Operation Corrupt Collector

Federal & State Actions | 2020

Federal Actions

Matter Name Action Location (Company Location)	Type of Action	Date/Matter Information	Responsible Agency	Press Contact Press Release
FEDERAL TRADE COMMISSION				
FTC v. National Landmark Logistics, LLC, et al. No. 0:20cv2592 U.S. District Court District of South Carolina (Charlotte, North Carolina area)	Civil lawsuit: The FTC's complaint, seeking permanent injunction and equitable monetary relief, alleges that this company and its operators collected more than $12 million from consumers through illegal debt collection practices. The defendants allegedly used robocalls to leave deceptive messages for consumers about debts claiming they face impending legal action about debts, and when consumers returned the call, the defendants would falsely claim to be from a mediation or law firm, again threatening legal action, using knowledge of consumers' personal information as a way to convince consumers the threats were real. The complaint alleges that in many instances, consumers did not owe the debt being collected or the defendants had no right to collect it.	**Date of action**: 7/13/2020: Complaint filed. **Related matters:** 7/17/20: *Ex parte* Temporary Restraining Orders issued. 8/25/2020: Stipulated preliminary injunction entered as to defendants Liberty Solutions & Associates LLC, LSA Processing System LLC, James Dennison and Eric Dennison. 9/14/2020: Temporary Restraining Order as to defendants National Landmark Logistics LLC, National Landmark Service of United Recovery LLC, Silverlake Landmark Recovery Group, LLC, and Jean Cellent extended until 10/5/2020. **Status of action**: Pending.	**Federal Trade Commission**	Jay Mayfield (202) 326-2656 jmayfield@ftc.gov
FTC v. Absolute Financial Services, LLC, et al. No. 0:20cv2596 U.S. District Court	Civil lawsuit: The FTC's complaint, seeking permanent injunction and equitable monetary relief, alleges that this company and its operators collected more than $5.2 million from	**Date of Action**: 7/13/2020: Complaint filed. **Related matters:** 7/17/2020: *Ex parte* Temporary	**Federal Trade Commission**	Jay Mayfield (202) 326-2656 jmayfield@ftc.gov

District of South Carolina (Charlotte, North Carolina area)	consumers through illegal debt collection practices. In its complaint, the FTC alleged that the company used the defendants in the National Landmark Logistics case (above) to place deceptive robocalls alleging that consumers owed debt and faced legal action if they did not reply. Once consumers called the defendants after receiving the message, the defendants would often falsely claim to be representing a law firm or threaten consumers with arrest if they did not immediately pay the debt. According to the complaint, the defendants would use consumers' personal information (provided by the National Landmark defendants) as a way to convince consumers that the debt was legitimate, among numerous other illegal tactics.	Restraining Orders issued. 9/14/2020: Stipulated preliminary injunction entered. **Status of action**: Pending.		
FTC v. Global Asset Financial Services Group LLC, et al. No. 3:19-cv-55-GCM U.S. District Court Western District of North Carolina (North Carolina and New York)	Civil lawsuit: The FTC's complaint charged the Global Asset Financial Services Group collection operation with falsely claiming to be attorneys or affiliated with attorneys to pressure consumers into making payments on fake or unauthorized debts and threatening to take legal action against consumers if they did not pay. One of the companies, a debt-broker, was alleged to have bought, sold, and placed whole portfolios of fake debt, even after consumers said they did not recognize the debt.	**Date of action**: 6/12/2019: Stipulated Final Order against 4 defendants entered. 12/06/2019: Stipulated Final Orders against 12 remaining defendants entered. In June 2019, the court entered a settlement order as to four of the defendants. In December 2019, the remaining 12 defendants also agreed to settle the charges against them. The court entered stipulated judgments as to all defendants banning them from debt collection, debt brokering activities and from misrepresenting to consumers that	**Federal Trade Commission**	Jay Mayfield (202) 326-2656 jmayfield@ftc.gov https://www.ftc.gov/news-events/press-releases/2019/12/operators-phantom-debt-scheme-permanently-banned-debt-collection

