



# NCAC NEWS

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\* For further details regarding each topic introduced below, refer to the following URL which contains the actual text of the reports released (PDF files) (Japanese only): <http://www.kokusen.go.jp/news/news.html>

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\* Major abbreviated names: ADR: Alternative Dispute Resolution  
NCAC: National Consumer Affairs Center of Japan  
PIO-NET: Practical Living Information Online Network System

## **I. Consumer Affairs Climate: PIO-NET 2010 Consumer Inquiries**

### **1. Overview of consumer inquiries**

The following is an overview of consumer inquiries received at local consumer centers nationwide and registered with PIO-NET in 2010 (registered with PIO-NET as of May 31, 2011).

#### **(1) About 900,000 inquiries received**

The total number of consumer inquiries received at local consumer centers nationwide and registered with PIO-NET in 2010 was 887,972. (Graph 1)

#### **(2) Contracts increasing among elderly**

By age, persons in their 30s account for 16.8% of contracts, persons in their 40s for 16.1%, and persons 70 or older for 15.4%. In recent years, persons 70 or older have accounted for a growing percentage of contracts.

As society has aged, inquiries from older persons have been growing.

### (3) Inquiries by Products and Services

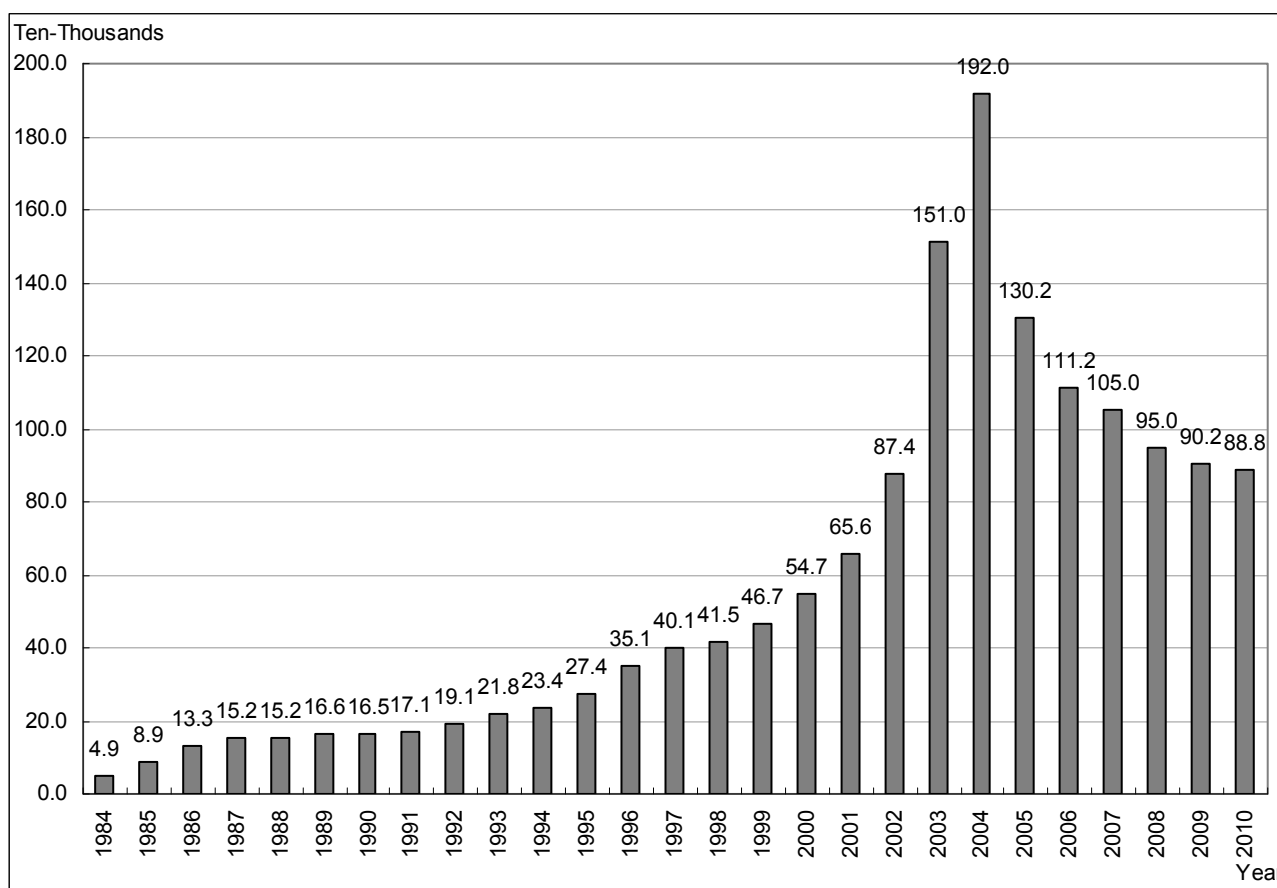
Internet frauds related to adult information sites have grown to 85,190 cases, an increase of 30,000 cases over the previous year. The majority of such inquiries report that consumers were unaware the site charged money and were automatically registered and billed for merely browsing.

