BUSINESS CREDIT TRAPS & LIES

10 Things Nobody Selling Them Wants You to Know

A free guide from Peak Discounters

READ THIS FIRST

Why we wrote this

Let's be real for a second. You did everything they told you to. You formed the LLC. You got the EIN. You pulled the D-U-N-S number. You opened the net-30 accounts and paid every invoice early. And then you applied for real money—and got *declined*.

So you went looking for answers. And the internet, being the internet, served you up a buffet of people promising the shortcut. "Get a $50,000 business credit profile in 30 days." "Buy this tradeline." "We guarantee approval." Slick websites. Countdown timers. A guy in a rented Lamborghini telling you the banks don't want you to know this one trick.

Here's the thing nobody in that buffet line is telling you: **a lot of it is designed to separate you from your money, and some of it can land you in actual federal prison.** Not "you'll get a strongly worded letter" trouble. Twenty-one-years-in-a-cell trouble. We'll show you the case.

In 2024 alone, Americans reported losing **$12.5 billion** to fraud—a record, and up sharply from the year before (FTC). A big slice of that targets business owners exactly like you, at exactly the moment you're hungry to grow. The scammers know the moment. They wait for it.

We put this guide together because we're in the business credit world, we watch this stuff every day, and frankly we're tired of watching good owners get burned by dressed-up nonsense. Everything in here is built on public records—FTC actions, federal court cases, real numbers. We're not naming and shaming anybody; we're teaching you the *patterns*, so you can walk into any pitch and spot the trap yourself in about ten seconds.

No fluff. No 47-page PDF that says nothing. Ten traps, real examples of each, the receipts to prove they're real, and—most important—a dead-simple test for each one so you never get caught.

Read it. Keep it. Send it to the friend who's about to swipe their card for a "tradeline package." That's exactly who we made it for.

— The Peak Discounters Team

THE ONE TEST THAT BEATS ALMOST ALL OF THEM

Before you pay anyone a dollar, ask: **"If I strip out the credit reporting, am I actually buying something real that I'd want anyway?"** If the answer is no, you're not building credit—you're renting the *appearance* of it. Keep that question in your back pocket. It shows up again and again.

THE STAKES

This isn't a small problem

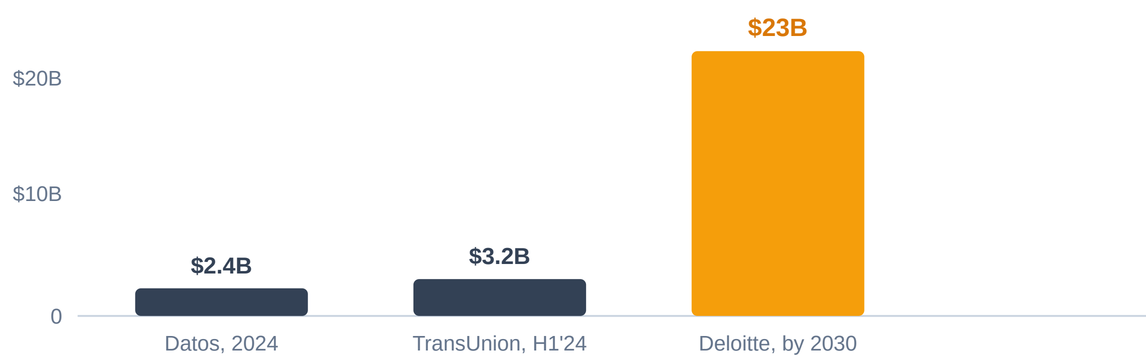
$12.5B
Reported U.S. fraud losses, 2024 (FTC)

$3.2B
Synthetic-ID lending exposure, first half of 2024 (TransUnion)

+300%
Jump in "CPN" mentions on fraud channels in 2024 (Forbes)

Synthetic-identity fraud is climbing—fast

Estimated U.S. losses / exposure, in billions of dollars.



The point isn't the exact figure—it's the trend line. A whole industry is being built on manufactured credit, and the people running it need a steady supply of business owners who don't know the tells. Let's make sure that's not you.

START HERE

Business credit in plain English (30 seconds)

Before the traps, the basics—so every "why it's a problem" below actually lands. No jargon, promise.