		they are attorneys. The settlements also include monetary judgments. **Status of action**: Completed.		
FTC and State of New York v. Hylan Asset Management, LLC, et al. No. 1:18-cv-00710-LJV U.S. District Court Western District of New York (New York)	Civil lawsuit: The FTC and the New York Attorney General's complaint charged the Hylan defendants, a debt broker operation, with buying, placing for collection, and selling portfolios of phantom debts, including debts that were fabricated or unauthorized by consumers, even though the debt broker was aware that many of these debts were fabricated or legally unenforceable. Hylan then placed the phony debts for collection with several collection agencies, including another corporate defendant, Worldwide Processing Group, LLC, which used illegal tactics to collect on them, despite consumers' credible denials that they did not owe the debts.	**Date of action**: 6/26//2019: Stipulated Orders for Permanent Injunction and Monetary Judgment entered. In June 2019, the court approved a Stipulated Final Order that bans the Hylan defendants from debt collection activities and imposes a monetary judgment. The June 2019 Stipulated Order against the defendants involved in Worldwide Processing bans the company and its owner, Frank A. Ungaro, Jr. from engaging in unlawful collection practices and imposes a monetary judgment. **Status of action**: Completed.	**Federal Trade Commission** **&** **New York State Office of the Attorney General** **(case filed jointly)**	Jay Mayfield (202) 326-2656 jmayfield@ftc.gov https://www.ftc.gov/news-events/press-releases/2019/07/phantom-debt-brokers-collectors-settle-ftc-new-york-ag-charges
FTC and State of New York v. Campbell Capital LLC, et al. No. 1:18-cv-01163-LJV-MJR U.S. District Court Western District of New York (New York)	Civil lawsuit: The FTC and New York Attorney General sued Robert Heidenreich; Campbell Capital LLC; Kahl, Heidenreich, and Nemmer LLC; Urban, Heidenreich, Melendez, and Associates, LLC; J & V Receivables LLC; Rich Financial LLC; and BCH & Associates Ltd. The complaint alleged egregious debt collection practices, such as calling	**Date of action**: 2/07/2020: Stipulated Order for Permanent Injunction and Monetary Judgment Entered against defendant Robert Heidenreich. 2/07/2020: Default judgment against remaining defendants entered. In February 2020, the Court approved a	**Federal Trade Commission** **&** **New York State Office of the Attorney General** **(case filed jointly)**	Jay Mayfield (202) 326-2656 jmayfield@ftc.gov https://www.ftc.gov/news-events/press-releases/2020/02/operator-fraudulent-debt-collection-

	consumers and falsely claiming to work in law enforcement, typically coupled with false claims that consumers committed a crime or were about to be arrested on a warrant.	Stipulated Final Order settling the claims against defendant Robert Heidenreich. Under the settlement, he is permanently banned from the debt collection business and prohibited from misleading consumers about any financial products and includes a monetary judgment. A February 2020 default judgment was entered against the remaining defendants imposing a ban from the debt collection business and a monetary judgment. **Status of action**: Completed.		scheme-settles-ftc-new-york?utm_source=govdelivery
CONSUMER FINANCIAL PROTECTION BUREAU				
Consumer Financial Protection Bureau and the People of the State of New York, by Letitia James, Attorney General for the State of New York v. Douglas MacKinnon, Northern Resolution Group, LLC, Enhanced Acquisitions, LLC, Delray Capital, LLC, and Mark Gray U.S. District Court Western District of New York (Buffalo, New York)	Civil lawsuit: The CFPB and New York Attorney General sued Douglas MacKinnon, Northern Resolution Group, LLC, Enhanced Acquisitions, LLC, Delray Capital, LLC, and Mark Gray for illegal collection tactics, including misrepresenting to consumers that they owed sums they did not owe; falsely threatening consumers with legal action that the collectors had no intention of taking; and impersonating law enforcement officials, government agencies, and court officers.	**Date of action:** 7/25/2019: Stipulated Final Judgment filed. The Stipulated Final Judgment with MacKinnon, Northern Resolution Group, and Enhanced Acquisitions banned them from the industry and required they $60 million in redress and penalties. The Stipulated Final Judgment with Delray Capital and Gray banned them from the industry and required payment of redress and civil money penalties. **Status of action:** Completed.	**Consumer Financial Protection Bureau** **&** **New York State Office of the Attorney General** **(case filed jointly)**	Marisol Garibay Marisol.Garibay@cfpb.gov https://www.consumerfinance.gov/about-us/newsroom/cfpb-and-new-york-attorney-general-settle-debt-collection-group/

