



# NETWORK NEWS

NETWORK NEWS IS A PUBLICATION OF CONSUMER SENTINEL, LAW ENFORCEMENT'S SOURCE FOR CONSUMER COMPLAINTS

## UPGRADES TO SENTINEL

Greater accessibility: Now you can search Sentinel using Firefox, Google Chrome, Opera, Safari, and Internet Explorer.

New complaint contributors:

- ✦ Canadian Competition Bureau
- ✦ Consumer Financial Protection Bureau
- ✦ Idaho Attorney General
- ✦ Michigan Attorney General
- ✦ Mississippi Attorney General
- ✦ North Carolina Department of Justice
- ✦ Ohio Attorney General
- ✦ Oregon Attorney General
- ✦ Tennessee Division of Consumer Affairs
- ✦ Washington Attorney General
- ✦ Minnesota Department of Public Safety ■■■

## MASS JOINDER

At the FTC's request, a U.S. district court stopped an operation that took in more than \$1 million by allegedly selling bogus mortgage relief and foreclosure rescue products to homeowners. The FTC brought charges against Sameer Lakhany and five companies he controlled in a scam that tricked homeowners into thinking they would benefit from joining so-called "mass joinder" lawsuits against their lenders. Lakhany's firms charged homeowners \$6,000 to \$10,000 each, and falsely promised the suit could help stop their foreclosures, reduce their loan balances or interest rates, or get them title to their homes, free and clear of their existing mortgages.

The court's order froze the operation's assets and appointed a permanent receiver. This is the FTC's first case against alleged scammers who pitch these kinds of lawsuits. **Read more.**

Information for homeowners faced with possible foreclosure: [\*Mass Joinder Lawsuits: A New Twist on Foreclosure Rescue Scams.\*](#) ■■■

### STAT-o-SPHERE

For the 12th year in a row, identity theft complaints topped the list of consumer complaints received by Sentinel. Fifteen percent of the more than **1.8** million complaints filed in 2011 were identity theft complaints. Nearly one-quarter of the identity theft complaints related to tax- or wage-related fraud. *Consumer Sentinel DataBook 2012* (January - December 2011) ■■■

## AUTO PAYOFFS

Five car dealers have settled FTC charges that they tricked car buyers into thinking they wouldn't have to pay off the loans on their trade-ins. According to the FTC, Billion Auto, Inc., Frank Myers AutoMaxx, LLC, Key Hyundai of Manchester, LLC, Hyundai of Milford LLC, and Ramey Motors, Inc., told buyers they wouldn't have to pay the loan balances owed on their trade-ins, even if the balance exceeded the trade-in's value, meaning the trade-in had negative equity. Instead, the dealers added the negative equity amount to buyers' new vehicle loans. The cases are the first of their kind brought by the FTC. **Read more.**

Learn more: [\*Negative Equity and Auto Trade-Ins.\*](#) ■■■

## FAKE DEBT COLLECTOR

At the FTC's request, a U.S. district court stopped an operation that allegedly collected phantom payday loan "debts" that people did not owe. According to the FTC, American Credit Crunchers, LLC, Ebeeze, LLC, and their owner, Varang K. Thaker, made millions of collection calls from India and took in more than \$5 million. Callers working with the defendants often pretended to be law enforcement or government authorities, and falsely threatened to immediately arrest and jail people who did not agree to make payment on a delinquent payday loan. However, call recipients didn't owe money to the defendants. The court stopped the illegal conduct and froze the operation's assets while the

case proceeds. **Read more.**

Learn more: ***Who's Calling? That Debt Collector Could Be a Fake.***

Consumers have filed more than **4,000** complaints with the FTC and states about fraudulent debt collection in the last two years. The Attorneys General of Kentucky and West Virginia, the Colorado Department of Law, the Idaho Department of Finance, Wisconsin Department of Financial Institutions, and County of Santa Clara, California – Office of the District Attorney assisted in the American Credit Crunchers case. ■■■

## BURN LOUNGE

At the FTC's request, a U.S. district court judge ordered the operators and top promoters of a deceptive pyramid scheme to pay \$17 million in refunds to people harmed by the scam and to stop masquerading as a legitimate multi-level marketing program. According to the FTC, BurnLounge lured more than 56,000 people with misleading claims about earnings and touted itself as a cutting-edge way to sell digital music through multi-level marketing. In fact, music sales accounted for only a small percentage of its revenue. While participants were compensated for music and album sales, most payment came from recruiting others into the plan. **Read more.** ■■■

## COMMUNITY OUTREACH

New publications from the FTC explain how to protect personal information and the immediate steps to take to limit damage from identity theft:

- ♦ **Taking Charge: What To Do If Your Identity Is Stolen** is a handbook with tips about protecting your information, plus instructions, sample forms, and letters to help recover from theft.
- ♦ **Safeguarding Your Child's Future** is a guide to help parents and guardians protect a child's information and repair damage caused by theft.
- ♦ **Identity Theft: What To Know, What To Do** is an easy-to-copy brochure covering the basics: how to avoid and respond to identity theft.

In addition, three one-minute **videos** demonstrate habits to protect personal information and the essential first steps to take if your identity is stolen.

Read or **download** the information, or order copies at <http://bulkorder.ftc.gov>. Share copies in your programs, link to the information, and add the content to your website, social network, or newsletter. ■■■

## WHAT DO YOU THINK?

The Sentinel team wants to hear from you. Is Sentinel working for you and your colleagues? What features help you the most? What features would you like to add? Would you like to participate in the next online training session? Email [sentinel@ftc.gov](mailto:sentinel@ftc.gov) and type "Sentinel Comments" in the subject line. ■■■

## NEW MEMBERS

Eleven organizations from eight states recently joined Sentinel. This includes seven police or sheriff's departments. ■■■

Learn more about Consumer Sentinel at [ftc.gov/sentinel](http://ftc.gov/sentinel)

To join Consumer Sentinel, visit [Register.ConsumerSentinel.gov](http://Register.ConsumerSentinel.gov)