



## Debt agencies face mail probe

### Andris Pukke draws scrutiny

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By Eileen Ambrose/Sun reporter

U.S. postal inspectors are looking into the business activities of AmeriDebt Inc. founder Andris Pukke as part of a larger criminal investigation into the credit counseling industry, a postal inspector said yesterday.

The Postal Inspection Service is looking at a variety of organizations, including Pukke's DebtWorks and his brother's New York credit counseling agency, called Debticated, said Lou LaFleur, a postal inspector in New York.

DebtWorks processed client accounts for credit counseling agencies, including AmeriDebt, which was once one of the nation's largest counseling agencies before agreeing earlier this year under regulatory pressure to go out of business. Debticated also hired DebtWorks.

The credit counseling industry has come under fire in recent years, with regulators claiming that some firms operating as nonprofits took advantage of consumers by charging them high, poorly disclosed fees without providing counseling.

Pukke is facing numerous lawsuits and has filed for bankruptcy protection, as has AmeriDebt, which was based in Germantown. The Federal Trade Commission sued him and AmeriDebt in 2003, saying the agency bilked consumers and funneled millions of dollars to Pukke's for-profit company. Also, the IRS claims he owes more than \$300 million in back taxes and penalties.

The FTC's case against Pukke, which is seeking to recoup \$172 million in fees paid by consumers, goes to trial next month in Maryland. Concurrently, a private class action lawsuit on behalf of 430,000 consumers against Pukke and his brother, Eriks, and their two organizations will be heard in the same courtroom.

In April, a federal judge froze Pukke's assets after the FTC alleged that he was shifting millions of dollars to family members and offshore accounts.

"The investigation is still ongoing," said LaFleur, adding that postal inspectors have been looking into the industry for a couple of years.

"We don't comment on criminal investigations," LaFleur said.

Andris Pukke's lawyer, John Williams, declined to comment on the postal investigation. His brother's lawyer could not be reached for comment.

Postal inspectors investigate cases that involve the U.S. mail. In credit counseling, for instance, consumers mailed in their payments.

Before becoming involved in AmeriDebt, Pukke pleaded guilty to mail fraud in 1996, arising from a scheme in which consumers were induced to pay upfront fees for promised loans that never materialized.

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