UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

FEDERAL TRADE COMMISSION, 600 Pennsylvania Ave NW Washington, DC 20580, Plaintiff, v. ONE OR MORE UNKNOWN PARTIES DOING BUSINESS AS AMERICAN BILL PAY ORGANIZATION AND AMERICAN BENEFITS FOUNDATION, Defendant(s).	**Case 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 Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and Section 410(b) of the Credit Repair Organizations Act ("CROA"), 15 U.S.C. §1679h(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 Defendant(s)' acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and CROA, 15 U.S.C. § 1679 *et seq.*, in connection with the marketing and sale of debt relief and credit repair services that Defendant(s) falsely claim are funded by the United States government.

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) and 53(b).

3. Venue is proper in this district under 28 U.S.C. § 1391 (b)(2), (b)(3), (c)(2), and (c)(3), 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. The FTC also enforces CROA, 15 U.S.C. § 1679h(a), which prohibits unfair or deceptive advertising and business practices by credit repair organizations.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and CROA 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), 56(a)(2)(B), 57b, and 1679h(b).

DEFENDANT(S)

6. Defendant(s) are one or more individuals or entities whose identities and addresses are unknown to the FTC at this time. Defendant(s) conduct business as American Bill Pay Organization and American Benefits Foundation, through the websites www.americanbillpay.org and www.benefitsfoundation.org, or via the receipt and transfer of consumer funds solicited by those websites.

7. Defendant(s) transact business in the District of Columbia. At all times material to this Complaint, acting alone or in concert with others, Defendant(s) have advertised, marketed, distributed, and/or sold debt relief and credit repair services to consumers throughout the United States.

COMMERCE

8. At all times material to this Complaint, Defendant(s) 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.

DEFENDANT(S)' BUSINESS ACTIVITIES

9. Since at least 2011, Defendant(s) have solicited consumers to seek debt relief services through their websites, including www.americanbillpay.org and www.benefitsfoundation.org, and affiliated organizations American Bill Pay and American Benefits Foundation. Defendant(s) purport to offer a program they represent will eliminate or reduce the balance of consumers' unsecured or secured debts and improve consumers' credit. Defendant(s) claim to administer the "Bill Payment Government Assistance Program" (the "Program"), a fictitious program that purports to pay as much as $25,000 towards consumers' debts. Defendant(s) purport to be affiliated with federal government agencies, including the Recovery Accountability and Transparency Board (the "Recovery Board"), a federal agency that was created by the American Recovery and Reinvestment Act of 2009 ("Recovery Act"). In numerous instances, after consumers enroll in the "Bill Payment Government Assistance Program" and pay an advance fee, Defendant(s) do not pay consumers' bills and do not improve consumers' credit ratings.

Defendant(s) Misrepresent Their Debt Relief and Credit Repair Program

10. Since at least 2011, Defendant(s) have represented that they will reduce consumers' debts substantially by paying consumers' bills.

11. Defendant(s)' websites www.americanbillpay.org and www.benefitsfoundation.org have made numerous statements that represent that the Program will reduce substantially consumers' debts, including (emphasis in original):

- Bring your outstanding bills current and focus on the more important stuff in your life this coming month.
- Eliminate up to $25,000 from your debt; REGISTER NOW; The Bill Payment Government Assistance Program is funded and governed by the [*Recovery Act Seal pictured*] RECOVERY.GOV
- Request a pay off for your equity, student and/or auto loan. Receive the title for your vehicle within 31 days of registering with American Bill Pay
- Avoid debt and bankruptcy
- We help to eliminate outstanding bills and relieve you from the stress of overwhelming monthly bills with high interest rates
- The Bill Payment Government Assistance Program awards you the opportunity to receive the deed for your home and the title for your car
- Submit your mortgage for a pay off and receive the deed for your home within 31 days or bring your rent current and relieve yourself from the burden for a few months ahead
- As of February 2013, American Bill Pay has successfully processed 9,815 registrations totaling a completed grant payout of $482,514,119.27.
- American Benefits Foundation has assisted over 2 million members and is the only foundation proven with a positive result for every member that completes the program – regardless of location – while delivering professional customer service and a reliable information base.
- Our members are enrolled into the Bill Payment Government Assistance Program [ ] for a government award of $25,000 per enrollment that is paid directly on their bills
- Members may apply for a second enrollment into the Bill Payment Government Assistance Program for an additional **$25,000 Government Grant Award**

