



FTC Obtains Court Order against Deceptive Marketers Who Tricked Consumers with Ads for Non-existent Rental Properties and 'Free' Credit Reports

FOR RELEASE

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The Federal Trade Commission has obtained a [court order against two men for their roles in an alleged scheme that lured consumers with fake rental property ads](#) and deceptive promises of “free” credit reports into signing up for a costly credit monitoring service. The two settling defendants will pay a total of \$762,000 to resolve the agency’s claims.

The order partly resolves a [case the FTC filed in January 2017](#), alleging that the defendants placed Craigslist ads for rental properties that did not exist or that they had no right to offer for rent. When people responded to the ads, the defendants impersonated property owners and offered property tours if consumers would first obtain credit reports and scores from their websites. These sites claimed to provide “free” credit reports and scores, but then enrolled consumers in a credit monitoring service with monthly charges of \$29.94. Many people did not realize they were enrolled until they noticed unexpected charges on their bank or credit card statements, sometimes after several billing cycles. At the FTC’s request, a federal court temporarily halted the scheme during the litigation.

The order against Danny Pierce and Andrew Lloyd prohibits them from misrepresenting material facts about any product or service, and it specifies how they must monitor their affiliate marketers in the future. For example, they must require certain information from affiliates, including their name and location, as well as advance copies of all marketing materials. They also must investigate any complaints about affiliate marketers and end the affiliation if they find practices the order prohibits.

The order also prohibits Pierce and Lloyd from profiting from consumers’ personal information obtained as part of the scheme and failing to dispose of it properly. The order imposes a \$6.8 million judgment that will be partially suspended when Pierce has paid \$117,000 and Lloyd has paid \$645,000. Litigation continues against defendants Credit Bureau Center LLC and Michael Brown.

The Commission vote approving the proposed stipulated order against Pierce and Lloyd was 2-0. The U.S. District Court for the Northern District of Illinois, Eastern Division, entered the order against them on October 26, 2017.

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

The Federal Trade Commission works to promote competition, and [protect and educate consumers](#). You can [learn more about consumer topics](#) and file a [consumer complaint online](#) or by calling 1-877-FTC-HELP (382-4357). Like the FTC on [Facebook](#), follow us on [Twitter](#), read our [blogs](#) and [subscribe to press releases](#) for the latest FTC news and resources.

PRESS RELEASE REFERENCE:

[FTC Halts Scheme That Advertised Phony Rental Properties and ‘Free’ Credit Reports to Enroll Consumers in Costly Credit Monitoring Service](#)

Contact Information

MEDIA CONTACT:

[Frank Dorman](#)
Office of Public Affairs
202-326-2674

STAFF CONTACT:

Guy G. Ward
FTC Midwest Region
312-960-5612



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