By Danny Orrock

The 2011 session was another slow-moving, drawn out session that has become typical in recent years. Once again, the state is facing declining revenues, which makes setting a budget a difficult process. Overall, consumer-friendly measures saw little real action, while several potentially harmful measures moved quickly. Here is a wrap-up of some of the consumer issues that Georgia Watch was following in 2011.

EMC Transparency

Rep. Wendell Willard introduced House Bill 316, which would require Electric Membership Corporation (EMC) board meetings to comply with Georgia’s Open Meetings law. It was sent to the House Energy, Utilities, and Telecommunications Committee. Unfortunately, the committee chair, Rep. Don Parsons (R-Marietta), decided that the bill was not important enough to receive consideration. After waiting for two weeks after the bill was introduced, he scheduled a hearing on March 10th before a hand-selected subcommittee, after receiving calls from constituents who are Cobb EMC customers.

The hearing went very well, as people testifying in favor of the bill far outnumbered the three EMC lobbyists supporting the measure. However, Rep. Billy Horne (R-Newnan), the subcommittee chair, declined to take a motion on a vote. No further action was taken on EMC transparency in 2011, but HB 316 will be eligible to move in 2011.

Public Service Commission

HB 216 would have allowed a majority of the five Public Service Commissioners to override the system of a rotating chairmanship with an elected chair. It was introduced by Reps. Roger Williams (R-Dalton) and Don Parsons (R-Marietta), and

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By Ashley Wilson

Last year, Robin Gordon of Marietta received some very unexpected and troubling news from her mortgage company; a tax lien had been placed on her midtown Atlanta rental property without her knowledge. Robin expected to have her mortgage paid in full in the near future, and was alarmed to learn of the encumbrance on her property title, her risk of losing the property and the implications a lien would have on her credit history. Even more confusing was that she had received no notice about an outstanding tax debt from either her bank or the Fulton County Tax Commissioner. To her knowledge, all of the taxes had been paid in full through an escrow account at SunTrust Mortgage Company.

Through some research, Robin discovered that during a tax assessment appeal she filed in 2005, SunTrust paid only 85 percent of her tax bill while the appeal was pending, a common practice among financial institutions. Though Robin was successful in her appeal, she still owed $220, which was not paid through her escrow account. Because Fulton County is one of the few counties in Georgia that sells outstanding tax debts to third parties, Robin’s $220 debt was sold as a tax lien to a private company, Vesta Holdings.

Robin remained unaware of the transfer, and when the debt remained unpaid over several years, the tax lien was sold at a sheriff’s auction to KOR Holdings, a sister company of Vesta. Robin’s bank, SunTrust, eventually “redeemed” or bought back the deed, but at a huge cost to Robin. When Robin finally found out about the tax debt last year, she was told she must pay fees in excess of $8,000 in addition to the balance owed on her mortgage.

After writing letter after letter up the chain of command at both SunTrust and the Fulton County Tax Commissioner’s Office with no luck, Robin turned to Georgia Watch. “I was certainly angry about the whole situation and needed someone to be my advocate,” says Robin. “It was a very unfair situation, particularly because I’m not a consumer who overspent or ignored my tax obligations.”

After calls to SunTrust’s mortgage division yielded no promising results, Georgia Watch contacted the Atlanta Journal-Constitution about Robin’s story. The result was a multi-part series of investigative articles on the issue of tax liens and the allowance of lien sales in several metro-Atlanta counties.

Also at this time, Senate Majority Leader Chip Rogers, (R-Woodstock), sponsored

By Sarah Anne McLaughlin

While email and internet scams generally fall into recognizable forms, they are constantly evolving as scammers attempt to trick you. The best way to protect yourself is to keep up with news of the latest scams so you’re never taken off guard.

See below for some of the most common types of internet fraud and helpful tips to avoid them. Keep in mind, the exact method of each scam will vary greatly.