Bureau of Consumer Financial Protection and the People of the State of New York, by Letitia James, Attorney General for the State of New York, v. ***JPL Recovery Solutions, LLC, Check Security Associates, LLC dba Warner Location Services and Orchard Payment Processing Systems, ROC Asset Solutions LLC dba API Recovery Solutions, Regency One Capital LLC, Keystone Recovery Group, LLC, Christopher L. Di Re, Scott A. Croce, Brian J. Koziel, and Marc D. Gracie*** U.S. District Court Western District of New York (Buffalo, New York area)	Civil lawsuit: The CFPB and the New York Attorney General sued a network of five companies, two of their owners, and two of their managers, for illegal debt collection practices. The complaint alleges that from at least 2015, the defendants have used deception, harassment, and other improper methods to induce consumers to make payments to them in violation of the Fair Debt Collection Practices Act (FDCPA) and the Consumer Financial Protection Act (CFPA). The complaint seeks consumer redress, disgorgement of ill-gotten gains, civil money penalties, and appropriate injunctive relief against the defendants.	**Date of action:** 9/08/2020: Suit filed. **Status of action:** Pending.	**Consumer Financial Protection Bureau** **&** **New York State Office of the Attorney General** **(case filed jointly)**	Marisol Garibay Marisol.Garibay@cfpb.gov www.consumerfinance.gov/policy-compliance/enforcement/actions/jpl-recovery-solutions-llc-et-al/
U.S. DEPARTMENT OF JUSTICE				
U.S. v. Angel Armando Adrianzen U.S. District Court Southern District of Florida (California)	Criminal indictment and conviction. Pleaded guilty to conspiracy to commit mail fraud and wire fraud for partnering with call centers in Peru that took money from U.S. Spanish-speaking victims through lies and threats. These callers claimed to be attorneys or government representatives, and falsely told victims that they had failed to pay for	**Date of action**: 9/2019: Complaint filed. 10/08/2019: Indictment. 11/21/2019: Pleaded guilty (pending sentencing).	**U.S. Department of Justice Consumer Protection Branch** **&** **U.S. Postal Inspection Service**	https://www.justice.gov/opa/pr/california-resident-charged-leading-telemarketing-conspiracy-defraud-and-extort-us-consumers https://www.justice.gov/opa/pr/californi

	or receive delivery of products.			a-resident-pleads-guilty-telemarketing-conspiracy-defraud-us-consumers
U.S. v. Jesus Gutierrez Rojas, Alexandra Podesta, Virgilio Polo, and Omar Portocarrero U.S. District Court Southern District of Florida **(**Lima, Peru)	Criminal indictment, extradition, 4 defendants sentenced to terms of incarceration. Gutierrez oversaw a series of call centers in Peru that falsely told Spanish-speaking victims across the United States that they incurred debts and would suffer various consequences for failure to pay off the debts that they did not, in fact, owe. Podesta, Polo, and Portocarrero managed and supervised three of these call centers.	**Date of action**: 4/2019: Defendants extradited. Summer 2019: Pleaded guilty and sentenced to terms of incarceration.	**U.S. Department of Justice Consumer Protection Branch** **&** **U.S. Postal Inspection Service**	https://www.justice.gov/opa/pr/four-extradited-peru-operating-spanish-speaking-call-centers-extorted-us-consumers https://www.justice.gov/opa/pr/peruvian-man-pleads-guilty-operating-spanish-speaking-call-center-threatened-and-extorted-us https://www.justice.gov/opa/pr/three-peruvians-plead-guilty-overseeing-spanish-speaking-call-centers-extorted-us-consumers https://www.justice.gov/usao-sdfl/pr/four-peruvians-sentenced-overseeing-spanish-speaking-call-centers-threatened-and
U.S. v. Johnny Hidalgo Marchan, Francesco Guerra, and Rodolfo Hermoza U.S. District Court	Criminal indictment, extradition, and 3 defendants sentenced to terms of incarceration. The three men operated call centers in	**Date of action**: 12/2019: Defendants extradited. Spring 2020: Pleaded guilty. Summer 2020: Sentenced to terms of	**U.S. Department of Justice Consumer Protection Branch** **&** **U.S. Postal Inspection**	https://www.justice.gov/opa/pr/three-men-extradited-overseeing-call-centers-threatened-and-defrauded-spanish-

