

Hispanic Initiative - Miami Law Enforcement Partners

Arkansas Attorney General's Office:

Legislation to Protect Latino Residents from Citizenship-and-Immigration-Services Fraud:

As part of his 2005 legislative package, Attorney General Mike Beebe proposed a legislative initiative designed to protect Latino residents from people who fraudulently offer immigration-and-citizenship services while using the terms "notario" or "notario publico." Act 66 of the 85th Arkansas General Assembly prohibits the use of these terms by anyone other than a notary public. It also mandates that notaries who elect to use these terms must provide a notice to consumers, in both English and Spanish, stating that the notary is not a licensed attorney and cannot engage in the practice of law.

Skills-Training Scam Aimed at Arkansas' Latino Community: On September 28, 2004, Arkansas Attorney General Beebe filed suit against Financiera Gubernamental Hispana, a California company doing business in Arkansas as FGH International, and its three owners for running a telemarketing scam aimed at Latino residents in Arkansas. FGH contacted the victims by phone to tell them that they had been selected in a lottery to receive help from the federal government. The con artists claimed that the federal government would subsidize 80% of the cost of training programs for automobile, computer, and English-language skills. In addition, FGH's telemarketers claimed that signing up for the programs would make consumers eligible for permits that would help in applying for citizenship, as well as providing credit toward major purchases, such as houses or vehicles. All of these claims were false. The victims paid between \$500 and \$600 for these "training programs." Attorney General Beebe continues to seek restitution for the victims, an injunction ending FGH International's Arkansas operation, and civil penalties under the Arkansas Deceptive Trade Practices Act.

Refunds for Phony International Drivers' Licenses Scams: On April 12, 2005, Attorney General Beebe sent dozens of letters to Arkansas consumers who were victims of a company purporting to sell international drivers' licenses. The refund offer is the result of a settlement Beebe reached with a Georgia-based company in which it agreed to cease any further illegal business activity and pay refunds to each affected consumer.

Del Sol, LLC: On May 12, 2005, Attorney General Beebe filed a lawsuit against a California-based company, Del Sol, LLC, and its principals for violations of the Arkansas Consumer Telephone Privacy Act and the Arkansas Deceptive Trade Practices Act. In the lawsuit, the Attorney General alleged that Del Sol telemarketers made unsolicited calls to Latino consumers in order to market a promotional-prize package. The telemarketers claimed that, in exchange for approximately \$230, consumers would receive a Dell laptop computer, name-brand designer fragrances, music compact discs by their favorite artists, and name-brand designer watches. Information acquired by the Attorney General indicated that Del Sol made these calls without accessing the National Do Not Call List, and instead of providing consumers with the products it promised, Del Sol provided lower-quality products from an unknown or unfamiliar

manufacturer. Beebe is seeking restitution for the victims, an injunction ending Del Sol's Arkansas operation, and civil penalties against the company and its owners.

Contact: Press Secretary Matt DeCample at 501-682-0517 or matt.decample@arkansasag.gov

The Arkansas Attorney General's Office can be reached by calling 501-682-2341 or 800-482-8982 or by visiting their Web site at www.ag.state.ar.us. Spanish-speaking consumers can also call 501-683-3130. TDD service is available for the hearing-impaired.

Florida Attorney General's Office:

"Slamming" Settlement: A March 2005 settlement between the Florida Attorney General's office and Radio Shack for "slamming" (illegally switching customers to a new long distance provider without their consent) required Radio Shack to make an \$100,000 charitable donation to the Center for the Administration of Justice, Florida International University. The program's objective is to inform the Hispanic population how to fight and prevent crime and how to better use the legal system and support network to protect their rights and secure assistance for crime victims.

Contact: Michael Palecki
850-414-3600

Florida Division of Consumer Affairs:

The Florida Division of Consumer Affairs has significantly expanded its outreach to Hispanic consumers since May 2004.

Newly Translated Brochures: Newly translated brochures include: Tips for Natural Disaster Victims ("Consejos Para Desastres Naturales"); Tips on Giving ("Consejos para hacer Contribuciones"); Identity Theft, Don't Be Left In The Dark – ("Robo de Identidad, no se quede en la oscuridad"); Moving, Intrastate Household ("Mudanzas dentro del estado"); Auto Repair: Be A Winner ("Reparacion de Autos Sea un Ganador"); and Landlord Tenant ("La Ley de Inquilinos y Propietarios de la Florida").

