (Consumer Action supports.)

- **The California data privacy bill (AB 375)**, which would restore the 2016 Federal Communications Commission (FCC)-approved privacy protections that a pro-corporate, anti-consumer Congress later repealed. Because the FCC is prevented from ever writing a similar regulation in the future, it's up to individual states to re-establish regulations that prevent broadband internet service providers (AT&T, Comcast, Verizon and others) from selling information about you and your online activities without your consent. (Consumer Action supports.)

- **The PROSPER Act (HR 4508)**, which slashes \$58 billion from student aid, opens the door to selling student loans to Wall Street, and eliminates the few accountability measures we have to keep predatory for-profit schools in check. The bill would do significantly more harm than good, saddling students with more debt and loosening standards in a way that would open the higher education system and taxpayer dollars up to unacceptable risk. (Consumer Action opposes.)

- **The CONSENT Act (S 2639)**, which directs the Federal Trade Commission (FTC) to establish privacy protections for customers that would require companies like Facebook and Google to obtain permission to use, share or sell users' personal information, notify users about the collection of this information, inform them of data breaches and more. (Consumer Action supports.)

Amicus briefs

Consumer Action is proud to work with plaintiffs' attorneys to file amicus ("friend of the court") briefs in legal cases of importance to the consumer interest, such as **Nelson v. Great Lakes Educational Loan Services**. In response to the wave of new state student loan servicing laws and enforcement activity, the U.S. Department of Education published an interpretation emphasizing that the Higher Education Act (HEA) preempts state regulation of federal student loan servicers. Contrary to the district court's opinion, the U.S. Department of Education regulations on servicer behavior are far from robust, and, historically, its enforcement of borrower protections has been woefully insufficient.

In July, 2018, Consumer Action joined 14 consumer, student and civil rights organizations in asking the Court to conclude that the Plaintiff's consumer protection claims under Illinois state law are not preempted by federal law and reverse the district court's dismiss-

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al of the Plaintiff's claims. On June 27, 2019, the 7th Circuit Court of Appeals ruled that student loan servicers *can* be held accountable under state consumer protection laws.

Consumer Action joined an amicus brief in support of plaintiffs over their employer's violations of California's Investigative Consumer Reporting Agencies Act (ICRAA) in the **Connor v. First Student** case appeal. The state ICRAA and the state Consumer Credit Reporting Agencies Act (CCRAA) regulate entities that gather background information on consumers for employers, landlords and others to use in making employment, rental and other decisions. The ICRAA governs agencies conducting investigative consumer reports (reports containing information on a consumer's character, general reputation, personal characteristics or mode of living). The CCRAA governs agencies compiling information about consumers' credit use (reports having a bearing on a consumer's creditworthiness, credit standing or credit capacity).

The Connor v. First Student case involves investigative consumer reports—background checks—made on employees of defendants First Student and First Transit by defendants HireRight Solutions and HireRight, Inc. Lead plaintiff Eileen Connor, a school bus driver, brought a lawsuit against First Student and its agents alleging violations of the ICRAA, which was dismissed after the trial court granted First Student's motion for sum-

mary judgment. The question at issue was whether the fact that ICRAA and CCRAA covered the same background/credit check rendered one of the statutes vague because it was not possible for a business to determine which one of the statutes applied. The employer claimed it couldn't tell whether CCRAA or ICRAA applied, so ICRAA (whose terms the company had violated) should be found unconstitutionally vague—and the trial court agreed.

The Court of Appeal and the California Supreme Court (in August 2018) disagreed, holding that when two different statutes apply, the business needs to apply both. It found that the standards of ICRAA and CCRAA, while different, are not mutually exclusive, so both applied. The amicus brief written on behalf of Consumer Action and other groups argued for the plaintiff, stating that the lower court's finding of "void for overlap" made no sense. Instead, statutes should be harmonized wherever possible so that it's clear both (or all) apply.

The amicus brief noted the havoc that could be caused to vast areas of California law if overlapping laws were to be found automatically unconstitutional.

The Supreme Court decision in August 2018 ensures that ICRAA stands, that CCRAA and ICRAA apply in the case, and that California consumers, employees and tenants in similar situations are protected by both statutes.

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Consumer training and outreach

Consumer Action provides publications, workshops, training tools and technical assistance to enable a network of nearly 7,000 community-based organizations (CBOs) to deliver in-language consumer and personal finance education to low-to-moderate-income and underserved individuals and families across the country. In addition to training CBO staff and volunteers, our staff gives presentations to consumers; participates in coalitions, advisory boards, FinTech working groups, conferences, webinars and resource fairs; is interviewed by the media in English, Chinese and Spanish; and works directly with community groups, government agencies and activists to ensure that critical consumer information reaches those who need it.

During the 2018-2019 fiscal year, Consumer Action's Outreach team traveled nationwide to seven cities to conduct train-the-trainer events for 254 CBO staff members; another 105 participants were trained in four webinars. During these events, our team taught community group representatives how to use our educational materials to assist their clients and members. The CBOs attending serve veterans and servicemembers; youth; low-to-moderate-income families; the disabled; seniors; homeless; immigrants; and formerly incarcerated (re-entry) individuals in the areas of financial coaching, credit counseling, housing and workforce development.

Outreach staffers traveled to 14 more

cities to conduct presentations, give media interviews, and participate in conferences, community fairs, working groups and coalition meetings. The team reached thousands (consumers, affiliates, government officials and others) and took advantage of each opportunity to distribute our free multilingual publications and encourage steps toward improving financial health.

We kicked off the fiscal year with an April trainer event in Los Angeles for our **Insurance in the Sharing Economy** (https://www.consumer-action.org/modules/module_insurance_sharing_economy) module, designed to help consumers understand what insurance coverage they have, what protection they need, and what their options are when participating in the sharing economy. The training featured guest speaker Katherine Fiester, a staff attorney for Legal Aid at Work, who discussed worker misclassification in the sharing economy. Misclassification matters because employees are afforded substantial rights under federal and state laws that sharing economy workers or independent contractors are not.

