



# Consumer Watch

A Monthly Newsletter from the Connecticut Department of Consumer Protection

William M. Rubenstein, Commissioner

Dannel P. Malloy, Governor

[www.ct.gov/dcp](http://www.ct.gov/dcp)

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## Suggested Links

[www.ct.gov/dcp](http://www.ct.gov/dcp)

*Our website offers the latest and most comprehensive information that we have on dozens of consumer-related topics!*

<https://www.elicense.ct.gov>

*To verify a license, permit or registration, or to run a roster of licensees. Also, the place for online renewal!*

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## How to Navigate the Ticket Market

Online ticket sales can make the process of buying tickets to big name entertainment and sporting events more convenient, but also more complicated. For some fans, the excitement of showing up at a venue to watch a show can quickly turn to disappointment and anger when they discover that the tickets they thought they bought at the box office really came from a ticket broker. And, instead of paying face value for the tickets, they paid six times what the seats were actually worth, and the couple next to them paid much less for their tickets. The ticket market has evolved and has become rather complex. So it's understandable that the buying public is often confused. This article will explain some of the factors at work, and help you to avoid getting scammed while getting tickets at a price you understand.

In 2011-2012, 122 consumers complained to us about ticket sales. We found that nearly all of the complaints involved buying tickets online. Many of the consumers were confused or felt misled about the nature of the transaction. Some thought that the terms and conditions of the sale were unclear. In some cases, the broker did not actually have the tickets at the time of sale and consumers had to wait for their tickets, or did not get them at all. Many people reported that they thought they were buying directly from the venue and paying face value for the tickets. From the website they used, it didn't appear they were buying through a middleman and paying higher than face-value prices.

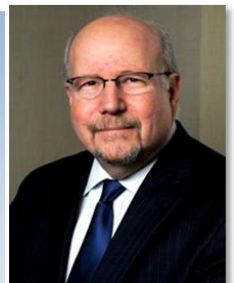
Finally, several complaints concerned fraudsters who created fake websites or posted ticket offers on sites like Craigslist. These scammers took payment and never provided tickets at all.

The most important thing that you can do in order to pay face value for tickets is to plan ahead for the shows you want to see. The most reliable source of face value tickets is the venue's box office. If you can't visit the actual box office, you may be able to buy from the venue's website, but you must be absolutely sure that you are on the venue's actual website. There are many sites that look and sound like a venue's website, but are actually ticket exchange websites. They are exploiting the

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## From Commissioner Rubenstein

One of the overarching goals of our Department is to help consumers to make informed purchase decisions. Never has this been more relevant than now, when, with the push of a button, online buyers can initiate a simple purchase or open themselves up to a financial scam. In this issue we turn our attention to online ticket sales, which have been a point of some confusion for many. We also report on the status of our implementation of Public Act 12-55, the State's new law legalizing the use of marijuana for medical purposes. Finally, we offer a reminder for safe computing, and preview our upcoming educational campaign in recognition of Consumer Protection Week, March 3-9. We hope you find this information useful.



*William M. Rubenstein*

## Department Releases Draft Regulations for Medical Marijuana

Last month, the Department took a further step toward fulfilling its statutory mandate to develop a secure, controlled medical marijuana production and distribution system in Connecticut, by sending out draft regulations for initial review by State leaders and making them available to the public.

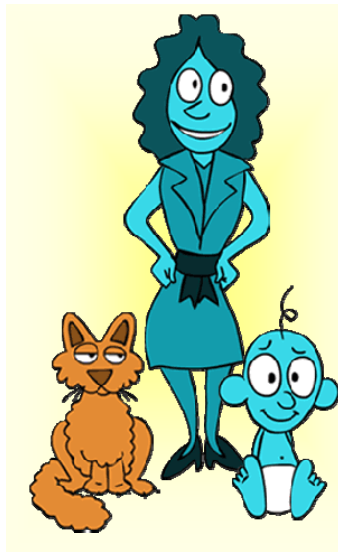
Public Act 12-55, *An Act Concerning the Palliative Use of Marijuana*, was passed by the Connecticut General Assembly and signed into law on May 31st, 2012. The Department was charged with developing the medical marijuana program, including establishing patient, physician, and caregiver eligibility guidelines and registration procedures and, through regulation, establishing a secure, controlled, production and distribution network for medical marijuana in Connecticut.