Web Site: Visitors to the Florida Division of Consumer Affairs Web site can now translate the entire Web site into Spanish (and other languages) simply by clicking on an icon.

Radio/TV Outreach: The Florida Division of Consumer Affairs met with several popular Hispanic radio stations and television stations in Miami-Dade County to discuss developing partnerships on consumer protection issues. The Division also participated in Spanish-language radio and television call-in shows on consumer protection issues.

Contact: 850-922-2966, www.800helpfla.com

Illinois Attorney General's Office:

Advance Fee Loan Credit Card Scams: Latin Card/Proline: On January 12, 2005, Illinois Attorney General Lisa Madigan filed lawsuits against two Florida-based corporations and their owners for deceptive advance fee loan credit card schemes targeting Hispanics. According to General Madigan, Latin Card and Pro Line Card preyed on Illinois Hispanics who have had a difficult time obtaining traditional credit cards or sending money to relatives in Mexico. In ads appearing on Illinois, Latino television and radio stations, the defendants claimed to be "...here to help out our fellow Hispanics." The defendants' ads also promised consumers that they did not need a social security number or good credit history to receive a credit card. However, consumers paid up to \$399 in advance fees for the credit cards, which could only be used to purchase products from the companies' own catalogs. The cards could not be used to make retail purchases outside of the catalogs, be used at an ATM or be used to send money to Mexico. Both lawsuits were filed in Cook County Circuit Court. The first lawsuit names as defendants Latin Card Plus, LLC, a Florida corporation not registered to do business in Illinois, and its manager Carlos Felipe Mendez, of Doral, Florida. The second lawsuit names Pro Line Card, LLC, a separate Florida corporation also not registered to do business in Illinois, and its manager, Julio Cesar Sandoval, of Miami, Florida.

Immigration Services Providers Forum: Illinois Attorney General Lisa Madigan hosted an Immigration Services Provider Forum on Tuesday, February 22, 2005. The forum, attended by approximately 100 people, focused on educating the community about how the Illinois Immigration Services Act and Rules pertain to individuals or groups who provide immigration services in Illinois. The Office also distributed educational posters created by the Office in Polish, Spanish and English to service providers for display in their offices.

Spanish-Speaking Hotline: In January, 2005, Illinois Attorney General Lisa Madigan announced a new Office of the Attorney General Spanish telephone hotline number created to accommodate a growing demand from Illinois' Latino communities for easy access to the services of her office. Spanish-speaking consumers who need to file a consumer complaint with her office's Consumer Fraud Bureau or obtain help from one of her office's other bureaus may now call 1-866-310-8398 to reach a Spanish-speaking operator. Operators manning the new hotline take consumer complaints for the office and provide general consumer information and referrals to consumers. In addition, the hotline operators can field questions for referrals within the office.

Tax Preparation Fraud – People v. Jade Corporation Unlimited, Inc., et al., Case Number: 04 CH 18580: Carlos Vega, president of Jade Corporation Unlimited, Inc., ran a tax preparation service in Chicago. Consumers paid money to Jade Corporation to have the company file their tax returns with the IRS. However, Jade Corporation would take the consumer's money without providing the tax preparation service or without providing rapid refund services. Additionally, when the IRS audited some consumers due to tax returns filed by Jade Corporation, Jade Corporation would take thousands of dollars from the consumers to settle the matter with the IRS but would not give the money to the IRS.

Immigration – Immigration Frontliners of Illinois, Inc. and Rosalinda Andalis: Pursuant to an assurance of voluntary compliance reached on January 31, 2005, Rosalinda Andalis agreed to

comply with the immigration services provisions of the Consumer Fraud Act and to refund \$5,460.00 to the complainant, the full amount paid to Andalis.

Contact: Melissa Merz
312-814-3118

Kansas Attorney General's Office:

Immigration Consulting Fraud - Alicia Morales-Phillips: Attorney General Phill Kline's Consumer Protection and Antitrust Division charged Alicia Morales-Phillips with wrongly representing herself as an attorney specializing in immigration law and giving legal aid and counsel to immigrants seeking legal advice. Attorney General Kline has asked the court to permanently enjoin Morales-Phillips from holding herself out as a "Notary Public," a "notario publico," an "attorney," "paralegal," "abogado" or any kind of an expert in the law and from working or volunteering in any capacity with senior citizens, immigrants, visiting Central American nationals, any agency or business or nonprofit entity as a Spanish-English interpreter, or in the offices of any Kansas attorney. In addition, Kline is seeking restitution to consumers, a total of \$240,000 in civil penalties for violations of the Kansas Consumer Protection Act, plus all court costs and expenses and investigative fees.

