

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

GLOBAL U.S. RESOURCES, also doing business as AMERICAN PUBLISHING, AMERICAN PUBLICATIONS, AMERICAN POWER PUBLICATIONS, ESM GROUP, and EAST SHORE MARKETING GROUP, and

LOUIS SALATTO, individually and as an officer of Global U.S. Resources,

Defendants.

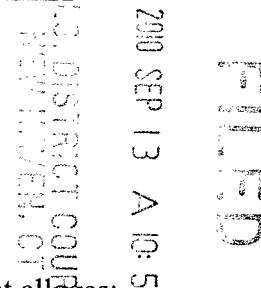
FILED UNDER SEAL

3:10-CV-01457

Case No. _____

September 13, 2010

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF



Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. §§ 45(a), in connection with the marketing and sale of bogus work-at-home opportunities.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b).

3 Venue is proper in this district under 28 U.S.C. § 1391 (b) and (c), and 15 U.S.C.
§ 53(b).

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b).

DEFENDANTS

6. Defendant Global U.S. Resources, also doing business as American Publishing, American Publications, American Power Publications, ESM Group, and East Shore Marketing Group, is a business entity which receives mail at the following mail drop addresses in New Haven, Connecticut: P.O. Box 9355, P.O. Box 9476, P.O. Box 9483, and 515 Foxon Blvd., PMB 476. Global U.S. Resources transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Global U.S. Resources has advertised, marketed, distributed, or sold work-at-home opportunities to consumers throughout the United States.

7. Defendant Louis Salatto (“Salatto”) is an individual who resides in East Haven, Connecticut, and is using the trade name Global U.S. Resources to market and sell bogus work-at-home opportunities. At all times material to this Complaint, acting alone or in concert with others, Salatto has formulated, directed, controlled, had the authority to control, or participated

in the acts and practices of Global U.S. Resources, including the acts and practices set forth in this Complaint. Salatto resides in this district and in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

COMMERCE

8. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS ACTIVITIES

9. Since at least 2005, Defendants have advertised, marketed, and sold a work-at-home envelope stuffing program to consumers nationwide. Defendants claim that, by paying a fee to register in their Envelope Stuffing Program, consumers can earn money by stuffing and mailing Defendants’ brochures. Defendants claim they will provide consumers with brochures and envelopes that are already stamped and addressed.

10. To induce consumers to register for their Envelope Stuffing Program, Defendants have disseminated or caused to be disseminated advertisements that offer consumers work at home opportunities.

11. Defendants place these advertisements in local pennysavers and in classified sections of community newspapers. Defendant Salatto periodically places the advertisements through large classified advertising networks, such as those operated by Gateway Media Inc. and National Advertising Network Inc.

12. Defendants have used several different advertisements over time. One version of the Defendants’ advertisement reads:

\$19 People Wanted\$

\$1,200 to \$4,400 Weekly Working
from Home assembling
information packets. Start immediately! FREE Information
24hrs.
Call 1-888-222-0833 (Dept. 94)

13. Another version reads:

\$\$\$WORK FROM HOME\$\$\$
Earn Up to \$3,000 Weekly Working from
Home assembling Information Packets.
No Experience Necessary! Start Immediately!
FREE Information. CALL 24hrs.
1-888-202-1012

14. The advertisements have a toll-free number for consumers to call for more information. In numerous instances, when consumers call the number, a recording answers asking them to leave their names and addresses to receive more information by mail.

15. After calling the toll-free number in the advertisement and leaving their information, consumers typically receive a two-sided form letter describing Defendants' "Envelope Stuffing Program" and a Registration Form. The form letter typically states that consumers will earn \$8.00 for every brochure they stuff and mail, plus 25% of every sale made as a result of their mailing.

16. Defendants have used different variations of the form letters that claim that consumers can earn thousands of dollars weekly by registering in their "Envelope Stuffing Program." In the form letters, Defendants typically also make the following claims to induce consumers into believing they are offering legitimate work opportunities:

- a. "RECEIVE \$8.00 FOR EVERY INFORMATION PACKET YOU STUFF AND MAIL!!!"
- b. "Your checks are mailed on Mondays so you receive them by Friday."

