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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH
CENTRAL DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

TRAVIS DELOY PETERSON,
a/k/a Travis Peterson and T. D. Peterson,
individually and also d/b/a
Veterans of America, Telefunding LLC,
Vehicles for Veterans, LLC, Saving Our Soldiers,
Donate Your Car, Donate That Car LLC,
Act of Valor, and Medal of Honor,

Defendant.

Case No. _____

**FILED UNDER SEAL
PURSUANT TO COURT ORDER
(DOCKET NO. _____).**

**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), and the Telemarketing and Consumer Fraud and Abuse

Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, and disgorgement of ill-gotten monies, and other equitable relief for the Defendant’s acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and in violation of Sections 310.3 and 310.4 of the FTC’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. §§ 310.3(d)(1)-(2), 310.4(b)(1)(v).

SUMMARY OF THE CASE

2. Since at least 2012, Defendant Travis Deloy Peterson (“Peterson”) has created and used a series of corporate entities and fictitious business names that sound like veterans’ charities (collectively, “fake charities”) to operate a telemarketing scheme that uses robocalls to trick generous Americans into giving their vehicles or other valuable property to him. Today, Peterson is using the name “Veterans of America” in the robocalls, while using Telefunding LLC for all business associated with the robocalls. To carry out the scheme, Peterson blasts out millions of robocalls that solicit donations, including to consumers who had never donated to or had any dealings with Veterans of America or any of Peterson’s fake charities. Delivering robocalls to such consumers is illegal. Not only is the call itself illegal, but the robocall message message also falsely claims that the entity identified in the message is a charity and that donations to the entity are tax deductible. In fact, none of Peterson’s corporate entities or fictitious business names has been recognized as a charitable organization with tax exempt status; therefore, donations to these fake charities are not tax deductible. Accordingly, these claims are deceptive and illegal. Between May 2014 and the present, alone, Peterson has received numerous donations of vehicles and watercraft, which he then sold at auction. Instead

of using the proceeds to benefit veterans, he used a substantial portion of the proceeds to continue funding the scheme and for his personal benefit.

JURISDICTION AND VENUE

3. 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), 6102(c), and 6105(b).

4. Venue is proper in this district under 28 U.S.C. § 1391(b)(1), b(2), and (c)(1), and 15 U.S.C. § 53(b).

PLAINTIFF

5. 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. The FTC also enforces the Telemarketing Act, 15 U.S.C. §§ 6101-6108. Pursuant to the Telemarketing Act, the FTC promulgated and enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing acts or practices.

6. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the TSR 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), 56(a)(2)(A), and 6105(b).

DEFENDANT

7. Defendant Travis Deloy Peterson, also known as Travis Peterson and T. D. Peterson, is the sole owner and main operator of Veterans of America, an unregistered fictitious business name, and Telefunding LLC, a revoked for-profit entity. Peterson currently uses both names to perpetuate a fake veterans' charity telemarketing scheme. At all times material to this Complaint, acting alone or in concert with others, Peterson has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Veterans of America and Telefunding LLC, including the acts and practices set forth in this Complaint. Peterson 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.

8. For several years, Peterson has operated the telemarketing scheme using a series of corporate entities and fictitious business names, many of which sound like veterans' charities. These entities and business names include, for example, Medal of Honor, Act of Valor, Donate That Car LLC, Donate Your Car, Saving Our Soldiers, and Vehicles for Veterans LLC. Today, Peterson is using Veterans of America and Telefunding LLC for the same purpose. Attached as Appendix A is a reference chart summarizing Peterson's corporate entities and fictitious business names, as detailed in Paragraphs 9 through 17 below.

9. Medal of Honor was a Nevada nonprofit corporation incorporated on April 24, 2012, with a "Revoked" status since April 30, 2013. Peterson was its president, secretary, treasurer, director, registered agent, and incorporator. He used Medal of Honor to open an account with GoDaddy, a domain registrar and web hosting service provider, to host websites for his fake charities. He also used the name "Medal of Honor" in telephone calls delivering a prerecorded message—more commonly known as "robocalls"—sent to consumers to solicit

contributions to a purported charity, as early as May 2012. The Internal Revenue Service (“IRS”) has not recognized Medal of Honor as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

10. Act of Valor was an unregistered fictitious business name that Peterson used in robocalls sent to consumers to solicit contributions to a purported charity, as early as May 2013. He also used Act of Valor to open a GoDaddy account to host websites for his fake charities. The IRS has not recognized Act of Valor as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

