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Office Supply Operators Banned from Telemarketing to Settle FTC Charges

Scheme targeted charitable organizations and small businesses



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March 27, 2017

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The operators of an office supply business accused of bilking millions of dollars from nonprofit organizations and small businesses will be banned from telemarketing under a settlement with the Federal Trade Commission.

The settlement resolves [FTC charges filed in December 2015 that the defendants deceived small business consumers](#) into buying office supply products at higher prices or in larger quantities than they had agreed to. When consumers complained they received too many products at prices up to 10 times higher than expected, the defendants aggressively sought payment or demanded that consumers pay hefty return shipping and restocking fees to send the unwanted products back. A federal court halted the operation and froze the defendants' assets pending litigation.

Under a stipulated final order announced today, Mia L. McCrary, John B. Hart, Norma J. Hart, Liberty Supply Co., Nor-Jay Enterprises Inc. and Texas 110 Inc. will be banned from telemarketing and from misrepresenting any product or service. Before asking consumers for their billing information or consent to buy any product or service, the defendants must clearly disclose the total cost, all material restrictions or conditions, the terms of any refund policy and, if they have a policy not to make refunds, cancellations, exchanges, or repurchases, a statement to that effect.

The order also prohibits the defendants from causing consumers' billing information to be submitted for payment without the consumer's express informed consent, and from selling or otherwise benefitting from consumers' personal information and failing to dispose of it properly.

The order imposes a \$4,560,000 judgment against Mia McCrary, John B. Hart and Liberty Supply Co., and a \$2,200,000 judgment against Norma Hart and Nor-Jay Enterprises, which will be partially suspended when John Hart and Norma have surrendered over half a million dollars in certain assets and Mia McCrary has surrendered a \$10,000 bank account and certain property. The full judgment will become due immediately if the defendants have misrepresented their financial condition.

The Commission vote approving the stipulated final order was 3-0. The U.S. District Court for the Eastern District of Texas, Sherman Division entered the order on March 23, 2017.

NOTE: Stipulated final orders have the force of law when approved and signed by the District Court judge.

To learn more, read the FTC's [Small Business Scams](#).

The Federal Trade Commission works to promote competition, and [protect and educate consumers](#). You can [learn more about consumer topics](#) and file a [consumer complaint online](#) or by calling 1-877-FTC-HELP (382-4357). Like the FTC on [Facebook](#), follow us on [Twitter](#), read our [blogs](#) and [subscribe to press releases](#) for the latest FTC news and resources.

PRESS RELEASE REFERENCE:

[FTC Stops Alleged Deceptive Office Supply Scam That Targeted Charitable Organizations and Small Businesses](#)
[FTC Returns Money to Consumers Affected by Office Supply Scam](#)

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