• Phishing – These unsolicited emails request personal information and may threaten to close various accounts (bank, credit card, email, etc.) if you don’t update your personal information. Never send responses to unsolicited requests for personal information. Remember, legitimate businesses, including all banks, would never request personal information over an unsecure form of communication like email. A more recent variation of phishing is through social networks, such as Facebook. Facebook Connect is a useful tool that allows you to log into many websites automatically through Facebook.

When logging into other sites with your Facebook information, make sure that the window that opens has a Facebook.com address. The window that pops up will not request your log in information if you are currently logged in to Facebook on that device.

• Lottery Scams – Emails claiming you’ve won a huge sum of money may appear real and include personalized details, but don’t be fooled – if something sounds too good to be true, it probably is. One variation of this scam is an email claiming the recipient has been part of a “random drawing” of users of a common software, such as Microsoft Word. Because the scammer uses common computer software to hook people in, the scam is especially effective. Remember, no legitimate business will ask for personal information over email.

• Nigerian Scams – A wealthy foreigner needs your help transferring money. In return, for a small “transfer fee”, they promise to share the riches. This scam comes in many varieties and was even prominent before email. Don’t fall for this one, as many

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GEORGIA WATCH URGING STATE TO ADOPT COST CONTROL PLAN FOR NEW REACTORS

By Jonathan Shapiro

The Public Service Commission (PSC) voted last month that an additional round of hearings with Georgia Power was necessary to hammer out a cost control plan for the construction of two new reactors at Plant Vogtle.

The new round of hearings will continue through the summer and conclude with a final vote by the five commissioners August 2nd.

“This second round of hearings is simply a second chance for Georgia Power to raise new arguments. We hope this new hearing will result in fairness to all parties and a decision that protects ratepayers,” said Georgia Watch Executive Director Angela Speir Phelps, herself a former Public Service Commissioner.

Georgia Watch and PSC Staff have urged commissioners to adopt a risk sharing mechanism (RSM) that encourages Georgia Power to finish the nuclear units on time and under budget.

PSC Staff’s current proposal calls for a slightly lower profit margin for Georgia Power if construction costs rise above $6.4 billion, or $300 million over budget. It also calls for a slightly higher profit margin if construction is completed on time and under budget.

Georgia Watch supports the adoption of Staff’s RSM as a way to better align the financial interests of ratepayers and Georgia Power shareholders.

Georgia Power, however, is strongly against the plan, saying it should be judged on its conduct during the construction process, not the project’s final cost.

“I think if we can find an incentive mechanism that incented us to control things we can control, we’d be much closer to resolving this. But we can’t live with a results-oriented process here,” said Georgia Power attorney Kevin Greene at the PSC’s March 31st Energy Committee meeting.

Historically, nuclear plant construction has proven financially risky. Plant Vogtle’s first two units, which came online in the late 1980s, were originally budgeted at about $1 billion. But regulatory hold-ups caused project costs to soar. The final bill ultimately clocked in at $9 billion.

Georgia Power is now asking ratepayers to bear the entire financial burden of cost overruns at the same level of profit as if the project were coming in at budget. Currently, Georgia Power’s allowed profit margin is 11.15 percent.

“Without a risk sharing mechanism, customers would be unfairly exposed to ballooning costs. Ratepayers should not be solely responsible for cost overruns,” said Georgia Watch Consumer Energy Program Director Clare McGuire.

Georgia Watch is closely monitoring the RSM proposal issue and will be formally intervening at the PSC on behalf of Georgia Power ratepayers.

GEORGIA WATCH JOINS NATIONAL CAMPAIGN TO IMPROVE PATIENT SAFETY

By Ashley Wilson & Jennifer Mbanu

In an effort to improve patient safety and reduce health care-acquired infections (HAIs), Georgia Watch is joining the national Campaign for Better Care through their Healthy Hospital Initiative. This initiative will act in support of the federal Partnership for Patients, a new public-private partnership through the Department of Health and Human Services aimed at improving the quality, safety and affordability of health care for all Americans.

Central to the mission of the Healthy Hospital Initiative is to encourage Atlanta hospitals to sign a Partnership for Patients pledge. Hospitals that sign on will set goals to reduce infections and other forms of harm that too frequently occur during a hospital stay, as well as subsequent avoidable re-admissions. Hospitals will also commit to engage with patients in order to make care safer, improve provider-patient communication, and increase coordinated, patient-centered care.

