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FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

FTC Charges Ameritech and Brandon Frere with Deceiving Consumers

Defendants claimed they would reduce consumers' debts

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FOR RELEASE

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The Federal Trade Commission has charged a student loan debt relief operation with bilking more than \$28 million from thousands of consumers throughout the country by falsely promising that consumers' monthly payments would go towards paying off their student loans.

This is the eighth action the FTC has taken in [Operation Game of Loans](#), the first federal-state law enforcement initiative targeting deceptive student loan debt relief scams.

According to the FTC, the defendants sent personalized mailers to consumers falsely claiming they were eligible for federal programs that would permanently reduce their monthly debt payments to a fixed low amount or result in total loan forgiveness. The [FTC's complaint](#) notes that, although the Department of Education and state government agencies administer loan forgiveness and discharge programs, none of the programs guarantees a fixed, reduced monthly payment for more than one year, and most people do not meet the programs' strict eligibility requirements.

The defendants allegedly charged up to \$800 in illegal up-front fees, purportedly to enroll consumers in a federal loan assistance program. They also charged a \$100-\$1,300 advance fee for enrollment in a "financial education" program and an additional monthly \$49-\$99 membership fee for the life of the loan, which typically

is 10-25 years. This financial education program purportedly provided the consumers access to various resources unrelated to consumers' student loans, such as "Key Ring & Luggage Protection," "Everyday Grocery Savings," "Auto Buying Service and Maintenance Discounts," "Financial Calculators," "medical and wellness discounts," and "Access to Dozens of Informational & Useful Web links."

According to the FTC, consumers were tricked into believing their monthly payments were going toward paying down their student loans. Although consumers were sending money to the defendants, none of those payments went toward paying off their student loans, and in some instances the consumers' loan balances instead accrued interest. The defendants often refused to provide refunds, or returned substantially less than what people paid.

The defendants are American Financial Benefits Center, also doing business as AFB and AF Student Services; AmeriTech Financial; Financial Education Benefits Center; and Brandon Demond Frere. They are charged with violating the FTC Act and the FTC's Telemarketing Sales Rule.

The FTC would like to thank the Better Business Bureau of Northeast California for its valuable assistance with this matter. The Commission vote approving the complaint was 2-0.

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 case 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.

PRESS RELEASE REFERENCE:

[FTC, State Law Enforcement Partners Announce Nationwide Crackdown on Student Loan Debt Relief Scams](#)

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