



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS



FTC, State Law Enforcement Partners Announce Nationwide Crackdown on Student Loan Debt Relief Scams

Scammers made false promises and charged illegal upfront fees of more than \$95 million

FOR RELEASE

October 13, 2017

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The Federal Trade Commission, along with 11 states and the District of Columbia, today announced “Operation Game of Loans,” the first coordinated federal-state law enforcement initiative targeting deceptive student loan debt relief scams. This nationwide crackdown encompasses 36 [actions by the FTC](#) and [state attorneys general](#) against scammers alleged to have used deception and false promises of relief to take more than \$95 million in illegal upfront fees from American consumers over a number of years.



Student loan debt affects more than 42 million Americans and, with outstanding balances of more than \$1.4 trillion, student loans are the second largest segment of U.S. debt, after mortgages.

Operation Game of Loans includes seven FTC actions: five new cases, one new judgment in favor of the FTC, and a preliminary injunction entered in a case filed earlier this year. The agency alleges that the defendants in these actions charged consumers illegal upfront fees, falsely promised to help reduce or forgive student loan debt burdens, and pretended to be affiliated with the government or loan servicers, in violation of the FTC’s Telemarketing Sales Rule and the FTC Act. Operation Game of Loans also includes law enforcement actions by [Colorado](#), [Florida](#), [Illinois](#), [Kansas](#), [Maryland](#), [North Carolina](#), [North Dakota](#), [Oregon](#), [Pennsylvania](#), [Texas](#), [Washington](#), and the [District of Columbia](#).

operation
game of
LOANS

Stopping
student loan
debt relief scams



36 FTC and State
enforcement actions



11 States and the
District of Columbia



Scammers collected over
\$95 MILLION
in illegal fees

FTC.GOV/STUDENTLOANS

“Winter is coming for debt relief scams that prey on hardworking Americans struggling to pay back their student loans,” said Maureen K. Ohlhausen, FTC Acting Chairman. “The FTC is proud to work with state partners to protect consumers from these scams, help them learn how to spot a scam, and let them know where to go for legitimate help.”

In addition to its state partners, the FTC has been working closely with the U.S. Department of Education’s office of Federal Student Aid to raise awareness about student loan debt relief schemes, and ensure that borrowers know to visit [StudentAid.gov/repay](https://studentaid.gov/repay) for information about existing repayment and forgiveness programs available to them at no cost.

(Screenshot of sample deceptive student debt relief ad)

Five New FTC Actions Halt Scams

The FTC recently filed five new cases against 30 defendants as part of Operation Game of Loans. In each action, the FTC obtained temporary restraining orders (TROs) that halted the scams and froze defendants' assets. The Commission vote authorizing staff to file the complaint in each action was 2-0.

A1 DocPrep, Inc.: In an action filed in the U.S. District Court for the Central District of California, the FTC charged that Los Angeles-based A1 DocPrep took at least \$6 million from consumers through unlawful student loan debt relief and mortgage assistance relief schemes. According to the complaint, the defendants claimed to be from the Department of Education, and promised to reduce borrowers' monthly payments or forgive their loans. The FTC also alleges the defendants targeted distressed homeowners, making false promises to consumers that they would provide mortgage relief and prevent foreclosure. Rather than helping consumers, A1 DocPrep's CEO, defendant Homan Ardalán, spent hundreds of thousands of consumers' dollars on cars, jewelry, nightclubs, and restaurants, according to the FTC. The Court entered a TRO on September 28, 2017. Additional defendants named in the complaint are Stream Lined Marketing, d/b/a Project Uplift Students and Project Uplift America, and Bloom Law Group PC, d/b/a/ Home Shield Network and Keep Your Home USA.

American Student Loan Consolidators (ASLC): In an action filed in the U.S. District Court for the Southern District of Florida, the FTC charged that ASLC, d/b/a ASLC Processing, and BBND Marketing, LLC, d/b/a United Processing Center, United SL Processing, and United Student Loan Processing, and principals Daniel Upbin and Patrick O'Deady bilked student loan borrowers out of at least \$11 million by falsely promising loan forgiveness, lowered monthly payments, and reduced interest rates. The FTC alleges that the Deerfield Beach, Florida operation pretended to be affiliated with the Department of Education and loan servicers. The defendants also tricked consumers into believing that illegal upfront fees, typically up to \$799, were being used to pay off student loans. The court entered a TRO on September 26, 2017.

Alliance Document Preparation: In an action filed in the U.S. District Court for the Central District of California, the FTC charged that Los Angeles-based Alliance Document Preparation, d/b/a EZ Doc Preps, Grads Aid, and First Document Aid, took more than \$20 million from consumers by charging illegal upfront fees of up to \$1,000. The defendants deceptively marketed their purported services primarily on social media platforms like Facebook. The court entered a TRO on September 28, 2017. Other named defendants include: SBS Capital Group, Inc.; SBB Holdings, LLC; First Student Aid, LLC; United Legal Center, LLC; United Legal Center, Inc.; Elite Consulting Service, LLC; Grads Doc Prep, LLC; Elite Doc Prep, LLC; Benjamin Naderi; Shawn Gabbaie; Avinadav Rubeni; Michael Ratliff; Ramiar Reuveni; and Farzan Azinkhan. Defendants also used the fictitious names Grads United Discharge, Allied Doc Prep, Post Grad Services, Post Grad Aid, Alumni Aid Assistance, United Legal Discharge, First Grad Aid, Academic Aid Center, Academic Protection, Academy Doc Prep, Academic Discharge, and Premier Student Aid.