11. Donate That Car LLC (“Donate That Car-MI”) was a Michigan for-profit limited liability company incorporated on December 5, 2013, with a “Not in Good Standing” status since February 15, 2017. Peterson was its sole member and registered agent. He used Donate That Car-MI to open GoDaddy accounts to host websites for his fake charities. He also used the company to open at least two corporate bank accounts to (i) pay for services used to run the scheme (e.g., telephone services, automatic dialing or “auto-dialer” technology used to blast out millions of robocalls, domain registration and web hosting services), (ii) receive proceeds of the scheme, and (iii) pay for his personal expenses. He also used the name “Donate That Car” to open two accounts with an online vehicle auction company to sell donated vehicles and watercraft. The IRS has not recognized Donate That Car-MI as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

12. Donate Your Car was an unregistered fictitious business name that Peterson used in robocalls sent to consumers to solicit contributions to a purported charity, as early as March 2014. He also used the name “Donate Your Car” to open an account with a telephone services

provider to solicit and call consumers. The IRS has not recognized Donate Your Car as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

13. Saving Our Soldiers was an unregistered fictitious business name that Peterson used in robocalls sent to consumers to solicit contributions to a purported charity, as early as March 2014. The IRS has not recognized Saving Our Soldiers as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

14. Donate That Car LLC (“Donate That Car-NV”) was a Nevada for-profit limited liability company incorporated on February 2, 2015, with a “Revoked” status since March 31, 2015. Peterson was its sole member, registered agent, and organizer. He used Donate That Car-NV to open at least one corporate bank account to receive proceeds of the scheme and transfer funds to his personal bank account. The IRS has not recognized Donate That Car-NV as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

15. Vehicles for Veterans LLC (“Vehicles for Veterans”) was a Nevada for-profit limited liability company incorporated on May 13, 2015, with a “Dissolved” status since November 16, 2015. Peterson was its sole member. He used the name “Vehicles for Veterans” in robocalls sent to consumers to solicit contributions to a purported charity, as early as March 2015. He also used the name “Vehicles 4 Veterans” to open two accounts with an online vehicle auction company to sell donated vehicles and watercraft. The IRS has not recognized Vehicles for Veterans as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

16. Telefunding LLC (“Telefunding”) was a Nevada for-profit limited liability company incorporated on January 4, 2016, with a “Revoked” status since February 29, 2016. Peterson was its sole member, registered agent, and organizer. Despite its Revoked status, Peterson is currently using Telefunding to conduct the business of the scheme. He used the name “Tele-Funding LLC” to open at least two bank accounts to (i) pay for services used to run the scheme (e.g., telephone services, automatic dialing or auto-dialer technology, advertising services, and vehicle towing services), (ii) receive proceeds of the scheme, and (iii) pay for his personal expenses. He also used the name “Telefunding” to open an account with a telephone services provider and is currently using the account to solicit and call consumers. The IRS has not recognized Telefunding as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

17. Veterans of America is an unregistered fictitious business name that Peterson is currently using in robocalls sent to consumers to solicit contributions to a purported charity. Peterson has used this name in robocalls since at least September 2016. The IRS has not recognized Veterans of America as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

COMMERCE

18. At all times material to this Complaint, the Defendant has 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.

DEFENDANT'S BUSINESS ACTIVITIES

Defendant Uses Unlawful Robocalls

19. Since at least 2012, Peterson has created and used a series of fake charities to operate a telemarketing scheme that uses robocalls to trick generous Americans into giving their vehicles or other valuable property to him. As of the date of the filing, Peterson is using the name "Veterans of America" in the robocalls.

20. To solicit donations to his fake veterans' charities, Peterson blasts out millions of robocalls across the country, allowing him to reach millions of potential donors. In most instances, Peterson delivered or caused to be delivered the robocalls to consumers who had never donated to or had any dealings with his fake charities, including Veterans of America.

Defendant's Robocalls Misrepresent the Nature of the Defendant's Entities and Consumers' Donations

21. Peterson's robocalls, typically using a female voice, ask for donations of vehicles, watercraft, real estate, timeshares, or other things of value. The prerecorded message claims that Veterans of America (or another Peterson entity name) is a charity and that donations to it are tax deductible. The robocalls then invite consumers to call a toll-free phone number or to "press 1" to donate.