Consumer Action and Nova Credit Inc., a cross-border credit reporting agency, co-hosted two webinars in May to educate community partners who serve expats, foreign nationals or immigrants about Nova's international credit reporting service and Consumer Action's credit publications.

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The team also conducted a **Money Management 1-2-3** (https://www.consumer-action.org/modules/module_money_management_1-2-3) train-the-trainer event in June in Riverside, CA. This module covers all aspects of money management, from building a strong financial foundation to achieving financial goals and planning a secure financial future. The training featured guest speaker Aeyoung Kim of the California non-profit Housing and Economic Rights Advocates (HERA). Kim gave an engaging session on estate planning, explaining to the audience that ensuring your wishes are carried out in the event of your death or incapacitation is not just for the rich and famous—it's a crucial step in financial planning for everyone.

In July, we conducted a **Finding the Right Job Training School** (https://www.consumer-action.org/modules/job_training_schools) training in Chicago. This module helps prospective students understand their vocational training education options, evaluate a job training program/school, make wise choices about student loans, and find help if they have trouble making their student loan payments or believe they are a victim of for-profit school fraud. The training featured guest speakers Dr. Rebecca Lake, dean of workforce and economic development at Harper College, and Olivier Meyenhofer, from Zurich Insurance Company. They discussed one of Illinois' successful apprenticeship programs.

The following month, Consumer Action and the National Endowment for Financial Education (NEFE) joined forces to

educate our network partners on NEFE's Evaluation Toolkit® and other NEFE resources.

A **Disaster Coverage** (https://www.consumer-action.org/modules/module_disaster_coverage) train-the-trainer event in September in Houston finished off the second quarter. This module alerts consumers to the risk of losing their home and possessions in a disaster and stresses the importance of purchasing adequate homeowners or renters insurance and, in some cases, flood and/or other types of coverage. It also presents the various FEMA disaster assistance programs and explains what steps to take to recover your losses after disaster strikes.

During the third quarter, we traveled to Philadelphia for a **Debt Collection: Know your rights** (https://www.consumer-action.org/modules/module_debt_collection) train-the-trainer event and, in November, held our 9th annual National Consumer Empowerment Conference, which again brought together more than a hundred engaged community-based advocates from around the country to address critical consumer issues, learn from subject matter experts and agency representatives, and share best practices in consumer and financial education. The conference included presentations on the latest privacy tips, shared by Consumer Reports' Katie McGinnis and Facebook's Claire Gartland; the current vision of the Consumer Financial Protection Bureau, presented by acting deputy director Brian Johnson; cases of continued housing discrimina-

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tion on the 50th anniversary of the Fair Housing Act, from National Fair Housing Alliance's Lisa Rice and Hope Fair Housing Center's Anne Houghtaling; updates on mobile apps and FinTech tools that help consumers build wealth or borrow affordable small-dollar loans; and more.

The conference was again free to attendees, thanks to the support of our donors: Bank of America, Comcast NBCUniversal, Facebook, JPMorgan Chase & Co., 1-800 Contacts, Amazon, American Express, DraftKings, Enterprise, VISA, Walmart, Wells Fargo, Credit Builders Alliance, FitFin, Oportun, National Lifeline Association, WiseWage and Nova Credit Inc.

Individually, our Outreach team participated in a range of activities, all aimed at ensuring that consumers are equipped and empowered to make wise choices.

Jaime Woo, our Chinese community liaison, gave 13 media interviews and issued six news releases about timely consumer protection topics and Consumer Action events. Woo also translated Consumer Action publications into Chinese and conducted Chinese in-language trainings for individual consumers and the staff of community agencies in San Francisco and Los Angeles.

Woo and Consumer Action project associate Cui Yan Xie participated in two San Francisco community events that drew thousands of Chinese consumers: the Yerba Buena Senior Ball (90 percent of the attendees were Chinese-American) and the 14th annual Chinatown

Community Resource Fair. In total, they distributed more than 400 packets of consumer education materials (a total of 3,000 pieces), including brochures on senior scams and ID theft, banking, money management, retirement planning, internet safety, and choosing and using mobile devices.

When not traveling around the country teaching community educators how to most effectively use our educational materials, bilingual trainer Nelson Santiago translates Consumer Action publications into Spanish, contributes to our Spanish-language website, assists Spanish-speaking consumers who contact our complaint hotline, and speaks to the Spanish media. Among his many outreach efforts during the 2018-2019 fiscal year was an in-language presentation for Spanish-speaking residents of a TELACU housing development in East Los Angeles, and an in-studio interview at Atlanta-based Mixx 106 along with fellow Consumer Action trainer Linda Williams.

Like Santiago, Williams travels the country training CBO staff. When not presenting at these events, she participates in several coalitions and events that address issues on homelessness, veteran services, payday and car title loans, scams, consumer justice and small business development. She continued to work with the military community to educate U.S. servicemembers on ID theft and debt collection, and shared resources to help them improve their financial wellbeing. Williams conducted 12 additional trainings for California-

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based CBOs and affordable housing complexes on a variety of consumer topics.

In addition to planning our train-the-trainer events, managing consumer engagement programs, and communicating with our CBO network regarding legislation in their home states, Consumer Action's director of strategic partnerships, Audrey Perrott, continued to help community groups select educational modules to incorporate into their education and counseling services, identify potential funding sources, and integrate financial technology into their existing programs. She also participated in consumer protection and asset-building coalitions.

Perrott has been increasingly involved with FinTech-related initiatives, reflecting a changing marketplace and the need to educate consumers on the wise selection and safe use of financial technology. As part of this work, Perrott managed a pilot with Catholic Charities Dallas, Haven Neighborhood Services, HOPES CAP Inc. and VETSGroup to test financial technology apps and track the outcomes for consumers who used them over a six-month period (47

participants saved nearly \$22,000). The FinTech-Nonprofit Partnerships Working Group, which is managed by the Center for Financial Services Innovation (CFSI) with support from the JPMorgan Chase Financial Solutions Lab, funded the project.

Perrott was among the 700 advocates, policymakers, bankers, financial technology innovators and other industry professionals who gathered in Hollywood for the 2018 Center for Financial Services Innovation EMERGE Financial Health Forum. While there, she served as a panelist on financial technology distribution projects at the FinTech & Nonprofit Partnerships Working Group's pre-conference session. She was also invited to share key learnings from the FinTech pilot at a grantee cohort meeting in Washington, D.C.