There was also an increase in inquiries related to bonds, funds, stocks and other financial products, as well as those related to digital terrestrial broadcasting.

### (4) Increased financial injuries related to financial products

While the total number of inquiries is on the decline, the total amount paid out by the persons making inquiries reached 242.9 billion yen, a 20% increase over 2009 and the highest amount on record. Presumably, this reflects an increase in the number of inquiries concerning to high price financial products.

<Graph 1> Annual change in consumer inquiries



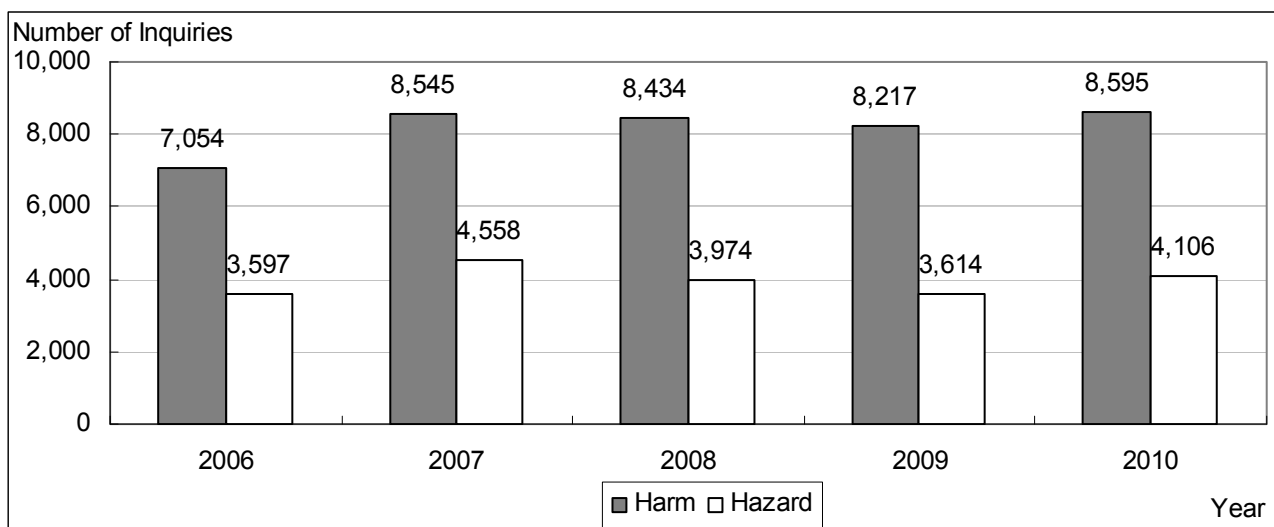
## 2. Overview of Information on Harm and Hazards

Information collected from local consumer centers in 2010 for actual harm (incidents of physical injury or death) and potential hazards (incidents that did not result in death or injury, but potentially could have) totaled 12,701 cases, a 7.4% increase over the previous year. (Graph 2)

Of these, there was a total of 8,595 cases of actual harm, many involving medical services, cosmetics, or beautician services. There were 4,106 cases of potential hazards, many involving four-wheel automobiles,

microwave ovens, and televisions.

