



For Release

# FTC Halts Debt Relief Scheme that Bilked Millions from Consumers While Leaving Many Deeper in Debt

Scheme run by Sean Austin, John Steven Huffman, and John Preston Thompson often targeted older Americans and financially distressed consumers

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The FTC has temporarily shut down a credit card debt relief scheme operated by Sean Austin, John Steven Huffman, and John Preston Thompson and their affiliated companies that allegedly took millions from people by falsely promising to eliminate or substantially reduce their credit card debt.

“These defendants preyed on older Americans already struggling with credit card debt and caused them to fall into even worse debt, with lasting harm to their credit,” said Samuel Levine, Director of the FTC’s Bureau of Consumer Protection. “We will continue going after companies that take advantage of people in financial distress.”

Since 2019, Austin, Huffman, and Thompson have operated a network of companies incorporated in Tennessee, Nevada, New Mexico, and Wyoming that have worked together as a common enterprise to support the defendants’ deceptive credit card debt relief scheme, the FTC alleged. Their companies have operated under multiple names such as ACRO Services, American Consumer Rights Organization, Consumer Protection Resources, Reliance Solutions, Thacker & Associates, and Tri Star Consumer Group.

In a [complaint](#), the FTC alleged that Austin, Huffman, and Thompson engaged in several deceptive and unlawful tactics, including:

- **Deceptive telemarketing:** The operators have violated the [Telemarketing Sales Rule](#) by using telemarketers to call consumers and pitch their deceptive scheme. The telemarketers often falsely claimed to be affiliated with a particular credit card association, bank, or credit reporting agency and promised they could greatly reduce or eliminate consumers’ credit card debt in approximately 12-18 months.



- **Making phony debt relief promises:** In marketing their services, the scheme’s operators claimed to use several bogus methods to reduce or eliminate consumers’ credit card debt. For example, they falsely claimed that consumers may qualify for a federal debt relief program or that a consumer doesn’t owe the debt because it hasn’t been “validated.”
- **Charging deceptive upfront fees:** Consumers who agreed to sign up for the debt relief program were charged an upfront enrollment fee of thousands of dollars depending on a consumer’s available credit, and they were falsely told it is part of the debt that will be eliminated as part of the program. Consumers were also charged monthly fees ranging from \$20-\$35 for “credit monitoring” services.

Consumers who signed up for the defendants’ services were told to stop making payments to their credit card companies and communicating with those companies. Consumers, however, were never informed that as a result of such actions, they could be sued for failing to pay their credit card debt, may accrue even more debt, and could damage their credit scores, which could also harm their ability to get credit in the future, the FTC alleged.

A federal court granted the [FTC’s request](#) to temporarily shut down the scheme operated by Austin, Huffman, and Thompson and froze their assets.

The Commission voted 4-0 to authorize the staff to file the complaint. The complaint was filed in the U.S. District Court for the Middle District of Tennessee.

**NOTE:** The Commission files a complaint when it has “reason to believe” that the named defendants are violating or are about to violate the law 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 to promote competition and [protect and educate consumers](#). Learn more about consumer topics at [consumer.ftc.gov](#), or report fraud, scams, and bad business practices at [ReportFraud.ftc.gov](#). Follow the [FTC on social media](#), read [consumer alerts](#) and the [business blog](#), and [sign up to get the latest FTC news and alerts](#).

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