Throughout the year, Outreach team members attended a myriad of online and in-person continuing education and professional development events on topics ranging from financial coaching and FinTech innovations to estate planning and housing issues. All team members contributed regularly to the *INSIDER* and *SCAM GRAM* newsletters.

Editorial and social media

Publications

Over the course of the year, Consumer Action filled 885 requests for 181,943 free, printed copies of our multilingual publications. (Of these, 51,870 copies were of the publications created as part

of our new disaster coverage education module; see below for details.) Another 15,902 of our free fact sheets, guides and lesson plans were downloaded from our website. Community-based organizations nationwide rely on these

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and other materials to educate their clients and community members on a wide range of consumer and personal finance topics. Throughout the year, Consumer Action's editorial staff produces new publications, creates new training modules and updates and/or expands existing materials to meet the needs of educators and individual consumers. Unless otherwise noted, we funded these activities with cy pres awards (class action residuals) received from consumer lawsuits.

In June 2018, we introduced a **Disaster Coverage module** (https://www.consumer-action.org/modules/module_disaster_coverage) to help homeowners and renters protect their assets before a disaster and recover if disaster strikes—an example of our efforts to produce timely materials that address the range of changes—market, environmental, legislative, etc.—that impact consumers. With the majority of U.S. residents living in areas at risk of a natural disaster, most households need to seriously consider how they would recover from the loss of their home and possessions. The module materials consist of two consumer fact sheets, an in-depth Q&A (designed as a backgrounder for community educators, but available to consumers who seek more detailed information, as well), and a trainer's curriculum and companion PowerPoint presentation.

The first of the two fact sheets in this new module, **Homeowners and Renters Insurance: What you need to know**

before and after a natural disaster, informs consumers about which disaster losses are—and are not—covered under a standard homeowners or renters insurance policy, how to make sure they are adequately insured for different types of disaster losses, what steps to take after disaster strikes, and what their options are if their insurance coverage falls short.

The second fact sheet, **FEMA Spells Federal Disaster Relief for Homeowners and Renters**, describes the types of Federal Emergency Management Agency (FEMA) assistance available to homeowners and renters and provides details about program eligibility and the application process. It also highlights the limitations of FEMA assistance and stresses the importance of purchasing adequate personal insurance coverage. The publications include advice for avoiding disaster-related insurance and FEMA scams, as well as resources where consumers can learn more about FEMA programs and the National Flood Insurance Program (NFIP). They also provide guidance on how to navigate the insurance claims process.

That same month, we published our comprehensive **Scams module** (https://www.consumer-action.org/modules/module_scams) to enable consumers to recognize the telltale signs of a scam; use the internet to verify, vet and validate questionable communications; understand how dozens of specific, widely perpetrated scams are typically carried out; and avoid becoming a scam victim.

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The Scams module consists of **Just Say No to Scams: A guide to protecting yourself from liars, cheats and crooks**, a 10-page consumer guide; **Just Say No to Scams** “quick tips” sheet, a two-page summary of the key points in the full-length consumer guide; **Common Scams: Recognizing and avoiding fraud**, a 22-page compendium of dozens of widely perpetrated scams, broken down by the demographics that the scams target (for use by educators and anyone else who wants greater detail about specific scams). The module also includes the curriculum (lesson plan) for a two-hour group seminar, including class activities, and a PowerPoint presentation, designed to be used in conjunction with the curriculum.

In addition to publishing new materials, we updated existing publications, including:

- **Connect to California LifeLine and Save!** (https://www.consumer-action.org/modules/module_california_lifeline), Consumer Action’s 16-page guide to the discounted phone service program, which, since its first publication in 2011, has helped thousands of the state’s eligible consumers take advantage of the invaluable program. In addition to reflecting higher qualifying income limits, our annual update informed readers of the elimination of a short-lived port freeze requirement.

- **Get Credit for Your Hard Work** (https://www.consumer-action.org/english/articles/get_credit_for_your_hard_work_eng), a publication intended to promote and explain a tax credit that is widely

regarded as the federal government’s most effective antipoverty program, despite the fact that it remains underutilized. Our annual revisions to Get Credit for Your Hard Work reflect IRS updates for income limits and maximum credits as well as any changes in eligibility guidelines or filing requirements. The updated resource was published just in time for Earned Income Tax Credit (EITC) Awareness Day on Jan. 25.

- **ID Theft and Account Fraud** (https://www.consumer-action.org/modules/module_id_theft_and_account_fraud), a training module that covers how to prevent ID theft, how to recognize the signs that you may be a victim, and how to recover from ID theft if you become a victim. In addition to updating the fact sheet, we gave it an eye-catching new layout. We also updated the companion Q&A.

Issues of our consumer newsletter, **Consumer Action News**, for the 2018-2019 period focused on airline passenger rights (Fall 2017) and “paper versus digital” bills and account documents (Winter 2018-2019). Find these and all other issues online (https://www.consumer-action.org/news/ca_news).

Our monthly **INSIDER** e-newsletter, now in its ninth year, continued to provide readers with monthly updates on Consumer Action’s activities. The newsletter includes information about our increasingly urgent and crucial work to support the CFPB and our timely coalition efforts to improve laws and regulations for consumers (everything from pushing back against Betsy DeVos’ Department of Education and its ongoing attacks on

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student borrowers to encouraging Congress to decrease debt collector harassment).

Throughout the year, the *INSIDER* also highlighted stories on the advice we gave to those who contacted our consumer help hotline; our database of the latest class action lawsuits for consumers to join; our annual national conference and anniversary awards ceremony; our participation in important advocacy and coalition activities, like the introduction of the Arbitration Fairness Act press conference and the Consumer Federation of America's annual Financial Services Conference in Washington, D.C.; and our efforts to educate community-based organizations through "train-the-trainer" events, new publications, webinars and more. Read the *INSIDER* online at <https://www.consumer-action.org/news/insider>.

