



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

FTC Stops Fake 'Yellow Pages' Scam; Foreign Operation Targeted Small Businesses and Nonprofits in United States and Other Countries

FOR RELEASE

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At the Federal Trade Commission's request, a federal judge has temporarily halted a European-based operation that has allegedly bilked small businesses and nonprofit organizations, including churches, out of millions of dollars by deceiving them into ordering and then paying for unwanted listings in online business directories. In addition to stopping the allegedly deceptive practices, the court also froze the defendants' assets. The FTC seeks to permanently stop the illegal practices and to require that the defendants provide refunds to their victims.

In conjunction with the FTC's case, the Canadian Competition Bureau also filed a [lawsuit](#) against this operation, alleging that the defendants' deceptive scheme similarly targets small businesses and other organizations in Canada.

"The FTC is committed to working with its law enforcement colleagues in Canada and around the world to stamp out international schemes that target U.S. consumers," said David C. Vladeck, Director of the FTC's Bureau of Consumer Protection. "We applaud our friends in Canada for helping to coordinate this international effort."

"The Bureau is pleased that the FTC has joined us in targeting the individuals and companies involved in this cross-border scam," said Melanie Aitken, Commissioner of Competition. "International collaboration is key to cracking down on multi-jurisdictional scams."

According to [court papers](#) filed by the FTC, the defendants operate their scheme from Palma de Mallorca, Spain, using corporations based in England and the Netherlands. Since 2009, they have sent unsolicited faxes to churches, doctors' and dentists' offices, and local retailers in the United States, Canada, Australia, and possibly other countries. Each fax sent to a U.S. business or nonprofit includes a name such as YellowPage-

Illinois.com, depending upon the location of the organization, and a "walking fingers" logo similar to the one commonly associated with local yellow pages.

The FTC alleges that these faxed forms falsely suggest that organizations have a pre-existing relationship with the defendants. The forms contain information about the business or nonprofit, and a Yellow Page ID number, and instruct the recipient to confirm and update the information and sign and fax the form back by a certain deadline. Buried in fine print at the bottom of the form is the only indication that the fax is a solicitation for new business and that organizations that return the form are ordering an \$89 per month, two-year registration in the defendants' online directory, payable a full year in advance. Many consumers do not see or read the fine print and instead sign and return the form, believing that they are merely updating their local yellow pages listing. Often the person who signs and returns the form is not authorized to purchase services on the business's or nonprofit's behalf.

According to the FTC, organizations that return the form then receive a faxed invoice seeking payment of \$1,068 for 12 months of directory listings. They are directed to make payment to Yellow Page B.V. at a New York City address. The defendants often tell businesses or nonprofits that try to cancel that the cancellation period has expired, and that they intend to enforce the contract. Organizations that refuse to pay receive faxes seeking late fees and threatening to refer the alleged debts to a collection agency and harm their company's credit rating. In some instances, organizations pay the defendants simply to end the harassment.

The complaint alleges that Jan Marks; Yellow Page Marketing B.V., also doing business as Yellow Page B.V. and Yellow Page (Netherlands) B.V.; Yellow Publishing Ltd.; and Yellow Data Services Ltd., falsely represented that businesses and nonprofits had a preexisting business relationship with them, and falsely represented that they were affiliated with a local yellow pages directory, in violation of the FTC Act.

In addition to this coordinated effort by the FTC and Canadian Competition Bureau, the Australian Competition and Consumer Commission previously brought an action against the defendants' operations in Australia, and provided assistance to the current enforcement effort. The FTC appreciates the assistance of the Competition Bureau Canada, which took the lead in coordinating this joint effort. The FTC is also grateful for the help provided by the Australian Competition and Consumer Commission and the Iowa Attorney General's Office.

The Commission vote authorizing the staff to file the complaint was 4-1, with Commission J. Thomas Rosch voting no. The complaint was filed in the U.S. District Court for the Northern District of Illinois, Eastern Division.

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.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online Complaint Assistant or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's website provides free information on a variety of consumer topics. Like the FTC on Facebook and follow us on Twitter.

(Yellow Page Marketing)
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