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## RACING

## Pro racecar driver Scott Tucker charged in payday loan scam

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Associated Press

Professional racecar driver Scott Tucker was arrested Wednesday on criminal charges accusing him of living the high life on the backs of millions of desperate people who used his payday lending operation to get quick cash over the Internet.

An indictment unsealed in Manhattan federal court charged him with conspiracy, collection of unlawful debts and understatement of interest rates to consumers who found themselves drowning in debt after sometimes paying Tucker and his companies 700 percent interest or more for their loans.

Authorities said Tucker was arrested Wednesday in Kansas City, Kansas, and would initially appear in court in Kansas.

The indictment said Tucker and his one-time top business lawyer Timothy Muir, also arrested Wednesday, exploited over 4.5 million people in the United States who were struggling to pay basic living expenses. It said they were deceived by misleading communications and contracts.

"Tucker and Muir forced many of these individuals into cycles of debt in which they incurred new usurious payday loans ... in order to pay off their existing debt," the indictment said.

Lawyers for Tucker and Muir did not immediately answer messages seeking comment.

Court papers said Tucker and Muir received complaints from thousands of consumers, state regulators and consumer protection groups even before states began suing in 2003 to stop the loan practices.

To defeat lawsuits and avoid civil and criminal liability, Tucker entered sham business relationships with three Indian tribes, claiming the payday lenders were protected by "tribal sovereign immunity," the indictment said. It said some state lawsuits were dismissed on those grounds.

The lending scheme operated from 1997 through August 2013, generating over \$2 billion in revenues from 2003 to 2012 alone and providing Tucker with hundreds of millions of dollars in profits, authorities said.

The indictment said Tucker spent over \$100 million on personal expenses such as luxury homes and cars, jewelry, a private airplane and the expenses of a professional auto racing team which, [according to its web site](#), races Ferraris in "marquee" events through the world, including France, Monaco and Abu Dhabi.

The indictment sought \$2 billion in forfeiture, along with six Ferraris, four Porsches and one Learjet.

Various states, including New York state and the District of Columbia, ban payday loans or have usury limits that

effectively prohibit them, the court papers said.

Arizona, Arkansas, Connecticut, the District of Columbia, Georgia, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, North Carolina, Ohio, Pennsylvania, Vermont and West Virginia have similar laws.

In 2012, the Federal Trade Commission sued Tucker in Nevada over the payday lending operation. The agency has said in court papers that Tucker pocketed at least \$420 million unlawfully.

Tucker and other defendants said in a filing last year that their practices were industry-wide and that they received only 750 complaints on over 5 million loans issued from 2008 to 2012.

In a similar case, Manhattan U.S. Attorney Preet Bharara announced the arrest in Kansas City, Missouri, of a man accused of extending predatory loans to over 620,000 struggling Americans.



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