Consumer Action continued to publish and disseminate our hugely popular monthly **SCAM GRAM** e-newsletter, launched in 2015 to alert readers to the liars, cheats and crooks who seek to steal their money, sensitive data and personal security. Each issue highlights the latest in tech fraud, credit card and cryptocurrency scams, medical and health care fraud, ID theft, government imposters, spoofing, phishing and other con-artistry. Consumer Action draws content from news stories, federal agency (IRS, FTC, SSA, etc.) alerts and consumers themselves to highlight the most egregious scams and frauds making the rounds.

Throughout the year, staff members participated in media interviews about *SCAM GRAM*'s content with journalists including award-winning consumer reporter Michael Finney, of KGO 810 San Francisco's "Consum-

er Talk" radio show, and the nationally syndicated Call For Action, with Shirley Rooker (disseminated over the Federal News Network). The timely newsletter has also been very popular with readers, garnering monthly feedback from consumers who are both grateful for the tips and warnings offered and eager to share their own.

Read *SCAM GRAM*, published on or around the 15th of each month, online (<https://www.consumer-action.org/news/scam-gram>), or have it delivered to your in-box by signing up for our email list on our homepage (<https://www.consumer-action.org>).

Websites

For FY2018-2019, Consumer Action's family of eight websites drew 1,945,883 total pageviews by 692,870 users. Our main website, Consumer-Action.org, claimed the greatest portion of the traffic, with 1,758,677 overall pageviews. On that site, the **Class Action Database** (<https://www.consumer-action.org/lawsuits/>) page was again the top draw, with 911,543 pageviews (51.83% of the Consumer-Action.org total), 554,361 of them unique.

Visitors to our websites downloaded 15,902 of our free fact sheets, guides and lesson plans. **Money Management 1-2-3** (https://www.consumer-action.org/modules/module_money_management_1-2-3), a three-part series on smart financial choices through life stages, was our most popular consumer education and training module, with 582 pageviews. A perennial favorite, our

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How to Complain guide (https://www.consumer-action.org/english/articles/how_to_complain) was viewed online 44,184 times and downloaded 2,293 times.

Other popular sections of the site included our **sample complaint letter and email** (https://www.consumer-action.org/english/articles/how_to_complain#Topic_18), with 56,265 pageviews (48,923 unique), and our **Help Desk** (<https://www.consumer-action.org/helpdesk/>), with 85,539 pageviews (72,612 unique); almost 65% of the 5,529 consumer complaints and communications we handled arrived via our Help Desk page.

Top among our subsites was **Managing Money** (<http://www.managing-money.org/>), with 47,989 pageviews, and the **Consumer Services Guide** (<http://www.consumerservices-guide.org/>), with 39,639 pageviews; **Insurance Education** (<http://www.insurance-education.org/>) was the third most visited subsite, with 33,821 pageviews.

Social media

We ended the fiscal year on March 31, 2019, with 4,536 **Twitter** followers, 4,725 **Facebook** fans and approximately 104,000 email list subscribers. We also joined **Instagram** this year (https://www.instagram.com/consumer_action/). Over the course of the year, we put our expanding social media following to work on behalf of consumers.

In promoting laws to rein in arbitration, Consumer Action engaged in a series of coalition-wide tweetstorms encouraging consumers to speak out and demand #NoRipOffClause and #EndForcedArbitration. We also live-tweeted congressional hearings, to make the public aware of their representatives' efforts (or lack thereof) to hold companies like Wells

Fargo responsible for imposing forced arbitration in the wake of widespread customer abuse.

We joined EPIC's campaign to encourage the FTC to #EnforceTheOrder and take action against Facebook following the Cambridge Analytica scandal, which was announced in the wake of the company's numerous violations of a prior FTC consent order that had, in 2011, mandated that the social media giant take meaningful steps to protect user privacy.

Consumer Action was also involved throughout the year in social media campaigns to educate the public and Congress on the need for a strong CFPB and payday rule. We live-tweeted a number of congressional hearings on the dangers of payday lending, the need to defend an existing Military Lending Act to protect servicemembers (against then-CFPB Director Mulvaney's work to undermine it), and more. We also led a Stop the Debt Trap coalition tweetstorm during July's #SharkWeek, touting the need to #DefendConsumers and #Stop-TheDebtTrap.

We ended the year tweeting, posting and emailing about the need for the FCC to strengthen the Telephone Consumer Protection Act (TCPA) in the face of an increasing number of scam robo-calls.

Hotline and Class Action Database

The Complaint Hotline staff, based in our San Francisco office, responded to

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consumer questions and complaints with referrals, advice and educational materials. During the fiscal year, we received 5,529 consumer complaints and communications, with just under 65 percent arriving via our website (<https://www.consumer-action.org/helpdesk/>) and the rest coming in by phone, from all 50 states and the District of Columbia. The top five states with consumer complaints were California, Florida, New York, Texas and Georgia.

Three of the top five complaint categories remained the same as last year: customer service, fraud and defective goods. This year, home contractor complaints overtook refunds/overcharges

Administration

Consumer Action's "Admin" team performs essential tasks that keep the organization running smoothly. From our San Francisco headquarters, the team handles the crucial behind-the-scenes activities that support our staff and enable each office and every department to be productive, effective and responsive.

Over the course of the fiscal year, the team managed the printing, promotion and distribution of hundreds of thousands of copies of our free multilingual educational materials and quarterly consumer newsletter. It also ensured that new and updated publications were posted on our website, translated and made available in Spanish, Chinese, Korean and Vietnamese, and promoted to the members of our network of commu-

nity-based organizations and individual consumers. The team conducted seven mass e-mailings about our new publications and training materials on, among other topics, changes to the Earned Income Tax Credit (EITC), starting a small business, insuring yourself against a natural disaster, and understanding your rights as an airline passenger.

Our multilingual hotline counselors served mostly English-speaking consumers, followed by Chinese- and Spanish-speaking individuals.

The Hotline team also is responsible for the ongoing maintenance of our Class Action Database (<https://www.consumer-action.org/lawsuits>), which helps consumers learn about class actions they might be eligible to join and settlements for which they can submit claims. During the 2018-2019 fiscal year, 130 class action settlements were open to claims.

