



PROTECTING CONSUMERS

The success of a free enterprise system depends on the existence of a level playing field for consumers and businesses, governed by rules and monitored by watchdogs to prevent unfair market practices. Yet, as events from the Great Depression to the Enron collapse have revealed, the field is too often tilted against ordinary citizens, with catastrophic results. The state PIRGs hold corporations to high legal and ethical standards for their behavior in the marketplace. We identify and expose unsafe products and unfair business practices. We seek stronger protections for consumers against corporate abuses of their privacy. And we promote policies and institutions that better equip individual consumers to protect their own interests.



1970s - State PIRGs

Generic Drugs: Consumers can buy prescription drugs without expensive name-brand markup thanks to generic drug laws won by PIRGs in Michigan (1974), Alaska (1975), Massachusetts (1976), New York (1977), and Vermont (1978).

1973 - CoPIRG, NCPiRG

Flammable Sleepwear: CoPIRG, NCPiRG and others release an exposé resulting in strengthening of federal Consumer Product Safety Commission flammability standards for children's sleepwear.

1973 - PIRGIM

False Advertising: A PIRGIM study documents widespread deceptive gas price advertising, leading Michigan's Attorney General to adopt fair advertising guidelines.

1981

New Yorkers organize for better transit service – and win

In 1979, NYPIRG released the first in a series of “report cards” exposing the deteriorating conditions of New York’s subway system, putting the Straphangers Campaign on the map. NYPIRG reached out to angry transit riders by passing out flyers, posting ads in subway cars, building a diverse coalition, and organizing community meetings throughout the state. In 1981, by tapping into this anger and channeling it through effective advocacy, NYPIRG won the first of several five-year multi-billion-dollar programs to rebuild the state’s mass transit infrastructure.

Since its first victory, NYPIRG’s Straphangers Campaign has successfully campaigned for fare discounts, subsidies to keep fares affordable, and transit improvements. In 1997, the campaign helped draw media attention to a \$100 million surplus in the city’s transit budget and called on Gov. George Pataki and the transit authority to lower fares. In November 1997, NYPIRG Senior Attorney Gene Russianoff and Gov. Pataki held a news conference to announce that riders would be offered unlimited-ride transit passes for the first time in city history. The discounts generated an explosion in transit use; today, city subway and bus ridership is at its highest level in 50 years.

▼ In 1985, NYPIRG organized a March for Decent Transit across the Brooklyn Bridge to elevate the issue of transit in the mayoral race.



1982

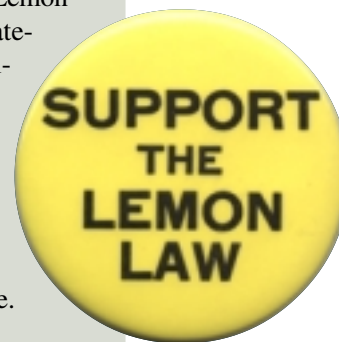
Connecticut passes nation’s first “Lemon Law”

For decades, consumers in Connecticut and elsewhere had little recourse when their new cars turned out to be “lemons.” Existing law made it almost impossible for consumers to get automakers to take back or provide refunds for cars with serious problems requiring repeated repairs.

In 1982, ConnPIRG lobbied for passage of a law that would establish criteria for labeling a car a “lemon,” and allow consumers to hold automakers directly responsible. ConnPIRG staff testified at hearings and reached out to consumers who had filed complaints about their cars with the state. ConnPIRG also staged a media event in which volunteers distrib-

uted “Lemon-Aid” and owners of lemon cars shared their experiences with the press.

The event spurred an outpouring of citizen letters to legislators that led to rapid passage of the nation’s first Lemon Law. Two years later, ConnPIRG won Lemon Law II, which established a state-regulated arbitration program, allowing consumers to avoid costly litigation. Since then, the program has returned \$30 million in refunds and car replacements to consumers. More importantly, the Lemon Law has since been replicated in every state.



1974 – ConnPIRG

Nursing Homes: A ConnPIRG exposé using data from nursing home inspection records leads to legislation that improves conditions for patients in Connecticut facilities.

1977 – CALPIRG

Beef Fraud: CALPIRG study, highlighted by “60 Minutes,” reveals price fixing and fraudulent grading of beef by major grocery chains in San Diego, helping to end the practice.

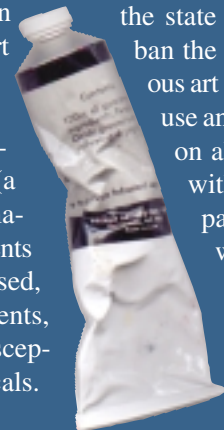
1980 – NYPIRG

Fuel Buyers: NYPIRG launches Fuel Buyers cooperative, saving members money on heating oil. PennPIRG creates a similar program in 1992.

Poison palettes: California bans toxic art supplies from elementary classrooms

In 1984, CALPIRG's Ron Pembleton and other staff discovered that California school districts with more than 1 million students had purchased art supplies with ingredients linked to long-term health problems. Ceramic glazes containing lead, rubber cement containing hexane (a neurological toxicant), and permanent markers containing toxic solvents were among the products being used, often by elementary school students, whose young bodies are most susceptible to the effects of toxic chemicals.