Business credit is just a record—kept by business credit bureaus like **Experian Business**, **Dun & Bradstreet**, and **Equifax Business**—of how your *company* borrows money and pays it back. It's separate from your personal credit and your personal FICO score.

A **tradeline** is one account on that record. Example: a supplier gives you 30 days to pay ("net-30"), you buy $500 of goods, and you pay the invoice. That account—the limit, the balance, whether you paid on time—is a tradeline.

"Reporting" (or "furnishing") means that supplier sends your account's information to a bureau. This is the whole engine: if nobody furnishes your account, no tradeline forms and nothing gets built. That's it. That's business credit.

> **THE ONE RULE THAT TURNS HALF OF THESE INTO FRAUD**
>
> A tradeline is supposed to be **true**—a real account where real credit was extended for real goods or services and really paid back. The bureaus' furnishing agreements and fair-reporting rules require the data to be accurate and genuine. The moment someone *fabricates* a tradeline out of thin air—or gets you to put false information on a loan application—they've crossed from "building credit" into "faking it." That's why regulators prosecute it and bureaus delete it.

So as you read, drop each trap into one of three buckets:

- **Just a waste of money** — you're overpaying for something that's free or worthless. Annoying, but legal.
- **It makes *you* commit fraud** — you end up lying to a lender (a fake ID number, an inflated income, a bought account passed off as real). That's *your* signature on the lie.
- **It's illegal to sell** — the operator is breaking the law and gets shut down—and customers sometimes get caught in the blast.

THE PLAYBOOK

The 10 traps — and how to beat every one

1 The tradeline you can "buy"

This is the big one, and it's everywhere right now—which is exactly why it's Trap #1. The modern version wears a subscription costume: pay a small monthly fee, and they promise to report a big-dollar "tradeline" to your business file. The whole scheme lives in one piece of math nobody points at.

WHERE YOU'LL SEE IT (START HERE)

- **The subscription "tradeline."** Pay, say, \$20–\$40 a month and they'll report a "\$960" or "\$1,920 tradeline." Do the arithmetic: that "amount" is simply your monthly fee × the length of the contract (\$20 × 48 months = \$960; \$40 × 48 = \$1,920). No goods changed hands. No credit was extended. The number *is* your own future payments added up—and the newest versions of this sell *no real product at all*, just the reporting. That's the tell in its purest form.
- "Seasoned" or "primary" tradelines sold as a shortcut to a thick file.
- "Credit piggybacking"—paying to be added as an authorized user on a stranger's account.

THE RECEIPTS

> The FTC shut down **"The Credit Game"** (run by Michael and Valerie Rando, formerly "Wholesale Tradelines") in 2022 for exactly this genre—credit "piggybacking," bogus repair, and a reseller funnel. The operation claimed it had brought in more than **\$15 million**, and along the way filed *thousands of false identity-theft reports* with the government.
>
> Source: Federal Trade Commission, 2022.

IN PLAIN ENGLISH — WHAT A "PAY-FOR-TRADELINE" IS

A normal tradeline is "you bought \$500 of supplies and paid the bill." A **pay-for-tradeline** is "you paid a \$20 monthly fee and they typed a number onto your report." Nothing was bought. Nothing was borrowed. The account exists *only* because money changed hands for the reporting itself. Because the bureaus expect a tradeline to represent a genuine credit relationship, an account manufactured from fees is misrepresented data—so they purge it—and the moment you show that fake account to a lender to look creditworthy, the misrepresentation is now on *you*.

IN PLAIN ENGLISH — THE "BUT THEY USE A LEGIT PRODUCT!" DEFENSE

Here's the slickest version of this trap. The program runs your payments through a *real, legitimate* credit-builder product—a well-known one that genuinely reports—then says, "see, that company is 100% legal, so we must be legal too." Sounds airtight. It isn't, for two reasons.

First, **legitimacy doesn't transfer.** A tool being legal doesn't make every scheme built around it legal. A bank account is legal; running a Ponzi through it is not. The honest part can't launder the dishonest wrapper around it.