Posting the draft regulation online at [www.ct.gov/dcp](http://www.ct.gov/dcp) gives interested parties an opportunity to learn what the agency is proposing for the regulation of Connecticut's medical marijuana production and delivery system, and to prepare for the public comment phase of the regulations review process.

A public hearing will be scheduled this spring, where the Department will hear public testimony and accept written comments from any and all stakeholders, interested parties and concerned individuals. The Department will provide at least 30 days' advance public notice of the hearing date, location and time, as well as instructions for providing written comments.

Persons wishing to provide remarks and testimony are required to wait for the open comment period to submit their comments to the Department.

## Consumer Protection Week Will Feature Launch of New Consumer Awareness Website



The Department is joining more than a hundred other state and federal agencies in recognizing **Consumer Protection Week, March 3 - 9**. This year, we are focusing on reaching out to consumers to help them understand that consumer awareness is in their best interest – at every age and every stage of life!

On March 1, we will launch [www.SmartConsumer.ct.gov](http://www.SmartConsumer.ct.gov), a brand new website that will focus on scam prevention and important consumer

topics across all age groups, from children through older adults. A short video clip will help deliver the message in a humorous way and will be aired on Connecticut television stations, on our website, and on our Facebook page at [www.facebook.com/ctdcp](http://www.facebook.com/ctdcp). Please watch for it!



## Malware Alert: Don't Open Email Falsely Claiming to be From FTC

The Federal Trade Commission is warning small businesses that an email with a subject line "NOTIFICATION OF CONSUMER COMPLAINT" is not from the FTC. The fake email tells recipients that a complaint has been filed with the agency against their company. Clicking on a link in this email can download malware, programs that take over the computer and corrupt its files or spy on the user's computer activity.

Scams like this are numerous! Sometimes it's difficult to tell what is real and what is fake. In order to be safer from malware scams:

**Keep your security software updated.** At a minimum, your computer should have anti-virus and anti-spyware software, and a firewall. Set your security software, internet browser, and operating system (like Windows or Mac OS) to update automatically.

**Don't click on any links or open any attachments in emails unless you know who sent it and what it is.** Clicking on links and opening attachments – even in emails that seem to be from friends or family – can install malware on your computer.

**Download and install software only from websites you know and trust.** Downloading free games, file-sharing programs, and customized toolbars may sound appealing, but free software can come with malware.

## *Tickets, continued*

venue's name in order to get more customers. To be on the safe side, call the actual box office for the venue you want to attend, and have someone give you their website address. That's the best way to be sure you are on the right website.

### **Background -- the current market**

For any major entertainment event or concert, there are generally two types of ticket buyers -- people who plan to attend the event, and people who buy tickets to resell. Consumers and ticket resellers often compete with each other for tickets when they go on sale.

When a performer announces a concert, tickets go on sale at face value. This first sale is known as the primary ticket market. The primary ticket market usually sells face value tickets through the venue box office, although sometimes tickets at face value are sold by official fan clubs or concert sponsors before they are available at the box office. Many venues contract with a private company to print, offer and sell tickets to the public at face value. Ticketmaster, Telecharge and Vendini are examples of such companies. Purchasing through the primary market is a way for consumers to assure that they are buying tickets for face value.

Professional ticket brokers and resellers also buy tickets at face value in the primary market, and resell these online in what is known as the "secondary ticket market." The moment that tickets for a popular event go on sale from the venue, professional ticket brokers and resellers employ techniques to get to the head of the line to reserve or buy large blocks of tickets. Obviously, this greatly reduces the number of face-value tickets left for consumers, and more often than not, tickets for popular events are sold through the secondary ticket market at prices much higher than face value.

### **The online ticket search**

These days, many consumers either start their quest for tickets online, or turn to the Internet after they find out that the venue has run out of tickets. A consumer might run an online search that includes the name of the show and the venue. (For example, "Oakdale Theater and "Lord of the Dance.") Often, the first search results will be paid advertisements or "sponsored links." Contrary to what a consumer might think, the tickets offered in these ads are not being sold by the venue itself. These links are nearly always to ticket exchanges or broker sites (the secondary market), and consumers will pay more for these tickets, even when face value tickets were still available from the venue's box office.

This is not to say that the secondary market is all "bad." It provides an efficient way to give consumers choice among a large number of competing sellers. It also offers convenience. Some consumers prefer not to drive to the venue or stand in line for tickets. Others may not be able to go online at the time tickets go on sale. Still others may decide to attend the event well after tickets have been sold out. Once the primary market has sold all available tickets, the secondary market is there, giving consumers another chance to see the event. However, online ticket shoppers need to be aware of the various factors at work when they buy online.