Contact: Ralf Mondonedo
627(b)(1) Committee Chair
Consumer Protection Division
785-296-3751

County of Los Angeles, Department of Consumer Affairs:

California Alternative High School: The County of Los Angeles' investigation against California Alternative High School (CAHS) found that CAHS and its "superintendent," Daniel Gossai, had defrauded students who had paid more than \$600 each to get a "high school diploma" in 30 hours. CAHS and Gossai enticed Latino students with false promises that the diploma could be used to get into college, get financial aid, and get better jobs. The investigation enabled the California Attorney General's office to shut CAHS down, freeze CAHS and Gossai's bank accounts, search their locations, and seize about \$600,000 in cash and other assets. On March 18, 2005, Gossai and his associates agreed to permanently shut down CAHS's operations, and pay about \$850,000 in restitution and costs.

Multicultural Consumer Protection Fair: In February 2005, during National Consumer Protection Week, DCA and Evans Community Adult School held a Multicultural Consumer Protection and Information Fair with participation from more than 30 federal, state, and local consumer protection agencies. Representatives from the DCA and other agencies made classroom presentations on topics, such as: Landlord/Tenant Rights, Credit, Purchasing an Automobile, Identity Theft and many others. An essay contest was conducted to encourage the students to learn more about the importance of saving and being financially responsible, which also enhanced their writing skills. This event has allowed the Department of Consumer Affairs to be responsive to the needs of the students and the community by focusing directly on issues

facing them in the marketplace.

Contact: Pastor Herrera, Jr., Director
213-974-9750

Miami Dade County, Florida, Consumer Services Department:

Mojo Marinating Sauce: The Miami Dade County Consumer Services Department issued Assurances of Voluntary Compliance against several Miami-based companies, that sell “Mojo,” a Spanish marinating sauce sold primarily to Hispanic consumers. The department’s investigation revealed that the companies (L&J General International, Lisy, Iberia Foods, Premier Distributor of Miami, Florida Spices and Products, Molineral Food, and The Miami Mojo Company) were packaging their product in amounts less than advertised at local markets. Companies were issued cease-and-desist orders and paid civil penalties totaling \$34,700.

Miami Dade Consumer Affairs’ Hispanic Outreach Initiatives: Miami Dade County also conducts numerous outreach initiatives to the Hispanic community in Miami, including regular radio and television broadcasts, consumer education brochures, meetings with industry, and Spanish-language assistance and complaint forms for consumers. Examples in the past year include:

- Miami Dade County Ordinances requiring consumer protection disclosures to be provided in Spanish (e.g., motor vehicle repair notice; anti-discrimination in tipping; alcohol beverage);
- Small claims court clinics in Spanish;
- Spanish-language brochures;
- Media outreach (interviews with Telemundo, local Spanish television and radio stations, and local Spanish newspapers and publications);
- Enforcement Officers provide Spanish-language assistance to consumers and receive complaints in Spanish; and
- Meetings with Spanish-speaking business people to provide guidance on consumer rights.

Contact: Mario E. Goderich, Deputy Director
Miami-Dade County
Consumer Services Department
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www.miamidade.gov/csd

Miami, Florida State Attorney’s Office

ID Theft and Mortgage Fraud Scam: The Miami, Florida State Attorney’s Office recently arrested Ocaris Fernandez, Frank (Francisco) Rodriguez, and Carlos Luis Fernandez, for their

involvement in a complex mortgage fraud scheme using identity theft to “take over” homes from their rightful owners and obtain multiple fraudulent mortgage loans on the properties without the knowledge of the true owners. Using the stolen identities of some victims, the three defendants fraudulently conveyed real estate owned by other victims and were successful in obtaining loans and actually received proceeds from those loans totaling nearly \$2 million, none of which has been recovered. Ocaris Fernandez and Carlos Luis Fernandez are currently being held on \$1 million bond and Rodriguez is being held in lieu of \$500,000 bond.

Contact: Assistant State Attorney William Kostrzewski
305-547-0671

Montgomery County, Maryland, Division of Consumer Affairs:

Montgomery County has co-sponsored and participated in several forum and symposium discussions on Hispanic issues, including forums on financial literacy and predatory lending practices. In addition, Montgomery County, AARP, and the FTC are hosting a consumer protection Hispanic Symposium on June 23 for Hispanic community leaders. The Symposium will focus on the prevention of consumer fraud in the Hispanic community, including in health, financial, and privacy areas.