Several Atlanta hospitals are already on board with these goals, among them, Piedmont Hospital, Atlanta Medical Center, and St. Joseph’s Hospital of Atlanta.

In our role as a partner in these efforts, Georgia Watch will provide information and resources to help health care consumers better understand the issues of patient safety and allow them to more effectively engage with their providers.

“Adverse events at our hospitals can affect anyone. We commend those hospitals that have already signed the Partnership for Patients pledge, and hope more soon join their ranks,” says Holly Lang, Hospital Accountability Project Director. “We are enthusiastic to be a part of this positive partnership between consumers, hospitals and advocates.”

Patient safety has long been a priority for Georgia Watch, as 1.7 million HAIs are reported annually, affect approximately one in every 20 patients, and result in 100,000 deaths. These frightening statistics are particularly devastating to seniors and others who are most vulnerable to breaches in patient safety.

“With billions of dollars in resulting costs accrued from hospital readmission every year, patient safety is essential to ensuring both the physical and fiscal health of Georgians,” says Lang.
By Clare McGuire

Georgia Power’s residential customers may not realize it, but they have a choice when it comes to which rate they pay for their electric service.

By default, residential customers are put on Georgia Power’s “Standard Service” rate plan. The plan has a monthly base charge and a rate that changes based on your monthly usage and the time of the year. According to Georgia Power, this plan works best for customers who are comfortable with fluctuations in their monthly electric bill and less likely to alter their electricity habits in the summer months.

For those interested in alternatives to the “Standard Service” rate, Georgia Power offers a “Nights and Weekends” plan, which encourages “off-peak” electricity use. Since Georgia Power incurs higher costs to generate electricity from Monday to Friday, during the “peak” summer hours of 2:00 pm to 7:00 p.m., the “Nights and Weekends” plan offers lower rates to customers who shift their electricity consumption to off-peak hours. Customers can do this by raising the air conditioning thermostat during peak hours or shifting clothes laundering or dishwashing to nighttime, morning or weekend hours.

Supporting Green Power in Georgia

Currently Georgia Power’s main sources of green energy are solar and landfill gas, which is a type of biomass. Georgia Power’s solar energy is purchased directly from existing customers who have installed solar panels at their residences or businesses. These solar panels produce zero emissions.

Biomass is composed of organic material made from plants and animals, such as crops and wood waste. Georgia Power uses methane gas created by decaying landfill waste as its primary supply of biomass. The landfill gas comes from the landfill gas-to-energy generation facilities at DeKalb County’s Seminole Landfill and Waste Management’s Superior Landfill in Savannah.

For customers interested in joining the growing community of Georgians who take advantage of these renewable energy options, Georgia Power offers two plans:

1. Standard Green Energy Option: $3.50 (plus tax) a month per 100 kWh block.
   This option delivers “Green-e Energy” certified renewable energy that is generated entirely by biomass.

2. Premium Green Energy with Solar Option: $5.00 (plus tax) a month per 100 kWh block.
   This option delivers “Green-e Energy” certified renewable energy that contains a mix of at least 50% solar and 50% biomass energy.

In both options, residential customers sign up to purchase green energy in 100 kWh blocks for a 12 month time period. Each 100 kwh block displaces power that would have otherwise been produced from traditional generating resources, such as coal. Customers can purchase multiple blocks of green energy per month up to the full bill amount. Each block is added as a separate line item to a customer’s monthly Georgia Power bill.

For more information about more efficient rate plans and green energy options, call Georgia Power or go to www.georgiapower.com.

FACT BOX

Conservation Tips for Warm Summer Weather

Higher Georgia Power base rates took effect in January 2011, causing an average customer’s bill to increase by almost $11 per month. Georgia Power customers also started paying the Nuclear Construction Cost Recovery charge in January 2011 - almost $4.00 per month for the average customer.