Again, due to the way online searching works, unless the consumer uses the exact website address for the venue's website, he or she usually lands on a "ticket marketplace" or "ticket exchange" website. These exchanges are the middlemen between consumers and professional ticket brokers. StubHub, TicketsNow and TicketNetwork are all ticket exchanges. They are all money-making enterprises and have scores of partners and arrangements to increase their traffic and sales.

### **True or False?**

Because they have newer operating systems, cell phones are resistant to malware.

**True or False?**

For example, some ticket exchanges have arrangements with secondary, independent websites for the sole purpose of steering consumers to the ticket exchange site. Often, consumers aren't aware that they are being re-directed. Many of the secondary sites use actual venue names in their web address, so consumers may think they are on the official box office website and not realize they have been steered to the secondary ticket market. Once they are at the exchange website, consumers may get the tickets they want, but at a higher price.

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## *Tickets, continued*

Ticket exchanges make and spend money on every transaction. They charge fees to consumers over and above the ticket price. They charge fees to ticket brokers for use of the exchange. And, they pay their online partners for driving traffic to their website.

After a consumer pays for tickets through the exchange, the seller is supposed to provide the tickets to the consumer. In some cases, the ticket is sent to the consumer immediately. In others, the tickets may not arrive for several weeks. Occasionally, tickets are not delivered at all. This causes great frustration for the consumer, who must now try to contact the seller. If the consumer tries to plead their case to the venue, they are unsuccessful. They must now track down the reseller through the Internet. It's not always easy to do.

### How Consumers Can Protect Themselves

Consumers should pay close attention to how they buy event tickets, particularly when online.

- Plan ahead and wherever possible, buy your tickets from the venue box office, promoter, official agent or reputable ticket exchange sites. Buying from an auction site or "bulletin board" site is much riskier. You are taking a bigger chance of being defrauded. If buying online, call the venue and ask for its website address so you can be sure you are in the right place.
- Before making your online purchase, ensure that you have effective and updated antivirus/antispymware software and that your computer firewall is operating.
- Pay by credit card if possible, because it offers greater protection than other methods in terms of fraud, guarantees and non-delivery.
- Double check all details of your ticket purchase before confirming payment.
- Don't reply to unsolicited emails from sellers you don't recognize.
- Before entering payment card details on a website, ensure that the link is secure: There should be a padlock symbol in the browser window frame, which appears when you attempt to log in or register. Be sure that the padlock is **not on the web page** itself. This probably indicates a fraudulent site.
- The web address should begin with 'https://'. The "s" stands for "secure".
- Some websites will redirect you to a third-party payment service. If this happens, check that these sites are secure before you make your payment.
- Some sites use extra verification services such as "Verified by Visa." Safeguard and remember the password that you choose, in case you need it later.
- Always check sellers' privacy policy and returns policy.
- If you opt to buy tickets from an individual (e.g., on eBay), never transfer payment directly into the seller's bank account. Use a secure payment site such as PayPal, where money is transferred between two electronic accounts.
- Always log out of sites into which you have logged in or registered details. Simply closing your browser is not enough to ensure privacy.
- Keep all receipts.
- Check your credit card and bank statements after your ticket purchase to ensure that the correct amount was debited, that no fraud has taken place.

### **True or False?** Answer

**The answer is "False."** More than 125 million I-Phones sold in 2012, and Google reported in September that worldwide, 500 million Android phones are now operating. Targets this large are enticing malware authors, and attacks are increasing rapidly.

Apple lovers might claim that the I-Phone's operating system is superior and resistant to malware attacks, but experts warn that the huge I-Phone market now makes it worth-while for malware developers to find ways to get through. One breach already happened last summer, when a mobile Trojan that secretly sent the phone's location and address book to spammers made it into Apple's App Store and Google's Play marketplace.

Today, the most common smartphone malware attacks are fake apps that secretly send expensive messages to premium-rate SMS services. Examples include phony versions of Angry Birds Space, Instagram, and fake Android antivirus products. But attacks are expected to become more malevolent as developers continue to hone their skills.

Be careful about the apps you install on your smartphone. Do some research before you install any app. Search online for professional and user reviews, and make note of the developer and price. Then, if you see a listing that doesn't match up, steer clear.

Avoid unauthorized—or at least unsupervised—app stores, such as GetJar. Finally, whenever an update to your phone's operating system is available, download it.