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of using the proceeds to benefit veterans, he used a substantial portion of the proceeds to continue funding the scheme and for his personal benefit.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b), 6102(c), and 6105(b).

4. Venue is proper in this district under 28 U.S.C. § 1391(b)(1), b(2), and (c)(1), and 15 U.S.C. § 53(b).

PLAINTIFF

5. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces the Telemarketing Act, 15 U.S.C. §§ 6101-6108. Pursuant to the Telemarketing Act, the FTC promulgated and enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing acts or practices.

6. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the TSR and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 56(a)(2)(A), and 6105(b).

DEFENDANT

7. Defendant Travis Deloy Peterson, also known as Travis Peterson and T. D. Peterson, is the sole owner and main operator of Veterans of America, an unregistered fictitious business name, and Telefunding LLC, a revoked for-profit entity. Peterson currently uses both names to perpetuate a fake veterans' charity telemarketing scheme. At all times material to this Complaint, acting alone or in concert with others, Peterson has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Veterans of America and Telefunding LLC, including the acts and practices set forth in this Complaint. Peterson resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

8. For several years, Peterson has operated the telemarketing scheme using a series of corporate entities and fictitious business names, many of which sound like veterans' charities. These entities and business names include, for example, Medal of Honor, Act of Valor, Donate That Car LLC, Donate Your Car, Saving Our Soldiers, and Vehicles for Veterans LLC. Today, Peterson is using Veterans of America and Telefunding LLC for the same purpose. Attached as Appendix A is a reference chart summarizing Peterson's corporate entities and fictitious business names, as detailed in Paragraphs 9 through 17 below.

9. Medal of Honor was a Nevada nonprofit corporation incorporated on April 24, 2012, with a "Revoked" status since April 30, 2013. Peterson was its president, secretary, treasurer, director, registered agent, and incorporator. He used Medal of Honor to open an account with GoDaddy, a domain registrar and web hosting service provider, to host websites for his fake charities. He also used the name "Medal of Honor" in telephone calls delivering a prerecorded message—more commonly known as "robocalls"—sent to consumers to solicit

contributions to a purported charity, as early as May 2012. The Internal Revenue Service (“IRS”) has not recognized Medal of Honor as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3). Docu.o

provider to solicit and call consumers. The IRS has not recognized Donate Your Car as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

13. Saving Our Soldiers was an unregistered fictitious business name that Peterson used in robocalls sent to consumers to solicit contributions to a purported charity, as early as March 2014. The IRS has not recognized Saving Our Soldiers as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

14. Donate That Car LLC (“Donate That Car-NV”) was a Nevada for-profit limited liability company incorporated on February 2, 2015, with a “Revoked” status since March 31, 2015. Peterson was its sole member, registered agent, and organizer. He used Donate That Car-NV to open at least one corporate bank account to receive proceeds of the scheme and transfer funds to his personal bank account. The IRS has not recognized Donate That Car-NV as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

15. Vehicles for Veterans LLC (“Vehicles for Veterans”) was a Nevada for-profit limited liability company incorporated on May 13, 2015, with a “Dissolved” status since November 16, 2015. Peterson was its sole member. He used the name “Vehicles for Veterans” in robocalls sent to consumers to solicit contributions to a purported charity, as early as March 2015. He also used the name “Vehicles 4 Veterans” to open two accounts with an online vehicle auction company to sell donated vehicles and watercraft. The IRS has not recognized Vehicles for Veterans as a charitable organization with tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

16. Telefunding LLC (“Telefunding”) was a Nevada for-profit limited liability company incorporated on January 4, 2016, with a “Revoked” status since February 29, 2016. Peterson was its sole member, registered agent, and organizer. Despite its Revoked status, Peterson is currently using Telefunding to conduct the business of the scheme. He used the name “Tele-Funding LLC” to open at least two bank accounts to (i) pay for services used to run

DEFENDANT'S BUSINESS ACTIVITIES

Defendant Uses Unlawful Robocalls

19. Since at least 2012, Peterson has created and used a series of fake charities to operate a telemarketing scheme that uses robocalls to trick generous Americans into giving their vehicles or other valuable property to him. As of the date of the filing, Peterson is using the name "Veterans of America" in the robocalls.

