

Kevin Trudeau: Serial Infomercial Scammer & Civil Litigation Pattern

-Public Records Watch

Case Study Overview

Kevin Trudeau stands as one of America's most notorious and persistent infomercial scammers, with a career spanning decades that involved repeated regulatory actions, civil litigation, criminal contempt charges, and ultimately imprisonment. His case provides valuable insights into how sophisticated scammers operate across multiple domains, evade enforcement, and manipulate legal systems to continue their operations despite mounting court orders against them.

Timeline of Key Events

Early Career and Initial FTC Actions (1990s)

1990-1991: Trudeau's criminal history begins with a felony larceny conviction in Massachusetts related to bank fraud. He served close to two years in prison for depositing \$80,000 in false checks.

1996: The Federal Trade Commission (FTC) files its first action against Trudeau for false and misleading claims in infomercials for products including "Mega Memory System," "Sable Hair Farming System," and "Action Reading."

1998: Trudeau settles with the FTC, agreeing to pay \$500,000 in consumer redress and being barred from making false claims about products in the future. This marks the beginning of a pattern: regulatory action, settlement, and subsequent violations.

Calcium Products and Diet Cures (Early 2000s)

2003: The FTC charges Trudeau with violating the 1998 order by making false claims about "Coral Calcium Supreme," which he marketed as a cure for cancer, heart disease, multiple sclerosis, and various other serious conditions.

2004: Trudeau agrees to an expanded settlement that:

- Bans him from infomercial appearances for any product except books
- Prohibits him from making disease cure claims
- Requires a \$2 million payment for consumer redress

2004-2007: Exploiting the "book exception" in the settlement, Trudeau publishes "Natural Cures 'They' Don't Want You to Know About," which becomes a bestseller through aggressive infomercial marketing despite containing little substantive information.

"The Weight Loss Cure" Contempt Case (2007-2014)

2007: Trudeau publishes "The Weight Loss Cure 'They' Don't Want You to Know About" and promotes it through infomercials claiming the weight loss protocol was "easy" and could be completed "at home."

2007: The FTC files a contempt motion, arguing that Trudeau misrepresented his book's content in the infomercials, as the actual program described in the book was complex, requiring severe dietary restrictions, prescription hormone injections, and numerous specific supplements.

2008: Judge Robert Gettleman finds Trudeau in contempt, noting that the weight loss protocol described in the book was "the opposite of easy" and "required colonics, organ cleanses, and a 500-calorie-per-day diet."

2009: The court orders Trudeau to pay a \$37.6 million judgment, representing the amount consumers spent purchasing the book based on deceptive infomercials.

2010-2013: Trudeau appeals the contempt finding and monetary judgment multiple times, but the Seventh Circuit Court of Appeals upholds both the contempt finding and the monetary sanction.

Asset Concealment and Criminal Contempt (2013-2014)

2013: Unable to collect on the \$37.6 million judgment due to Trudeau's claims of insolvency, the FTC presents evidence that Trudeau was concealing assets through a complex network of shell companies and offshore entities.

Evidence revealed Trudeau was:

- Living in a mansion and driving luxury vehicles
- Spending lavishly on clothes, liquor, cigars, and haircuts
- Making significant cash withdrawals
- Using corporate credit cards for personal expenses
- Transferring assets to his wife and various shell companies

2013: Judge Gettleman refers the case for criminal contempt proceedings based on Trudeau's repeated violations of court orders and apparent perjury regarding his finances.

November 2013: After a jury trial, Trudeau is convicted of criminal contempt.

March 2014: Trudeau is sentenced to 10 years in federal prison.

Legal Defense Tactics & Pattern Analysis

1. First Amendment Shield

Trudeau consistently argued that his promotional activities were protected speech under the First Amendment. Courts repeatedly rejected this defense, distinguishing between:

- Protected speech expressing opinions or ideas
- Commercial speech making demonstrably false claims about products

Key Court Finding: In the 2008 contempt case, the court found that "misrepresentations about the content of a book in an infomercial designed to sell that book" are not protected by the First Amendment.

