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FTC Action Halts Global Sweepstakes Scam

Consumers Lost Millions of Dollars Despite ‘Guarantee’ of Prize Money

At the request of the Federal Trade Commission, a federal court has temporarily halted a sweepstakes operation based in Fort Lauderdale that took more than \$28 million from consumers throughout the United States and other countries, including Australia, Canada, France, Germany, Japan, and the United Kingdom. The FTC seeks to permanently end the allegedly illegal practices and return money to victims.

“This outfit promised people huge prizes and collected millions in fees but never paid out a dime,” said Jessica Rich, Director of the FTC’s Bureau of Consumer Protection. “If someone says you have to pay to claim a sweepstakes prize, assume it’s a scam.”

According to the FTC’s complaint and other court filings, the defendants mailed personalized letters falsely telling consumers that they had won large cash prizes, typically more than \$2 million. The prizes are “guaranteed,” the letters stated, but to collect the money, consumers had to mail the defendants a \$20-\$30 fee by cash, check or money order. To create a false sense of urgency, they set a deadline, typically 10 days, and warned consumers they would forfeit their winnings if they didn’t pay on time.

In reality, consumers had not won anything. The defendants have no connection to any sweepstakes and cannot award or pay anyone the promised prizes. “Only in dense, confusing language, at the bottom or on the back of the letters,” the FTC explains, do they admit that the only service they provide is compiling “reports” about sweepstakes and contests offered by other parties that are open to the public. By design, the defendants’ disclaimers are unclear and inconspicuous, and fail to alert consumers to the truth, and most consumers don’t even receive the “reports” and would never have agreed to pay \$20-\$30 for them.

The defendants are Mail Tree Inc.; Michael McKay Co.; Spin Mail Inc.; MCP Marketing Activities LLC, also doing business as Magellan Mail and Magellan Marketing; Trans National Concepts Inc.; Romeria Global LLC, also d/b/a Lowenstein Varick and Nagel; Supreme Media LLC; Vernier Holdings Inc.; Awards Research Consultant LLC; Mailpro Americas Corp.; Masterpiece Marketing LLC, also d/b/a Affiliated Opportunities Group (AOG), Corporate Accounting Authority (CAA), Dispatch Notification Services (DNS), Information Reporting Group (IRG), National Directory Center (NDC), and Priority Information Exchange (PIE); Matthew Pisoni; Marcus Pradel; John Leon; and Victor Ramirez. The court issued an order that temporarily stopped the illegal conduct, froze the defendants’ assets, and appointed a receiver to control the operation while the FTC pursues the case.

The Office of the United States Attorney for the Southern District of Florida arrested Matthew Pisoni, Marcus Pradel, John Leon and Victor Ramirez in connection with the sweepstakes operation.

“No one is permitted to steal hard-earned money from members of our community,” U.S. Attorney Wifredo A. Ferrer said. “This office will work with international, national and local law enforcement agencies to prevent these types of sweepstake fraud schemes, and we will bring those who commit these crimes to justice.”

The FTC would like to thank the United States Postal Inspection Service, the United States Department of Treasury - Internal Revenue Service - Criminal Investigation, the Vancouver Police Department, the Windsor (Ontario) Police Service, and the Metropolitan Police in the United Kingdom for their assistance in this case.

The Commission vote authorizing the staff to file the complaint in the U.S. District Court for the Southern District of Florida was 5-0. The court entered a temporary restraining order against the defendants on May 19, 2015.

To learn how to avoid these kinds of scams, read the FTC's [Prize Scams](#).

NOTE: The Commission files 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 case will be decided by the court.

The Federal Trade Commission works for consumers 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, visit the FTC’s online Complaint Assistant or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC’s website provides free information on a variety of consumer topics. Like the FTC on Facebook (link is external), follow us on Twitter (link is external), and subscribe to press releases for the latest FTC news and resources.

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