In addition to managing the translation of Consumer Action's own publications, the staff continued to provide translation services to corporate, non-profit and government clients that serve diverse populations.

The Admin team also was responsible for maintaining multiple databases to keep track of our nearly 7,000 community-based network members, hundreds

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of donors and training participants, hotline complaints, and nearly 900 requests for just over 180,000 copies of our publications during the fiscal year. These databases are crucial to our outreach and advocacy efforts.

In support of the outreach and training component of our work, the department made thousands of calls and sent dozens of mailings to recruit attendees for our nationwide community train-the-trainer events, annual conference and webinars, and compiled more than 500 packets of training materials needed for these events.

It provided similar support for our fundraising efforts, including our annual Consumer Excellence Awards and anniversary celebration in Washington, D.C.

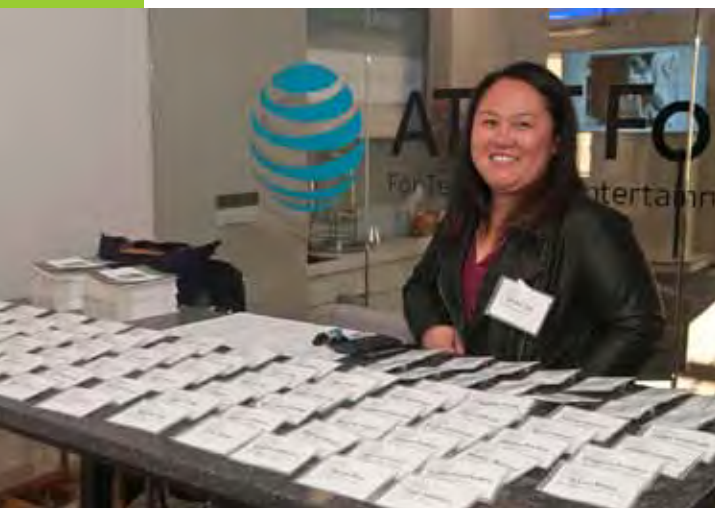
We distributed 300 packets (2,100 pieces) of consumer education materials at San Francisco's "Senior Ball" (an event that combines food, dancing and financial information for elderly Chi-



Staff member Jamie Woo tables at an event for seniors in San Francisco.

nese-American residents) and another 130 packets (1,200 pieces) at the San Francisco district attorney's Chinatown Community Resource Fair.

The Admin team also is charged with handling vital HR functions, including administering payroll and employee benefits, and managing our technology needs for eight websites, several dozen employee/office computers and company servers, and multiple network, backup and email systems. Team members oversee the consultants we hire to run our local network, conduct daily backups, manage our email systems, and do the other highly technical work needed to keep us online and secure.



Staff member Vickie Tse helps out with our 2018 anniversary event.

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Annual Consumer Excellence Awards

Consumer Action's 2018 Consumer Excellence Awards—a celebration of our 47th anniversary and the outstanding consumer advocacy efforts of our honorees—was held October 18 at the AT&T Forum for Technology, Entertainment and Policy in Washington, D.C. In addition to being an opportunity to shine a light on our allies in the fight for a fair, inclusive and safe marketplace, the event raised crucial funds for operating our free, multilingual consumer assistance and referral hotline and publishing our *Consumer Action News*, *INSIDER* and *SCAM GRAM* newsletters. The generous supporters of our 2018 celebration contributed close to \$200,000 to fund our ongoing consumer education work.

The year's event theme was "Credit Where Credit Is Due"—an opportunity to recognize the foremost champions of fairness and access for consumers in the financial marketplace.

During the cocktail reception, attended by our staff, government officials, community partners, fellow advocates and industry representatives, we celebrated the efforts of the many individuals and groups nationwide that, through their commitment and leadership, have forged significant change for consumers. We also gave special recognition to our three award recipients:

- Nevada Senator Catherine Cortez Masto, for her career-long effort to fight for working families, first as Nevada's attorney general, and now as the first Latina and first woman from Nevada to be elected to the U.S. Senate (watch her acceptance video: <http://bit.ly/Cortez-Masto>);
- Non-profit social enterprise Credit Builders Alliance, for its innovative efforts to build the capacity of hundreds of non-profit members nationwide to help low- and moderate-income households build strong credit and other financial assets; and
- NerdWallet, for its personal finance website and app that provide consumers with free access to expert content, tools and tailored advice that help them make smart financial decisions and achieve more with their money.

The event was underwritten by Amazon, Capital One and TracFone. Major donors also included AT&T, DraftKings, Facebook, FICO, Microsoft and Verizon. Photos of the event, taken by Stephen Baranovics, are viewable at <http://www.sbphotographer.com/consumeractionawards2018/>.



From L-R: Daniel Nestel of FICO with 2018 Consumer Excellence Award recipient Credit Builders Alliance's Dara Duguay and Consumer Action's Ken McEldowney. Stephen Baranovics photo

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Did you know?

That the year ending March 31, 2019, Consumer Action...

- Maintained a diverse staff of 24 in San Francisco, Los Angeles and Washington, D.C., that collectively speaks 16 languages and/or dialects
- Traveled to 21 different cities to conduct trainings, make presentations and staff exhibit tables at community events
- Trained 352 community group representatives in person, with another 105 learners participating in our webinars
- Compiled more than 500 packets of materials needed for the participants of our train-the-trainer events and annual national conference
- Responded to 5,529 complaints and communications to our hotline on a variety of issues, with the top five areas of complaint being: customer service, home contractors, utility billing, defective goods and fraud
- Ended the fiscal year with 4,536 followers on Twitter and 4,725 Facebook fans
- Posted 429 Chinese, 520 Spanish and 972 English news headlines on our websites
- Participated as a member of more than 80 national and state coalitions that amplified the voice of consumers on issues ranging from discrimination in financial services and the need to restore student loan protections to maintaining consumers' right to receive paper account statements and notices
- Had a total of 1,945,883 pageviews across eight websites by 692,870 users
- Visitors to our websites downloaded our free fact sheets, guides and lesson plans 15,902 times
- Posted 130 cases open to claims in our Class Action database, which drew 911,543 pageviews
- Translated 48 publications, posted 83 new or updated publications to our online library, and printed 162,406 copies of our free, multilingual materials
- Conducted seven mass e-mailings to community-based organizations to alert them to newly published consumer education and training materials
- Filled 885 bulk order requests from community-based organizations across the country for 181,943 copies of our free, multilingual publications
- Had approximately 104,000 subscribers to our email list, who generated 17,265 email messages to policymakers on a variety of topics, from protecting the Consumer Financial Protection Bureau's public consumer complaint database to supporting legislation related to airline traveler fees
- Generated letters from 326 individuals who used our "write your own letter" form to email their representatives in Congress