Since many customers have already seen their bills increase by almost $15 per month or more, take control of your electricity usage in the upcoming summer months by adopting these good habits:

- Set your thermostat to the warmest temperature you can tolerate (78 degrees, if possible).
- Clean or replace air filters on a regular schedule, as energy is lost when air conditioners have to work harder to draw air through dirty filters.
- Use ceiling fans or portable fans to cool whichever room you spend a lot of time in.
- Turn off window air conditioners when you will be away for several hours.
- Weatherize your home or apartment, using caulk and weather stripping to seal air leaks around doors and windows.
- Use heat-producing appliances like the oven, the dishwasher and the clothes dryer at night, since temperatures can drop drastically after sundown. Take advantage of the cooler evening temperatures.
- Replace incandescent bulbs with LED or compact fluorescent bulbs.
- If you’re not using an appliance, unplug it, if it’s not too much of an inconvenience.

Remember: The less demand there is for electricity, the less justification there is for utilities to build expensive power plants. By taking steps to reduce your usage, you will not only save money, but you will also contribute to reducing our state’s future energy needs.
Public Service Commissioners Bubba McDonald (R-District 1) and Doug Everett (R-District 4) openly lobbied for the measure. Georgia Watch expressed concern about this bill because it would allow three of the five members of the PSC to effectively set the agenda, by shutting individual members out of the chairmanship, thereby further politicizing a regulatory panel that ideally should be apolitical.

The bill was assigned to Rep. Parsons’ committee and started moving in mid-February. It barely passed out of a subcommittee on a 5-4 vote, and passed the full Energy, Utilities, and Telecommunications Committee a few days later. On March 8th, it came to the floor of the House. Georgia Watch was the only organization lobbying on the legislation. Reps. Carl Rogers (R-Gainesville) and Karla Drenner (R-Avondale Estates) made speeches opposing the bill and a coalition of Democrats and mostly back bench Republicans delivered a crushing defeat to HB 216. The final vote was 60-103, 31 “yes” votes short of the required majority.

A similar piece of legislation, which also was being pushed by some members of the PSC, died in the Senate in 2009.

Ethics

Georgia Watch was invited to join the Georgia Alliance for Ethics Reform, along with Common Cause, the League of Women Voters, and the Tea Party Patriots. The Alliance put together a number of planks in a platform to promote more transparency and accountability for politicians and lobbyists. The Alliance held a press conference the morning of Wednesday, February 16th, to announce their priorities.

The Alliance worked with Senator Josh McKoon (R-Columbus) on a comprehensive omnibus bill, but he ultimately decided against signing the legislation because of a warning from Senate leadership that it would not go anywhere. However, Sen. McKoon did get a concession: he will chair a special subcommittee of the Senate Ethics Committee that will examine the state of ethics laws in Georgia and how to improve transparency and accountability.

Meanwhile, Sen. Steve Henson (D-Tucker) filed HB 248, which was co-sponsored by a number of Democrats. It would limit transfers between campaign accounts, cap gifts to elected officials, and extend the revolving door policy to two years. Unfortunately, this bill did not even receive a hearing. We look forward to substantive action from the legislature on this topic.

Utility Campaign Contributions

Georgia Watch was joined by the Ethics Alliance in opposing Senate Bill 160, which was sponsored by Sen. Don Balfour (R-Snellville). This legislation would overturn a decades-old restriction in Georgia law that keeps monopoly utilities from making direct political contributions or setting up Political Action Committees (PACs) for their employees and contractors to donate to. If this law were to pass, utilities could write checks to legislators and some statewide elected officials.

The point of Georgia’s current restriction on campaign contributions by monopolies is that utilities such as Georgia Power, Atlanta Gas Light, and EMCs are very powerful institutions. These entities have no competition for customers, and can take away land through the power of eminent domain. These unique powers are granted to utilities by the state, and the elected officials who can expand or restrict those powers should be insulated from the utilities that benefit from them.

Supported by a broad coalition of utilities, SB 160 passed out of the Senate Ethics Committee unanimously, and received yes votes from most Republicans and Democrats on the Senate floor.