2. Shell Company Structures

Investigative findings revealed Trudeau operated through at least 23 different corporate entities, including:

- **Global Information Network (GIN):** A purported "secret club" collecting membership fees while operating as Trudeau's primary income source
- **Website Solutions Switzerland (WSS):** An offshore entity receiving millions in payments
- **Natural Cures Holdings:** The publisher of his books
- **Trustar Productions:** The entity producing infomercials

These entities were strategically structured to:

- Make asset tracking difficult
- Create the appearance of independence while actually being controlled by Trudeau
- Allow fund movement across international boundaries
- Maintain a facade of compliance with court orders while violating their substance

3. Pseudolegal Arguments

Throughout his legal battles, Trudeau employed various pseudolegal arguments including:

- Claiming the FTC lacked jurisdiction over his activities
- Challenging the constitutionality of the FTC's authority
- Filing numerous procedural motions to delay proceedings
- Arguing that infomercials were "editorial" rather than commercial content
- Claiming protection under international law for offshore entities

4. Strategic Bankruptcy Filings

When faced with mounting judgments, Trudeau and his entities filed for bankruptcy protection, attempting to:

- Stay collection efforts
- Discharge consumer redress obligations
- Protect assets from seizure
- Create jurisdictional confusion

5. Public Relations Campaigns

Trudeau skillfully used media platforms to portray himself as a victim of government persecution, including:

- Creating websites dedicated to his "free speech fight"
- Publishing books attacking regulatory agencies
- Positioning himself as a whistleblower exposing medical and pharmaceutical industry conspiracies
- Building a persona as an "alternative health advocate" being silenced

Key Court Findings

Asset Concealment Mechanisms

The courts documented Trudeau's sophisticated asset concealment system:

"Trudeau created a complex web of constantly changing trusts, corporations, and limited liability companies, some of which were formed in Nevis, Belize, and other foreign countries... The evidence demonstrates that Trudeau created these offshore entities to hide his assets and income." - **FTC v. Trudeau, Case No. 03-C-3904 (N.D. Ill.)**

Pattern of Deception

Multiple courts noted Trudeau's consistent pattern of deceptive business practices:

"Trudeau has been involved in numerous infomercial schemes throughout his career... The court finds a pattern of contumacious conduct... Despite numerous opportunities to comply with the Court's orders, he has continually and willfully violated them." - **United States v. Trudeau, Case No. 10-CR-886 (N.D. Ill.)**

Impact on Consumers

In calculating the \$37.6 million judgment, the court found:

"The infomercials were so successful in large part because they were premised on a lie... Had Trudeau told the truth about the arduous nature of the Weight Loss Cure protocol, considerably fewer consumers would have purchased the book." - **FTC v. Trudeau, 579 F.3d 754 (7th Cir. 2009)**

Lessons for Compliance Professionals and Investigators

1. The "Book Exception" Loophole

Trudeau's exploitation of the "book exception" in the 2004 consent order highlights the danger of regulatory loopholes. While the FTC intended to allow legitimate book publishing, Trudeau used this exception to market books containing dubious content through the same deceptive infomercial tactics he had been prohibited from using for other products.

Best Practice: Consent orders and settlements should anticipate creative circumvention and close potential loopholes.

2. Asset Investigation Techniques

The Trudeau case demonstrates effective techniques for uncovering hidden assets:

- Analyzing spending patterns rather than just declared income
- Following money through multiple entity transfers
- Examining personal expenses charged to corporate accounts
- Identifying nominees controlling accounts on behalf of the target
- International cooperation with financial institutions

3. The Importance of Contempt Powers

When dealing with repeated violators, contempt proceedings proved more effective than additional civil penalties. After multiple ineffective civil judgments, it was ultimately criminal contempt that ended Trudeau's scheme.

4. Shell Company Red Flags

The case identifies warning signs of shell companies being used to evade judgments:

- Companies with no operational presence at their listed addresses
- Businesses with minimal staff yet significant financial activity
- Frequent fund transfers between related entities
- Shared control despite apparent independence
- Strategic use of jurisdictions with limited transparency

Post-Prison Activities and Current Status

2019: Trudeau was released from federal prison after serving approximately 5 years of his 10-year sentence.

2019-Present: Despite the extensive legal history against him, Trudeau has:

- Attempted to rebrand himself as a "business coach" and "success mentor"
- Maintained a social media presence discussing "success principles"
- Published books on mental strength and personal development
- Carefully avoided making specific health claims that would violate previous orders
- Continued to portray himself as persecuted by government agencies

The FTC maintains that Trudeau still owes the bulk of the \$37.6 million judgment to consumers.

Conclusion: Value to Regulatory Watch

The Kevin Trudeau case offers exceptional value to compliance professionals and investigators by documenting:

1. A comprehensive pattern of civil regulatory evasion spanning decades
2. Sophisticated legal defense strategies designed to delay enforcement
3. Complex asset protection schemes using international borders
4. The evolution of deceptive marketing tactics in response to increased scrutiny
5. Effective and ineffective regulatory approaches to persistent violators

Perhaps most significantly, the case demonstrates the extraordinary persistence of certain fraudulent operators and the need for equally persistent enforcement strategies that can adapt to evolving evasion techniques across multiple jurisdictions, business types, and promotional channels.