20. To solicit donations to his fake veterans' charities, Peterson blasts out millions of robocalls across the country, allowing him to reach millions of potential donors. In most instances, Peterson delivered or caused to be delivered the robocalls to consumers who had never donated to or had any dealings with his fake charities, including Veterans of America.

Defendant's Robocalls Misrepresent the Nature of the Defendant's Entities and Consumers' Donations

21. Peterson's robocalls, typically using a female voice, ask for donations of vehicles, watercraft, real estate, timeshares, or other things of value. The prerecorded message claims that Veterans of America (or another Peterson entity name) is a charity and that donations to it are tax deductible. The robocalls then invite consumers to call a toll-free phone number or to "press 1" to donate.

22.

23. Another version of a robocall soliciting donations to Veterans of America states:

If you have been thinking about donating your car, real estate, or timeshare to charity, please consider donating to Veterans of America. Donations are tax deductible, and all real estate

30. After Peterson receives the donated vehicles and watercraft, he typically sells them through online vehicle auction companies. In some instances, he sells donated vehicles for parts at a local junkyard. He used a substantial portion of the proceeds to fund the telemarketing scheme and for his personal benefit.

VIOLATIONS OF THE FTC ACT

31. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

32. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

COUNT I

Misrepresentations Regarding the Nature of the Defendant’s Entities and Consumers’ Donations

33. In numerous instances, in connection with soliciting contributions to a purported charity from donors, the Defendant has represented, directly or indirectly, expressly or by implication, that:

- a. the entity identified as the potential recipient of the donation, including Veterans of America, is a charity; and
- b. donations to the entity identified as the potential recipient, including to Veterans of America, are tax deductible.

34. In truth and in fact, in numerous instances in which the Defendant has made the representations set forth in Paragraph 33 of this Complaint:

- a. the entity identified as the potential recipient of the donation, including Veterans of America, is not a charity; and

or more telephones and which involves one or more interstate telephone call.” 16 C.F.R. § 310.2(gg).

42. The Defendant is a “telemarketer” engaged in “telemarketing,” as defined by the TSR, 16 C.F.R. § 310.2(ff) and (gg).

43. The TSR prohibits telemarketers from misrepresenting, directly or by implication, the nature, purpose, or mission of any entity on behalf of which a charitable contribution is being requested and that any charitable contribution is tax deductible in whole or in part. 16 C.F.R. § 310.3(d)(1) and (2).

44. The TSR prohibits telemarketers from initiating an outbound telephone call that delivers a prerecorded message to induce a charitable contribution, unless the call is made to a member of or previous donor to a non-profit charitable organization and complies with all other requirements under the TSR. 16 C.F.R. § 310.4(b)(1)(v). Telephone calls delivering prerecorded messages are commonly known as “robocalls.”

45. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the TSR constitutes an unfair or deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

Misrepresentations Regarding the Nature of the Defendant's Entities and Consumers' Donations While Telemarketing

46. In numerous instances, in connection with telemarketing for contributions to a purported charity from donors, the Defendant has made false or misleading statements, directly or indirectly, expressly or by implication, including misrepresentations that:

- a. the entity identified as the potential recipient of the donation, including Veterans of America, is a charity; and
- b. donations to the entity identified as the potential recipient, including to Veterans of America, are tax deductible.

47. The Defendant's practices, as set forth in Paragraph 46 of this Complaint, are deceptive telemarketing acts or practices in violation of the TSR, 16 C.F.R. § 310.3(d)(1) and (2).

COUNT III

Unlawful Prerecorded Messages or Robocalls

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Court, the Defendant is likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

50. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to, temporary and preliminary injunctions and an order freezing assets;

B. Enter a permanent injunction to prevent future violations of the FTC Act and the TSR by the Defendant;

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from the Defendant's violations of the FTC Act and the TSR, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies;

D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

ALDEN F. ABBOTT
General Counsel

Dated: July 10, 2018


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