



At the FTC's Request, Court Halts Alleged Phony Payday Loan Broker

September 4, 2013

Consumer Losses Estimated at More Than \$5 Million; Defendants Promised to Help People Find Loans, But Instead Just Debited Their Bank Accounts, FTC Alleges

FOR RELEASE

TAGS: [deceptive/misleading conduct](#) | [Finance](#) | [Internet commerce](#) | [payday lending](#) | [Finance](#) | [Bureau of Consumer Protection](#) | [Consumer Protection](#) | [Credit and Finance](#) | [Credit and Loans](#)

At the request of the Federal Trade Commission, a U.S. district court has halted a Tampa, Florida-based operation that promised to help consumers get payday loans. Instead of loans, the defendants used consumers' personal financial information to debit their bank accounts in increments of \$30 without their authorization, the FTC alleged.

Claiming to be affiliated with a network of 120 potential payday lenders, the defendants misrepresented that 80 percent of applicants got loans in as soon as one hour, according to the FTC. The court order freezes the defendants' assets to preserve the possibility of providing redress to consumers.

"Repeatedly, we've seen situations where consumers provide sensitive financial information when inquiring about a payday loan online, and that information falls into the wrong hands," said Jessica Rich, Director of the FTC's Bureau of Consumer Protection. "The FTC is committed to shutting down these fraudulent operations."

The FTC alleged that defendants Sean C. Mulrooney and Odafe Stephen Ogaga and five companies they controlled used websites with the names Vantage Funding, Ideal Advance, Loan Assistance Company, Palm Loan Advances, Loan Tree Advances, Pacific Advances, and Your Loan Funding to collect consumers' names, Social Security numbers, bank routing numbers, and bank account numbers, which allowed them to access consumers' checking accounts.

The defendants obtained other consumers' financial information by paying more than \$500,000 to third parties, and debited those consumers' accounts without authorization as well, according to documents filed with the court. In all, the defendants victimized tens of thousands of consumers, taking more than \$5 million from their bank accounts. Many of the victims were in difficult financial straits to begin with, and as an added insult, often began receiving harassing telemarketing and debt collection calls shortly after the defendants made their unauthorized withdrawals, according to the FTC. Consumers who complained to Defendants' Philippines-based customer service agents were frequently offered refunds and \$100 gasoline vouchers that never materialized, according to the FTC.

Mulrooney and Ogaga apparently used proceeds from their allegedly illegal scheme to finance a lavish lifestyle. Mulrooney is the registered owner of a 2012 Maserati GranTurismo, while Ogaga owns a 2011 Rolls Royce Ghost and a 2006 Ferrari 430, according to documents filed with the court.

This is the FTC's third recent case involving allegedly fraudulent online payday-loan-related operations, and the first one in which the defendants claimed to broker payday loans. In two previous cases, [American Credit Crunchers, LLC](#) and [Broadway Global Master Inc.](#), the defendants allegedly attempted to collect on payday loan debts that either did not exist or weren't owed to them.

The complaint charges the defendants with violating the Federal Trade Commission Act by using unfair billing practices, and by misrepresenting that they will help consumers find a payday loan and use their personal and financial information to get the loan. The complaint also alleges that the defendants untruthfully claim four of five consumers who applied were approved for a payday loan.

For more consumer information on this topic, see [Online Payday Loans](#).

In addition to Mulrooney and Ogaga, the Vantage Funding complaint names Caprice Marketing LLC; Nuvue Partners LLC; Capital Advance LLC; Loan Assistance Company LLC; and Ilife Funding, LLC, formerly known as Guaranteed Funding Partners LLC.

The Commission vote authorizing the staff to file the Vantage complaint was 4-0. The complaint and request for a temporary restraining order were filed in the U.S. District Court for the Northern District of Illinois. On August 29, 2013, the court granted the FTC's request.

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](#), follow us on [Twitter](#), and [subscribe to press releases](#) for the latest FTC news and resources.

Contact Information

MEDIA CONTACT:

Betsy Lordan
Office of Public Affairs
202-326-3707

STAFF CONTACT:

James Davis, Elizabeth Scott
FTC Midwest Region
312-960-5611, 312-960-5609



ftc.gov