



**For Release:** December 20, 2006

## **FTC Stops Payment Processor Who Aided Cross-Border Telemarketing Fraud**

### *International Operation Tapped Bank Accounts for Advance-Fee Credit Card Schemes*

At the request of the Federal Trade Commission, a federal court has shut down a payment processing operation that allegedly helped fraudulent telemarketers take millions of dollars from consumers' bank accounts.

According to the FTC's complaint, since at least January 2003 the operation has aided at least nine Canada-based, advance-fee credit card schemes that induce consumers to allow an electronic debit of several hundred dollars from their bank account in exchange for an unsecured credit card; but consumers never receive a credit card or, at best, they receive a "benefits package" containing relatively worthless items. The complaint alleges 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. According to the complaint, the defendants also provided customer service and complaint handling, order fulfillment, list brokering, and other services.

The complaint alleges that the defendants process payments on behalf of clients whose sales scripts plainly indicate that they intend to violate the FTC's Telemarketing Sales Rule (TSR) and industry rules that prohibit processing electronic banking transactions for outbound telemarketers; that they draft, edit, review, and approve sales scripts; and that they process transactions without first obtaining adequate information about the clients and their business practices, or when evidence demonstrates that illegal activity is contemplated or ongoing.

According to the complaint, the defendants often receive complaints about their clients from consumers, law enforcement, and the Better Business Bureau concerning deceptive and abusive business practices, such as the failure to provide promised credit cards. They also receive such complaints while handling customer service for clients, including receiving and responding to consumer inquiries and refund requests.

The complaint alleges that the defendants provide fulfillment services for telemarketers, such as sending consumers essentially worthless "benefits packages" instead of a promised credit card, and that they sell consumers' personal and financial information, including names, addresses, and telephone numbers, to telemarketers who use this information to contact and defraud consumers.

Alleging violations of the FTC Act and the TSR, the complaint names Ira Rubin of Tampa, Florida, and the businesses he controls: 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, is a relief defendant.

The court order, issued December 12, prohibits the defendants from processing payments for telemarketers and violating the TSR, either directly or indirectly, and from assisting anyone who falsely represents that consumers will, or are likely to receive, an unsecured credit card, and from assisting anyone who requests and/or receives advance payment for a loan, credit card, or extension of credit when the telemarketer has guaranteed or represented a likelihood of success in obtaining such results. The order also freezes the defendants' assets but allows the relief defendant up to \$10,000 for personal expenses.

The Commission voted 5-0 to authorize the filing of a complaint and an ex parte motion for a temporary restraining order with an asset freeze and appointment of a receiver, which were filed in the U.S. District Court for the Middle District of Florida, Tampa Division.

**NOTE:** The Commission authorizes the filing of a complaint when it has “reason to believe” that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. The complaint is not a finding or ruling that the defendant has actually violated the law. The case will be decided by the court.

Copies of the complaint are available from the FTC’s Web site at <http://www.ftc.gov> and its Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information on 150 consumer topics, call toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the complaint form at <http://www.ftc.gov>. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database help consumers spot, stop, and avoid them. To file a complaint in English or Spanish (bilingual counselors are available to take complaints), or to get free information on any of available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

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(FTC File No. 062-3186)

Related Documents:

***Federal Trade Commission, Plaintiff, v. Global Marketing Group, Inc.; Global Business Solutions, LLC; Globalpay, Inc.; Globalpay, LLC; Globalpay BV; Synergy Consulting Services, LLC; First Processing Corporation; and Ira N. Rubin; Defendants, and Phoelicia Daniels, Relief Defendant.***

(United States District Court for the Middle District of Florida Tampa Division); Civil Action No.: 8:06-CV-02272 JSM-TGW;  
FTC File No. 062-3186