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PLAINTIFF

1 4. Plaintiff Federal Trade Commission is an independent agency of the United States
2 Government created by statute. 15 U.S.C. ' 41 *et seq.* Governancy ofe. 15 41 *et seq.*
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14. The sale and trafficking in foreign lotteries is a crime in the United States. Defendants have

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1 In the Telemarketing Act, 15 U.S.C. ' 6101 *et seq.*, Congress directed the FTC to prescribe
2 rules prohibiting deceptive telemarketing acts or practices. On August 16, 1995, the Commission
3 promulgated the TSR, 16 C.F.R. Part 310. The TSR became effective on December 31, 1995.

4 29. Defendants are "telemarketers" or "sellers" engaged in "telemarketing" as those terms are
5 defined in the TSR, 16 C.F.R. ' ' 310.2(r), (t), and (u).

6 30. The TSR requires sellers and telemarketers to disclose all material restrictions, limitations,
7 or conditions to purchase, receive, or use the goods or services that are the subject of the sales offer.
8 16 C.F.R. ' 310.3(a)(1)(ii).

9 31. The TSR prohibits sellers and telemarketers from making a false or misleading statement
10 to induce any person to pay for goods or services. @ 16 C.F.R. ' 310.3(a)(4).

11 32. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. ' 6102 (c), and Section
12 18(d)(3) of the FTC Act, 15 U.S.C. ' 57a(d)(3), violations of the TSR constitute deceptive acts or
13 practices in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. ' 45(a).

14 COUNT V

15 33. In numerous instances, in connection with telemarketing foreign lottery tickets or foreign
16 lottery opportunities, defendants have made false or misleading statements to induce the purchase of
17 lottery tickets or payment of money, including but not limited to the following:

- 18 a. consumers are likely to receive a large return on their investment if they purchase
19 bonds from defendants;
- 20 b. consumers are likely to win large cash awards if the consumers purchase lottery
21 tickets or otherwise make payments to defendants; and
- 22 c. consumers have won and will receive a large cash award if the consumers pay
23 defendants a fee or fees.

24 34. Therefore, defendants have violated Section 310.3(a)(4) of the Rule, 16 C.F.R.
25 ' 310.3(a)(4).

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c. Award such relief as the Court finds necessary to redress injury to consumers resulting from the defendants' violations of the Telemarketing Sales Rule and the FTC Act, including but not limited to, rescission of contracts, the refund of monies paid, and the disgorgement of ill-gotten monies and interest thereon by defendants; and

d. Award plaintiff the costs of bringing this action and reasonable attorneys= fees, as well as such other and additional relief as the Court may determine to be just and proper.

Dated: _____, 2002

Respectfully Submitted,
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