

Opening Remarks of FTC Chairwoman Edith Ramirez
Operation Collection Protection Press Conference
November 4, 2015

Good afternoon and thank you for being here. Joining me today are Illinois Attorney General Lisa Madigan and Minnesota Department of Commerce Commissioner, Mike Rothman. We are here to announce a new law enforcement initiative to protect consumers from unlawful debt collection—Operation Collection Protection. This is the first nationwide initiative that coordinates federal, state, and local resources to combat deceptive and abusive debt collection practices.

Before I continue, I would like to share a brief audio recording from one of our cases that captures an example of the egregious behavior we are trying to stop. As you will hear, this is a recording of a representative of a debt collector called Check Systems, who is contacting a victim's workplace.

[Recording]

Each year, hundreds of thousands of American consumers are victims of unlawful collection practices—many of which are similar to what you just heard. I am pleased to say that we put Check Systems out of business, but unfortunately abusive debt collection practices continue to be an issue that affects millions of Americans.

In 2010, the total amount of U.S. consumer debt reached nearly \$2.5 trillion. It is higher today. And nearly 30 million consumers have an account in collections. Debt collectors make as many as 1 billion contacts a year with consumers. The vast majority of these contacts are perfectly legal. But many are not. We receive more complaints about this industry than any other. Last year alone, consumers filed over 280,000 complaints with federal authorities related to debt collection.

We understand that the lawful collection of debts plays an important role in our credit system. And of course there are many debt collectors that operate legally, without resorting to deception or abuse. But that is also why it is important for the Federal Trade Commission and our state and local partners like Attorney General Madigan and Commissioner Rothman to protect consumers from threats, intimidation, and other abusive practices.

To help achieve these goals, the FTC launched the initiative that led to today's announcement. Working jointly with our law enforcement partners has been critical. The Department of Justice, the Consumer Financial Protection Bureau, 47 state Attorneys General, 17 state regulatory agencies, one Canadian provincial regulatory agency, and a number of local authorities have all worked with us in pursuit of a more effective way of stopping illegal debt collection.

Collectively this year, these Operation Collection Protection partners have brought 115 actions that address unlawful debt collection methods. As part of this effort, the FTC is announcing five new actions today.

This year alone, the FTC has filed 11 cases against 52 different defendants, secured more than \$88 million in judgments, and banned 24 defendants from the industry. The FTC filed many of these cases jointly with state and federal partners, including the Illinois Attorney, the New York Attorney General, and the CFPB.

Consumers and rogue collectors alike should know that today's announcement is not the end of Operation Collection Protection, or of the FTC's vigilance in this arena. We will continue our aggressive law enforcement against abuse. We will continue to educate consumers about illegal collection practices. And we will continue to work with our law enforcement partners and the debt collection industry to combat unlawful behavior.

I would like to conclude by thanking the FTC Bureau of Consumer Protection team that spearheaded this effort, especially Tom Carter and Chris Koegel, for their hard work.