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## Judge jails AmeriDebt founder

GREENBELT, Md. (AP) - The founder of a credit counseling firm accused of cheating debtors out of millions of dollars was jailed Wednesday for failing to obey a court order that he turn over assets to a fund set up to repay the debtors.

U.S. District Judge Peter Messitte said Andris Pukke will be held until he produces assets worth millions of dollars. He is accused of shielding the assets from a fund set up as part of a 2006 settlement with the Federal Trade Commission over the practices of his now defunct firm AmeriDebt.

Messitte found Pukke in contempt of court in March for using friends and family to hide his money in an Internet gambling company, a Belize housing project and a Latvian bank account. The judge gave Pukke time to come up with the money, estimated at more than \$30 million. But the judge said Wednesday that Pukke had not produced enough.

'This is no longer a game,' Messitte said before Pukke was led off in handcuffs. 'This is serious business when you have a court order.'

Pukke pleaded with Messitte to give him more time. He said he had no direct control over the assets and is in the difficult position of waiting for third parties to decide whether to turn over the funds.

'Am I going to sit there for the rest of my life?' he asked.

AmeriDebt, which Pukke founded in 1996 in Germantown, promised to help debtors by reducing their monthly payments and providing credit counseling. But the FTC sued the company and Pukke in 2003, saying it charged \$172 million in hidden fees, money that funded a lavish lifestyle for Pukke.

He settled the case in 2006, agreeing to pay for a \$35 million restitution fund but admitting no wrongdoing. Messitte later froze Pukke's assets and appointed a receiver to keep him from siphoning off his assets to offshore projects and accounts. But the receiver claimed Pukke continued to hide his money. As of March, the restitution fund had only about \$4 million to pay back about 300,000 debtors.

Also jailed Wednesday was Pukke's childhood friend, Peter Baker, who was a principal in the Belize project. Messitte concluded that Baker and Pukke colluded to hide Pukke's assets, both in the Belize development and a Laguna Beach, Calif., house that was in Baker's name.

Pukke and Baker will be held indefinitely until they can hand over all of substantial amounts of the hidden assets, Messitte said. He predicted that spending time in jail would speed up their progress.

'It's likely you will see some rather quick compliance,' the judge said.

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