For Release

FTC Lawsuit Leads to Permanent Ban from Debt Relief, Telemarketing for Operators of Debt Relief Scam

Court orders require three defendants to surrender assets, bar any future deceptive practices

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Tags: Consumer Protection | Regional Offices | Southeast Region | Debt Relief | deceptive/misleading conduct | Finance | Credit and Finance | Debt

As a result of a Federal Trade Commission lawsuit, the operators of an alleged credit card debt relief scheme based in Tennessee have agreed to court orders that would permanently ban them from telemarketing and selling debt relief products or services.

Sean Austin, John Steven Huffman, John Preston Thompson, and their affiliated companies were charged by the FTC in November 2022 with taking tens of millions of dollars from people by falsely promising to eliminate or substantially reduce their credit card debt. At the time, a federal court agreed to the FTC's request to temporarily freeze the defendants' assets and appoint a receiver over the businesses while the case took place.

"These scammers ripped off consumers trying to get out of debt, and we're pleased with these court orders banning them from the industry," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "With credit card delinquencies surging, the FTC will continue to take aggressive action against those who prey on struggling consumers."

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

The court orders, which were agreed to by Austin, Huffman, and Thompson to settle the case, include a number of requirements:

- **Ban on debt relief:** The defendants are permanently banned from advertising, selling, or assisting in any debt relief product or service.

- **Ban on telemarketing:** The defendants are permanently banned from participating in telemarketing.

- **Prohibition against deceiving consumers:** The orders broadly enjoin the defendants from deceiving consumers about any other product or service they sell or market.

- **Surrender assets:** The orders require the defendants to surrender certain property interests and assets contained in multiple bank accounts that will be used to provide any possible refunds to affected consumers.

The orders contain a total monetary judgment of $17,486,080, which is partially suspended upon the defendants' surrender of assets and also based on their inability to pay the full amount. If the defendants are found to have lied to the FTC about their financial status, the full judgment would be immediately payable.

The Commission vote approving the stipulated final orders was 3-0. The U.S. District Court for the Middle District of Tennessee, Nashville Division, entered the final orders on April 28, 2023.

NOTE: Stipulated final orders or injunctions have the force of law when approved and signed by the District Court judge.

The staff attorneys on this matter are Margaret Burgess, Alan Bakowski, and Natalya Rice of the FTC's Southeast Region.

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.

Press Release Reference

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

Contact Information

Contact for Consumers

FTC Consumer Response Center
https://reportfraud.ftc.gov

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