



FTC Settlements Permanently Shut Down "Free Government Grants" Scam

November 24, 2010

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The Federal Trade Commission has reached settlements shutting down a website operation that allegedly deceptively touted free government grants for personal expenses or paying off debt, and then debited consumers' bank accounts without their approval. The federal government does not provide grants to consumers for personal expenses or paying off debts.

The settlements resolve *FTC v. In Deep Services, Inc.*, a law enforcement action the FTC filed as part of "Operation Short Change," a crackdown launched in July 2009 on scams targeting financially strapped consumers.

The FTC charged that In Deep Service and its principals, which did business under the name Grant\$ For You Now, operated websites that deceived consumers by promising them free government grant money. According to the FTC complaint, the defendants asked for consumers' credit or debit account information to process a \$1.99 fee for grant information. The fee allowed consumers access to a "members only" section of their websites which claimed to contain information on how to get government grants. In fact, the "members only" portion of the site was full of inaccurate and obsolete information. The FTC also charged that the operators failed to disclose that consumers who signed up would be hit with recurring monthly charges of \$72 to \$95 and a one-time additional charge of \$19.12. All of the defendants' websites falsely offered a "100% No Hassle Money Back Guarantee." The defendants' operations have been shut down since June 23, 2009, when the FTC sued them and a judge issued a temporary restraining order.

The settlement orders ban the defendants from marketing, or selling any grant-related product or service, or from marketing or selling any continuity or "negative option" program where consumers have to opt out to keep from being charged. They also bar the defendants from automatically debiting consumers' accounts without authorization and from misrepresenting facts that would influence consumers' decisions about whether to participate in a program. Finally, the settlement orders each impose a judgment in the amount of \$9,042,070, which will be suspended if the defendants pay back taxes owed to the IRS and the state of California and surrender their remaining assets to the FTC. Should the court find the defendants misrepresented their finances, or did not pay the taxes they owe, the entire amount of the judgment will be due.

The Commission vote to file the settlements in the U.S. District Court for the Central District of California was 5-0.

The defendants in this case are Ryan Champion, Joseph C. Fleming IV, and In Deep Services, Inc., doing business as Grant\$ For You Now.

NOTE: Stipulated final judgments and orders are for settlement purposes only and do not constitute an admission by the defendants of a law violation. Stipulated orders have the force of law when signed by the judge.

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 1,800 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](#).

(FTC File No. X09 0059)

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