

ST. LOUIS POST-DISPATCH

Feds settle \$172M telemarketing fraud case

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By MICHAEL SORKIN / St. Louis Post-Dispatch

Federal investigators announced a settlement today in a massive telemarketing scheme that bilked nearly a million consumers nationwide of an estimated \$172 million.

Of that amount, victims of the Suntasia Marketing scam can expect to get back about \$50 million, the Federal Trade Commission says.

"They will be hearing from us shortly," Todd M. Kossow, assistant director of the FTC's midwest region, says of consumers.

Meanwhile, some other settlement checks may already be in your mailbox. Wachovia Bank is mailing more than \$150 million in restitution checks to 740,000 consumers who were victims of telemarketing fraud.

About \$33 million of that amount went to victims of Suntasia, a Florida-based marketing company. The FTC sued the company for deceptively marketing a series of negative option memberships in buyer's and travel clubs.

With a negative option, a company takes consumers' silence or failure to cancel the program as acceptance of the offer and permission to deduct funds from their bank accounts. The government charged that Suntasia deceived consumers into divulging their bank account information and the telemarketers charged the consumers without authorization.

The telemarketers debited the money from consumer accounts with the help of Wachovia Bank, the Office of the Comptroller of the Currency says. In a separate agreement, Wachovia is refunding \$33 million to Suntasia victims. Wachovia also is refunding about another \$117 million that went to other telemarketers in unrelated scams.

In a sign of the times, some consumers have been too suspicious to cash their checks.

There have been so many fake check scams that government officials found it necessary to issue a statement today under this headline: "FTC urges consumers to cash restitution checks mailed by Wachovia Bank."

"These are legitimate checks," says the FTC's Kossow.

For information on the Wachovia restitutions, click onto restitutionpayment.com.

The FTC says there is no website yet for information on the Suntasia refunds.

Officials say consumers don't need to contact the FTC for a refund. "If a consumer was debited by Suntasia, they will get a check," Kossow says.

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