

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

DEVUMI, LLC, a limited liability company, and

GERMAN CALAS, JR, individually and as an
officer of DEVUMI, LLC,

Defendants.

Case No. 9:19cv81419

**COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF**

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain permanent injunctive relief, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), in connection with the sale of fake indicators of social media influence.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue is proper in this District under 28 U.S.C. § 1391(b)(2), (c)(1), (c)(2), and (d) and 15 U.S.C. § 53(b).

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41–58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including the disgorgement of ill-gotten monies. 15 U.S.C. § 53(b).

DEFENDANTS

6. Defendant Devumi, LLC (“Devumi”), is an inactive Wyoming limited liability company with its last known principal place of business at 1900 Grant Street, Suite 1050, Denver, CO 80203. Devumi is also an inactive Florida limited liability company with its last known principal place of business at 222 Clematis Street, Unit 206, West Palm Beach, FL 33401. Devumi has transacted business in this District and throughout the United States.

7. Defendant German Calas, Jr. (“Calas”) is the owner and Chief Executive Officer of Devumi. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Devumi, including the acts and practices set forth in this Complaint. Defendant Calas resides in this District and, in connection with the matters alleged herein, has transacted business in this District and throughout the United States.

COMMERCE

8. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS ACTIVITIES

9. Defendants have operated the Devumi.com, TwitterBoost.co., Buyview.co, and Buyplays.co websites. Through these websites, Defendants have sold fake indicators of social media influence, including fake followers, subscribers, views, and likes, to users of different social media platforms, including LinkedIn, Twitter, YouTube, Pinterest, Vine, and SoundCloud.

10. Indicators of social media influence are important metrics that businesses and individuals use in making hiring, investing, purchasing, listening, and viewing decisions. If these metrics are misleading because they are faked, that could induce consumers to make less preferred choices. Fake indicators of social media influence may undermine the influencer economy and consumer trust in the information that influencers provide.

11. Defendants sold fake LinkedIn followers to marketing, advertising, and public relations firms; management consulting firms; companies offering computer software solutions; banking, investment banking, and other financial services firms; human resources firms; and companies offering numerous other services. Defendants sold over 800 orders of fake LinkedIn followers. Defendants enabled purchasers of LinkedIn followers to deceive potential clients, investors, partners, and employees.

12. Defendants sold fake Twitter followers to actors, athletes, musicians, writers, and other individuals who wanted to increase their appeal as influencers. Defendants also sold fake

Twitter followers to motivational speakers, law firm partners, investment professionals, experts, and other individuals who wanted to boost their credibility to potential clients for their services. Defendants fulfilled over 58,000 purchases of fake Twitter followers. Defendants enabled purchasers of Twitter followers to deceive their potential clients about their influence, whether clients were seeking to hire them as influencers or to hire them for other services.

13. Defendants sold fake subscribers to the operators of YouTube channels and fake views to the posters of individual YouTube videos, including musicians who wanted to inflate the popularity of their songs. Defendants had over 4,000 sales of fake YouTube subscribers and over 32,000 sales of fake YouTube views. Defendants enabled purchasers of fake YouTube subscribers and views to deceive potential viewers and potential music purchasers.

14. Between 2014 and 2018, Devumi or its parent company paid Defendant Calas \$2.5 million.

15. Based on the facts and violations of law alleged in this Complaint, the FTC has reason to believe that Defendants are violating or are about to violate laws enforced by the Commission because, among other things, Defendants engaged in their unlawful acts and practices repeatedly over a period of three years and stopped their unlawful conduct only after they received a Civil Investigative Demand from the FTC.

VIOLATIONS OF THE FTC ACT

16. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

17. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

Count I

Means and Instrumentalities to Deceive

18. As described in Paragraphs 9 through 13, in numerous instances, Defendants have sold and distributed fake followers, subscribers, views, and other indicators of social media influence to users of various social media platforms, including LinkedIn, Twitter, YouTube, Pinterest, Vine, and SoundCloud, thereby allowing those users to exaggerate and misrepresent their social media influence.

19. In so doing, Defendants have provided such users of social media platforms with the means and instrumentalities for the commission of deceptive acts or practices.

20. Therefore, Defendants' acts or practices as set forth in Paragraph 18 constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

21. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

22. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Sections 13(b) of the FTC Act, 15 U.S.C. § 53(b) and the Court's own equitable powers, requests that the Court:

A. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;

B. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including the disgorgement of ill-gotten monies;

C. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

ALDEN F. ABBOTT
General Counsel

Dated: October 18, 2019

/s/ Michael Ostheimer

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