Second—and this is the one that gives it away—**those real credit-builder products build PERSONAL credit, not business credit.** They're small consumer lines (often a few hundred dollars, used to buy the provider's own e-books or courses) that report to the *consumer* bureaus and nudge your *personal* FICO. So when a program leans on one to look legit while selling you a big "business tradeline," the two don't even match: the legal piece is building a sliver of your *personal* file, while the business-credit number you're picturing is the part that's manufactured. They're borrowing a personal-credit product's good name to vouch for a business-credit claim it has nothing to do with. The very thing that makes the real product legal—a genuine account, honestly reported for what it actually is—is exactly what the scheme strips out.

THE TELL

Run the one test: strip out the reporting—did you buy anything real? No. A tradeline is supposed to reflect actual commerce (you bought something, you paid for it). A line manufactured from fees reflects none, and bureaus and lenders are getting very good at spotting and purging accounts that look synthetic. When it's purged, your "credit" vanishes—and you may still be locked into the contract.

DO THIS INSTEAD

Build tradelines that come from real purchases you'd make anyway—supplies, services, inventory—on accounts that report. Real activity survives a second look. Manufactured activity doesn't.

2 The "net-30 that reports"… that doesn't

You're told a vendor reports your on-time payments to the business bureaus. You open the account, you pay faithfully for months—and nothing ever shows up on your file. You paid for a benefit you never received.

WHERE YOU'LL SEE IT

- Vendor lists sold as "secret" that are mostly accounts that never report.
- Sellers who won't name *which* bureau they report to (because the honest answer is "none," or "one nobody checks").
- "Reports to all bureaus!" with zero way to verify it.

THE RECEIPTS

Reporting to the bureaus isn't optional decoration—it's the entire mechanism by which business credit gets built. If payments aren't furnished, no history forms, full stop. That's why reputable furnishers state plainly which bureau they report to and how often; vagueness is the warning sign.

Business credit is built from furnished tradelines; a non-reporting account builds nothing.

THE TELL

Ask one blunt question: **"Which specific bureau do you report to, and how often?"** A real reporter answers instantly and specifically (e.g., "Experian Business, monthly"). If it's vague, unstated, or "all of them," assume it reports to none.

DO THIS INSTEAD

Only count accounts you can verify are furnishing. Pull your own report after 30–60 days and confirm the tradeline actually landed. If it didn't, it didn't happen.

3 "Guaranteed approval" / "Guaranteed funding"

Nobody—*nobody*—can guarantee that a third-party lender will approve you. The lender makes that call, using criteria the "guarantor" doesn't control. So when someone guarantees the outcome, the guarantee itself is the red flag.

WHERE YOU'LL SEE IT

- "Guaranteed $50K in funding or your money back."
- "Pre-approved" offers that require a big upfront "processing" or "coaching" fee.
- "Credit card stacking" programs that promise a set dollar amount of funding.

THE RECEIPTS

The FTC charged **Seed Consulting** and a web of coaching outfits (MOBE, Digital Altitude, Sellers Playbook and others) over a "funding" scheme: consumers paid Seed **$3,000–$4,000** to have credit-card applications filed for them, Seed *inflated their stated income by $100,000 or more* to get approvals, and—per the FTC—"didn't provide funding at all." Settlement: **$2.1 million** and a lifetime ban from getting credit cards for consumers.

Source: Federal Trade Commission.

THE TELL

The word "guaranteed" attached to a decision someone else makes. And any program that needs your income "adjusted" to get you approved is committing fraud on the application—with your name on it.

DO THIS INSTEAD

Improve the inputs a lender actually weighs—time in business, real revenue, a genuine reporting profile—and apply where you actually qualify. No shortcut is worth a fraud charge on your signature.

4 The CPN ("credit privacy number")

This one isn't just a waste of money—it's a federal crime. A "CPN" or "credit profile number" is pitched as a legal nine-digit stand-in for your SSN or EIN to start a "fresh file." In reality these are usually stolen or fabricated Social Security numbers, often children's. Using one to apply for credit is fraud.

WHERE YOU'LL SEE IT

- "Start over with a clean CPN—100% legal!" (It isn't.)
- "Use a CPN instead of your SSN on applications."
- "Secondary credit number" or "credit profile number" packages.

THE RECEIPTS

Turhan Lemont Armstrong was convicted on all **51 federal counts** in a CPN/synthetic-identity scheme and sentenced to **259 months—more than 21 years—in federal prison**, with over **$3.3 million** in losses and two homes forfeited. The scheme built synthetic identities from CPNs, including numbers tied to children.

