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Federal Trade Commission
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Washington, DC 20580

~~AG~~ AG-BCP
McGLAMERY
HAYS
SB 399

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International Telemarketing Network Ordered To Stop Marketing Bogus Advance-Fee Credit Card Packages

An international telemarketing network will continue to be barred from illegally marketing advance-fee credit card packages under a preliminary injunction entered by the U.S. District Court in Waco, Texas. The Federal Trade Commission has alleged that the network enabled fraudulent sellers in the United States to hide behind bogus Canadian front men as they telemarketed illegally through boiler rooms running from the Caribbean, United States, Canada and India. The order continues safeguards imposed by the court in an earlier temporary restraining order, and also extends the court-appointed receiver's control over certain corporate defendants to include the personal assets of Kyle Kimoto, president of Assail, Inc. and an alleged leader of the scheme.

Numerous law enforcement agencies and private organizations provided substantial assistance that enabled the FTC to unravel this complex telemarketing network. Among these groups special credit must be given to the Better Business Bureaus of Reno, Nevada; Idaho Falls, Idaho; and Southeast Florida. All three BBB's provided the FTC with information about the hundreds of complaints they received after the defendants opened mail drops in their locations that pretended to be the sellers' places of business. Officials of the Consumer Services Investigation Division in British Columbia, Canada; the Florida Department of Banking and Finance; and the Attorney General's offices of Iowa, Idaho, and Nevada also helped to reveal the falsity of these alleged Florida, Idaho, and Nevada businesses. In fact, the FTC has alleged that the sellers, and their Canadian officers, were elaborate "fronts," created by defendant Assail, Inc. to hide the fraud. Officials of MasterCard International, Dun & Bradstreet, and other businesses also provided valuable information to support the FTC's allegations that the defendants' claimed connections to legitimate businesses were false.

The court entered three preliminary injunctions - the result of one group of defendants contesting the FTC's allegations, while two groups agreed to the entry of separate orders. The court entered a litigated preliminary injunction order against the first group of defendants: Assail, Inc., headquartered in St. George, Utah, its president, Kyle Kimoto, and two of its officers, Cliff Dunn and Mike Henriksen; Summit Communications

Related Documents:

Advance-Fee Loan Scams

Hang Up On Cross-Border Phone Fraud

You Make the Call: The FTC's New Telemarketing Sales Rule

