



Federal Trade Commission Protecting America's Consumers

For Release: 01/20/2015

FTC Permanently Stops Six Operators from Using Fake News Sites that Allegedly Deceived Consumers about Acai Berry Weight-Loss Products

Alleged Fraudulent Affiliate Marketers will Surrender Assets under Settlements

Six online marketers agreed to settlements with the Federal Trade Commission that will permanently halt their allegedly deceptive practice of using fake news websites to market acai berry supplements and other weight-loss products.

As part of its [ongoing crackdown on bogus health claims](#), the proposed settlements will require that the six operations make clear when their commercial messages are advertisements rather than objective journalism, and will bar the defendants from further deceptive claims about health-related products such as the acai berry weight-loss supplements and colon cleansers that they marketed.

The defendants also are required to disclose any material connections they have with merchants, and will be barred from making deceptive claims about other products, such as the work-at-home schemes or penny auctions that most of them promoted. The settlements also require that these defendants collectively pay roughly \$500,000 to the Commission because their advertisements violated federal law. This money amounts to most of their assets.

At the [request of the FTC](#), federal courts temporarily halted these operations and four others. In its sweep last year against marketers who allegedly used fake news sites to promote weight-loss products, the FTC alleged that their websites were designed to falsely appear as if they were part of legitimate news organizations, but were actually nothing more than advertisements deceptively enticing consumers to buy the featured acai berry weight-loss products from online merchants. With titles such as “News 6 News Alerts,” “Health News Health Alerts,” or “Health 5 Beat Health News,” the sites often falsely represented that the reports they carried had been seen on major media [outlets](#) such as ABC, Fox News, CBS, CNN, *USA Today*, and Consumer Reports. Investigative-sounding headlines presented stories that purported to document a reporter’s first-hand experience with acai berry supplements – typically claiming to have lost 25 pounds in four weeks, according to the FTC complaints.

The proposed settlements impose monetary judgments in the full amount of the commissions the defendants received for deceptive marketing through their fake news sites. Due to the defendants’ financial condition, the judgments will be suspended when the FTC receives the following assets from them. In all cases, if it is later determined that the financial information the defendants provided the FTC was false, the full amount of their judgments would become due:

Ricardo Jose Labra Labra’s \$2.5 million judgment will be suspended when he pays \$280,000 and records a \$39,500 lien on his home.

Zachary S. Graham, Ambervine Marketing, LLC and Encastle, Inc. Graham’s \$953,000 judgment will be suspended when he pays \$110,000 plus most of the proceeds from the sale of a truck.

Tanner Garrett Vaughn Vaughn’s \$203,000 judgment will be suspended when he pays close to \$80,000 over a three-year period.

Thou Lee Lee’s \$204,000 judgment will be suspended when he pays \$13,000 plus the proceeds from the sale of a BMW.

Charles Dunlevy Dunlevy’s \$143,000 judgment will be suspended when he pays an estimated \$2,000 from frozen assets and the sale of a boat.

DLXM, LLC and Michael Volozin The \$594,000 judgment will be suspended because of the defendants’ inability to pay.

According to the FTC complaints, in pitching the acai weight-loss products, the defendants [posted](#) attention-grabbing ads on search engines and high volume websites, such as “Acai Berry EXPOSED – Health Reporter Discovers the Shocking Truth,” driving traffic to the fake news sites and ultimately to the sites where merchants sell the products. The FTC received numerous [complaints](#) from consumers who paid between \$70 and \$100 for weight-loss products after having been deceived by fake news sites.

Derived from acai palm trees that are native to Central and South America, acai berry supplements often are marketed to consumers who hope to lose weight. In another recent settlement with online acai berry marketers, defendants in the [Central Coast Nutraceuticals](#) case were required to pay \$1.5 million. In 2011, the Commission brought suit against two other online acai berry marketers: [LeanSpa, LLC](#), which the Commission sued in conjunction with the State of Connecticut, and [Jesse Willms](#). In both cases, the FTC obtained preliminary injunctions barring the defendants from engaging in the charged deceptive practices.

