

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

FEDERAL TRADE COMMISSION,
600 Pennsylvania Ave NW
Washington, DC 20580,

Plaintiff,

v.

SEREIKA SAVARIAU, a/k/a Sereika Goodison,
d/b/a as American Bill Pay Organization and
American Benefits Foundation, and LAWRENCE
GOODISON, d/b/a as American Bill Pay
Organization and American Benefits Foundation,

Defendants.

Case No. 1:14-CV-01414 (RBW)

**FIRST AMENDED COMPLAINT
FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE
RELIEF**

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b), and Section 410(b) of the Credit Repair Organizations Act (“CROA”), 15 U.S.C. § 1679h(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and CROA, 15 U.S.C. § 1679 *et seq.*, in connection with the marketing and sale of debt relief and credit repair services that Defendants falsely claim are funded by the United States government.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

3. Venue is proper in this district under 28 U.S.C. § 1391 (b)(2), (b)(3), (c)(2), and (c)(3), and 15 U.S.C. § 53(b).

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces CROA, 15 U.S.C. § 1679h(a), which prohibits unfair

controlled, had the authority to control, or participated in the acts or practices set forth in this Complaint.

7. Defendant Lawrence Goodison, also doing business as American Bill Pay Organization and American Benefits Foundation, resides in Jamaica. Defendant Goodison conducts business as American Bill Pay Organization and American Benefits Foundation, and has at all times material to this Complaint, acting alone or in concert

Organization and American Benefits Foundation. Defendants purport to offer a program they represent will eliminate or reduce the balance of consumers' unsecured or secured debts and improve consumers' credit. Defendants claim to administer the "Bill Payment Government Assistance Program" (the "Program"), a fictitious program that purports to pay as much as \$25,000 towards consumers' debts. Defendants purport to be affiliated with federal government agencies, including the Recovery Accountability and Transparency Board (the "Recovery Board"), a federal agency that was created by the American Recovery and Reinvestment Act of 2009 ("Recovery Act"). In numerous instances, after consumers enroll in the "Bill Payment Government Assistance Program" and pay an advance fee, Defendants do not pay consumers' bills and do not improve consumers' credit ratings.

Defendants Misrepresent Their Debt Relief and Credit Repair Program

11. Since at least 2011, Defendants have represented that they will reduce consumers' debts substantially by paying consumers' bills.

12. Defendants' websites www.americanbillpay.org and www.benefitsfoundation.org have made numerous statements that represent that the Program will reduce substantially consumers' debts, including (emphasis in original):

- x Bring your outstanding bills current and focus on the more important stuff in your life this coming month.
- x Eliminate up to \$25,000 from your debt; REGISTER NOW; The Bill Payment Government Assistance Program is funded and governed by the [*Recovery Act Seal pictured*] RECOVERY.GOV
- x Request a pay off for your equity, student and/or auto loan. (qui)-2(t Tf -3tui)-2v(e)4(t)-2(ve

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- x We help to eliminate outstanding bills and relieve you from the stress of overwhelming monthly bills with high interest rates
- x The Bill Payment Government Assistance Program awards you the opportunity to receive the deed for your home and the title for your car
- x Submit your mortgage for a pay off and receive the deed for your home within 31 days or bring your rent current and relieve yourself from the burden for a few months ahead
- x As of February 2013, American Bill Pay has successfully processed 9,815 registrations totaling a completed grant payout d [/Bot

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- x Submit all your outstanding bills and enjoy the benefits of an improved credit score
- x American Benefits Foundation provides a government program that members can easily submit their bills for payment which increases their credit limit by an average 37%, increases the credit score within 30 days and eliminates up to \$50,000 in debt.
- x Member Benefits
 - o \$25,000 paid directly on your bills
 - o Increased Credit Score after 30 days
 - o Increased Credit Limit by up to 37%
- x The Bill Payment Government Assistance Program
 - o Free to Register
 - o Improved Credit Score
 - o Increased Credit Limit
 - o Up to \$50,000 Debt Elimination

15. Defendants' emails to consumers bolster Defendants' representations that they will reduce substantially consumers' debts and improve their credit by making payments to consumers' creditors:

- x With the Bill Payment Government Assistance Program, you are guaranteed an increased credit score and the experience of financial stability, through the non-repayable government program funded under the American Recovery & Reinvestment Act of 2009
- x ***This is your opportunity to receive \$25,000 with an improved credit rating***
- x Each recipient is awarded \$25,000 to be paid on 5 bills. Any additional bills submitted will be disregarded.

Defendants Misrepresent Government Affiliation

16. Since at least 2011, Defendants have represented that they are affiliated with the United States government and specifically with the Recovery Board through their administration of the Board's purported Program. Recently, one of Defendants'

websites has also claimed affiliation with the Treasury Department's Bureau of Fiscal Service.

