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**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

March 22, 2004

**SECOND PHONY CREDIT UNION ORDERED TO CEASE AND DESIST**

**At Least One Idaho Consumer Suffers Loss of Advance Fee Paid for a Loan**

BOISE, IDAHO – Gavin Gee, Director of the Idaho Department of Finance, today issued a Cease and Desist Order against five individuals and one company for fraudulently using the name of a credit union to solicit consumer loans in Idaho. This is the second order issued recently by the Department against a phony credit union.

The individuals, Melanie Simmons, Kile Davidson, Natalie Powell, Janet Howland, Alcott Douglas, and the entity “The Co-Operators”, advertised in Idaho using the name “Credit Union One”, a purported credit union in Toronto, Canada. The company in Canada is not related to or endorsed by a legitimate credit union in Michigan that has the same name.

Idaho residents who contacted the company after seeing an ad were told that as a condition to receiving a loan, they were required to provide copies of their drivers’ licenses or social security cards, and a \$1450 payment, to the company. After doing so, the Idaho consumers did not receive a loan, but were asked to send an additional \$465 payment as an “international border tax” premium. The residents refused to do so, and have not received the promised loan.

Gee said: “The name ‘Credit Union One’ is being used by these persons to perpetrate a fraud upon Idaho consumers. Although Credit Union One is a legitimate credit union operating in Michigan, it does not do business in Idaho, has not been issued the required lenders license by the Department, and is in no way connected to this fraud. This is apparently an attempt by these individuals to obtain personal information, unlawful advance-fees from Idaho consumers, or

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otherwise illegally part Idahoans from their money.”

Recently, many state financial service regulators have reported similar instances of phony credit unions seeking to defraud consumers. The National Association of State Credit Union Supervisors is providing valuable assistance to state regulators in an effort to combat this growing scam. “Unfortunately, because these companies are stealing the names of legitimate credit unions, consumers are given a false sense of security in providing money and information to them,” said Gee. The U.S. Justice Department and the FBI are also joining forces to end the scam.

Anyone who questions the authenticity of a company or individual who offers to loan money in Idaho should contact the Department of Finance at 208-332-8000, or toll-free in Idaho at 1-888-346-3378.

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*Department of Finance press releases and other information are available on the Internet via the world wide web at <http://idahofinance.com> and may be obtained by contacting the Department at (208) 332-8000, or toll-free in Idaho at 1-888-346-3378.*