The FTC helps consumers recognize and avoid deceptive claims made by fake news sites that market acai berries for weight loss. To learn more, see the consumer alert [THIS JUST IN: Fake News Sites Promote Bogus Weight Loss Benefits of Acai Berry Supplements](#), and the video [Free Trial Offers](#), which explains how free trials are often used to market acai berry supplements and other products.

The Commission votes authorizing the staff to file the proposed settlement orders against Ricardo Labra and Tanner Vaughn were 4-0. The votes authorizing the staff to file the proposed settlement orders against Zachary Graham, Ambervine Marketing, LLC and Encastle, Inc.; Thou Lee, DLXM, LLC and Michael Volozin; and Charles Dunlevy were 3-1, with Commissioner J. Thomas Rosch voting no. The following courts have approved the settlement orders:

- the U.S. District Court for the Northern District of Illinois, Eastern Division, on January 11 and 12, 2012. (Zachary S. Graham, Ambervine Marketing LLC, and Encastle, Inc.; Ricardo Jose Labra; and Thou Lee, also doing business as TL Advertising.)
- the U.S. District Court for the Northern District of Georgia on January 12, 2012. (Charles Dunlevy.)
- the U.S. District Court for the Western District of Washington on January 12, 2012. (Tanner Garrett Vaughn, also doing business as Lead Expose, Inc., and Uptown Media, Inc.) And,
- the U.S. District Court for the Eastern District of New York on January 19, 2012. (DLXM, LLC, also doing business as DLX Marketing, and Michael Volozin, also known as Mikhail Volozin.)

NOTE: A settlement order is for settlement purposes only and does not constitute an admission by the defendant that the law has been violated. Settlement orders have the force of law when approved and signed by the District Court judge.

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](#).

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(FTC File Nos. Zachary S. Graham, X110026; Ricardo Jose Labra, X110022; Thou Lee, X110025; Charles Dunlevy, X110030; Tanner Garrett Vaughn, X110027; DLXM, LLC, X110039) (Six Fake News Sites NR)

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Related Items:

Federal Trade Commission, Plaintiff, v. Ricardo Jose Labra, individually, Defendant

(United States District Court for the Northern District of Illinois, Eastern Division)
Case No. 1:11-cv-02485
FTC File No. 112 3088

Federal Trade Commission, Plaintiff, v. Ambervine Marketing LLC, a Minnesota limited liability company, Encastle Inc., a Texas corporation, and Zachary S. Graham, individually and as officer of Ambervine Marketing LLC and Encastle Inc., Defendants

(United States District Court for the Northern District of Illinois, Eastern Division)
Case No. 1:11-cv-02487
FTC File No. 112 3090

Federal Trade Commission, Plaintiff, v. Tanner Garrett Vaughn, individually and doing business as Lead Expose, Inc., and Uptown Media, Inc., Defendant

(United States District Court for the Western District of Washington at Seattle)

Case No. 2:11-cv-00630-RAJ
FTC File No. 112 3067

Federal Trade Commission, Plaintiff, v. Thou Lee, individually and also doing business as TL Advertising, an unincorporated assumed business name, Defendant

(United States District Court for the Northern District of Illinois, Eastern Division)

Case No. 1:11-cv-02486
FTC File No. 112 3085

Federal Trade Commission, Plaintiff, v. Charles Dunlevy, individually, Defendant

(United States District Court for the Northern District of Georgia)

Case No. 1:11-cv-01226-TWT
FTC File No. 112 3077

Federal Trade Commission, Plaintiff, v. DLXM LLC, also doing business as DLX Marketing, a New York limited liability company, and Michael Volozin, also known as Mikhail Volozin, individually and as an officer or director of DLXM LLC, Defendants

(United States District Court for the Eastern District of New York)

Case No. CV 11-1889
FTC File No. 112 3061

Last Modified: Wednesday, January 25, 2012