

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

)	
UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No.
)	
UNITED RECOVERY SYSTEMS, INC.,)	
a Texas corporation,)	
)	
Defendant.)	
)	
)	

COMPLAINT FOR CIVIL PENALTIES, INJUNCTIVE, AND OTHER RELIEF

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission (“Commission”), for its Complaint alleges that:

1. Plaintiff brings this action under Sections 5(m)(1)(A), 13(b), and 16(a) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(m)(1)(A), 53(b), and 56(a) and Section 814 of the Fair Debt Collection Practices Act (“FDCP Act”), 15 U.S.C. § 1692I, to obtain monetary civil penalties and injunctive or other relief for the defendant’s violations of the FDCP Act.

JURISDICTION AND VENUE

2. This Court has jurisdiction over the action pursuant to 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355, and under 15 U.S.C. §§ 45(m)(1)(A), 53(b), 56(a) and 1692I.

3. Venue in the for the Southern District of Texas is proper under 15 U.S.C. § 53(b) and under 28 U.S.C. §§ 1391(b) - (c) and § 1395(a).

DEFENDANT

4. Defendant United Recovery Systems, Inc. is a Texas corporation with its principal office and place of business located within the Southern District of Texas at 3100 South Gessner, Suite 400, Houston, TX 77063. At all times relevant to this Complaint, defendant has transacted business in the Southern District of Texas.

5. Defendant is a debt collector as “debt collector” is defined in Section 803(6) of the FDCP Act, 15 U.S.C. § 1692a(6).

6. The term “consumer” as used in this Complaint means any natural person obligated or allegedly obligated to pay any debt, as “debt” is defined in Section 803(5) of the FDCP Act, 15 U.S.C. § 1692a(5).

FAIR DEBT COLLECTION PRACTICES ACT

7. In 1977, Congress passed the FDCP Act, 15 U.S.C. §§ 1692-1692o, which became effective on March 20, 1978, and has been in force ever since that date. Section 814 of the FDCP Act, 15 U.S.C. § 1692I, authorizes the Commission to use all of its functions and powers under the FTC Act to enforce compliance with the FDCP Act by any debt collector, irrespective of whether that debt collector is engaged in commerce or meets any other jurisdictional tests set by the FTC Act, including the power to enforce the provisions of the FDCP Act in the same manner as if the violations were violations of a Federal Trade Commission trade regulation rule.

VIOLATIONS OF THE FDCP ACT

8. On numerous occasions, in connection with the collection of debts in both English and Spanish, without the prior consent of the consumer given directly to the debt collector or the express permission of a court of competent jurisdiction, defendant has communicated with consumers at times or places that defendant knew or should have known to be inconvenient to the consumers, including their places of employment after the consumers informed defendant's collectors that calls at work were inconvenient, in violation of Section 805(a)(1) of the Act, 15 U.S.C. § 1692c(a)(1).

9. On numerous occasions, in connection with the collection of debts in both English and Spanish, defendant has communicated with third parties, including parents, children, and employers, for purposes other than acquiring location information about a consumer, without having obtained directly the prior consent of the consumer or the express permission of a court of competent jurisdiction, and when not reasonably necessary to effectuate a post judgment judicial remedy, in violation of Section 805(b) of the FDCP Act, 15 U.S.C. 1692c(b).

10. On numerous occasions, in connection with the collection of debts in both English and Spanish, defendant has engaged in conduct the natural consequence of which is to harass, oppress, or abuse a person, in violation of Section 806 of the FDCP Act, 15 U.S.C. § 1692d, including but not limited to the following:

- a) defendant has used obscene or profane language, or language the natural consequence of which is to abuse the hearer, in violation of Section 806(2) of the FDCP Act, 15 U.S.C. § 1692d(2); and

b) defendant has caused a telephone to ring, or has engaged a person in telephone conversations, repeatedly or continuously, with intent to annoy, abuse, or harass the person at the called numbers, in violation of Section 806(5) of the FDCP Act, 15 U.S.C. § 1692d(5).

11. On numerous occasions, in connection with the collection of debts in both English and Spanish, defendant has used false, deceptive, or misleading representations or means, in violation of Section 807 of the FDCP Act, 15 U.S.C. § 1692e, including but not limited to, the following:

- a) defendant has falsely represented or implied that nonpayment of a debt will result in the arrest or imprisonment of a person or the seizure, garnishment, or attachment of a person's wages or property, when such action is not lawful or when neither defendant nor the creditor has intended to take such action, in violation of Section 807(4) of the FDCP Act, 15 U.S.C. § 1692e(4); and
- b) defendant has threatened to take an action that cannot legally be taken or that is not intended to be taken, in violation of Section 807(5) of the FDCP Act, 15 U.S.C. § 1692e(5).

CIVIL PENALTY AND INJUNCTION

12. Defendant has violated the FDCP Act described above, with actual knowledge or knowledge fairly implied on the basis of objective circumstances, as set forth in Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).

13. Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A), Section 814(a) of the FDCP Act, 15 U.S.C. § 1692I, and Section 4 of the Federal Civil Penalties Inflation Adjustment Act

of 1990, 28 U.S.C. § 2461, as amended, authorize the Court to award monetary civil penalties of not more than \$11,000 for each violation of the FDCP Act.

14. Each instance within five years preceding the filing of this Complaint, in which defendant has failed to comply with the FDCP Act in one or more of the ways described above, constitutes a separate violation for which plaintiff seeks monetary civil penalties.

15. Under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), this Court is authorized to issue a permanent injunction to ensure that defendant will not continue to violate the FDCP Act.

PRAYER

WHEREFORE, plaintiff respectfully requests that the Court, pursuant to 15 U.S.C. §§ 45(m)(1)(A), 53(b), and 1692I and the Court's own equity powers:

1. Enter judgment against defendant and in favor of plaintiff for each violation of the FDCP Act alleged in this Complaint;
2. Award plaintiff monetary civil penalties from defendant for each violation of the FDCP Act occurring within 5 years preceding the filing of this Complaint;
3. Enjoin defendant from violating the FDCP Act;
4. Order defendant to pay the costs of this action; and

5. Award plaintiff such additional relief as the Court deems just and proper.

DATED:

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