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Florida Attorney General's Office News Release

AG Moody, FTC Shut Down Telemarketing Scam

TALLAHASSEE, Fla.—Attorney General Ashley Moody and the Federal Trade Commission secured court orders permanently banning the operators of an alleged credit-card-interest-rate-reduction scam from working in the debt-relief industry. The defendants—Gino de Paz, Grace de Paz and Shabana Khublal—allegedly engaged in abusive and deceptive practices violating the FTC Act, the Telemarketing Sales Rule and the Florida Deceptive and Unfair Trade Practices Act in selling credit-card-interest-rate-reduction services to consumers throughout the United States, including Florida seniors.

Attorney General Ashley Moody said, “These scammers lured victims—financially-distressed consumers, along with seniors—into signing up for their debt-relief scheme. Instead of receiving the promised relief, victims were brought down further into debt while the defendants made millions. Now, working with the FTC, we stopped the defendants from bombarding consumers in Florida with deceptive telemarketing calls promising financial relief, and they will be forced to pay.”

FTC’s Bureau of Consumer Protection Director Samuel Levine said, “The defendants in this case were taking advantage of Americans dealing with rising debt by falsely promising to permanently reduce their credit card interest rates. The FTC is proud to partner with the Florida Attorney General to stop these scams.”

In a complaint filed in July 2020, Attorney General Moody's office and the FTC accused the de Pazes, Khublal and other defendants of blasting consumers with telemarketing calls promising to permanently and substantially reduce credit card interest rates. After posing as representatives or affiliates of consumers' credit card companies, the defendants allegedly claimed to be able to save consumers thousands of dollars in credit card interest, thereby allowing them to pay off debt much faster.

According to the complaint, all of the claims were false or unsubstantiated. At most, the defendants sometimes opened new credit card accounts at lower introductory rates and transferred consumers' existing debt to the new cards. Instead of producing the savings that customers expected, the defendants' service allegedly often left people even deeper in debt after paying upfront fees between $995 and $4,995, as well as substantial fees to transfer existing debts to new cards.

Under the terms of the agreements, the defendants are permanently banned from advertising or selling debt-relief products and services. The defendants are also prohibited from misrepresenting material facts in connection with any product or service. The orders also prohibit unsubstantiated claims and prohibited payment practices.

The orders impose monetary judgments of more than $5.3 million. In addition to entering the agreements with the individual defendants, the court also entered default judgments against the remaining defendants in the case: GDP Network LLC; G & G Success LLC, also doing business as YF Solution LLC; and G & N Squared LLC.