

US v. Richard Murkey, Sr.

FTC Criminal Case

United States v. Murkey, Crim. No. 04-CR-167 (C.D. California)

Most Recent Update 3/4/04

The Office of Consumer Litigation of the United States Department of Justice and the United States Attorney's Office for the Central District of California, in coordination with the Federal Bureau of Investigation and the Federal Trade Commission ("FTC"), conducted a nationwide investigation into conduct by Richard Murkey, Sr., that amounted to criminal contempt of a court order issued by the United States District Court for the Central District of California. That order, entered on November 3, 1999, banned Mr. Murkey from:

1. participating in the advertising, promoting, offering for sale, sale, performance, or distribution of any credit repair service;
2. representing that he can or will substantially improve consumers' credit reports or profiles by effectuating the permanent lawful removal of bankruptcies, liens, judgments, charge-offs, late payments, foreclosures, repossessions, and other negative information from consumers' credit reports where such information is accurate and not obsolete; and
3. violating the Credit Repair Organization Act, which, in turn, prohibits making any untrue or misleading statement with respect to any consumer's credit worthiness, credit standing, or credit capacity to any consumer reporting agency as defined in 15 U.S.C. § 1681a(f).

On February 17, 2004, Mr. Murkey was indicted on nine charges of criminal contempt of court. Mr. Murkey voluntarily surrendered and appeared for his initial appearance on February 23, 2004. At that hearing, Mr. Murkey was released on \$25,000 bond. Among other conditions of release, Mr. Murkey was required to turn in his passport.

According to the charges against him in the indictment, Mr. Murkey continued to offer credit repair services immediately after entry of the court order, through businesses such as "Credit Restoration Corporation of America, Inc." In 2001, the FTC brought a civil contempt case against Mr. Murkey and a District Judge in Los Angeles held Mr. Murkey in civil contempt. Nevertheless, the indictment alleges that Mr. Murkey returned to credit repair services several months after the civil contempt finding, operating in a clandestine fashion and using the bank account of another person to operate the business.

One count of the Indictment alleges that Mr. Murkey unlawfully engaged in credit repair services before the civil contempt finding, and another alleges that he unlawfully engaged in credit repair after that finding. Three counts in the indictment allege that, contrary to the court order, Mr. Murkey told consumers that he could substantially improve their credit reports by lawfully and permanently removing negative information from the reports, regardless of whether the information was accurate or obsolete. Four counts allege that Mr. Murkey violated the order by causing false and misleading statements to be sent to Trans Union in an effort to have negative information removed from customers' credit reports.

The next scheduled event in the case is the post-indictment arraignment, set for March 22, 2004.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty.

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