Sources: U.S. Dept. of Justice; reporting via Frank on Fraud. Synthetic-ID losses and CPNs "go hand in hand" (Forbes, 2024).

IN PLAIN ENGLISH — WHY IT'S ILLEGAL

Every loan or credit application asks for a real taxpayer ID—your SSN, or your business EIN. A "CPN" is a *different* nine-digit number you put there instead, so the application isn't tied to your real history. That's lying to the lender about who you are, which is fraud. And that "fresh" number is very often a real person's stolen Social Security number—frequently a child's—so it's identity theft stacked on top.

THE TELL

Anyone telling you to put a number *other than your real SSN or EIN* on a credit application is telling you to commit fraud. There is no "privacy number" workaround. Full stop.

DO THIS INSTEAD

Build under your real EIN. It's slower, it's legal, and it can't be unwound by a prosecutor. Your business credit should be an asset, not evidence.

5 The aged "shelf corporation"

Buy a company that was registered years ago so you look established overnight. The pitch leans on the idea that lenders love age—so rent some. The problem: presenting a hollow shell as a seasoned operating business, to get money you wouldn't otherwise get, is misrepresentation. And underwriters are wise to it.

WHERE YOU'LL SEE IT

- "Aged shelf corp—10 years old, ready to fund!"
- Packages bundling a shelf corp with "guaranteed" funding (see Trap #3).
- "Instant credibility" or "skip the wait" corporate-age offers.

THE RECEIPTS

> Owning an older entity isn't itself illegal—but using one to imply an operating history you don't have, to obtain credit or loans, crosses into fraud territory, and lenders increasingly verify real operating history (bank activity, filings, tax records). A shell with no activity and a suspiciously old date is a flag, not a flex.
>
> Lenders verify operating history; an aged shell with no real activity reads as a manufactured profile.

IN PLAIN ENGLISH

Lenders give better terms to businesses with a real track record. A shelf corp lets you *claim* a track record you don't have—"we've been around since 2015"—when you actually bought an empty company last week. Telling a lender that, to get money you otherwise wouldn't, is misrepresenting your business on the application. The old date on the paperwork doesn't make the story true.

THE TELL

If the value proposition is "look older than you are to get money you couldn't get honestly," you're buying a misrepresentation. The age of the paperwork doesn't change the age of your actual business.

DO THIS INSTEAD

Let your business earn its age. Time-in-business built on real activity is the version that holds up when someone verifies it—and someone will.

6 "$100,000 in business credit in 30 days"

Big round number, tiny timeline, lots of urgency. It's designed to get your card out before the math catches up with you. Business credit is built on *payment history*—a record of accounts used and paid over time. A record, by definition, takes time to create.

WHERE YOU'LL SEE IT

- "Build $50K–$100K in 30 days—guaranteed!"
- "Fund your business this week with no revenue and no docs."
- Countdown timers and "only 3 spots left" on a page selling a system.

THE RECEIPTS

The "fast riches" business-coaching genre is one of the most-prosecuted online. **MOBE**, an internet business-coaching scheme, was halted by the FTC in 2018 after taking in more than **$318 million** from consumers chasing exactly these promises; the FTC has since returned tens of millions to victims.

Source: Federal Trade Commission, 2018 (MOBE).

THE TELL

Any timeline that sounds like a diet ad—"100K in 30 days!"—is selling the timeline, not the credit. You can lay the *foundation* fast (entity, EIN, D-U-N-S, first reporting accounts). A thick, lender-ready profile is months of real, on-time activity.

DO THIS INSTEAD

Start today, but measure in reporting cycles, not days. Open real reporting accounts now; let on-time payments stack up. Boring beats broke.

7 Paying for your D-U-N-S number

Your D-U-N-S number—the identifier Dun & Bradstreet uses for your business—is **free**. Full stop. Anyone charging you to "get" one (as opposed to genuinely expediting it) is selling you something you can claim yourself for zero dollars.

WHERE YOU'LL SEE IT

- "Get your D-U-N-S number—$149!" for the standard, free registration.
- "Required expedited D-U-N-S" framed as mandatory when it isn't.
- Bundles that hide a free item inside a pricey "setup package."