When it got to the House, the bill was amended in committee to include a provision that closed the lobbyist loophole allowing undisclosed gifts to staff employees of public officials. Georgia Watch and Georgia Alliance for Ethics Reform supported the amendment, but pushed legislators to attach the loophole fix to a less objectionable bill. Despite widespread opposition by ethics watchdogs, the House passed the amended SB 160 by a vote of 162-8. The bill now awaits the Governor’s signature.

Health Insurance

In an attempt to evade consumer protections on health insurance, HB 47 was introduced by Rep. Matt Ramsey (R-Peachtree City) to allow individual plans from out of state to be sold in Georgia. These plans would not have to comply with Georgia requirements on minimum coverages for certain screenings and procedures. For example, a policy could be sold from a state which does not require screenings for certain types of cancer. Someone who needs such a screening would have to pay for it out of pocket, and would be much less likely to get checked for cancer, potentially leading to an untreated, life-threatening illness and higher costs down the road.

Georgia Watch opposed this legislation and met with the bill sponsor to express our concern. Allowing out-of-state plans to be sold to individuals in Georgia effectively substitutes the consumer protections (or lack thereof) of another state for those our legislature has enacted. HB 47 moved out of the House with opposition only from Democrats. On April 12, the Senate subsequently passed the bill. HB 47 now needs only the Governor’s signature to become law.

Throughout session, Georgia Watch supported an alternative approach to HB 47. Senate Bill 17 sets up a commission to look at required health insurance coverage on a case-by-case basis and make recommendations on whether each item or proposed item would be beneficial to Georgia consumers. This approach would have allowed for a cost-benefit analysis of each different requirement instead of throwing them all out at once. It passed both the Senate and House easily and is awaiting signature from the Governor.
By Ashley Wilson

The past few months have created a whirlwind of outreach opportunities for Georgia Watch. We have led consumer workshops on issues ranging from identity theft to affordable hospital care in communities from Stone Mountain to Albany. We spread the word about Georgia’s leading consumer organization to a diverse variety of Georgians including Rotarians and Optimists, college students, NPU members, seniors, community organizations and members of impactful city ministries across the state. We were particularly honored to be invited in March to distribute important consumer information to servicemen and women on a wide spectrum of issues alongside the great staff of Army Community Service at Ft. Gordon.

The first of our spring/summer outdoor events kicked off in April with Roswell Day of Hope.

Dozens of service and faith-based organizations as well as prominent community leaders participated in the event, offering community services, free groceries, health and dental screenings and a job fair to hundreds of people in need. Several of the Georgia Watch staff were on hand to help people with their healthcare and utility issues and distribute information about our organization and explain how we advocate tirelessly for all Georgians.

In the coming months we plan to participate in the Athens Human Rights Festival in May and are in the planning stages of a number of summer events with community partners. If you are interested in having us lead a consumer workshop at your civic, faith or service club or other organization, please let us know at georgiawatch@georgiawatch.org. Also, remember to keep tabs on our whereabouts by following us on Facebook and Twitter. We look forward to being in your community in the near future!

INTERNET FRAUD from page 2...

still do. In 2010 alone, the Federal Trade Commission received 43,866 complaints of money lost to foreign money transfers.

• Typosquatting – This is a type of internet fraud where a domain name similar to the real domain name is registered. The name difference could be as slight as ".com" instead of ".org" or any misspelled variation of the web address. The imposter website may install computer viruses or invite you to enter personal information. Protect yourself by checking the website name after typing it, bookmarking commonly visited sites, and doing a search on sites like Google or Yahoo rather than guessing the domain name.

• Imposter Scams – The scammer will contact you, impersonating a close friend or relative in distress, and ask to be wired money. Scammers have more recently begun to hack Facebook accounts and send instant messages requesting money over the social networking site. As a general rule, if you receive financial requests over the internet, no matter who from, confirm the request in person or by phone.

• Charity Scams – Scammers pose as nonprofit organizations and attempt to solicit donations online and by phone. To avoid these scams, only give money to established organizations, and only when you initiate contact. If donating online, go to the organization’s official web page (make sure to confirm the web address!) and find its donation section.

