



NETWORK NEWS

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

HEALTH CARE HUSTLE.

The FTC and law enforcers in 24 states have filed a total of 54 lawsuits and regulatory actions to stop deceptive operations that targeted people in the market for help paying their medical costs. The coalition of law enforcement agencies said these businesses fraudulently marketed “medical discount plans” as health insurance.

[Read the press release.](#) ■■■

AUTO WARRANTIES.

The FTC has settled its charges against Damian Kohlfeld and his two telemarketing firms whose sales pitch came via millions of illegal auto “warranty” robocalls. The defendants claimed to be affiliated with car dealerships or manufacturers, and told people that their auto warranties were expiring. Kohlfeld and his two companies will pay close to \$2.3 million and are barred from telemarketing. [Read the press release.](#) ■■■

ENVELOPE-STUFFING.

A U.S. district court has temporarily stopped an envelope-stuffing operation that the FTC alleges made false earnings claims. According to the FTC, Louis Salatto and his company, Global U.S. Resources, claimed that people would earn \$8 for every envelope they filled, plus 25 percent of every sale made as a result of their mailing. In fact, people got either nothing or a pamphlet that gave instructions on how to market other bogus work-at-home schemes. The U.S. Attorney’s Office for the District of Connecticut, the U.S. Postal Inspection Service, the Office of the Attorney General in Connecticut, and the Better Business Bureau serving Connecticut helped the FTC with the investigation. [Read the press release.](#) ■■■

STAT-O-SPHERE

By October 2010, the National Do Not Call Registry had more than **201** million active registrations.

NET CETERA

The FTC and its partners in [OnGuardOnline.gov](#) have produced the *Net Cetera Community Outreach Toolkit* with everything you need to reach out to your community to help young people make safe, responsible decisions when they’re online. The kit includes a guide for parents (*Net Cetera*); a booklet for kids (*Heads Up*); presentation slides and notes; videos for parents and for kids; and ideas to help you spread the word about being safe online. There’s practical information about cyberbullying, texting, file-sharing and using mobile phones. All the materials are free and in the public domain; they’re available in English and Spanish. Use them whenever you interact with parents or kids – perhaps during a classroom presentation, library program, community gathering or PTA meeting. You can also spread the word by using the information in a newsletter or on your website or sharing the toolkit with colleagues and other community leaders. Learn more at [Onguardonline.gov/NetCetera.](#) ■■■

DISCRIMINATORY MORTGAGES.

A California-based mortgage lender and its owner have settled FTC charges that they illegally charged Hispanic consumers higher prices for mortgage loans than non-Hispanic white consumers. The charges reflect price disparities that could not be explained by the applicants' credit characteristics or underwriting risk. According to the FTC, Golden Empire Mortgage, Inc., and Howard D. Kootstra gave loan officers and branch managers wide discretion to charge some borrowers "overages" through higher interest rates and higher up-front charges, in addition to the risk-based price. Then Golden Empire paid loan officers a percentage of the overages as a commission. The order imposes a \$5.5 million judgment that will be suspended when \$1.5 million has been paid for consumer redress. The full judgment will become due immediately if the defendants are found to have lied about their financial condition. **Read the press release.** ■■■

DEBT RELIEF SCAM.

Mutual Consolidated Savings and its affiliates, the marketers of a "Rapid Debt Reduction" service, settled FTC charges that they misled consumers when they promised to lower interest rates on credit cards for an advance fee of as much as \$899. The settlement bans the defendants from marketing debt relief services and requires them to return \$1.5 million – all their available assets – to the people they cheated. **Read the press release.** ■■■

WHAT DO YOU THINK?

The Sentinel team wants to hear from you. Is Sentinel working for you and your colleagues? What features help you the most? What features would you like to add? Would you like to participate in the next online training session? Email sentinel@ftc.gov and type "Sentinel Comments" in the subject line. ■■■

ACAI SUPPLEMENTS.

At the FTC's request, a U.S. district court has ordered the marketers of acai berry supplements to temporarily stop an online sales scheme that netted them \$30 million. According to the FTC, Central Coast Nutraceuticals, Inc., falsely advertised AcaiPure as a weight-loss product and Colopure as a cancer-prevention supplement. **Read the press release.** ■■■

NEW MEMBERS

In August and September, 10 new members joined Sentinel, including the FBI's Cyber Division, the office of the District Attorney for Cumberland County, Pennsylvania, and eight police departments. ■■■

COMMUNITY BEAT.

Do you know anyone in the market for health insurance? Tell them to make sure that's what they're buying, or they could find themselves on the hook for big medical bills with no way to pay them. That's because what sounds like affordable health insurance may be a medical discount plan instead. Some medical discount plans provide legitimate discounts; others take peoples' money and offer very little in return. Many plans don't include local providers or give outdated lists of names and facilities. Some offers are just plain scams. To learn more, visit ftc.gov/MedicalDiscountPlans.

Then, distribute copies of the flyer or bookmark, use the information in your newsletter, post the consumer tips on your website, or share them with your social network. FTC resources are free and in the public domain. ■■■

STOCK UP!

Order free FTC materials at ftc.gov/bulkorder. ■■■