- Imagine never paying another auto loan and how it feels to burn your mortgage files after your receive the Deed for your home and the Title for your car.

12. Defendant(s)' videos on Youtube also make statements that the Program will reduce substantially consumers' debts. The American Bill Pay Organization Video states "this program awards $25,000 paid directly to creditors; apply three times and receive $75,000, guaranteed." The American Bill Pay Service Charge Video asks "Would you throw away $25,000? Did you say YES??? So why throw away this opportunity? We pay 5 of your bills!"

13. Defendant(s) have also represented that they will improve consumers' credit. Defendant(s)' websites have stated:

- Submit all your outstanding bills and enjoy the benefits of an improved credit score

- American Benefits Foundation provides a government program that members can easily submit their bills for payment which increases their credit limit by an average 37%, increases the credit score within 30 days and eliminates up to $50,000 in debt.

- Member Benefits
  - $25,000 paid directly on your bills
  - Increased Credit Score after 30 days
  - Increased Credit Limit by up to 37%

- The Bill Payment Government Assistance Program
  - Free to Register
  - Improved Credit Score
  - Increased Credit Limit
  - Up to $50,000 Debt Elimination

14. Defendant(s)' emails to consumers bolster Defendant(s)' representations that they will reduce substantially consumers' debts and improve their credit by making payments to consumers' creditors:

- With the Bill Payment Government Assistance Program, you are guaranteed an increased credit score and the experience of financial stability, through the non-repayable government program funded under the American Recovery & Reinvestment Act of 2009

- ***This is your opportunity to receive $25,000 with an improved credit rating***

- Each recipient is awarded $25,000 to be paid on 5 bills. Any additional bills submitted will be disregarded.

Defendant(s) Misrepresent Government Affiliation

15. Since at least 2011, Defendant(s) have represented that they are affiliated with the United States government and specifically with the Recovery Board through their administration of the Board's purported Program. Recently, one of Defendant(s)' websites has also claimed affiliation with the Treasury Department's Bureau of Fiscal Service.

16. Defendant(s) represent through their websites, www.americanbillpay.org and www.benefitsfoundation.org, that they are affiliated with the federal government and in particular the Recovery Board. Defendant(s)' websites have stated (emphasis in original):

- The Bill Payment Government Assistance Program is governed by the Recovery Board and funded under the American Recovery & Reinvestment Act of 2009.

- American Benefits Foundation is the leading organization in providing Government Benefits for Americans nationwide since 2010

- Our members are enrolled into the **Bill Payment Government Assistance Program** [a Housing Benefit available under the American Recovery & Reinvestment Act of 2009] for a **government award of $25,000** per enrollment that is paid directly on their bills [*sic*]

- American Benefits Foundation's Bill Payment Government Assistance Program is governed and funded by the Recovery Accountability &

> Transparency Board and the Financial Management Services Office, a sub-division of the United States Department of Treasury.

17. The home page of Defendant(s)' website www.americanbillpay.org has featured a picture of President Obama with a fabricated quote from the President:

> "American Bill Pay is a part of the new foundation for growth. For Americans struggling to pay rising bills with shrinking wages, The Bill Payment Government Assistance Program is from the Emergency Relief Fund of the American Recovery & Reinvestment Act for the folks who are bearing the blunt [sic] of our economy's recession."

18. Defendant(s)' websites have prominently displayed the seals of the Recovery Board, the Treasury Department's Bureau of Fiscal Service, and the Recovery Act, and the logo for President Obama's issue advocacy group "Organizing for Action."

