

SWEEPSTAKES OPERATION SENT PERSONALIZED MAIL TO MILLIONS OF CONSUMERS

FRAUDULENT SWEEPSTAKES OPERATION VIOLATED FEDERAL LAW: FTC

According to FTC's complaint, a fraudulent sweepstakes operation violated federal law by sending personalized mail to millions of consumers nationwide. That mail told consumers falsely that they've won a substantial cash prize, often said to be worth over \$3 million, even though no prizes were awarded, according to FTC.

FTC's COMPLAINT

According to FTC's complaint, some of the mailers-

- urged consumers to respond immediately by sending \$20 to receive their prize;
• described an as-yet "uncollected" but "confirmed prize" in the consumer's name;
• claimed that "unawarded money" has been "located and documented" in their name; and
• mentioned "Authorization to Disburse" and referred to a "guaranteed cash/prize amount" in the seven-figure range.

FTC's complaint also charged that the mailers sometimes contained small print that vaguely referred to a "newsletter" produced by the defendants, but didn't expressly tell the recipients that they had not won a prize. Instead of prizes, some consumers received information about how to enter sweepstakes. And some consumers received more mailers soliciting more money and suggesting that the consumers had won other prizes, according to the Commission.

DEFENDANTS NAMED IN THE COMPLAINT

Defendants named in the complaint are National Prize Information Group Corp. (NPIGC), d/b/a Las Vegas Actionable Awards Program, Prize Search Express, Department of Unclaimed Awards, United States Sweepstakes Advisory, United States of America Patriotism Awards, National Bureau of Prize Information, Lapham Vargas and Cornell, Director's Office, and John Rincon, individually, and as an NPIGC officer. FTC charged them with

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violating Section 5 of the FTC Act, seeking a temporary restraining order, a preliminary injunction, and a freeze of their assets.

FTC's VOTE

FTC's vote to authorize staff to file the complaint was 5-0. The complaint was filed in the U.S. District Court for the District of Nevada.

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 complaint is not a finding or ruling that the defendant has actually violated the law. The case will be decided by the court.

LAWYER'S REFERENCE SERVICE

FTC v. National Prize Information Group Corp., dba Las Vegas Actionable Awards Program, Prize Search Express, Department of Unclaimed Awards, United States Sweepstakes Advisory, United States of America Patriotism Awards, National Bureau of Prize Information, Lapham Vargas and Cornell, and Directors Office, and John Rincon, individually and as an officer of National Prize Information Group Corp., United States District Court District of Nevada, Civil Action No. 2:06-cv-01305; FTC File No. 062-3026, October 19, 2006.

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