22. For example, a robocall soliciting donations to Veterans of America states:

If you have been thinking about donating your car, real estate, or timeshare to charity, please consider donating to Veterans of America. Donations are itemized tax deductible, and all real estate donations are deductible for full market value. We also accept most timeshares, so call us today at 1-800-669-0250. Thank you.

23. Another version of a robocall soliciting donations to Veterans of America states:

If you have been thinking about donating your car, real estate, or timeshare to charity, please consider donating to Veterans of America. Donations are tax deductible, and all real estate donations are deductible for full market value. We accept all types of vehicle [sic], boats, real estate, and timeshare. If you would like to talk to someone about donating now, press 1. To be taken off of our list and not contacted again, press 9. Thank you.

24. Earlier versions of Peterson's robocalls invited consumers to donate either by calling a toll-free phone number or by visiting one of Peterson's websites. For example, a robocall soliciting donations to Saving Our Soldiers states:

If you've been thinking of donating your car or real estate to charity, consider donating to Saving Our Soldiers. We take care of Illinois fallen servicemen. Your donation, whether real estate or vehicle, is completely tax deductible. Trucks, boats, RVs, trailers, anything of value, whether they're running or not. So give us a call at (847) 607-6664 or look us up on the internet at soscars.org.

25. Peterson owned and operated several websites that purported to solicit donations on behalf of veterans, including, for example, www.mohcars.com (used by Medal of Honor), www.aovcars.com (Act of Valor), www.soscars.org (Saving Our Soldiers), and www.cars.vet (Vehicles for Veterans). These websites echoed and reinforced the claims in Peterson's robocalls. For example, these websites stated "Tax Deductible FULL MARKET VALUE on most vehicles" and "Did You Know that Federal Law allows Medal of Honor to guarantee full Fair Market Value Tax Deduction for your vehicle at the time you donate? That means that you don't have to wait for your vehicle to sell to get your deduction. Not everyone else can make that promise." (where "Medal of Honor" was replaced in the respective website with "Act of Valor," or "VFV" for Vehicles for Veterans, or "SOS" for Saving Our Soldiers).

26. Consumers who listened to the robocalls believed that the calls were from a legitimate charity and that their donations to it would be tax deductible.

27. Consumers who are interested in donating respond to the robocalls and are connected to Peterson or his representative. During these calls, Peterson or his representative asks only a few questions designed to secure the donation, including the make, model, and condition of the vehicle to be donated, the consumer's name and address, and the date and time when the vehicle could be picked up from the consumer. In some instances, if a consumer asks about the "charity" or the tax deduction, Peterson or his representative provides answers designed to convince the consumer to donate and tells the consumer that a donation receipt would be provided for tax deduction purposes.

28. In fact, none of Peterson's corporate entities and fictitious business names referenced in his robocalls, including Veterans of America, is recognized as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3); therefore, donations to Veterans of America or to any of them are not tax deductible. Moreover, Peterson has operated these fake charities for his personal profit.

29. Consumers who are not interested in donating, but respond to the robocalls to make a do-not-call request, are subjected to abusive behavior. In some instances, Peterson or his representative used foul language and refused to take the consumer's do-not-call request by hanging up the phone, stating that he had the right to make calls because he was doing so on behalf of a charity, or stating that the consumer had agreed to receive more calls simply by calling back to make the do-not-call request. In other instances, Peterson or his representative continued to send robocalls to consumers who had previously made do-not-call requests.

30. After Peterson receives the donated vehicles and watercraft, he typically sells them through online vehicle auction companies. In some instances, he sells donated vehicles for parts at a local junkyard. He used a substantial portion of the proceeds to fund the telemarketing scheme and for his personal benefit.

VIOLATIONS OF THE FTC ACT

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

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

COUNT I

Misrepresentations Regarding the Nature of the Defendant’s Entities and Consumers’ Donations

33. In numerous instances, in connection with soliciting contributions to a purported charity from donors, the Defendant has represented, directly or indirectly, expressly or by implication, that:

- a. the entity identified as the potential recipient of the donation, including Veterans of America, is a charity; and
- b. donations to the entity identified as the potential recipient, including to Veterans of America, are tax deductible.

34. In truth and in fact, in numerous instances in which the Defendant has made the representations set forth in Paragraph 33 of this Complaint:

- a. the entity identified as the potential recipient of the donation, including Veterans of America, is not a charity; and

- b. donations to the entity identified as the potential recipient, including to Veterans of America, are not tax deductible.