- c. "Don't be fooled by other so-called 'Mailing Programs'. We are a real, legitimate company who has been in business for over 12 years. We use home workers to save us money while you make money. . . and lots of it. . . Guaranteed! We need 22 more people to help us meet the demand of a booming business. . . ."
- d. "**Dear friend, HERE IS YOUR CHANCE** to earn extra money at home by becoming an active participant of our sucessful [sic] mailing association. You receive cash weekly for the envelopes you stuff. You can stuff as many as you wish up to 550 envelopes per week. You can Stuff 100 to 550 envelopes per week. It's up to you and the success you want to achieve."
- e. "Our system of using you as an independent home worker helps us keep our personnel and overhead cost down while getting our sales materials out to many more people than we could ever reach ourselves. . . ."
- f. "ALL BUSINESS can be done by MAIL and we will give you complete assistance at every step to insure your success. You can START THE SAME DAY you receive the supplies and begin RECEIVING MONEY WITHIN ONE WEEK and every week from then on as long as you desire. **YOU WILL BE SUPPLIED WITH BROCHURES TO BE STUFFED AND ENVELOPES WILL ALREADY BE STAMPED AND ADDRESSED.**"
- g. "**IMPORTANT! Please make sure the information you indicate on the registration form below is the persons[sic] name we should make the checks payable to and mailing address is correct. . . . You should receive your materials within one week. If your registration sent in to us late and we have already filled the positions, we will send you a complete refund right away. We will still send you the bonus material free, plus put you on a list for future work at home....**"

17. The form letter also touts the Defendants' "90-Day Risk Free Guarantee" that provides for a full refund if the consumer is not satisfied with the program.

18. To register in Defendants' Envelope Stuffing Program, the consumer must pay a "refundable" fee, typically \$40, by either cash, check, or money order, at the time the consumer returns the Registration Form.

19. The form letter urges the consumer to register and pay quickly. The form letter represents to consumers that this is a “Special Limited Time Offer,” and that “as soon as we get enough folks to register we will stop taking applications.” The form letter states that if the consumers register “within the next 10 days,” they will receive, as an “extra bonus,” certain “proprietary information on how you can start your own business from home.”

20. The form letter guarantees that this “free extra bonus material” will enable the consumer to “earn an extra \$2,000 or more weekly,” and that “[t]his information is so valuable that it is only known by a few top marketing professionals in the world,” and “normally sells for \$69.00 but it’s included **FREE**.”

21. After consumers send in the Registration Form and their payment, they typically receive, if anything, a pamphlet titled “Secret Home Employment Guide,” that contains only a list of advertisements offering other purported work-at-home opportunities and instructions on how to make money by offering bogus employment opportunities in classified ads.

22. Consumers who send payments to Defendants in order to register for Defendants’ Envelope Stuffing Program do not receive the promised materials.

23. In numerous instances, consumers who request a refund from Defendants are unable to reach anyone to process their refund request. Consumers typically can only obtain a refund from Defendants after submitting a complaint to a Better Business Bureau or law enforcement agency.

VIOLATIONS OF THE FTC ACT

24. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

25. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

Count I

26. In connection with the advertising, marketing, promotion, offering for sale, or sale of work-at-home opportunities, Defendants have represented, directly or indirectly, expressly or by implication, that they operate a bona fide business enterprise that seeks to hire independent home workers to stuff envelopes.

27. Defendants also represent that they will provide the brochures and envelopes necessary to perform the offered work.

28. The representations set forth in Paragraphs 26 and 27 are false and misleading.

29. Therefore, Defendants’ making of the representations as set forth in Paragraphs 26 and 27 of this Complaint constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count II

30. In connection with the advertising, marketing, promotion, offering for sale, or sale of work-at-home opportunities, Defendants have represented, directly or indirectly, expressly or by implication, that consumers who join their work-at-home program are likely to earn substantial income.

31. The representation set forth in Paragraph 30 is false and was not substantiated at the time the representation was made.

32. Therefore, Defendants' making of the representation as set forth in Paragraph 30 of this Complaint constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count III

33. In connection with the advertising, marketing, promotion, offering for sale, or sale of work-at-home opportunities, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants will pay consumers a specified sum, usually \$8, per envelope they process as part of Defendants' work-at-home employment program.

34. In truth and fact, Defendants did not pay consumers a specified sum per envelope they processed as part of Defendants' work-at-home employment program.

35. Therefore, Defendants' representation as set forth in Paragraph 33 of this Complaint is false and misleading, and constitutes a deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count IV

36. In connection with the advertising, marketing, promotion, offering for sale, or sale of work-at-home opportunities, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants will provide a refund if the consumer is not satisfied with the Defendants' work-at-home employment program.

37. In truth and fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 36 of this Complaint, Defendants provided no refunds to consumers or provided refunds only after consumers had complained to third parties such as the Better Business Bureau or a law enforcement agency.

38. Therefore, Defendants' representation as set forth in Paragraph 36 of this Complaint is false and misleading, and constitutes a deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

39. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

40. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. §§ 53(b), and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to, a temporary restraining order, asset freeze, expedited discovery, and a preliminary injunction.

- B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;
- C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and
- D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

WILLIAM K. TOM
General Counsel

LEONARD L. GORDON
Regional Director
Northeast Region

Dated: September 13, 2010



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