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## **NEWS RELEASE**

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### **ADVANCE FEE LOAN SCHEME FINDS VICTIMS**

#### **STATE ORDERS OUT-OF-STATE COMPANY WITH IDAHO "DROP BOX" ADDRESS TO CEASE BUSINESS**

Boise, Idaho....Gavin M. Gee, Director of the Idaho Department of Finance, issued a Cease & Desist Order against an out-of-state advance fee loan scheme purporting to conduct business from Pocatello. The company claims to make or arrange loans for an advance fee in violation of Idaho collection agency laws and other state laws.

The Order has been issued against Funding Group West, Jodi Wolin of Boca Raton, Florida and Dwayne and Susan Newbold of Ogden, Utah. This company purportedly offers to help consumers who are seeking debt consolidation and other consumer loans. Idaho law requires that those who promise to arrange credit for others be licensed with the Department of Finance. None of the respondents are licensed.

Advance fee loan schemes continue to plague consumers nationwide and proliferate during the holiday buying season. Funding Group West mailed flyers to consumers with marginal or bad credit in at least five different states. For a \$25.00 fee, victims were guaranteed a \$10,000 loan within 30 days and "it makes absolutely no difference what your financial position is, even if you filed bankruptcy and you are unemployed." Based on the Department's investigation, no loans were ever made. Victims were led to believe that the business was being conducted out of Idaho, but all mail was forwarded to Utah.

In Idaho, it is illegal for any person or business, other than a lender or broker licensed by the state or federal government, to charge fees in advance for loans. In fact, the Idaho Loan Broker Act makes such practice a felony, punishable by imprisonment up to five years and fines of up to \$5,000 or both.

The Department of Finance warns all persons not to send fees in advance for loans, lines of credit or credit cards to any unlicensed business promising to arrange credit or financing. Any persons who have been contacted by companies soliciting advance fees for loans or financing are encouraged to contact the Department of Finance at (208)332-8000.

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