Spotting Government Assessment Scams

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Consumer protection attorneys in attorney general offices nationwide face an increasing array of scams and deceptive marketing ploys aimed at separating consumers from their money. One such scam tries to trick consumers by mimicking government assessments. An effective way to fight against such scams is to identify their common elements and then educate the public. The Washington Court of Appeals recently issued an opinion—State of Washington v. LA Investors, LLC d/b/a Local Records Office¹—that helps do this by discussing the common elements of a government assessment mimicry scam.

The Local Records Office case concerned a mailer sent to thousands of Washington residents from a private company calling itself “Local Records Office” located in Olympia, Washington, the state capital. The mailer instructed recipients that they should obtain a copy of their home’s deed and a property profile by paying $89. The court found the mailer to be deceptive as a matter of law and upheld a $10 fine for each solicitation mailed, totaling $2,569,980.² The court attributed the mailer’s relative success to its appearance as a bill from the government.³ Although the mailer contained disclaimers, the court found that the disclaimers did not offset the deceptive nature of the mailing because they were essentially designed not to work. The court noted in particular that the placement, font size, and formatting of the disclaimers all but ensured that consumers would not read them or recognize them as disproving the assumptions created by the mailing itself.⁴

Using the following simple checklist of factors gleaned from the Local Records Office opinion may help in the identification of government assessment mimicry scams:

1. **COINCIDES WITH EXPECTED COSTS**

   The solicitation in a government mimicry scam may be timed to coincide with real government costs that are anticipated by the target consumer. The Local Records Office mailer, for instance, was sent to people who had recently purchased a home. While the new homeowners may not have expected this particular bill, people purchasing a home do expect to incur costs—sometimes hidden—associated with that event.

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² Id. at 545.
³ Id at 530.
⁴ Id at 542.
2. FORMATTED LIKE A BILL

The solicitation mailer in a government mimicry scam is usually formatted to look like a bill. It rarely contains colors and almost always uses a return address from the capital city or seat of government, as in Local Records Office. It contains a due date or return date. The cost of the offered product is referred to as a “fee” or an “assessment” rather than as a price or cost. A detachable pay stub—as in Local Records Office—adds to the impression that it is a bill.

3. CONTAINS DETAILS THAT MIMIC GOVERNMENT COMMUNICATIONS

The solicitation mailer in a government mimicry scam may contain extra details to make it look bureaucratic. It may contain statutory citations, including definitions that are not even related to the offer. Bar codes and formatting may be used to fool the eye into reading the mailer as a government form. And the mailer may contain actual information retained by the government, such as the property information appearing on the Local Records Office mailer.

4. DISGUISES DISCLAIMERS

The solicitation mailer in a government mimicry scam may contain disclaimers that are designed not to be read. They may be positioned so they will be easily overlooked and are typed in all capitals, making them harder to read. They may be worded in a deliberately legalistic fashion, playing into the impression that government documents are confusing.

5. REQUESTS OUT OF PROPORTION COSTS

Finally, the solicitation mailer in a government mimicry scam requests payment that is out of proportion to the cost of the service offered. In Local Records Office, the property records for which the scammers asked $89 were available from the government for free or for a very minimal fee. And new homeowners were not required to obtain copies of these records, even though the deceptive solicitation implied otherwise.

CONCLUSION

In 2017, reported “imposter” scams—a category that includes government assessment mimicry scams—cost Americans $328.42 million, topping the categories of fraud scams. Filing consumer protection cases against companies who employ these scams to trick consumers into paying for government documents they don’t need, or paying extra money they don’t owe, can be effective. But consumer protection attorneys should also use consumer education and awareness as front-line tools to prevent people from falling victim to these deceptive offers.

Each month, the Center for Consumer Protection will provide an article written by an assistant attorney general. If you would like to provide an article, please email Blake Bee at bbee@naag.org.

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