17. Defendants represent through their websites, www.americanbillpay.org and www.benefitsfoundation.org, that they are affiliated with the federal government and in particular the Recovery Board. Defendants' websites have stated (emphasis in original):

- x The Bill Payment Government Assistance Program is governed by the Recovery Board and funded under the American Recovery & Reinvestment Act of 2009.
- x American Benefits Foundation is the leading organization in providing Government Benefits for Americans nationwide since 2010
- x Our members are enrolled into the **Bill Payment Government Assistance Program** [a Housing Benefit available under the American Recovery & Reinvestment Act of 2009] for a **government award of \$25,000** per enrollment that is paid directly on their bills [*sic*]
- x American Benefits Foundation's Bill Payment Government Assistance Program is governed and funded by the Recovery Accountability & Transparency Board and the Financial Management Services Office, a sub-division of the United States Department of Treasury.

18. The home page of Defendants' website www.americanbillpay.org has featured a picture of President Obama with a fabricated quote from the President:

"American Bill Pay is a part of the new foundation for growth. For Americans struggling to pay rising bills with shrinking wages, The Bill Payment Government Assistance Program is from the Emergency Relief Fund of the American Recovery & Reinvestment Act for the folks who are bearing the blunt [*sic*] of our economy's recession."

19. Defendants' websites have prominently displayed the seals of the Recovery Board, the Treasury Department's Bureau of Fiscal Service, and the Recovery Act, and the logo for President Obama's issue advocacy group "Organizing for Action."

20. Defendants' websites have listed 1500 K Street NW, Washington, D.C. 20005 and P.O. Box 96503, Washington, D.C. 20090 as Defendants' purported locations.

21. Defendants have a Youtube page under the username "American Bill Pay Organization" that contains photographs of President Obama at the top and links to two videos beneath the photographs. The two videos, which are titled "American Bill Pay Organization" and "The American Bill Pay Service Charge" repeat the representations made on the two websites that Defendants are affiliated with the government. For example, the American Bill Pay Organization video asks "did you know that there is a housing benefit under the Recovery Act? This housing benefit is the Bill Payment Government Assistance Program provided by American Bill Pay, a pass-through entity." The American Bill Pay Service Charge video similarly states: "The Bill Payment Government Assistance Program is funded under the Housing Benefit of the American Recovery & Reinvestment Act of 2009 and funded by the Financial Management Service, a subdivision of the United States Department of Treasury." At the end of The American Bill Pay Service Charge video, a voice that sounds like President Obama's says "I am Barack Obama, and I approved this message" while President Obama's signature appears on the screen. The two videos also display the seals of the Recovery Board, the Recovery Act, and the Treasury Department's Bureau of Fiscal Service.

22. Defendants also represent through emails to consumers that they are affiliated with the United States government:

- x On behalf of the American Bill Pay Organization and the Recovery Accountability Transparency Board (RATB), I would like to introduce you to what is publicly known as the Bill Payment Government Assistance Program. This program is funded under the Housing Benefit of The American Recovery Reinvestment Act of 2009.

- x If any of your creditors have requested a check, then we have submitted that account information to the Financial Management service (a bureau of the United States Department of Treasury) for approval. Once approved, a check is printed for the account and delivered to American Bill Pay Organization. When we receive the check from the Financial Management Service office, the check will be mailed if the balance of your Service Charge is paid in full.

23. Defendants are not part of or affiliated with the United States Government. There is no “Bill Payment Government Assistance Program” funded by the Recovery Act or administered by the Recovery Board. There is no program under the Recovery Act (by any name) that pays consumers’ bills.

Defendants Collect Substantial Advance Fees from Consumers without Paying Consumers’ Debts or Improving Their Credit

24. Defendants’ websites and videos instruct consumers to enroll in the Program by submitting their information online through Defendants’ websites. After

33. Therefore, Defendants' representations as set forth in Paragraph 31 of this complaint are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count II

34. Through the means described in Paragraphs 16-23, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants are associated or affiliated with

15 U.S.C. § 1679(b).

39. CROA defines a “credit repair organization” as:

[A]ny person who uses any instrumentality of interstate commerce or the mails to sell, provide, or perform (or represent that such person can or will sell, provide, or perform) any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of . . . improving any consumers’ credit record, credit history, or credit rating[.]

15 U.S.C. § 1679a(3).

40. Defendants are a “credit repair organization.”

41. CROA prohibits all persons from making or using any untrue or misleading representation of the services of the credit repair organization. 15 U.S.C. § 1679b(a)(3).

42. CROA prohibits credit repair organizations from charging or receiving any money or other valuable consideration for the performance of any service which the credit repair organization has agreed to perform before such service is fully performed.

15 U.S.C. § 1679b(b).

43. Pursuant to Section 410(b)(1) of CROA, 15 U.S.C. § 1679h(b)(1), any violation of any requirement or prohibition of CROA constitutes an unfair and deceptive act or practice in commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count III

44. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of services to consumers by a credit repair organization, as that term is defined in Section 403(3) of CROA, 15 U.S.C. § 1679a(3), Defendants have made untrue or misleading representations to consumers, including that:

- a. Defendants will improve consumers' credit ratings, scores, or limits;
and
- b. Defendants are associated or affiliated with the United States
government, and their debt relief and credit repair program is funded