THE RECEIPTS

> Dun & Bradstreet issues D-U-N-S numbers **free of charge** (standard turnaround is typically around 30 days; a paid *expedite* option exists but is never required). You can request yours directly at dnb.com.
>
> Source: Dun & Bradstreet (dnb.com), "Claim Your Free D-U-N-S Number."

THE TELL

You're being charged for something the issuer gives away. The same move shows up with EIN registration (also free from the IRS). If a "setup fee" is really a markup on a free government or bureau service, walk.

DO THIS INSTEAD

Get your D-U-N-S free from Dun & Bradstreet and your EIN free from the IRS. Spend the money you saved on inventory that actually moves.

8 "We'll boost your business score"

You can't pay someone to inflate a legitimately earned score. Fixing genuine errors on your report is real and legal. "Boosting" a truthful score is not a service that exists—what's usually being sold is disputing accurate information into temporary disappearance, which snaps back and can dig you deeper.

WHERE YOU'LL SEE IT

- "Guaranteed 80+ PAYDEX in weeks."
- "We'll remove negative items" (that are accurate).
- Monthly "credit monitoring + boosting" retainers with vague deliverables.

THE RECEIPTS

> The credit-repair space is heavily policed for exactly this. In the FTC's **"The Credit Game"** case, operators advertised things like *"Free Credit Repair From The Government,"* charged illegal advance fees, and filed thousands of false identity-theft reports to make accurate items disappear—before the FTC shut it down.
>
> Source: Federal Trade Commission, 2022.

IN PLAIN ENGLISH

Fixing a genuine mistake on your report is allowed—that's your right. But "boosting" usually means filing *disputes on information that's actually true*, to force the bureau to drop it for a while. That's asking the bureau to erase accurate history by pretending it's wrong—deceiving the bureau—and it snaps back, often leaving you worse off than when you started.

THE TELL

A guarantee to raise a truthful score, or to "remove" accurate negatives, is a promise to deceive a bureau. Legitimate help fixes real mistakes—it doesn't manufacture a better story.

DO THIS INSTEAD

Dispute genuine errors (that's your right), then raise your score the only way that sticks: pay real accounts on time, keep utilization sane, and let the profile mature.

9 The information paywall ("mentorship")

A free webinar that turns into a $37 course that turns into a $997 "program" that turns into a $10,000 "mastermind." Each tier exists to sell the next. And the "secret" information gating it all? Usually freely available—the funnel *is* the product.

WHERE YOU'LL SEE IT

- "Free training" that spends 80% of the time selling the paid tier.
- Escalating "coaching," "mastermind," and "done-with-you" upsells.
- Affiliates earning big commissions to recruit you into the same program.

THE RECEIPTS

This is the single most-prosecuted model in the genre. Beyond MOBE's **$318 million**, the FTC has *banned* business-coaching operators, returned tens of millions to victims, and settled repeatedly (a related coaching case settled for **$1.2 million**; affiliate promoters of one scheme paid over **$4 million**). Different names, same escalating-upsell machine.

Sources: Federal Trade Commission (multiple actions, 2018–2023).

THE TELL

If the "education" costs more than a semester of community college and the core information is on the bureaus' own websites for free, you're paying for the funnel, not the knowledge.

DO THIS INSTEAD

Learn the fundamentals from primary sources (the bureaus, the SBA, the IRS) and free guides like this one. Pay for real tools and real products—not for permission to learn what's already public.

10 The lock-in that holds your credit hostage

The subtle one. You sign up, and buried in the pitch is a long contract—plus a warning that *canceling will hurt your credit*. Now leaving feels dangerous, so you keep paying. The fear of losing the "tradeline" becomes the leash.

WHERE YOU'LL SEE IT

- Multi-year "installment" contracts dressed up as a tradeline.
- "Cancel anytime—but it'll tank your profile" retention scripts.
- Auto-renewing memberships where the only real product is the reporting.

THE RECEIPTS

> This pairs naturally with Trap #1: when the "tradeline" is just your accumulated fees, the program needs you to *keep paying*, so it warns that leaving will damage the very profile it created. That's not a credit strategy—it's a retention strategy wearing a credit costume.
>
> Run the one test: strip the reporting, and you're paying a fee to keep a fee alive.