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Staff profile

Hazel Kong

Hazel Kong began working with Consumer Action in the San Francisco office in 1999, as an administrative assistant. Her responsibilities included maintaining the membership database, sending out renewal letters, depositing membership dues and helping with the organization's anniversary celebration. Kong also worked with the Chinese media to educate consumers on their rights and alert them to current scams and frauds.

Today, Kong is an administrative associate and a hotline counselor. Her duties include maintaining the staff calendar and vacation/sick leave reports, answering incoming calls and assisting walk-in office visitors, entering publication order information in the database, and contacting vendors and service providers for everything from business cards and office supplies to office repairs and maintenance.

Kong also assists the Outreach department with their events and conferences by making recruitment calls, sending invitations, compiling packets of training materials and shipping materials.

As a bilingual hotline counselor, Kong assists hundreds of consumers each year in English and Chinese. Many consumers don't know where to turn for help, and she gets them on the right track by providing them with the most up-to-date information, resources and referrals and guiding them to the appropriate complaint handling agencies that can resolve their issues.

Before joining Consumer Action, Kong worked in accounting at Legal Copy Services. She holds an associate degree in accounting and general business from City College of San Francisco.

In her own words

Working for Consumer Action, I have learned so much about privacy best practices, building good credit, managing finances, and other consumer topics.

As the mother of two teenagers, I've taught my children how to protect their privacy and how to build up their credit since they were little. When my daughter went to college last year, she was able to get a credit card and rent an apartment by herself!



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As I have helped consumers, I have heard many horrifying stories. For example, a senior consumer received a scam call. The caller claimed he was calling from the China police department. He said someone took out \$8,000 from her Bank of America account to open an account in China. They asked for her personal information to stop the fraud and to arrest the criminals. Unfortunately, the scammers transferred \$250,500 from her bank accounts to China and Hong Kong. She was working so hard and being frugal to save money for her retirement. I have re-told my kids this story and about many more terrible scammers in the world. They now have better awareness, judgment, and are not afraid when they receive scammers' calls. For example, fake IRS callers may scare you by claiming that you will go to prison if you don't pay, but it is not true. The IRS will not call you. My children know how to handle and answer those scam calls. I cannot only educate consumers, but I also educate my friends and family.

I am grateful for working at Consumer Action and appreciate all I have learned at this organization.

Board member profile

Patricia Sturdevant

Patricia Sturdevant is a nationally known consumer protection lawyer. She is a successful litigator who recovered more than \$100 million in damage awards in novel and complex consumer class action and unlawful business practices cases.

Her consumer cases challenged a variety of abusive business practices, including imposing excessive and unlawful late and over-limit charges on credit cards, flipping retail installment sales contracts for the purchase of consumer goods such as washing machines or stereo sets into new loans at much higher interest rates, and packing worthless credit insurance onto those loans.

The worst abuse was the inclusion, without the consumers' knowledge or consent, of so-called theft insurance, which covered "burglary, except with respect to property taken by burglars." She challenged those practices and was successful in obtaining an injunction against them.

Sturdevant's most significant achievement is pioneering the modern use of cy pres remedies in a series of cases litigated in San Francisco state courts in the '90s. Since then, cy pres awards have been widely replicated nationwide, and have resulted in hundreds of millions of



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dollars being used to provide indirect benefit to absent class members who could not be located to receive their proportionate share of damage awards.

Sturdevant is the only person who has won both of the National Consumer Law Center's prestigious awards: the Vern Countryman Award, for significant achievement protecting low-income consumers, and the William F. Willier Award, for actions having substantial and lasting influence in shaping the consumer law movement.

In her own words

As a public interest lawyer in private practice in San Francisco, I was aware of and impressed by the work done by Consumer Action to inform consumers about the costs of credit and how to avoid being deceived by scams. For that reason, I recommended Consumer Action, among other organizations, to receive cy pres awards in several of my cases challenging excessive late fees, over-limit charges and other abusive practices on credit cards issued by California-based banks. Those awards enabled the recipients to engage in consumer education and advocacy to benefit consumers on issues related to the substance of the underlying litigation.

I also represented Consumer Action as an organizational plaintiff in a challenge to Bank of America's unilateral attempt to impose arbitration and judicial reference requirements on its checking and credit card customers by putting a stuffer in their billing statements, and thereby deprive their customers of access to the courts and their constitutional rights to trial by judge or jury to challenge unlawful, unfair, or deceptive business acts or practices. Ken McEldowney, Consumer Action's executive director, was an impressive expert witness in that case, in which consumers prevailed at trial and on appeal.

After I left private practice to establish and lead the National Association of Consumer Advocates, Ken asked me, in 1996, to join the Consumer Action board of directors. Since 2007, I have served as president of the board. In both capacities, I have met three times a year with the board and management and staff of Consumer Action, and I now also serve on the committee that deals with audits and auditors.

In addition, I have regularly worked with Ken and Linda Sherry, Consumer Action's director of national priorities, on legislative and administrative issues, as well as on deciding whether to agree to the many requests we receive to sign on to amicus briefs in important appellate cases affecting consumers. And I generally review and comment on the content of amicus briefs seeking to expand the rights of consumers or protect them against fraudulent practices. These statements are submitted to courts on behalf of Consumer Action and other organizations, such as the National Consumer Law Center.

Even in these somewhat difficult times, protecting consumers is important and rewarding work.

