PUSHING THE ENVELOPE.

The FTC has settled its charges against two marketers of bogus work-at-home business opportunities. According to the FTC, these promoters promised Spanish-speaking consumers that they’d make lots of money stuffing envelopes. In one case, the defendant, Zolio Cruz, allegedly told consumers that for $37, they would receive all necessary supplies — including stamped, addressed envelopes — and that they’d earn $1,400 per week for stuffing 80 envelopes. Instead, consumers got an English-language pamphlet, telling them they wouldn’t really get paid and how to take out their own ads to deceive others with the same scheme. Read more: www.ftc.gov/opa/2008/08/workathome.shtm.

SUCCESS STORY.

Kudos to the District of Columbia Department of Insurance, Securities and Banking (DISB) for using the Consumer Sentinel database to snag the perpetrators of an advance fee loan scheme. In December 2006, DISB investigated a complaint involving a caller who told a consumer he was “approved” for a $5,000 personal loan but had to pay a $500 “processing” fee up front. DISB investigators searched Sentinel to develop leads and expand their case. By doing a variety of Sentinel searches, they identified 20 more complaints against the loan company, seven aliases and several company phone numbers — ultimately uncovering more than 80 victims and over $650,000 in losses.

“Access to the wealth of information in Sentinel was crucial to the development of this case,” said Gregory Marsillo, Assistant Director of the DISB’s Enforcement & Investigations Bureau. “Sentinel’s reports transformed one victim with a $500 loss into a multi-jurisdictional, nationwide loan scheme case.” Sentinel led DISB — and eventually the FBI — to the alleged scammer and their conspirators. A U.S. Attorney’s office arrested and prosecuted at least one of the scheme coordinators. That litigation is ongoing; the proceedings are sealed. “Sentinel made the difference between a complaint that would have been shelved to one that was prosecuted successfully by the U.S. Department of Justice,” added Marsillo.

LESHIN LEARNED.

The FTC has a new resource for consumers who bought debt-consolidation services from Randall Leshin, Express Consolidation, or its affiliated companies. The consumers who call the line, 866-706-7597, will hear options to transfer or cancel their debt management plans. A court-appointed monitor will oversee the transfer of consumers’ plans to alternate providers not connected to the defendants. Consumers also can get more information at the monitor’s site, www.expressconsolidationmonitor.com or from 1-800-718-5071. Read more: www.ftc.gov/opa/2008/07/leshin.shtm.
MEMBER SPOTLIGHT: THE OFFICE OF THE FLORIDA ATTORNEY GENERAL

As chief legal officer of the Sunshine state, Florida Attorney General (AG) Bill McCollum protects Floridians from fraud, enforces the state’s antitrust laws, and defends the state in civil and criminal litigation. The AG’s Statewide Prosecution unit also targets widespread criminal activities throughout the state — identity theft, drug trafficking, gang activity, and stopping internet sex predators and the distribution of child pornography. “We’ll also continue our focus on mortgage fraud, and personal data breach issues,” said AG McCollum. “I am proud of the work this office does to protect our consumers.”

Of the 20 divisions within the AG’s Office, six, staffed by 360 employees, are devoted to consumer protection. Since AG McCollum took office in January 2007, the Office has won nearly $101.7 million in restitution for consumers, and has implemented significant reforms addressing undisclosed or improper fees imposed by cell phone content providers, prepaid calling card sellers, and cruise line operators. Learn more at www.myfloridalegal.com.

LOUIE LOUIE.

Two brothers have agreed to settle FTC charges that they misled consumers with false earnings claims for work-at-home schemes. According to the FTC, Eric and Calvin Louie charged consumers up to $129 to access their “Members only” website with “money-making secrets.”

The settlement bans the siblings from marketing work-at-home opportunities. Read more: www.ftc.gov/opa/2008/08/mmsecret.shtm.

COMMENTS, QUESTIONS, OR KUDOS?

Got a success story? Should we profile your agency? Want to share an article idea? Email sentinel@ftc.gov and let us know!