35. Therefore, the Defendant's representations as set forth in Paragraph 33 of this Complaint are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE TELEMARKETING SALES RULE

36. Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15 U.S.C. §§ 6101-6108, in 1994. The FTC adopted the original Telemarketing Sales Rule in 1995, extensively amended it in 2003, and amended certain sections thereafter.

37. The TSR defines "charitable contribution" to mean "any donation or gift of money or any other thing of value." 16 C.F.R. § 310.2(h).

38. The TSR defines "donor" to mean "any person solicited to make a charitable contribution." 16 C.F.R. § 310.2(p).

39. The TSR defines "outbound telephone call" to mean "a telephone call initiated by a telemarketer to induce the purchase of goods or services or to solicit a charitable contribution." 16 C.F.R. § 310.2(x).

40. The TSR defines "telemarketer" to mean "any person who, in connection with telemarketing, initiates or receives telephone calls to or from a customer or donor." 16 C.F.R. § 310.2(ff).

41. The TSR defines "telemarketing" to mean "a plan, program, or campaign which is conducted to induce the purchase of goods or services or a charitable contribution, by use of one

or more telephones and which involves one or more interstate telephone call.” 16 C.F.R. § 310.2(gg).

42. The Defendant is a “telemarketer” engaged in “telemarketing,” as defined by the TSR, 16 C.F.R. § 310.2(ff) and (gg).

43. The TSR prohibits telemarketers from misrepresenting, directly or by implication, the nature, purpose, or mission of any entity on behalf of which a charitable contribution is being requested and that any charitable contribution is tax deductible in whole or in part. 16 C.F.R. § 310.3(d)(1) and (2).

44. The TSR prohibits telemarketers from initiating an outbound telephone call that delivers a prerecorded message to induce a charitable contribution, unless the call is made to a member of or previous donor to a non-profit charitable organization and complies with all other requirements under the TSR. 16 C.F.R. § 310.4(b)(1)(v). Telephone calls delivering prerecorded messages are commonly known as “robocalls.”

45. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the TSR constitutes an unfair or deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

Misrepresentations Regarding the Nature of the Defendant's Entities and Consumers' Donations While Telemarketing

46. In numerous instances, in connection with telemarketing for contributions to a purported charity from donors, the Defendant has made false or misleading statements, directly or indirectly, expressly or by implication, including misrepresentations that:

- a. the entity identified as the potential recipient of the donation, including Veterans of America, is a charity; and
- b. donations to the entity identified as the potential recipient, including to Veterans of America, are tax deductible.

47. The Defendant's practices, as set forth in Paragraph 46 of this Complaint, are deceptive telemarketing acts or practices in violation of the TSR, 16 C.F.R. § 310.3(d)(1) and (2).

COUNT III

Unlawful Prerecorded Messages or Robocalls

48. In numerous instances, in connection with telemarketing, the Defendant has initiated or caused the initiation of outbound telephone calls that delivered prerecorded messages to induce a charitable contribution, in violation of 16 C.F.R. § 310.4(b)(1)(v).

CONSUMER INJURY

49. Consumers have suffered and will continue to suffer substantial injury as a result of the Defendant's violations of the FTC Act and the TSR. In addition, the Defendant has been unjustly enriched as a result of his unlawful acts or practices. Absent injunctive relief by this

Court, the Defendant is likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

50. 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), Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(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, temporary and preliminary injunctions and an order freezing assets;

B. Enter a permanent injunction to prevent future violations of the FTC Act and the TSR by the Defendant;

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from the Defendant's violations of the FTC Act and the TSR, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies;

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,

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General Counsel

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FEDERAL TRADE COMMISSION

Appendix A

Corporate Entity or Fictitious Business Name	Start Date	End Date
Medal of Honor	Incorporated April 24, 2012	Revoked April 30, 2013
Act of Valor	Used as early as May 2013	Unregistered fictitious business name used in robocalls
Donate That Car LLC (MI)	Incorporated December 5, 2013	Not in Good Standing February 15, 2017
Donate Your Car	Used as early as March 2014	Unregistered fictitious business name used in robocalls
Saving Our Soldiers	Used as early as March 2014	Unregistered fictitious business name used in robocalls
Donate That Car LLC (NV)	Incorporated February 2, 2015	Revoked March 31, 2015
Vehicles for Veterans LLC	Incorporated May 13, 2015	Dissolved November 16, 2015
Telefunding LLC	Incorporated January 4, 2016	Revoked February 29, 2016
Veterans of America	Used as early as September 2016	Unregistered fictitious business name currently used in robocalls