<Graph 2> Annual change in actual harm and potential hazards



## II. National Consumer Affairs Center of Japan (NCAC) Activities

### 1. Agura Bokujo - related Problems (News Bulletin)

#### Overview of Inquiries

Both the NCAC and local consumer centers nationwide have received numerous inquiries regarding money invested in *Agura Bokujo* K.K., which petitioned the Tokyo District Court on August 9, 2011 to begin civil rehabilitation proceedings. A total of 926 inquiries have been received regarding *Agura Bokujo* since 2006. There has been an especially sharp rise in the number of inquiries (734 total) received since the start of August 2011 (inquiries registered as of August 17, 2011). (Graph 3)

#### Example Cases of Inquiries & Complaints

**Case 1:** I have a *wagyu* (Japanese cow) investment contract with an operator whose business has reportedly deteriorated. I have tried calling their contact number but no one is answering. What should I do?

**Case 2:** I have a *wagyu* investment contract. I've received notice that the operator's business performance is poor, so I'm considering canceling the contract. What should I do?

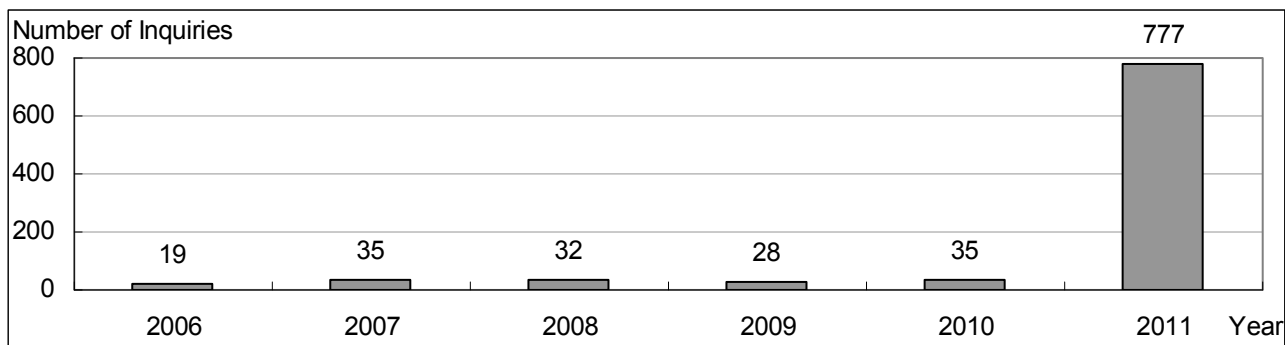
**Case 3:** I have had a *wagyu* owner investment contract for several years and completed an additional contract in late July. I have heard information that the operator's business is sinking and I am wondering what I should do.

#### Advice for consumers

The NCAC will continue to provide consumers with information. At the same time, we also advise consumers to continue gathering information on defense counsel team for these problems.

Recently, local consumer centers have been receiving inquiries from consumers with *Agura Bokujo* contracts who report being contacted about recovering damages by purchasing other financial products. Consumers should exercise caution.