• Internet Ticket Fraud – Be cautious when buying tickets online for events such as concerts and movies. Scammers set up sites that mirror official sites. When purchasing tickets from unofficial providers, you may receive counterfeit tickets or nothing at all. Worse, by providing your financial information, you are risking identity theft. Avoid buying tickets online unless you are using established websites such as Ticketmaster and Fandango.

The internet is a great tool for any number of activities. Just make sure to stay vigilant with your personal information. If you or a loved one has been a victim of any sort of fraud, report it to the Federal Trade Commission at www.ftccomplaintassistant.gov.

TAX LIEN from page 2...

legislation requiring tax commissioners to wait a full year before selling debts to third parties. The bill also prohibits the sale of tax debt while an appeal is underway.

Though the legislation didn’t make it through both General Assembly chambers before the end of Georgia’s forty-day legislative session, we are hopeful that it will be passed into law next year.

Unlike many property owners in similar situations, Robin Gordon’s story ended happily. After filing a lawsuit against the mortgage company for failing to pay the tax debt through her escrow account, Suntrust offered to settle with Robin and credited back the entire penalty to her escrow account.

Robin recently became a member of Georgia Watch and reached out to thank us for our role in helping resolve the dispute with her mortgage lender.

“I reached out to every politician who was supposed to represent me and only Georgia Watch acknowledged my situation and responded with care and action,” says Robin. “It’s a relief to know that Georgia Watch is out there advocating for ‘the little guy’.”
by Senate Bill 31 which passed in 2009, the legislature can impact the rates utilities charge their customers. Senate Bill 31, also sponsored by Senator Don Balfour, was crafted to allow Georgia Power to collect a billion dollars in advance profit on the construction of two new nuclear units at Plant Vogtle, even though the units will not generate power for several more years. The bill was written to exempt large customers from paying this fee, leaving small businesses and residential customers to bear the monthly burden.

Utility customers do not have a choice of service providers and legally must pay the rate they are charged for basic necessities. Utilities do not operate in a competitive marketplace. Their only oversight comes from elected officials. For these reasons, it is not a good idea to enact Senate Bill 160. Powerful monopolies overseen by elected officials should not be allowed to bankroll campaigns. It's a bad idea and a conflict of interest, which is why Georgia Public Service Commissioners are still prohibited from accepting campaign contributions from the entities they regulate.

Georgia Watch and the Georgia Alliance for Ethics Reform supported the amendment to Senate Bill 160 to close the lobbyist loophole, but the lobbyist loophole fix could have been attached to any number of bills that were better suited to the issue. Senate Bill 160 will allow entities that are already very influential over state policy even greater influence. It strongly tilts the scale in favor of the powerful special interests over the voice of the little guy-Georgians who are already struggling to keep their business afloat or a roof over their head. We the people may not have the deep pockets or hired lobbyists with the political clout the utilities have, but we do have a voice at the voting booth. This bill passed out of the Senate Ethics Committee unanimously, and received yes votes from most of the Republicans and Democrats on the Senate floor. Many who voted for this bill campaigned on a platform of campaign finance reform and accountability. It is our responsibility, as part of our great democracy, to hold those elected to serve us accountable.

The 2011 legislative session drove home the need for consumer advocacy at the capitol. Special interests are firmly entrenched in our state and we need your help now more than ever to stand up for Georgians. Georgia Watch is working hard to protect consumers, promote transparency, and empower citizens. Please help us by sharing information about Georgia Watch with your family, friends, and neighbors and please contribute today to help us continue fighting the good fight on your behalf. Please support our work through your tax deductible contribution today. We need your help, and appreciate your support. Thank you.

For the very latest consumer news, check out Georgia Watch on Facebook and Twitter

www.facebook.com/georgiawatch www.twitter.com/georgiawatch
In 2010, Georgia Watch reached thousands of Georgians statewide through consumer workshops and outreach. We will continue to get out into the community to help consumers and provide education about important issues.

You can book Georgia Watch for a speaking engagement or consumer workshop by calling (866) 33-WATCH!