



Federal Trade Commission Protecting America's Consumers

For Release: 08/01/2011

FTC Charges Marketers with Tricking People Who Applied for Payday Loans; Used Bank Account Information to Charge Consumers for Unwanted Programs

At the request of the Federal Trade Commission, a federal court has halted an online operation that allegedly debited consumers' bank accounts without their consent when consumers visited the defendants' websites seeking payday loans. The court also froze the defendants' assets, pending further court proceedings. As part of its continuing efforts to protect financially strapped consumers during the economic downturn, the FTC seeks to permanently stop the illegal practices and make the defendants refund consumers' money.

According to the FTC's [complaint](#), the defendants' websites, such as [mypaydayangel.com](#) and [juniperloans.com](#), asked for consumers' personal and financial information, such as social security, driver license, and bank account numbers. Near the end of the application form, the defendants offered unrelated "Direct Benefits" and "Voice Net" programs for food, travel and merchandise discounts, or for long distance calling and Internet access. Many consumers who clicked to "submit" a payday loan application were enrolled unwittingly into the programs, which initially charged their bank accounts up to \$59.90 per month, and later charged up to \$99.90 per year. Consumers often did not notice the program offers, and some people who declined the offers were charged for the programs anyway, the FTC alleged.

As alleged in the complaint, the defendants sent consumers' bank account information to Landmark Clearing Inc. and other payment processors to electronically generate remotely created payment orders that debited consumers' bank accounts. Consumers typically discovered the problem when an unexpected debit appeared on their bank statement, or when their bank told them their account was overdrawn. They learned that Direct Benefits or Voice Net received the payments only after they contacted their bank or saw an online copy of the payment order. Consumers who called the defendants for a refund often got the run-around. Many consumers had to dispute the transaction or close their bank accounts to get a refund or stop the defendants from debiting their accounts.

The defendants are charged with violating the FTC Act by obtaining consumers' bank account information and debiting their accounts without their consent, and failing to adequately disclose that, in addition to using consumers' financial information for a payday loan application, they would use it to charge consumers for enrollment in unrelated programs and services.

The FTC complaint names Direct Benefits Group LLC, also doing business as Direct Benefits Online and Unified Savings; Voice Net Global LLC, also doing business as Thrifty Dial; Solid Core Solutions Inc.; WKMS Inc.; Kyle Wood; and Mark Berry.

The Commission vote authorizing the staff to file the complaint was 5-0. The complaint was filed in the U.S. District Court for the Middle District of Florida.

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 complaint is not a finding or ruling that the defendant has actually violated the law. 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](#) and follow us on [Twitter](#).

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(Direct Benefits Group)
(FTC File No. 1123114)

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Related Items:

Federal Trade Commission, Plaintiff, v. Direct Benefits Group, LLC, also doing business as Direct Benefits Online, and Unified Savings; Voice Net Global, LLC, also doing business as Thrifty Dial; Solid Core Solutions, Inc.; WKMS, Inc.; Kyle Wood; and Mark Berry, Defendants

(United States District Court for the Middle District of Florida)

Case No. 6:11-cv-01186-JA-GJK

FTC File No. 112 3114

Consumer Information:

- [Payday Loans Equal Very Costly Cash: Consumers Urged to Consider the Alternatives](#)
- [Free Trial Offers](#)

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