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Feedback from CBOs

["Insurance in the Sharing Economy"] was an excellent training and I learned a great deal that I will be able to share with my clients. —**Karen Strong-Smith, MPA, Action Ministries, Inc.**

The "Debt Collection: Know your rights" conference was really informative and worthwhile...I came away with a much better understanding of how the debt collection process works and how I (and my agency) can assist our clients in a more meaningful way. I always leave Consumer Action workshops with a stack of excellent resources and articles that I use in my work and share with my colleagues as well. —**Deborah Hamburger, Jewish Community Services of Baltimore**

The "Money Management 1-2-3" training offers a concise program for low-income families to prioritize spending and live within their means. It provided me with the tools and resources I needed for groups and one-on-one peer sessions. It was also great training for some of my staff. Thank you, Consumer Action. —**Loistine Herndon, Temple Community Outreach**

Thank you for allowing me to participate in this ["Insurance in the Sharing Economy] Train-the-Trainer. The presenters were knowledgeable, informative and personal. Each of them made me feel appreciated and accepted. The training gave you that one-on-one atmosphere. —**Renee' Heard, Alabama Cooperative Extension System**

The ["Disaster Insurance and FEMA Assistance"] training was very good and informative. I enjoyed the facilitator! She was awesome! Thank you for setting up such a great training. —**Nicole Booker, Houston Area Urban League**

This was my second year attending Consumer Action's national conference. It was a great experience, just as I expected...Consumer Action does a great job at bringing in dynamic and interesting speakers, with topics ranging from consumer education, advocacy and controversial issues that need to be addressed...This conference is great at keeping it all in the forefront of our minds. —**Mark Hamm, United Way of Metropolitan Dallas**

To say that Consumer Action's 9th annual conference was amazing is an understatement! From logistical arrangements, hospitality, the content of material offered, speakers and the information they provided, everything was seamless from beginning to end! I left informed, empowered and challenged to do more and perhaps even create new and innovative tools to help our clients! I look forward to the 2019 conference! —**Jernessa Jones, Operation Hope**

As always, Consumer Action did an outstanding job [with their 2018 National Consumer Empowerment Conference]. I received an abundance of information that I was able to go back and share with others within my organization to help our clients...I appreciate access to new tools that are useful and free. It helps me to stretch my budget. I can't thank you enough for access to all of this wonderful material. —**LaTasha Slappy, Peace Financial Center**

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Spotlight on our community-based partners

Desert Financial

Community outreach through financial wellness

As the largest credit union in Arizona, Desert Financial is committed to helping the community they serve by offering free financial wellness programs.

Through their long-term partnerships with local non-profits, the credit union provides grant support and financial education training for agency clients and staff.

Using Consumer's Action's train-the-trainer model, the credit union has offered extended workshops to agency staff to help give them the guidance and tools they need for their clients.

"I've incorporated many of the concepts I've learned from Consumer Action into my workshops," said Sulie Richardson, the credit union's community education program manager. "Plus, sharing training and tools with agency staff has allowed them to work with clients who are struggling with budgeting and financial choices."

Many of the non-profit partners are smaller, locally-based, and focus on programs that help people who are struggling with abuse, hunger, severe poverty and homelessness.

"Basic financial education programs can have an immediate and life-changing impact on those in crisis," Richardson said, adding that she often hears back from participants about how the information and resources helped them rebuild their financial lives.

Richardson noted that many of the clients she works with have been victimized by scams and high-cost lenders, and that she's used Consumer Action's tips on recognizing and avoiding scams in several of her workshops.

In the past few years, the credit union has expanded its financial wellness programs by offering tools and training to employers outside of the non-profit world. "More and more



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organizations are seeing the value of offering financial wellness programs as a benefit for their staff,” said Emma Garcia, assistant vice president of community relations.

The credit union started their program expansion by offering financial wellness sessions to their employees, and initially used the same workshops they’ve offered to non-profits.

“We knew that many of our team members needed the information,” Garcia said. “However, we were surprised at the number of employees that wanted to participate and that many of the team members appreciated learning or reviewing the basics of financial wellness.”

In addition to the workshops, the credit union developed a financial wellness game that allowed participants to learn about basic budgeting by participating in a 30-minute on-site activity. Although participants were creating a budget for a fictional character, they learned important foundations and tips to help them with their own finances.

Based on the success of these programs, the Community Development team is developing a comprehensive financial wellness program for credit union employees, as well as additional interactive games focused on key areas of concern.

“Through surveys and feedback, we’ve seen that most of our team members are focused on managing debt and planning for retirement,” said Garcia, adding that they are creating and expanding workshops, programs and special event activities to address these topics.

“Consumer Action has always been a great resource for us,” Richardson said. “We appreciate having access to materials and information that’s aligned with our mission and focused on helping consumers improve their financial lives.”

Learn more about Desert Financial at <https://communityconnection.desertfinancial.com> and <https://www.desertfinancial.com>.

Chinatown Service Center

Financial empowerment for families and immigrant communities

Established in 1971, the Chinatown Service Center (CSC) is the largest community-based Chinese-American health and human services organization in Southern California. With the goal of promoting a better quality of life and equal opportunity for immigrants and other communities, CSC provides outstanding services and advocacy that enable those it helps to adjust to American life and thrive.

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Every year, approximately 15,000 individuals—over 96 percent of whom are in the low-to-moderate-income range—get assistance from CSC through more than 75,000 client/agency encounters conducted in English, a variety of Chinese dialects (Cantonese, Mandarin, Toisan and Chiu Chow), and other languages, including Vietnamese and Spanish.

In addition to providing a federally qualified community health center and a range of social services (including a youth center, senior services, Covered California outreach and enrollment, and citizenship application assistance), Chinatown Service Center offers an array of economic development programs to foster financial security and wellbeing. Some of the services provided by CSC in this area include in-language technical assistance, counseling and training for small businesses; financial management classes and individualized case management services to low-to-moderate-income individuals and families; and the Volunteer Income Tax Assistance (VITA) program, serving low-income taxpayers and providing free tax filing for families in need.

