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## Terry Goddard Announces Telemarketing Suit in National Fraud Crackdown

(Phoenix, Ariz. – May 20, 2008) Attorney General Terry Goddard today announced his office filed a lawsuit against Curtis and Rosemary Winlock and Dale Kikta, owners and manager of USDW Inc., a telemarketing business that sells household goods nationwide. The lawsuit alleges that the company engages in deceptive business practices, including calling their for-profit company a non-profit organization benefiting disabled and/or disadvantaged individuals. The Winlocks own the company, and Kikta manages the office located in Phoenix.

According to court documents, USDW led consumers to believe that it is a charitable organization and that proceeds from the sale of household products, such as light bulbs and garbage bags, directly assist disabled and/or disadvantaged individuals.

This case is one of more than 180 actions being announced nationally today in Operation TelePhoney, a national sweep of telemarketing fraud cases coordinated by the Federal Trade Commission.

The Arizona lawsuit alleges that the defendants:

- Claim USDW is a charitable organization with a primary purpose of providing employment opportunities to homeless individuals, disabled veterans, handicapped workers and disabled/disadvantaged individuals.
- Claim monies generated by the sale of their products directly support the homeless, disabled veterans, handicapped and disabled/disadvantaged individuals.
- Fail to tell consumers that USDW is a for-profit corporation.
- Repeatedly call potential customers, sometimes several times a day, attempting to make a sale. When customers instruct them to stop calling, the telemarketers claim that they will not stop calling unless the customer makes a purchase.
- Charge excessive prices for their products, falsely claiming that their products are “longer lasting” or “more durable” than similar products sold at local retail outlets.

The lawsuit also alleges that USDW conducted telephone solicitations without having filed a verified registration statement with the Arizona Secretary of State, which is required by law, and operated without filing the required bond of \$100,000.

According to court documents, USDW continued to initiate outbound telephone calls to persons even though the consumers had objected to receiving telemarketing calls.

The lawsuit finally alleges that USDW misrepresented to consumers that it is established for a benevolent purpose, which is a violation of the Arizona charities law.

The State is seeking to stop USDW from engaging in these unlawful practices. The State also is asking for restitution for consumers who have filed complaints with the Arizona Attorney General's Office and for civil penalties. A settlement with USDW is pending. Criminal charges are also pending in a separate criminal action.

Assistant Attorneys General Nancy Anger and Gail Thackeray are handling this case. The lawsuit is the result of an investigation conducted by the Attorney General's Special Investigations Section.

A copy of a new FTC brochure, *Who's Calling? Recognize and Report Phone Fraud*, is available on the Attorney General's Web site at [www.azag.gov](http://www.azag.gov).

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