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UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

PORTLAND DIVISION

FEDERAL TRADE COMMISSION,
Plaintiff,

v.

INTEGRATED FLIGHT SOLUTIONS
LLC, a limited liability company, also
d/b/a NoveltyExcuses.com; and

STEVEN SIMMONS, individually and
also d/b/a AB Productions, Inc., A.B.
Pro., and NoveltyExcuses.com, and as
an officer of INTEGRATED FLIGHT
SOLUTIONS LLC,

Defendants.

Case No. 3:18-cv-1658

COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain permanent injunctive relief, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), in connection with Defendants’ marketing and sale of fake financial, identity, and medical documents.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

3. Venue is proper in this district under 28 U.S.C. § 1391(b)(1), (b)(2), and (c)(1) and 15 U.S.C. § 53(b).

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of

contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

DEFENDANTS

6. Integrated Flight Solutions LLC (“Integrated Flight Solutions”), also d/b/a NoveltyExcuses.com, is an Oregon limited liability company with its principal office or place of business at 14845 SW Murray Scholls Drive #110611, Beaverton, OR 97007. Integrated Flight Solutions transacts or has transacted business in this district and throughout the United States.

7. Defendant Steven Simmons (“Simmons”) is the owner and CEO of Integrated Flight Solutions. From approximately 2013 until October 2017, Simmons was the operator of AB Productions, Inc., also known as A.B. Pro. (“AB Productions”), an unincorporated entity that ran the website www.noveltyexcuses.com (“Website”). In October 2017, Integrated Flight Solutions began running the Website. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Integrated Flight Solutions, AB Productions and the Website, including the acts and practices set forth in this Complaint. Defendant Simmons resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

COMMERCE

8. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS ACTIVITIES

9. Since at least 2013, Defendants have operated the Website, which sells customers a variety of financial, identity, and medical documents, including pay stubs, auto insurance cards, utility and cable bills, doctor’s excuses, and medical absence reports, for \$19.95. *See* Exhs. A-G. Defendants advertise these documents as fake, but makes clear in their ads that they look authentic.

Defendants know or should know that these fake documents will be presented as genuine when provided to recipients (such as lenders and landlords).

10. Pay stubs, also called paycheck stubs or check stubs, can be used to prove identity, residency, income, and/or employment to government agencies, landlords, and lenders. They typically identify the employer and employee by name and address, and state the employee’s full or partial Social Security number, gross and net wages earned, hours worked, pay rate or salary, pay period dates, and deductions. Utility bills can be used to prove identity and residency to government agencies and landlords.

11. Customers can download templates for each type of fake document and fill in whatever identification, financial, and medical information they choose.

12. The Website prominently advertises its products as “fake.” For example, the landing page uses the descriptor “fake” more than 20 times. Exh. A. Metatags in the Website’s source code (which drives Internet search traffic) describe: “The Net’s #1 Fake Documents, Fake Utility Bills, Printable Doctors Notes, Fake Car Insurance, Fake Pay Stubs.” Exh. H-1.

13. At the same time, the Website claims that its products look authentic. For example, the header across every page on the Website exclaims: **“Quality! Authentic Fake Forms! Proven to Work!”** *See, e.g.,* Exhs. A-1; I; J-1 (emphasis in original). The “About Us” page describes the Website’s fake forms as “realistic,” “the most authentic looking forms around,” “created from original documents” with “some of the best attention to detail you’ll find anywhere.” Exh. K. The page further states: “We’re a great alternative to illegal document mills, and the ‘do it yourself’ attempts that are not worth the paper they’re printed on.” *Id.* On a page titled “How It Works,” the Website notes: “Please remember that our forms are so authentic looking that a trained professional may have a hard time telling the difference.” Exh. I. The FAQs advise customers that because the templates are “100% customizable,” customers can “[u]se the name of any

company, . . .proper dates, etc[.], to make the novelty form look as real as possible!” Exh. J-2. The site also provides a 100% guarantee. Exh. A-1.

14. Despite claiming that the documents sold on this site are “novelties” for “educational” or “entertainment” purposes only, Defendants do not clearly and prominently mark these documents as being appropriate only for such purposes and do not otherwise clearly and prominently convey to the ultimate recipients that they are fake. *See, e.g.*, Exh. A-3 (footer on home page); J-1 (answer to FAQ); L (disclaimer page). For example, Defendants do not include a watermark or permanent label indicating that the document is fake. *See, e.g.*, Exh. M (pay stub). On a few fake documents, such as its fake cable bill, Defendants do include a small-print disclaimer (“For Entertainment Purpose Only”), but the disclaimer can easily be deleted from the electronic file. Exh. N. Indeed, Defendants provide all customers with a file titled “Read Me” whose first instruction is about document editing: “Most of the forms can be edited in Microsoft Word,” and all others can be edited with Adobe Fireworks. Exh. O-1.

15. Fake identification and financial documents are used to commit identity theft and loan fraud. For example, identity thieves use fake pay stubs (as proof of income and employment) and fake utility bills (as proof of residency), along with a fake or fraudulently obtained government-issued identifier, to apply for credit cards using stolen personal information. When the identity thief fails to

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pay credit card bills, it is the victim's credit that suffers. Bad actors also use fake pay stubs to misrepresent income and employment in order to obtain mortgages, auto loans, and housing leases fraudulently. When bad actors default on loans or leases, the lender and any downstream investors suffer a loss, which is often passed onto consumers with higher lending costs.

VIOLATIONS OF THE FTC ACT

16. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

17. Acts or practices are unfair under Section 5 of the FTC Act if they cause or are likely to cause substantial injury to consumers that consumers cannot reasonably avoid themselves and that is not outweighed by countervailing benefits to consumers or competition. 15 U.S.C. § 45(n).

18. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

Count I

19. In numerous instances, Defendants have advertised and sold fake documents, including fake pay stubs and utility bills.

20. Fake documents, such as those sold on Defendants' website, are used to facilitate fraudulent activity, including identity theft and loan fraud.

21. Defendants' actions cause or are likely to cause substantial injury to consumers that consumers cannot reasonably avoid themselves and that is not outweighed by countervailing benefits to consumers or competition.

22. Therefore, Defendants' practices as described in Paragraph 19 above constitute unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. §§ 45(a) and 45(n).

CONSUMER INJURY

23. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of the unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

24. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and

the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

A. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;

B. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies;

C. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

Alden F. Abbott
General Counsel

Dated:

9/12/18

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