**<Graph 3> Agura Bokujo - related Inquiries**



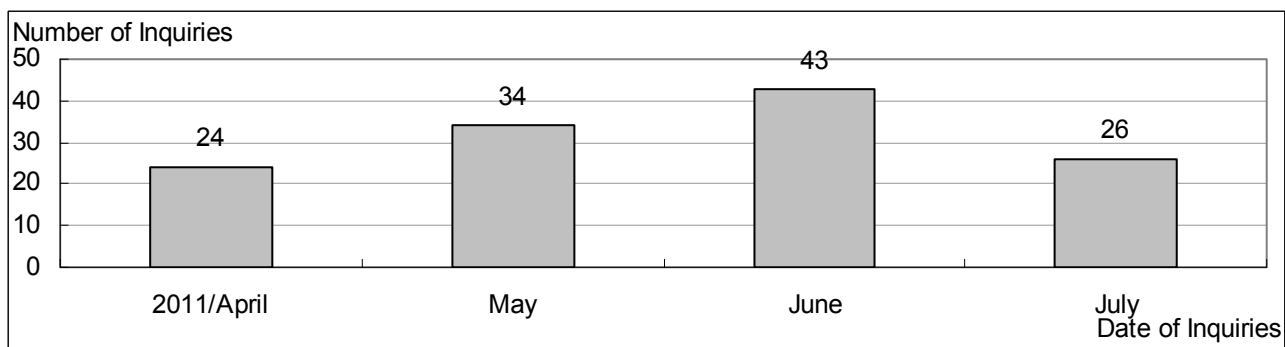
**2. New “Get-Rich-Quick” Schemes**

**Overview of Inquiries**

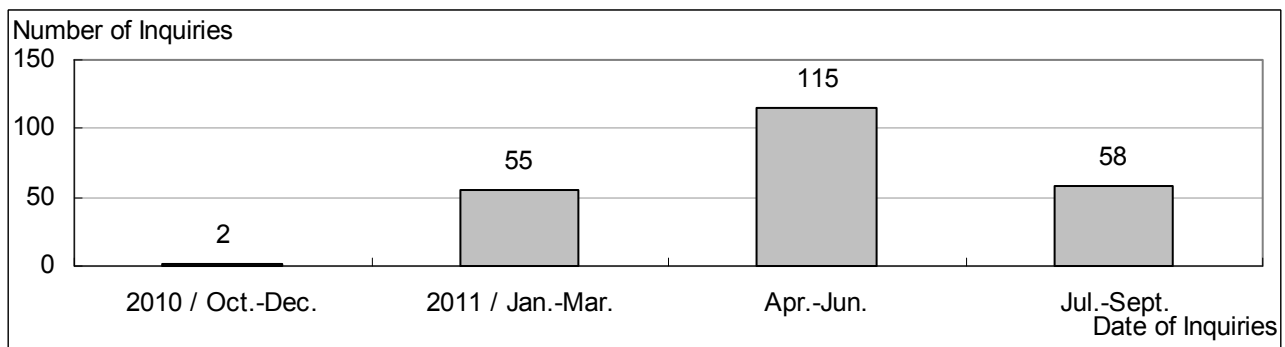
There has been a growing number of problems related to “Get-Rich-Quick” schemes, such as those involving “medical institution bonds” (i.e. financial lending in which hospitals or other incorporated medical entities are borrowers and consumers are lenders) and “CO2 emissions permits trading” (CFD trading on the market price of “CO2 emissions permits” traded on European markets).

There has been a noticeable number of cases in which elderly consumers 70 or older (especially women) have received sales calls or visits at home and have entered into contracts without receiving any explanation of the risks involved, only to lose large sums of money.

**<Graph 4> Medical Institution Bonds-related Inquiries**



**<Graph 5> CO2 Emissions Trading-related Inquiries**



### **Example Cases of Inquiries & Complaints**

**Medical Institution Bonds:** Out of the blue, I received a phone call asking if I was interested in medical institution and would want to buy bonds with 4% annual interest. It didn't feel right, so I said no. Later on, I got another phone call, this time saying he was in the neighborhood and would like me to hear what he had to say. He told me he was already in front of my house and had come despite the hot weather, so I opened the door. With sweat dripping from his face, the man explained that these were "secure five-year bonds, like national government bonds, that would not lose principal." If I were to buy two lots at 1,000,000 yen, I would receive 10,000 yen every three months. When I refused, saying that such a high interest rate just wasn't believable, the man pressured me with his ID card, saying if I still didn't believe him. Because he wouldn't take no for answer, I paid him 10,000 yen in earnest money and agreed to pay the remainder of the purchase price later. When I visited my financial institution to ready the money, I was told I should contact my local consumer center because it didn't sound right. (Inquiry from a woman in her 50s)

