



# NETWORK NEWS

NETWORK NEWS IS A PUBLICATION OF CONSUMER SENTINEL, LAW ENFORCEMENT'S SOURCE FOR CONSUMER COMPLAINTS

## RECORD PENALTY.

The operators of a New Jersey-based telemarketing scheme will pay a record \$18.8 million and leave the charitable donation business to settle charges that they violated an FTC order. According to the FTC, Civic Development Group, LLC, CDG Management, LLC, and owners Scott Pasch and David Keezer tricked people into believing their donations went directly to legitimate charities serving police, firefighters and veterans. In reality, only a small portion went to the charities. The civil penalty is the largest ever in an FTC consumer protection case. The settlement permanently bans the defendants from telemarketing and soliciting charitable donations. Defendants Pasch and Keezer are required to turn over numerous assets to a court-appointed liquidator, including two \$2 million homes, paintings by Picasso and Van Gogh, jewelry, cars and the proceeds from the sale of a wine collection. Read the [press release](#). ■■■

## LIFELOCK.

In one of the largest FTC-state coordinated settlements on record, LifeLock, Inc., has agreed to pay \$11 million to the FTC and \$1 million to 35 state attorneys general to settle charges that the company made false statements when promoting its identity theft protection services. Lifelock's advertisements claimed that its \$10-a-month service could prevent identity theft. In fact, it provided no protection against some of the most common forms of identity theft. Read the [press release](#). ■■■

## STAT-O-SPHERE

New account fraud, the type of identity theft for which fraud alerts are most effective, comprised only **17%** of identity theft incidents, according to an FTC survey released in 2007.

## DEBT COLLECTION.

A nationwide debt collector has agreed to pay more than \$1 million to settle FTC charges that it violated federal law by inaccurately reporting credit information and pressing people to pay debts they did not owe. According to the FTC's complaint, Credit Bureau Collection Services, and two of its officers, Larry Ebert and Brian Striker, illegally tried to collect invalid debts and reported debts to the credit reporting agencies without noting that the supposed debtor disputed them. Read the [press release](#). ■■■

## AVOID CHARITY FRAUD.

A flyer in the mail, a phone call, a personalized email — everyone receives requests for donations in one form or another. Many legitimate charities use telemarketing, direct mail, email and online ads to ask for contributions. Unfortunately, scam artists also use these techniques to pocket your money. The FTC has [tips](#) on the warning signs of a charity scam — and how to avoid one. Share them with your network. ■■■

## A SCAM BASED ON RELATIVE-ITY: WOULD-BE GRANDCHILDREN BILKING HONEST GRANDPARENTS

**Some scammers have called people claiming to be a grandchild who needs money to get out of a jam.** The caller may claim that he needs cash to fix a car, get out of jail or leave a foreign country. He begs the grandparent to wire money right away and to keep the request confidential.

Victims of this scam often don't realize they've made a mistake until days later, when they speak to their grandchild who knows nothing about the phone call. By then, the money the grandparent wired is long gone. Scammers usually pressure people to wire money through commercial money transfer companies like Western Union and Money Gram because wiring money is the same as sending cash. The chances of recovery are slim to none.

The FTC says the number of complaints about this type of scam is on the rise. In some cases, the scammers know the names of family members and manage a deft impersonation. In others, they trick a grandparent into giving up a grandchild's name. The callers often claim to be in another country and ask that the money be wired there. Sometimes, a third person gets in the act, pretending to be a police officer or bondsman to confirm the bogus story.

The FTC says that if someone gets a call from a family member asking them to wire money:

- ♦ Resist the pressure and the urge to act immediately.
- ♦ Try to verify the caller's identity by asking personal questions a stranger couldn't answer.
- ♦ Use a phone number you know to be genuine to call the person back. If you don't have the phone number, get in touch with the person's parent, spouse or another close family member to check out the story before you send any money, even if you've been told to keep the event a secret.
- ♦ If you can't reach a family member and still aren't sure what to do, call your local police on the non-emergency line. They can help you sort things out.
- ♦ No matter how dramatic the story, don't wire money. Don't send a check or money order by overnight delivery or courier, either. Con artists recommend these services so they can get your money before you realize you've been cheated.
- ♦ Report possible fraud at [ftc.gov](http://ftc.gov) or by calling 1-877-FTC-HELP. ■■■

### NEW MEMBERS

A total of 14 organizations joined the Consumer Sentinel Network since February 2010. Half of the new members are police departments. ■■■

### COMING THIS SUMMER

**Spam.** This upgrade will let you search the FTC's spam database with the same speed and convenience as searching Sentinel complaints – using key words, numbers and phrases. You also will be able to search for the name of the spammer, web server and relay-IP address.

**Name Normalization.** Sentinel will include variations of the searched company's name. This will improve search results. For instance, a search of ABC Company will produce results including AB & C Company. You'll be able to click through to see complaints on all the name variations. ■■■

### UPGRADES

**Top Subjects Report.** You can now search top subject names and telephone numbers in Sentinel. This significant new upgrade allows searchers to determine the targets who've received the most complaints on a particular issue.

To run a Top Subjects Report, go to the Advanced Search page and select the appropriate databases. Choose to view the results by top subject name or phone number. Sentinel will automatically remove unknown company names and telephone numbers from your results unless you uncheck the Remove box.

Run your search and you'll see a list of top subjects (by top 10, 20, 50 or 100). Click on the company or phone number links to see the associated complaints. You can narrow your search results, download the report and schedule it to run automatically. ■■■

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