CALPIRG's report on the subject received nationwide media attention – including stories in the *New York Times*



and *USA Today* – and added new momentum to two CALPIRG-supported bills in the state Legislature. The bills would ban the purchase of the most hazardous art supplies for elementary-school use and require precautionary labels on all toxic art supplies. Working with a coalition of educators and parents, CALPIRG was able to win legislative passage of the two measures, which were signed into law by Gov. George Deukmejian in September 1984. Four years later, Congress adopted the U.S. PIRG-supported Art and Craft Materials Labeling Act, which was modeled on the California laws.

1984

Empowering ratepayers: Oregon's Citizens' Utility Board

In the early 1980s, Oregon consumers did not have much of a say in the setting of utility rates – and it showed. A series of questionable rate increases approved by the Oregon Public Utility Commissioner in 1982, for example, cost the average consumer an extra \$300 per year.

The Oregon State Public Interest Research Group proposed the creation of a Citizens' Utility Board (CUB) that would pool voluntary ratepayer contributions to provide professional representation for consumers in the rate-setting process. When the Legislature failed to authorize the program, OSPIRG and its allies – including



groups ranging from the Oregon State Grange to the Gray Panthers – moved to put the CUB proposal on the 1984 ballot. Several shadowy “citizen” organizations ran media ads against the measure, but OSPIRG quickly exposed them as utility industry front groups. “From that point forward, their lies didn't stick,” said Eric Stachon, who directed the CUB campaign.

Despite being outspent 40-to-1 by utility interests, CUB supporters won a 53-to-47 percent victory on election day. Since its creation, CUB has saved Oregon consumers more than \$1 billion through rate reductions, slower rate increases and refunds.



▲ The state PIRGs' federal consumer advocate, Pam Gilbert, helped win passage of a 1988 federal law that banned toxic art supplies from elementary classrooms. The law was modeled on protections won by CALPIRG four years earlier.



▲ OSPIRG Executive Director Tom Novick (top, left, shown with OSPIRG Consumer Advocate Jon Stubenvoll and legislative intern Ann Frenkel) and Utility Program Director Eric Stachon (above) helped lead the CUB campaign.

1984 – CoPIRG

Consumer Representation: CoPIRG helps establish the Colorado Office of Consumer Counsel to represent consumers in disputes with utility companies, saving consumers \$1.76 billion by 2002.

1986 – OSPIRG

Toy Safety: OSPIRG releases the first of several reports, winning eleven recalls of unsafe toys over the next five years and inspiring the state PIRGs' annual “Trouble in Toyland” surveys.

1987 – OSPIRG

Credit Card Solicitation: OSPIRG wins nation's strongest law requiring credit card companies to disclose basic financial information, such as annual percentage rates, in solicitation materials.

Checks on hold: Missouri residents get quicker access to their money

Consumers in the mid-1980s were often forced to wait many days – even weeks – to get access to funds from their deposited checks. Check-clearing delays weren't just an inconvenience for consumers; they were big business for banks. MoPIRG research found that while banks often “held” consumers' checks for two to three weeks, the banks typically got access to the money within three to five days – making interest using the credit “float” in the meantime.

MoPIRG banded together with other consumer advocates and legislative leaders to push for legislation limiting check

holds to six days for out-of-state checks and two days for local checks. With a banking bill already moving through the Legislature in 1986, MoPIRG worked to attach the check-clearing measure as an amendment – forcing bank lobbyists to defeat the entire bill or accept the check-clearing limits.



The tactic worked, as the Legislature passed the banking bill and Gov. John Ashcroft signed it in May 1986. The Missouri law was one of several adopted by states in the 1980s, leading to the passage of U.S. PIRG-supported federal standards, which were adopted in 1987.



▲ *MoPIRG Director Rich McClintock joins Gov. John Ashcroft for the signing of a bill to limit the amount of time banks could withhold funds from deposited checks.*

2001

With health care reform stalled in D.C., N.J. and N.C. patients win new rights

The performance of health maintenance organizations (HMOs) had become a national scandal by the late 1990s. But, unlike doctors, HMOs faced no legal liability for bad decisions.

With a national Patients' Bill of Rights stalled, PIRGs in New Jersey and North Carolina set out to win tough protections for health care consumers. In New Jersey, NJPIRG Citizen Lobby helped draft a patients' rights bill with the nation's toughest provisions, while NCPIRG Staff Attorney Kiki Dunton sat on a special panel convened by North Carolina Gov. Michael Easley to draft similar legislation. The PIRGs then worked with broad co-

alitions of supporters – including organized labor, senior citizen groups and physicians – to promote the legislation. Despite the opposition of health insurers, governors in both states signed PIRG-backed legislation into law in late 2001, giving consumers the power to sue their HMOs under certain circumstances. U.S. PIRG advocates continue to work to ensure that any federal Patients' Bill of Rights is strong and that it allows tough state laws – like those in New Jersey and North Carolina – to remain in effect.

▼ *Acting Gov. Donald DeFrancesco congratulates NJPIRG's Dena Mottola on the organization's role in passing the 2001 New Jersey Patients' Bill of Rights.*



1995 – MASSPIRG

Fair Credit: MASSPIRG wins a law providing consumers annual free access to their credit reports to ensure accuracy. NJPIRG and CoPIRG help win similar state legislation in 2001.

1997 – CALPIRG

Identity Theft: California lawmakers pass a first-in-nation law criminalizing identity theft after CALPIRG's exposés on the problem draw national attention. WashPIRG helps win similar state legislation in 2001.

2000 – NJPIRG

Rent-To-Own: NJPIRG leads a successful fight to stop legislation that would have legalized the practice of charging consumers up to 150 percent interest on leased household goods.