**CO2 Emissions Permits Trading:** Out of the blue, I received a phone call about a "good financial product that was going up in value," after which I received a sales visit at home regarding CO2 emissions trading. At the time, I was told I couldn't lose any principal and my money would double quickly. He had materials that he showed me and I ended up believing him. I paid 2,000,000 yen in cash over three payments, shortly after which I was told the value had fallen and additional margin was required. That was when I learned that the entire amount I paid had been lost. I had no experience with investing and I never imagined something like this would happen. No one gave me an oral explanation of the structure or risk. (Inquiry from a woman in her 60s)

### **Advice for consumers**

- (1) Don't enter into a contract if you do not understand the trading structure or content of the contract.
- (2) Simply refuse unnecessary offers by telling them clearly you have no interest in the deal. No matter how forceful and pushy a solicitation.
- (3) Contact your local consumer center as soon as possible if you feel even a little bit strange about an offer you receive.

## **3. Study on Fashion Accessories Used by Children**

### **Product Testing Background**

Following a January 2010 report that cadmium had been discovered in Chinese-made fashion accessories sold in the U.S. for children, the NCAC conducted a study at the request of the Consumer Affairs Agency on cadmium and lead in imported metallic accessories that might be worn by children. Results of the study were published in March 2010. The study found that migration of lead in some products exceeded specified levels. As a result, the Consumer Affairs Agency warned consumers and demanded that trade associations take action to reduce lead in metallic accessories.

One year after the original study, the NCAC has conducted another study at the request of the Consumer Affairs Agency on cadmium and lead in metallic accessories available in Japan for use by children to follow-up on initiatives taken by businesses to ensure product safety.

### **Brands Subjected to Testing**

The study looked at 243 brands of metallic fashion accessory that might be worn by children. Tested brands met the following criteria:

- \*Sold at sundries stores, 100-yen shops, baby stores, children's clothing stores and the like;
- \*their labeled country of manufacture was outside Japan;

\*they were small enough to be swallowed by infants and toddlers;  
\*and, based on its name and design, the product was directed at children.

## **Test Results**

### **(1) Cadmium Migration**

According to the International Organization for Standardization's toy standards (ISO 8124-3), the maximum acceptable level for migration of cadmium in toys using metallic materials is 75mg/kg (=µg/g). The screening test, which was performed on one specimen for each brand, revealed that migration of cadmium exceeded 75mg/kg in none of the 243 brands.

### **(2) Migration of Lead**

Testing methods and standards for the migration of lead in "metallic toy accessories" were set forth in 2008 in the Food Sanitation Act. Following screening tests based on the above, tests were performed using Food Sanitation Act methods on two specimens from each brand that exceeded the specified level (90µg/g).

Results showed that migration of lead in 10 of the 243 brands exceeded 90µg/g. The 10 brands included seven brands of necklaces, two brands of earrings, and one brand of badges. None of brands, however, that were purchased through stores specializing in items for children, such as baby items and children's clothing, showed excessive levels of lead migration.

### **(3) Warning Labels Against Accidental Swallowing**

Of the 243 brands, 74 (30.5%) carried warning labels against accidental swallowing (e.g. "Never put this item in your mouth as there is a risk of choking").

Of the 10 brands with lead migration in excess of 90 µg/g, one brand contained a warning label in Japanese ("Beware accidental swallowing by your child") and another brand contained a warning label in English ("!WARNING CHOKING HAZARD : Small Parts.Not for children under 3 years").