Student Debt Doctor (SDD): In an action filed in the U.S. District Court for the Southern District of Florida, the FTC charged that Fort Lauderdale-based SDD and its owner, Gary Brent White, Jr., collected at least \$7 million from consumers struggling to pay student loan debt. According to the complaint, the defendants charged illegal upfront fees of \$750 or more. Using social media, e-mail, and telemarketing, SDD promoted its services across the United States, in English and Spanish. SDD falsely promised consumers loan forgiveness often in as little as five years or less, and told consumers not to communicate with their loan servicers. The defendants also fabricated income, unemployment status, and family size information on relief applications in order to qualify borrowers for eliminated or reduced monthly payments. The court entered a TRO on October 3, 2017.

Student Debt Relief Group (SDRG): In an action filed in the U.S. District Court for the Central District of California, the FTC charged that Los Angeles-based M&T Financial Group and American Counseling Center Corp., d/b/a Student Debt Relief Group, SDRG, StuDebt, Student Loan Relief Counselors, SLRC, and Capital Advocates, and principal Salar Tahour bilked at least \$7.3 million from consumers struggling to repay their student loans. According to the complaint, the defendants falsely claimed to be affiliated with the Department of Education, deceived consumers into paying up to \$1,000 in illegal upfront fees to enter them into free government programs, and charged consumers monthly fees they claimed would be credited toward their student loans. In reality, the FTC alleged, defendants pocketed consumers' money and responded to mounting consumer complaints by changing their name rather than their business practices. The FTC also asserts that the defendants deceived consumers into providing them with Social Security numbers and Federal Student Aid identification information, allowing the defendants to hijack consumers' accounts while cutting them off from their loan servicers and the Department of Education. The court entered a TRO on September 19, 2017, and a stipulated preliminary injunction on October 10, 2017.

Two New FTC Law Enforcement Developments

Operation Game of Loans also includes two pending FTC actions against 11 additional student loan debt relief scammers, in which federal courts recently entered significant orders.

Student Aid Center: On August 31, 2017, the U.S. District Court for the Southern District of Florida granted summary judgment against defendant Ramiro Fernandez-Moris in a joint action filed by the FTC and the State of Florida. The Court found that defendants' unlawful student loan debt relief enterprise took more than \$35 million from student loan borrowers by enticing consumers to sign up for services using misleading and false claims. In particular, Student Aid Center misled consumers to believe that they could receive loan forgiveness or modification if they paid unlawful upfront fees, and tricked consumers into thinking the operation was involved in the approval process. Motions for default judgment against two other defendants are pending before the Court, and the proposed final orders against all three defendants are subject to final Court approval.

Strategic Student Solutions: On May 26, 2017, the U.S. District Court for the Southern District of Florida entered a stipulated preliminary injunction in the FTC's case against Strategic Student Solutions, freezing defendants' assets, halting the organization's student loan debt relief operation, and appointing a receiver to control the business for the remainder of the litigation. The FTC alleged that the defendants took more than \$11 million from consumers by falsely promising to reduce or eliminate their student loan debt and offering them non-existent credit repair services.

How to Avoid Student Loan Debt Relief Scams

To help consumers avoid falling victim to such fraud, the FTC has updated its consumer education related to student loan debt relief scams at [ftc.gov/StudentLoans](https://www.ftc.gov/StudentLoans). As a follow-up to the sweep of law enforcement actions, the FTC later this month will be holding a Twitter chat with state attorneys general and a Facebook Live session with staff attorney experts on ways to avoid student loan debt relief scams.

Consumers should remember that only scammers promise fast loan forgiveness, and that scammers often pretend to be affiliated with the government. And consumers should never pay an upfront fee for help, and should not share their FSA ID—a username and password used to log in to U.S. Department of Education websites—with anyone.

Consumers can apply for loan deferments, forbearance, repayment and forgiveness or discharge programs directly through the U.S. Department of Education or their loan servicer at no cost; these programs do not require the assistance of a third-party company or payment of application fees. For federal student loan repayment options, visit StudentAid.gov/repay. For private student loans, contact the loan servicer directly.

Repaying student loans? AVOID SCAMS

-  Only scammers promise fast loan forgiveness.
-  Never pay a fee up front for help.
-  Scammers can fake a government seal.
-  Don't share your FSA ID with anyone.

Report scams to [FTC.GOV/COMPLAINT](https://www.ftc.gov/complaint). Looking for free help? Start with [STUDENTAID.GOV](https://studentaid.gov).

The FTC thanks all of those who helped with this operation, including state attorneys general participating in this initiative and the U.S. Department of Education's office of Federal Student Aid, with particular help on FTC law enforcement actions from the U.S. Postal Inspection Service; the Florida Attorney General; the Georgia Attorney General; the New York Attorney General; the California Department of Justice; the Florida Office of Financial Regulation; the Florida Department of Agriculture & Consumer Services; the Broward County (FL) Sheriff's Department; the Boca Raton Police Department; the Los Angeles Police Department; and the Better Business Bureaus of Southeast Florida & the Caribbean and Los Angeles & Silicon Valley.

NOTE: The Commission files a complaint when it has "reason to believe" that the law has been or is being violated and it appears to the Commission that a proceeding is in the public interest. The cases will be decided by the court.

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.

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