

# ENFORCING ORDERS: FTC FOLLOWS THROUGH

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The FTC's Enforcement program protects American consumers by making sure defendants under court order for FTC Act violations do not become repeat offenders. We monitor every FTC order for compliance, and quickly take action when wrongdoers defy those orders. We work with our law enforcement partners to ensure that the worst offenders are criminally prosecuted.

Some recent examples demonstrate the Enforcement program's return on investment for consumers:

- ▶ **January 13, 2014:** the U.S. District Court for the Middle District of Florida held the two primary defendants from the FTC's case against Suntasia Marketing, in contempt. Bryon Wolf and Roy Eliasson used a new company for their deceptive telemarketing and unauthorized billing scheme in violation of a 2008 Order settling the FTC's earlier case. In the new scheme, these scammers used deceptive phone and internet solicitations to target recent loan applicants and mislead them into believing they would get cash advances, loans or lines of credit. Instead, the defendants debited the consumers' accounts for membership in a continuity program. The Court's contempt order imposes a judgment of **\$14.75 million** – the amount consumers lost.
- ▶ **November 22, 2013:** the U.S. District Court for the Western District of New York issued an order finding Paul Navestad, a defendant in a massive telemarketing scam, liable for civil contempt for failing to pay **\$20 million** in civil penalties and **\$1.1 million** in disgorgement. The court issued a warrant for Navestad's arrest, and ordered that he be imprisoned until he satisfies his payment obligations.
- ▶ **November 12, 2013:** a jury in the U.S. District Court for the Northern District of Illinois found Kevin Trudeau, the "informercialist," guilty of criminal contempt for lying about the contents of his book about so-called weight loss cures. Trudeau previously had been found in civil contempt three times (on July 26, Sept. 18, and Oct. 16) for failing to comply with an order that he repay **\$37.6 million** to more than 800,000 people who had bought the book. The Court placed Trudeau's assets into a receivership to benefit his victims, but Trudeau continued to hide his assets and refused to cooperate with the receivership. Trudeau has been jailed to force him to comply with the court orders; sentencing for his criminal contempt conviction will be in Mar. 2014.
- ▶ **September 27, 2013:** the U.S. District Court for the District of Nevada found Glen Burke and his company, American Health Associates, LLC, in contempt for running deceptive telemarketing and direct-mail sweepstakes schemes. In both schemes, the defendants took money from consumers while promising valuable prizes; they failed to deliver on their promises. The district court entered a judgment for **\$20.1 million**, the amount consumers lost.
- ▶ **August 8, 2013:** the U.S. District Court for the Northern District of Georgia held Hi-Tech Pharmaceuticals, Inc., Jared Wheat, its owner and CEO, and Stephen Smith, its senior vice president in contempt for making unsubstantiated claims for four of their weight-loss products: Fastin, Lipodrene, Benzedrine, and Stimerex-ES. The Court also held Hi-Tech, Wheat, and Smith in contempt for failing to include required health risk warnings on the products. In a related matter, the Court held Dr. Terrill Mark Wright, Hi-Tech's paid endorser, in contempt for his unsubstantiated endorsement for Fastin. The Court held a four-day hearing to determine appropriate sanctions to remedy the violations in Jan. 2014.