Each of the Chinatown Service Center’s programs has utilized Consumer Action’s financial and consumer education training materials and support. The social services department

has been able to educate consumers on identity theft and scams against monolingual seniors. The small business program has utilized the “Micro Business” publications as part of their training workshops for immigrants hoping to achieve the American Dream through entrepreneurship. And the asset building and financial management program has been able to empower low-income immigrant families with knowledge and skills in personal finance, and to help them successfully create pathways to financial wellbeing. In addition, using Consumer Action’s Money Management 1-2-3 training module,

all CSC staff have been able to help clients address their financial situations, apply gained knowledge to resolve financial issues, and build financial capacity.

To learn more about Chinatown Service Center, visit <https://www.cscla.org>.



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Donors and supporters

47th Anniversary

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Association for Accessible Medicine
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Enterprise

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Facebook
Google
Microsoft
Opportun
TracFone
VantageScore Solutions
Walmart

Cy pres awards

Consumer Action's work is supported in part by cy pres awards from these lawsuits:

Furman v. Station Casino
Credit/Debit Card Tying Cases
Chase Check Loan Cy Pres
Griego v. Rent-A-Center
Insurance Brokerage Global Settlement Fund
Smith v. National Corrective Group
Title and Escrow Consumer Education and Outreach Corporation
Trombley v. Bank of America

Coalitions

Consumer Action partners with these coalitions:

Advocates for Consumer Justice
AFR Language Access Task Force
Airline Passenger Advocates
Americans for Financial Reform (AFR)
Americans for Vision Care Innovation
Bay Area Legal Services Partners
Better Medicare Alliance
California Consumer Affairs Association (CCAA)
California Latinos for Economic Justice
California Reinvestment Coalition (CRC)
CFPB Consumer Complaint Process Committee (AFR)
Coalition Against Insurance Fraud
Coalition Against Patent Abuse (CAPA)
Coalition for Contact Lens Consumer Choice

Coalition for Paper Options
Coalition for Patient Privacy
Coalition to Protect Patient Choice
Coalition for Quality Credit Counseling (CQCC)
Consumer Federation of America (CFA)
Consumer Federation of California (CFC)
Consumer Financial Protection Bureau Task Force (AFR)
Consumer Policy Solutions Roundtable
Consumer Relations Consortium
Consumers for Quality Care
Credit Builders Alliance
Digital Due Process Coalition
Digital Privacy and Security Working Group

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EPIC Privacy Coalition
Fair Arbitration Now (FAN) Coalition
Fan Freedom Project
Federal Housing Finance Agency (FHFA)
Language Access Working Group
Fight for the Future
For-profit College Loans Reform Working
Group
Fraud Alliance
Get Older Adults onLine (GOAL)
Global Alliance for Vehicle Data Access
(GAVDA)
Grand Alliance to Save our Public
Postal Service
High Cost Credit/Payday Loan Coalition
Homeless Coalition
Identity Theft Prevention Coalition
Inland Empire Disabilities Collaborative
Internet Privacy Working Group
Keep Me Posted
LEP Advocate-Industry Working Group
Lifeline Coalition
Los Angeles Scams Working Group
Make It Fair Coalition
Make It Safe Coalition
Mortgage Reform Task Force (AFR)
National CAPACD
National Community Reinvestment
Coalition (NCRC)
National Consumer Protection Week Partners
National Cyber Security Alliance
National Fair Housing Alliance (NFHA)
National Partnership for Women and Families
Consumer Privacy eHealth Working Group
Nonprofit-FinTech Exchange
“No Ripoff Clause” Coalition
Postal Consumer Council
Privacy Group (Center for Digital Democracy)
Privacy Now
Progressive Privacy Coalition
Protect Your Identity Week
Rx Allies (Public Citizen)
Safe Checking Working Group (Pew)
Safe Rental Car Coalition
San Bernardino Faith-Based Network
San Diego Veterans Coalition
San Francisco Smart Money Network
Save Our Air Medical Resources (SOAR)
Save Our Retirement Campaign
Secure Our Savings Coalition
Southeast Asia Resource Action Center
(SEARAC)
Stop the Debt Trap Coalition
Student Lending Reform Coalition
Take On Wall Street Coalition
Transatlantic Consumer Dialogue (TACD)
Univision Consumer Protection Committee
U.S. Vehicle Data Access Coalition
Veterans Financial Coalition
We Need to Know (Center for Democracy
& Technology)

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Statement of Activities

Year ended March 31, 2019

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Grants & contributions	\$ 1,579,232	\$ 333,500	\$ 1,912,732
Net assets released from restriction:			
Satisfaction of donor restrictions	1,817,524	(1,817,524)	-
Special events	195,900	-	195,900
Interest income	83,716	-	83,716
Total support and revenue	<u>3,676,372</u>	<u>(1,484,024)</u>	<u>2,192,348</u>
Expenses			
Program services	2,501,624	-	2,501,624
General & administrative	567,334	-	567,334
Fundraising	245,197	-	254,197
Total expenses	<u>3,314,155</u>	<u>-</u>	<u>3,314,155</u>
CHANGE IN NET ASSETS	<u>362,217</u>	<u>(1,484,024)</u>	<u>(1,121,807)</u>
Net assets, April 1	168,272	5,439,524	5,607,796
Net assets, March 31	<u>\$ 530,489</u>	<u>\$ 3,955,500</u>	<u>\$ 4,485,989</u>

Staff and board of directors

San Francisco

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Executive Director

Michael Heffer
Business Manager

Kathy Li
Director, San Francisco Office

Nani Susanti Hansen
Associate Director, San Francisco Office

Audrey Perrott
Director, Strategic Partnerships

Monica Steinisch
Senior Associate, Editorial

Jamie Woo
Community Outreach Manager

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California Legislative Advocate

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*Administrative Associate, Consumer Advice
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Ricardo Perez
Mail Room Operations

Rose Chan
Consumer Advice Coordinator

Schelly Gartner
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Alden Chan, Robert La
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Michelle Liu
Support

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Nelson Santiago
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Linda Williams
Community Outreach & Training Manager

Washington, D.C.

Linda Sherry
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Ruth Susswein
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Alegra Howard
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Gail Hahn Sanders

In memoriam

Kay Pachtner (1935-2018), *Consumer
Action founder*



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