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ATTORNEY GENERAL RAOUL SUES ALTERNATIVE RETAIL ENERGY SUPPLIER FOR DEFRAUDING CUSTOMERS OUT OF \$77 MILLION

Raoul Seeks to Shut Down Liberty Power Over Deceptive Practices That Dupe Customers into Paying More for Electricity

Chicago — Attorney General Kwame Raoul [filed a lawsuit](#) against Liberty Power Holdings LLC (Liberty), a company that operates an alternative retail electric supplier (ARES) in Illinois. The Attorney General's lawsuit seeks to shut down Liberty for deceiving tens of thousands of Illinois residents into signing contracts based on false promises that Liberty would save them money on their electricity bills.

Raoul's lawsuit, filed in Cook County Circuit Court, alleges that Liberty's sales representatives promise to save consumers money and protect them from rate increases when in fact, customers pay significantly more for their electricity after being switched to Liberty. According to Raoul, Liberty's sales agents intentionally deceive customers by pretending to represent customers' utility companies, lying to customers about what they are currently paying for electricity, and even forging customers' signatures on contracts. Liberty's tactics have resulted in customers – frequently seniors – around the state being locked into lengthy overpriced sales contracts.

"Liberty Power has defrauded consumers across Illinois. Worst of all, sales representatives focus their efforts on the elderly and people with disabilities," Raoul said. "My office is committed to protecting all Illinois consumers from energy scams, and Liberty's conduct is particularly egregious. Companies like Liberty have no business operating in Illinois at the expense of our most vulnerable residents."

Raoul alleges Liberty Power's sales representatives give residents the false impression they are signing up for a discounted rate from ComEd or Ameren, or taking advantage of a government program. Instead, customers are switched over to Liberty, which charges them much more. According to Raoul, since 2012, Liberty's customers have paid more than \$77 million more than if they had remained with the utility (typically, ComEd or Ameren).

The Attorney General's lawsuit stems from an investigation of thousands of recorded sales pitches, delivered mainly through telemarketing calls, door-to-door sales, and in-store kiosks at retailers such as Walmart. Raoul's lawsuit alleges that Liberty Power engages in widespread fraud and deception, and Raoul's office is asking the court to provide full restitution of more than \$77 million to defrauded consumers and to revoke Liberty Power's license to do business in the state of Illinois.

Attorney General Raoul's lawsuit against Liberty Power is the office's latest against an alternative retail electric supplier. The Attorney General's office previously settled lawsuits with, or investigations into, IDT Energy, Inc.; Major Energy Electric Services LLC; Eligo Energy IL, LLC; and Realgy, LLC. The Attorney General's office is pursuing investigations into other ARES.

Currently, there are at least 109 ARES authorized to sell electricity in Illinois. According to the Illinois Commerce Commission, over the last five years, residential and small commercial customers enrolled with ARES have paid more than \$870 million more for their electricity than if they stayed with their regulated public utility.

Attorney General Raoul's lawsuit against Liberty is his latest action to protect Illinois residents from deceptive ARES. Last spring, Attorney General Raoul initiated the Home Energy Affordability and

Transparency (“HEAT”) Act, which strengthens the oversight of alternative energy suppliers and protects consumers from bad supplier contracts. The General Assembly passed the measure with bipartisan support, and Gov. Pritzker signed it into law last August. The HEAT Act went into effect Jan.1 and gives the Attorney General’s office even stronger tools to shut down suppliers that engage in fraudulent and misleading conduct, and return money to consumers who have been harmed.

Assistant Attorneys General Aaron Chait, Darren Kinkead, and Krenice Roseman; along with Caitlyn McEllis, Counsel to the Attorney General; and Thomas Verticchio, Assistant Chief Deputy Attorney General, are handling the lawsuit for Raoul’s Public Interest Division.