

## Press Release

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### **NYDFS Announces Lead Generator Will Pay \$1 Million Penalty and Stop Selling “Leads” of New York Consumers to Illegal Payday Lenders**

#### ***Blue Global sold “leads” with the sensitive personal information of approximately 180,000 New York consumers***

The New York State Department of Financial Services (DFS) announced today that Blue Global LLC, an online payday loan lead generator, and its Chief Executive Officer, Chris K. Kay, who operated websites offering payday loans and other financial products and services, will pay a \$1 million penalty, cease payday loan lead generation activities in New York, and provide new consumer warnings and disclosures. A DFS investigation found that the company had misrepresented to consumers that it provided ample security for personal information submitted through its websites and marketed illegal, online payday loans to New York consumers. Today’s action represents DFS’s first action to require a company to implement consumer data security measures to its future collection of consumers’ personal information.

“DFS will not tolerate a marketer’s failure to protect consumers’ sensitive personal information,” said Acting Department of Financial Services Superintendent Maria T. Vullo. “Payday lending is illegal in New York and lead generators such as Blue Global, who acquire and profit from New Yorkers’ personal information and advertise that payday loans are legitimate and lawful, violate New York’s Financial Services Law and will be held accountable.” Blue Global’s online advertisements promised consumers that protecting consumers’ personal information was “at the top of our priority list” and that securing such information was “completely 24/7 guaranteed.” Contrary to these representations, the DFS’ investigation revealed that Blue Global did not take any protective measures when sharing consumers’ sensitive information with third parties. As a result, personal information submitted by New York consumers through Blue Global websites were available to persons who used names, phone numbers, email addresses and bank account numbers to attempt to commit fraud and harass consumers. In total, Blue Global sold “leads” with the sensitive personal information of approximately 180,000 New York consumers and collected personal information from approximately 350,000 New York consumers.

Despite Blue Global’s repeated assurances about the security of the consumers’ personal information, New York consumers were contacted by scammers after filling out a payday loan application on a Blue Global website.

In some cases, scammers obtained advance payments from the consumer on reloadable prepaid cards to secure payday loans that were never issued, or who threatened to collect on loans that consumers had not taken out.

Blue Global's lack of controls enabled marketers to gain access to sensitive consumer information for which they had no valid need and to use it to exploit New York consumers. Blue Global sold New Yorkers' personal information to illegal, online payday lenders. Payday lending is illegal in New York under both civil and criminal usury statutes.

Blue Global advertised payday loans and connected New York consumers to payday lenders without disclosing that payday loans contained terms that violate New York law. Under DFS's agreement, Blue Global will cease its illegal payday loan lead generation activity in New York.

If Blue Global chooses to market legal products or services to New York consumers and collect personal information, Blue Global must adhere to data security measures to protect consumers' personal information. Blue Global is also required to pay damages to any New York consumer who has suffered identity theft traceable to a data security breach of Blue Global's systems or to certain conduct by Blue Global or Chris K. Kay.

Any consumer who has entered personal information into a website operated by Blue Global and believes she or he may have been the victim of identity theft is encouraged to call the DFS Consumer Hotline at (800) 342-3736 or (212) 480-6400.

To view a copy of DFS' consent order with Blue Global, please visit [this link](#).

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