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For Release

FTC, Florida Attorney General Sue Chargebacks911 for Thwarting Consumers Who Were Trying to Reverse Disputed Credit Card Charges

Complaint charges that “chargeback mitigation” company used misleading screenshots, bogus transactions on behalf of scammers

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The Federal Trade Commission and the State of Florida have filed suit against Chargebacks911 for unfairly thwarting consumers who were trying to dispute credit card charges through the chargeback process.

In a [complaint filed in federal court](#) , the FTC and Florida charged that, since at least 2016, the “chargeback mitigation” company and its owners, Gary Cardone and Monica Eaton Cardone, have used multiple unfair techniques to prevent consumers from successfully winning chargeback disputes.

“Chargebacks911 helped scammers stay in business and defeat chargeback attempts by consumers hit with fraudulent charges,” said Samuel Levine, Director of the FTC’s Bureau of Consumer Protection. “The FTC will continue to take aggressive action against those who undermine consumers’ ability to exercise their rights.”

The chargeback process is a key protection for consumers who wish to contest unwanted, fraudulent, or incorrect credit card charges. When a consumer sees a charge they did not authorize, or for which the promised goods or services didn’t arrive, they can dispute the charge with their credit card company. The company then contacts the merchant’s credit card company for information and determines whether to reverse the charge.

According to the complaint, Chargebacks911 has regularly sent screenshots on behalf of their clients to credit card companies that supposedly show that consumers had agreed to the disputed charges—often recurring monthly subscription charges. The complaint notes that, in many instances, these screenshots have not actually been from the website where consumers made the disputed purchases and that the company ignored clear warning signs the website screenshots were misleading.



A screenshot sent by Chargebacks911 and a screenshot of the site actually used by the consumer; both images from the complaint.

The complaint also charges that Chargebacks911 used a system called Value Added Promotions (VAP), which allowed the company's clients to run numerous small-dollar transactions via prepaid debit cards. By doing so, clients could raise their total number of transactions, lowering the percentage of their charges that were disputed by consumers. The percentage of chargebacks a company faces plays a role in the level of scrutiny a company receives from credit card companies; a higher percentage will likely lead to more scrutiny.

In the complaint, the FTC and Florida note that Chargebacks911 served numerous companies that the FTC has sued for deceiving consumers, including [Apex Capital](#), [F9 Advertising](#), and [AH Media](#). The complaint notes that Chargebacks911 disputed tens of thousands of chargebacks on behalf of each of those companies.

There were many instances, according to the complaint, where Chargebacks911 submitted screenshots of websites on behalf of Apex Capital and AH Media where the name of the product on the sites in the screenshots did not even match the brand name of the product for the disputed purchase. According to the complaint, Chargebacks911 regularly overlooked other suspicious behaviors from their clients, including when clients used a large number of different merchant accounts to process charges.

The FTC and Florida allege that Chargebacks911, Gary Cardone, and Monica Eaton Cardone are violating both the FTC Act and the Florida Unfair and Deceptive Trade Practices Act, and are asking the court to stop the defendants' illegal activities and order monetary relief, including compensation for consumers and civil penalties.

The Commission vote authorizing the staff to file the complaint was 3-0-1, with then-Commissioner Christine S. Wilson recorded as not voting. The vote on this matter closed on March 29, 2023, prior to Commissioner Wilson's departure from the Commission. The complaint was filed in the

U.S. District Court for the Middle District of Florida.

NOTE: The Commission files a complaint when it has “reason to believe” that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. The case will be decided by the court.

The FTC staff attorneys on this matter are Evan Rose and Bobbi Tonelli of the FTC’s Western Region San Francisco.

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