



**STATE OF IDAHO**  
**DEPARTMENT OF FINANCE**  
700 W. STATE STREET, 2ND FLOOR  
P. O. BOX 83720  
BOISE ID 83720-0031  
Website: www.idahofinance.com

**Contact:**  
**Kelly Robison**  
**Bureau Chief**  
**Financial Institutions**  
**(208) 332-8005**

**NEWS RELEASE**

**For Immediate Release**

**June 26, 2000**

**STATE ORDERS INTERNET CREDIT REPAIR COMPANIES TO CEASE  
DOING BUSINESS IN IDAHO**

**Boise, Idaho** . . . . . Gavin Gee, Director of the Idaho Department of Finance, today announced the issuance of two Cease and Desist Orders against out-of-state companies offering a "five-step program" for credit repair over the Internet. One Order was issued against CMC Enterprises, located in Coral Springs, Florida; the second Order was issued against American Financial Services, Inc., and its agent Mike Robbins, located in Beverly Hills, California.

The companies offered, in e-mail solicitations, the purported opportunity to participate in the "Proven Credit Advantage Program". In return for \$29.00, Idaho residents were informed that they would be provided with a number to use in place of their Social Security numbers on credit applications. Residents were advised to then obtain new mailing addresses and telephone numbers in order to open new credit files to present to potential creditors, thereby avoiding disclosure of past credit histories. The companies also offered to assist residents in adding positive information to the credit file, and "unconditionally guaranteed" that participants would then qualify for loans.

The Idaho Collection Agency Act prohibits people from engaging in the business of credit repair unless they are licensed with the Department. Neither the companies or the individual named in the orders are licensed in Idaho. The Orders direct that the companies and individual immediately cease violating Idaho laws.

Gee warned Idaho residents that providing fraudulent information to a financial institution in a credit application is a potential felony under Idaho and federal law, with

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penalties up to one million dollars and thirty years in prison. "Unlawful credit repair firms who guarantee new credit files to hide past credit problems are turning unsuspecting consumers into felons. It is simply illegal to alter credit identification to conceal a bad credit history - and the law enforcement agencies will aggressively prosecute this crime," Gee stated. Credit repair scammers offering these types of programs were targeted by the Federal Trade Commission and the National Association of Attorneys General last year in "Operation New ID - Bad Idea". Charges against some of the defendants named in that sweep were recently settled by the FTC.

Gee advised that there are legitimate not-for-profit credit counseling agencies in Idaho. Information on these companies can be obtained by calling the Department's consumer credit section. Citizens interested in legally improving their credit history may wish to review the FTC's publication "Building a Better Credit Record", which can be accessed through a hotlink at the Department's website, or by calling the Department.

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*Department of Finance Press Releases and other information can be found on the Internet via the worldwide web at <http://www2.state.id.us/finance/dof.htm> and may be obtained by contacting the Department at (208) 332-8080 or Idaho toll-free at 1-888-346-3378.*