19. Defendant(s)' websites have listed 1500 K Street NW, Washington, D.C. 20005 and P.O. Box 96503, Washington, D.C. 20090 as Defendant(s)' purported locations.

20. Defendant(s) have a Youtube page under the username "American Bill Pay Organization" that contains photographs of President Obama at the top and links to two videos beneath the photographs. The two videos, which are titled "American Bill Pay Organization" and "The American Bill Pay Service Charge" repeat the representations made on the two websites that Defendant(s) are affiliated with the government. For example, the American Bill Pay Organization video asks "did you know that there is a housing benefit under the Recovery Act? This housing benefit is the Bill Payment Government Assistance Program provided by American Bill Pay, a pass-through entity." The American Bill Pay Service Charge video similarly states: "The Bill Payment Government Assistance Program is funded under the Housing Benefit of the American Recovery & Reinvestment Act of 2009 and funded by the Financial

Management Service, a subdivision of the United States Department of Treasury." At the end of The American Bill Pay Service Charge video, a voice that sounds like President Obama's says "I am Barack Obama, and I approved this message" while President Obama's signature appears on the screen. The two videos also display the seals of the Recovery Board, the Recovery Act, and the Treasury Department's Bureau of Fiscal Service.

21. Defendant(s) also represent through emails to consumers that they are affiliated with the United States government:

- On behalf of the American Bill Pay Organization and the Recovery Accountability [] Transparency Board (RATB), I would like to introduce you to what is publicly known as the Bill Payment Government Assistance Program. This program is funded under the Housing Benefit of [] The American Recovery [] Reinvestment Act of 2009.

- If any of your creditors have requested a check, then we have submitted that account information to the Financial Management service (a bureau of the United States Department of Treasury) for approval. Once approved, a check is printed for the account and delivered to American Bill Pay Organization. When we receive the check from the Financial Management Service office, the check will be mailed if the balance of your Service Charge is paid in full.

22. Defendant(s) are not part of or affiliated with the United States Government. There is no "Bill Payment Government Assistance Program" funded by the Recovery Act or administered by the Recovery Board. There is no program under the Recovery Act (by any name) that pays consumers' bills.

Defendant(s) Collect Substantial Advance Fees from Consumers without Paying Consumers' Debts or Improving Their Credit

23. Defendant(s)' websites and videos instruct consumers to enroll in the Program by submitting their information online through Defendant(s)' websites. After

consumers submit their information online, Defendant(s) contact them via email or telephone to tell them that they have been approved for the Program and instruct them to submit their bills through an online portal or via facsimile.

24. Shortly after consumers submit their bills, Defendant(s) contact consumers via email or telephone and instruct them to pay an advance fee (typically between $900 and $1100) via Western Union or Moneygram. Defendant(s)' communications also state that Defendant(s) are in the process of paying the consumers' bills. Defendant(s) collect the fees before providing any services.

25. In numerous instances, after paying Defendant(s)' advance fee, consumers discover that Defendant(s) have not, in fact, paid their bills. For example, some consumers observed pending payments on their online creditor accounts, but subsequently learned that the electronic fund transfer payment was unsuccessful or reversed.

26. In numerous instances, because Defendant(s) do not pay consumers' bills, they also do not improve consumers' credit ratings, scores, or limits.

27. In numerous instances, after discovering that Defendant(s) have not actually paid any of their bills, consumers are unable to contact Defendant(s). In those instances when consumers are able to reach a representative, after they complain to the representative, they find that Defendant(s) no longer answer their calls.

VIOLATIONS OF THE FTC ACT

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

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

Count I

30. Through the means described in Paragraphs 10-14 and 23-27, Defendant(s) have represented, directly or indirectly, expressly or by implication, that:

a. Defendant(s) will reduce substantially consumers' debts; and

b. Defendant(s) will improve consumers' credit ratings, scores, or limits.