Tertulia Show: Tertulia is a 30-minute cable interview show directed to the diverse Hispanic community that lives in Montgomery County. Guests representing different organizations share their expertise in different issues affecting the Hispanic community, including consumer protection issues such as credit counseling, identity theft, and credit card fraud. Past guests have included representatives from the Federal Trade Commission, AARP Maryland, Long Branch Task Force, and Consumer Credit Counseling Services of Greater Washington.

Smart Consumer Calendar: This calendar, created in English and Spanish, is a comprehensive reference tool designed to help members of the Hispanic community quickly find dependable resources to avoid becoming victims of illegal transactions.

Contact: Myriam Torrico
Montgomery County Department of Housing and Community Affairs
240-777-3627

New York Attorney General’s Office:

Pyramid Scheme: Attorney General Eliot Spitzer announced in January 2005 that his office had obtained an order freezing the assets of a company and its principals who had cheated hundreds of investors out of hundreds of thousands of dollars by luring them into a pyramid fraud investment scheme. The court action seeks a permanent injunction barring these business practices and restitution for consumers and civil penalties. The action filed by Spitzer charges New York-based ITF Enterprises and its principals with fraudulent, deceptive, and illegal practices for operating an unlawful pyramid scheme raising about \$3 million from more than 100 investors.

A pyramid scheme, illegal in New York State and many other states, is a fraudulent system of making money based on recruiting an ever-increasing number of "investors." The initial promoters recruit these investors, who in turn recruit more investors. The respondents targeted primarily vulnerable consumers of limited means from African-American and Dominican communities in NYC. The victims' investments ranged from \$2,000 to \$20,000. One woman invested close to \$160,000 after taking out a second mortgage on her house. Out of the \$3 million raised, Respondents used \$1.5 million for their own benefit.

Legal Cash-Advance Firms Settlements: Attorney General Eliot Spitzer announced in February 2005 that his office obtained agreements with nine companies that will change the way cash advance companies do business with New Yorkers with pending personal injury claims or lawsuits. The firms – all members of the American Legal Finance Association – specialize in providing cash advances – generally \$1,000 to \$7,000 – to consumers with pending personal injury litigation. In exchange, each company obtains the right to receive a share of the claim proceeds, an amount that significantly exceeds the advance. The cash advances provided by these firms are not considered "loans" under New York State law because there is no absolute obligation by a consumer to repay them. The contracts provide that, in the event the consumer receives no recovery from his/her claim, the consumer owes no money to the cash advance firm.

Prior to the settlement, the Attorney General had raised concerns that some cash advance arrangements could exploit consumers due to the complex nature of the transaction and the fact that many customers are not fluent in English, often the only language in which the contracts were written. The settlement agreements require, among other things, that contracts for English- and Spanish-speaking consumers be written in the same language in which the oral negotiations were conducted. The nine settling companies have agreed to pay a total of \$45,000 in costs to the state. The companies settling with the Attorney General are: BridgeFunds Limited (Nevada); Magnolia Funding, LLC (Carl Place, New York); New Amsterdam Capital Partners LLC d/b/a LawMax (New York City); Oasis Legal Finance Co., LLC (Illinois); Plaintiff Funding Corporation d/b/a LawCash (Brooklyn); Plaintiff Support Services, Inc. (Amherst, New York); Pre-Settlement Finance, LLC (New York); QuickCash, Inc. (New York City); and the Whitehaven Group, LLC (New York City).

Immigration Services Fraud, Enforcement: The NYS Attorney General's Office recently received a favorable decision in a lawsuit brought last year against Edwin Rivera d/b/a Inmigracion Hoy who falsely claimed in a weekly radio show and print advertisements in a Spanish newspaper that he was an attorney, and that for a \$1,500 fee could obtain residency for immigrants under a purported new law that had just passed - the Development, Relief & Education for Alien Minors Act of 2003 ("Dream Act"). Although the Act was reintroduced in Congress in 2003, it has not been passed. The decision that granted the Attorney General's petition seeking a permanent injunction, restitution for victims, and penalties and costs to be determined, found that Rivera had engaged in deceptive acts and practices, false advertising and holding himself out to the public as being entitled to practice law, and maintaining a law office without being admitted to practice law in New York.