THE TELL

The pressure to stay is about their revenue, not your credit. A real trade relationship (you buy things, you pay, you can stop buying) never needs to threaten your file to keep you.

DO THIS INSTEAD

Prefer real accounts with real terms you can walk away from—net-30 on supplies you'd buy anyway, cancel-anytime. Your credit should never be the hostage in someone else's subscription.

ONE MORE TELL

The rigged comparison chart

Here's a move slippery enough to earn its own warning. A scheme will drop itself into a side-by-side table *against a genuinely reputable program*—a real, bank-issued credit builder—line up a row of green checkmarks, and land on a triumphant "…and we're cheaper!" The goal is simple: *if we're on the same chart as the legit guys, we must be the same kind of thing.* It's borrowed credibility, and it's a genuine disservice to everyone who falls for it.

So let's actually compare—because under the hood, the two could not be more different.

WHAT A REAL CREDIT-BUILDER ACCOUNT ACTUALLY IS

The reputable versions are **actual funded financial products from a regulated, FDIC-insured bank.** You take out a real installment loan; the money sits locked in an **FDIC-insured savings account** as collateral; your monthly payments report a *genuine* installment account to the bureaus; and at the end, **you get your savings back.** Your real "cost" is only the modest fees and interest—the principal returns to you. Real bank. Real loan. Real account. Real money you keep.

Now set the fee-only "tradeline" scheme next to that, honestly:

QUESTION	REAL BANK CREDIT-BUILDER	FEE-ONLY "TRADELINE"
Who's behind it?	An FDIC-insured, regulated bank	A subscription seller
Is real money funded?	Yes—a real loan into a locked savings account	No—nothing is funded
Do you get anything back?	Yes—your savings balance returns to you	No—the fee is simply gone
Is the reported account real?	Yes—a genuine installment account	No—a number equal to your fees
What does "cheaper" even mean?	Small fees/interest; principal returned	A "cheap" fee that buys only the report

See the trick? "We're cheaper" is meaningless when the products aren't the same thing. One hands you a real, funded, FDIC-insured account *and gives your money back*; the other hands you a line item that's really just your own payments added together. Drawing a table between them doesn't make them equals—it just uses the honest program's good name as a shield.

THE QUESTION THAT ENDS THE COMPARISON

When you see a scheme measuring itself against a respected program, don't ask *"which is cheaper?"* Ask **"is real money being funded, and do I walk away owning a real account?"** A real bank credit-builder: yes and yes. A fee-only tradeline: no and no. Comparison over.

THE BOTTOM LINE

Real vs. manufactured—at a glance

QUESTION	REAL CREDIT	MANUFACTURED CREDIT
Are you buying something real?	Yes—goods/services you'd buy anyway	No—the fee is the product
Does it survive a lender's second look?	Yes—it reflects real activity	No—can be flagged/purged
Is it legal, clearly?	Yes	Often fraud (CPNs, false apps)
Can you walk away freely?	Yes	Lock-ins & "it'll hurt your credit"
Who is it built on?	Your real EIN & real history	Fees, shells, or stolen numbers

Here's the whole guide in one sentence: **credit you *earn* from real business activity is an asset; credit you *buy* as an appearance is a liability waiting to be discovered.** The honest way is slower. It's also the only way that's still standing when a lender—or a regulator—takes a closer look.

Want the boring, bulletproof version?

Peak Discounters is a real supply store. You buy the office supplies your business already needs, pay on time, and we report that *real* activity to Experian Business. No fake tradelines. No fee dressed up as a purchase. Just credit you actually earned—on supplies you were going to buy anyway.

See how it works

Serious about the full business-credit picture—funding, fundability, disputes done right? That's what **Trustvane** is built for.

About this guide. This is general business education, not legal, financial, tax, or credit advice, and it is not a substitute for professional guidance on your specific situation. Company names and enforcement actions referenced here are drawn from public records (including U.S. Federal Trade Commission press releases and U.S. Department of Justice announcements) and are included to illustrate patterns of conduct that regulators have acted against; they are not allegations by Peak Discounters against any other company. Statistics are attributed to their sources and reflect figures reported as of 2024–2025. Building business credit depends on factors outside any provider's control, and individual results vary.