



October 15, 2018

---

**ATTORNEY GENERAL MADIGAN SECURES \$2.65 MILLION IN REFUNDS FOR ILLINOIS RESIDENTS DEFRAUDED BY SPERIAN ENERGY**

***Madigan's Settlement Also Extends Marketing Ban on Company to Five Years***

**Chicago** — Attorney General Lisa Madigan today announced she reached a \$2.65 million settlement with an alternative retail electric supplier, Sperian Energy Corp. (Sperian), resolving her August 2017 lawsuit challenging the company's deceptive marketing practices. Madigan's lawsuit alleged that Sperian and its sales representatives used aggressive and deceptive tactics to enroll customers in the ComEd territory into expensive contracts for electricity.

Sperian will provide refunds to more than 60,000 Illinois customers totaling \$2.65 million. Refund amounts will be based on customer's electricity usage. Additionally, as a penalty, Sperian will be banned from marketing to Illinois consumers for an additional two years. This is the first time an ARES has faced an extended marketing ban, setting a new standard for ensuring deceptive companies reform their practices. The company suspended marketing three years ago after an ICC investigation also found Sperian's marketing practices to be deceptive. In addition, Sperian will not be allowed to charge existing or new customers monthly service fees for five years. As part of the settlement, Sperian customers can cancel their service without paying a penalty. Sperian customers will receive a notice informing them of the settlement and their right to cancel their contract with the company at no charge.

"My settlement with Sperian Energy refunds all Illinois customers deceived by the company's fraudulent marketing," Madigan said. "Alternative retail electric suppliers have a terrible track record of deceptive marketing tactics and selling overpriced electricity. This settlement is another step in reforming the ARES industry that the legislature should ban in the residential market."

Madigan's 2017 lawsuit alleged that Sperian sales agents failed to disclose information, including the price and length of the contracts and that customers would be charged a monthly fee. She alleged many customers were given the false impression they were signing up for a discounted rate from ComEd or that they were going to save money through a false energy choice program. In reality, Sperian customers routinely paid higher prices for their electricity.

Madigan also filed a proposed agreement today with Sperian, staff from the Illinois Commerce Commission (ICC), and the Citizens Utility Board (CUB) to resolve a complaint brought by the ICC in 2015. The proposed agreement resolves the ICC investigation and ensures Sperian will follow all ICC regulations regarding the marketing of alternative electricity suppliers if it resumes marketing in two years.

Currently, there are at least 103 alternative retail electric suppliers, or ARES, authorized to sell electricity in Illinois. Data shows that nearly 90 percent of the time, ARES' customers are paying higher prices for electricity than customers pay with traditional utilities. According to the ICC, ARES customers in the ComEd territory as a whole have paid more than \$138 million more for electricity than ComEd customers from June 1, 2017 through May 31, 2018. Statewide, residential and small commercial customers enrolled with ARES have paid over \$600 million more in electricity costs in the last four years.

Madigan has taken legal action against four alternative retail energy suppliers and is investigating others for aggressive and deceptive sales tactics that have defrauded Illinois consumers out of millions of dollars, including a lawsuit earlier this year against Major Energy LLC. She previously settled with Ethical Electric Inc. and PALMco Power IL LLC. In September, Madigan sent letters to ComEd and Ameren urging the public utilities to include electric supply price comparison information on customers' monthly utility bills to inform consumers about the true cost of enrolling with ARES.

Madigan offered the following advice for Illinois residents who are solicited by an ARES:

- NEVER answer the door to a stranger, especially if they are trying to get you to switch your utility service.
- NEVER show or share your utility bill or account number with someone who comes to your door or calls you on the phone.
- Do not sign anything!
- Be wary of any offer that promises or guarantees savings.
- Be aware that if an ARES offers a price that seems lower than your utility, it could be an introductory rate that increases later.
- Do not forget about hidden fees.
- No alternative supplier is affiliated with or endorsed by your utility or the government. If you sign up for service with an alternative supplier, you are entering a new contract with a different company.

Assistant Attorneys General Thomas Verticchio, Anna Crane, Aaron Chait, Darren Kinkead and Caitlyn McEllis, and Public Utilities Bureau Chief Janice Dale handled the lawsuit and settlement for Madigan's Public Interest Division.

-30-

[Return to October 2018 Press Releases](#)



[© 2020 Illinois Attorney General](#)

[Home](#) • [Privacy Policy](#) • [Contact Us](#)