



**For Release:** February 15, 2008

## **Court Finds Payment Processor in Contempt, Issues Warrant for His Arrest**

### **Defendant Ira Rubin Assisted Cross-Border Telemarketing Scams**

At the request of the Federal Trade Commission, Judge James S. Moody, Jr. of the U.S. District Court for the Middle District of Florida, Tampa Division, has issued an order dated January 30, 2008, finding defendant Ira N. Rubin in contempt for multiple violations of a temporary restraining order (TRO) and preliminary injunction order (PI), stopping his cross-border payment-processing scheme.

The TRO and PI, entered December 13, 2006, and January 11, 2007, respectively, froze Rubin's personal assets and the assets of the corporate entities he managed (collectively known as Global Marketing Group) and prohibit Rubin from engaging in payment processing activities. On January 15, 2008, the court ordered Rubin to appear personally and show cause why he should not be held in contempt for violating the TRO and PI by continuing to engage in payment processing, misappropriating over \$500,000 in receivership assets, concealing \$95,000 in credit card charges from the Commission, lying on his sworn financial statement, and hiding 13 boxes of corporate records. When Rubin failed to appear for the hearing, the judge entered the January 30, 2008 order finding Rubin in contempt and issued a warrant for Rubin's arrest.

#### **Case History**

According to the FTC's amended complaint against the Global Marketing Group defendants, since at least January 2003, the defendants provided substantial support and assistance to at least nine Canadian telemarketing firms that sell non-existent credit cards to U.S. consumers. In return for an advance fee of several hundred dollars, which Rubin debited from consumers' bank accounts on behalf of the telemarketers, consumers expected to receive an unsecured credit card but instead either received nothing or a worthless "benefits package." The complaint alleged that the defendants debit funds from consumers' bank accounts, deduct their processing fees from the gross proceeds, and forward the balance of the proceeds from the deceptive scheme to the telemarketers. The complaint also alleged that in addition to payment processing the defendants provided other services to fraudulent telemarketers, including customer service, order fulfillment, and list brokering.

The Commission filed its original complaint on December 11, 2006, alleging violations of the FTC Act and the Telemarketing Sales Rule, and naming Rubin of Tampa, Florida, as well as the following corporate entities under his control: Global Marketing Group Inc., Global Business Solutions LLC, Globalpay Inc., Globalpay LLC, Globalpay BV, Synergy Consulting Services LLC, and First Processing Corporation. Rubin's wife, Phoelicia Daniels, who allegedly has received funds and other property derived unlawfully from consumers' payments, was named as a relief defendant. An amended complaint filed by the Commission on March 19, 2007, named Rubin's attorney, Kevin D. Astl, and eighteen additional corporate entities owned or controlled by Rubin and Astl.

**Copies** of the Commission's memorandum of points and authorities in support of its motion for order to show cause, the order granting the Commission's motion, and the order finding Rubin in contempt, can be found as a link to this press release on the FTC's Web site. The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, click: <http://www.ftc.gov/ftc/complaint.shtm> or call 1-877-382-4357. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to more than 1,600 civil and criminal law enforcement agencies in the U.S. and abroad. For free information on a variety of consumer topics, click <http://www.ftc.gov/bcp/consumer.shtm>.

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