### **The 10 brands with lead migration in excess of 90µg/g**



## **4. Performance of Relatively Inexpensive Radiation Meters**

### **Product Testing Background**

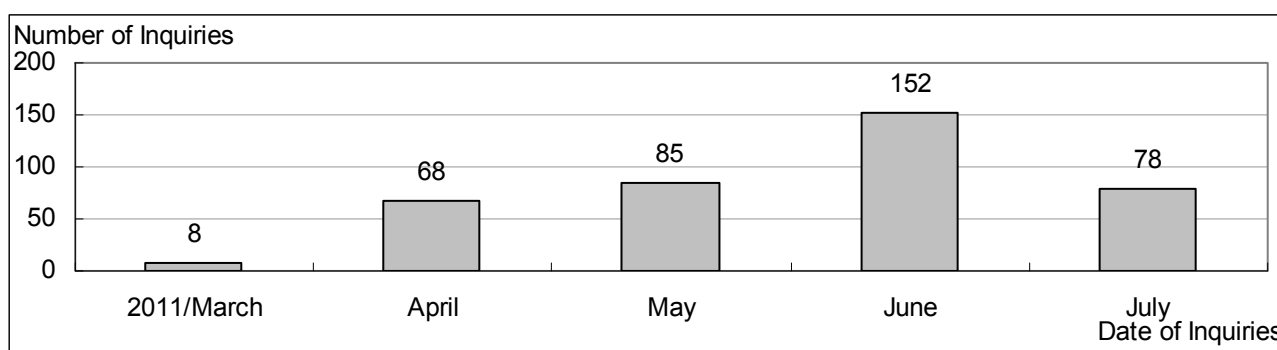
As a result of the March 2011 accident at the Tepco Fukushima Daiichi Nuclear Power Plant, which released radioactive material from its reactor and spread pollution into the environment, crops, livestock, and water,

there has been heightened interest in and demand for radiation measurement and radiation meters.

Between the disaster on March 11, 2011 and the end of July 2011, the number of inquiries on PIO-NET related to radiation meters totaled 391, marking a sharp increase. Of these, 122 were inquiries related to the quality and performance of radiation meters. (Graph 6)

With the passing of several months since the disaster, radioactive iodine, which has a short half-life, has largely decayed. However, radioactive cesium has a long half-life of 30 years and remains present in the environment. Therefore, NCAC decided to test and provide information about whether relatively inexpensive radiation meters can accurately measure radioactive cesium

#### <Graph 6> Radiation Meter-related Inquiries



#### Example Cases of Inquiries & Complaints

**Case 1:** I'd like to buy a Geiger counter, but I wonder what kind of performance I can expect from products being sold through the online shopping site. (Inquiry from a man in his 70s)

**Case 2:** I searched for a radiation meter on the internet and bought one. The product arrived but the device doesn't display the measurement. I want to return it. (Inquiry from a man in his 30s)

**Case 3:** I ordered a radiation meter through the online shopping site and it arrived two days ago. No matter what I measure, it only shows either 0.06 or 0.13. I want to return it. (Inquiry from a woman in her 60s)

**Case 4:** I purchased a radiation meter over the internet shop, but it doesn't display the measurement values. I have been unable to reach the seller. (Inquiry from a woman in her 40s)

#### Test Results

We tested nine readily available brands of radiation meters that could be used to measure radiation repeatedly. The brands were "top-selling" or "recommended" at major online stores and priced between 10,000-100,000 yen. The following are the main results of our testing:

##### (1) Measurement of natural background radiation

The nine brands were unable to accurately measure below normal environmental levels of natural background radiation

##### (2) Measurement of gamma radiation emitted by cesium-137

Measurements were inaccurate. While the nine brands showed a correlation between exposure rates and measured values, overall the net values were low and there were considerable variation and margin of errors.

##### (3) Labeling

While advertising on sellers' websites gave the impression that the devices could be used to check pollution, many devices were intended for use by radiation-related professionals, according to their operating instructions.

While internet shopping site advertised the devices could accurately measure radiation, four brands show rate

beyond margin for error.

#### **(4) PSE Marks**

Two brands did not contain PSE mark on their chargers, and the blades on their plugs are without holes. So they are potentially in violation of the “Electrical Appliances and Materials Safety Act”.

#### **Advice for consumers**

(1) These recently tested radiation meters are unable to measure whether food and drinking water are at or below conventional standards. Therefore consumer use them should not used for such purposes.

(2) When measuring environmental radiation, consult published data. Do not conclude the value indicated on the meter is reliable.