31. In truth and in fact, in numerous instances in which Defendant(s) have made the representations set forth in Paragraph 30 of this Complaint:

a. Defendant(s) do not reduce substantially consumers' debts; or

b. Defendant(s) do not improve consumers' credit ratings, scores, or limits.

32. Therefore, Defendant(s)' representations as set forth in Paragraph 30 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).

Count II

33. Through the means described in Paragraphs 15-22, Defendant(s) have represented, directly or indirectly, expressly or by implication, that Defendant(s) are associated or affiliated with the United States government, and that their debt relief and credit repair program is funded and/or governed by the United States government. Such representations are material to consumers seeking debt relief and credit repair.

34. In truth and in fact, Defendant(s) are not associated or affiliated with the United States government, and their debt relief and credit repair program is not funded or governed by the United States government.

35. Therefore, 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 CREDIT REPAIR ORGANIZATIONS ACT

36. The Credit Repair Organizations Act took effect on April 1, 1997, and has since that date remained in full force and effect.

37. The purposes of CROA, according to Congress, are:

> (1) to ensure that prospective buyers of the services of credit repair organizations are provided with the information necessary to make an informed decision regarding the purchase of such services; and
> (2) to protect the public from unfair or deceptive advertising and business practices by credit repair organizations.

15 U.S.C. § 1679(b).

38. CROA defines a "credit repair organization" as:

> [A]ny person who uses any instrumentality of interstate commerce or the mails to sell, provide, or perform (or represent that they can or will sell, provide, or perform) any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of . . . improving any consumers' credit record, credit history, or credit rating[.]

15 U.S.C. § 1679a(3).

39. Defendant(s) are a "credit repair organization."

40. CROA prohibits all persons from making or using any untrue or misleading representation of the services of the credit repair organization. 15 U.S.C. § 1679b(a)(3).

41. CROA prohibits credit repair organizations from charging or receiving any money or other valuable consideration for the performance of any service which the credit repair organization has agreed to perform before such service is fully performed. 15 U.S.C. § 1679b(b).

42. Pursuant to Section 410(b)(1) of CROA, 15 U.S.C. § 1679h(b)(1), any violation of any requirement or prohibition of CROA constitutes an unfair and deceptive act or practice in commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count III

43. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of services to consumers by a credit repair organization, as that term is defined in Section 403(3) of CROA, 15 U.S.C. § 1679a(3), Defendant(s) have made untrue or misleading representations to consumers, including that:

a. Defendant(s) will improve consumers' credit ratings, scores, or limits; and

b. Defendant(s) are associated or affiliated with the United States government, and their debt relief and credit repair program is funded and/or governed by the United States government.

44. Defendant(s)' acts or practices, as described in Paragraph 43, violate Section 404(a)(3) of CROA, 15 U.S.C. § 1679b(a)(3).

Count IV

45. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of services to consumers by a credit repair organization, as that term is defined in Section 403(3) of CROA, 15 U.S.C. § 1679a(3), Defendant(s) have charged or received money or other valuable consideration for the performance of credit repair services that Defendant(s) have agreed to perform before such services were fully performed.

46. Therefore, Defendant(s)' acts or practices, as described in Paragraph 45, violate Section 404(b) of CROA, 15 U.S.C. § 1679b(b).

CONSUMER INJURY

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

THIS COURT'S POWER TO GRANT RELIEF

48. 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.

49. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 410(b) of CROA, 15 U.S.C. § 1679h(b), authorize this Court to grant such relief as the Court finds necessary to redress injury to consumers resulting from Defendant(s)' violations of CROA, including the rescission or reformation of contracts, and the refund of any money.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, Section 410(b) of CROA, 15 U.S.C. § 1679h(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 by entering a temporary restraining order and a preliminary injunction;

B. Enter a permanent injunction to prevent future violations of the FTC Act and CROA by Defendant(s);

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

E. 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,

JONATHAN E. NUECHTERLEIN
General Counsel

Dated: August 19, 2014

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