Immigration Services Fraud, Outreach and Education: The NYS Attorney General has been an active participant in the Community Action Project's (CAP) Immigration Fraud Working Group. CAP, a faith based group comprised of over 16 churches of different denominations in the Flatbush area of Brooklyn has convened an unprecedented coalition of elected officials from the federal, state and local level, law enforcement and governmental agencies, community groups, and immigrant advocates to draw attention to the increasing problem of immigration fraud and to educate immigrants about new laws passed in New York City and State last year that regulate immigration service providers.

State of North Carolina:

State of NC ex rel. Cooper, Attorney General v. Del Sol, LLC (File No. 05 CVS 16339, Wake County Superior Court): North Carolina sued California telemarketer Del Sol in December, alleging that it targeted Spanish-speaking consumers with deceptive claims that they had won a personal computer. The state court entered a Temporary Restraining Order in the case on December 8, followed by a Preliminary Injunction on December 13, banning the company from engaging in further telemarketing activities in North Carolina and preventing it from processing any payments or payment authorizations received from North Carolina consumers. Settlement discussions have been initiated.

Cease and Desist Notices; Marketing of "International Driver's Permits" and Personal Photo IDs:

Since July, Attorney General Cooper has issued Cease and Desist Notices to four companies that marketed international driver's permits or photo ID cards in the state: ID Systems, Inc., Atlanta, GA ("International Driver's Permits"); MegaPix Digital Fotos, Harrisburg, VA ("Photo IDs); Tru Image, Snellville, GA ("Photo Ids"); and International Automobile Driver Club, Greensboro, NC ("International Driving Document"). This initiative involves the BBB-Charlotte and some of the state's Spanish-language newspapers. Attorney General Cooper warned that the companies led consumers to believe that the cards and "permits" were government issued or government sanctioned when, in fact, they were not. General Cooper warned that the marketing practices appeared to violate the NC Unfair and Deceptive Trade Practices Act. The companies responded promptly and stated their willingness to discontinue their North Carolina marketing efforts in compliance with General Cooper's notice. Gen. Cooper also issued such notices to local merchants who were offering or advertising the products of those companies.

Latino/Hispanic Consumer Fraud Roundtable (Public-Private Consumer Fraud Prevention Task Force): On April 13, Attorney General Roy Cooper convened a Latino/Hispanic Consumer Fraud Roundtable to develop a network of law enforcement, community organization, news media and Better Business Bureau officials dedicated to sharing and disseminating current information on frauds and scams targeting North Carolina's rapidly growing community of Spanish-speaking consumers. The structure and networking techniques of the highly successful North Carolina Senior Fraud Task Force, formed in 1998, were the models for this initiative. Participants in the Roundtable meeting included officials from El Pueblo, Inc. and several other statewide and local groups, Univision and several Spanish language newspapers, the NC Bar Association, the US Postal Inspections Service and several local law enforcement agencies, the Better Business Bureaus of Charlotte, Raleigh and Winston-Salem, the NC Justice Foundation,

Legal Aid of North Carolina, and two Divisions of the NC Attorney General's Office.

Book of Scam and Fraud Prevention Information: Attorney General Cooper recently compiled his Spanish language consumer protection materials into a 150-page book. This book will be disseminated to consumers by members of the Latino/Hispanic Consumer Fraud Round Table as well as by the Attorney General's Office. The booklet contains information on common consumer transactions, tips on avoiding frauds and scams, alerts about recent frauds, and information on Mr. Cooper's 2002-2005 enforcement actions against those accused of deceptive trade practices that target the Latino/Hispanic community.

Contact: Dave Kirkman, Consumer Protection Division
North Carolina Department of Justice
919-716-6033

Texas Attorney General's Office:

Hispanic Fraud Enforcement: From May 2004 through the present, the Texas Attorney General's Office has brought 18 cases to protect Hispanic consumers, including in the following areas:

- Advance-fee loan scams/deceptive marketing of credit cards: Latin Card Plus, LLC, et al.;
- Immigration consultant & notary public fraud cases (e.g., *State of Texas v. Hilda M. Armendariz d/b/a Application de Oro*; *State of Texas v. Josue Avila & Robert Kolk dba Status Social Services*); and
- Mortgage Servicing: (*State of Texas v. FCI Equities, Frederick Cartwright*; *State of Texas v. City Mortgage Services, et al.*)

Contact: Paco Felici
Texas Attorney General's Office
512-463-4501