Southern District of Florida **(**Lima, Peru)	Peru, which used government impersonation, lies, and threats to steal money from thousands of Spanish-speaking victims in the U.S. The callers falsely accused the victims of having failed to accept delivery of products and claimed the victims owed fines and that court proceedings would be brought against them.	incarceration.	**Service**	speaking-us https://www.justice.gov/opa/pr/two-peruvians-plead-guilty-overseeing-call-centers-threatened-and-defrauded-spanish-speaking https://www.justice.gov/opa/pr/peruvian-man-pleads-guilty-overseeing-call-centers-threatened-and-defrauded-spanish-speaking https://www.justice.gov/opa/pr/three-peruvian-men-sentenced-significant-terms-incarceration-overseeing-call-centers

State Actions

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ARIZONA				
State of Arizona v. Mark Anthony Smith and Deborah Ann Butler, d/b/a CMS Financial Group, John Lee Group & Associates, and TD Financial Solutions Group AZ CV2020-011728 Superior Court of Arizona in the County of Maricopa (Phoenix, Arizona)	Civil lawsuit, seeking restitution, civil penalties, attorneys' fees and costs, and injunctive relief, filed under the Arizona Consumer Fraud Act and alleging that the debt collectors call consumers nationwide from Phoenix, Arizona using false claims and threats to induce consumers to pay debts, including debts that the defendants have no authority to collect. The Defendants allegedly impersonate law enforcement officers and process servers during calls to consumers and claim that they are attempting to serve a summons and complaint. In voicemails left for consumers, defendants represent that consumers must immediately respond or be subject to court action. Defendants allegedly frequently use call spoofing software for their collection calls, which makes it appear as though calls originated from court houses, sheriffs' offices, jails, or other public offices. When consumers return defendants' voicemails, defendants are alleged to falsely represent that they are lawyers or associated with lawyers or a law firm and make false or misleading statements, including that a civil or criminal action is imminent and would result in adverse consequences unless consumers promptly pay or otherwise cooperate with Defendants' collection efforts. Defendants' alleged false threats include: that defendants will garnish wages and tax returns; place liens on house and car titles; freeze bank accounts; file to have consumers' drivers licenses suspended; send out law enforcement to consumers' houses, their relatives' houses, and/or place of employment; and have consumers arrested.	**Date of action:** 9/23/2020: Complaint filed.	**Arizona Attorney General's Office**	Katie Conner 602-542-8019 Katie.Conner@azag.gov

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CALIFORNIA				
People v. Adir International, LLC dba Curacao, et al. Case No. BC680425 California Superior Court Los Angeles County (Los Angeles, California)	Civil lawsuit against retail chain that targeted Latino immigrants. Complaint alleges numerous violations of California law, including violations of California's Rosenthal Fair Debt Collection Practices Act and the Small Claims Act. Alleged violations include: threatening debt collection letters; failure to serve consumers with small claims actions and required account records, leading to default judgments and unlawful wage garnishment; unlawfully sending independent contractors to represent company at small claims hearings; and falsification of claimed costs of suit, artificially inflating default judgments.	**Date of action**: 2/19/2020: First Amended Complaint filed. **Status of action**: Pending.	**California Dept. of Justice - Attorney General's Office** **(Los Angeles County Department of Consumer and Business Affairs assisted in pre-litigation and litigation investigations)**	Press contact on all matters: (916) 210-6000 agpressoffice@doj.ca.gov https://oag.ca.gov/news/press-releases/attorney-general-becerra-takes-retailer-curacao-court-unlawfully-preying
People v Ramil Abalkhad et al. Case No. BA453003 Los Angeles County Superior Court (California)	Criminal Action: Felony Complaint filed against jewelry store owner for multiple offenses, including conspiracy to engage in unlawful debt collections	**Date of action**: 11/01/2019: Ordered to pay $16,440 victim restitution.	**California Dept. of Justice - Attorney General's Office**	Press contact on all matters: (916) 210-6000 agpressoffice@doj.ca.gov https://oag.ca.gov/news/press-releases/attorney-general-becerra-secures-more-16000-victim-restitution-san-diego

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COLORADO				
CAR & Associates (Brea, California)	Cease & Desist Advisory Notice	**Date of action**: 6/09/2020. **Status of action**: Complete.	**Colorado Department of Law, Consumer Credit Unit**	Lawrence Pacheco Director of Communications (720) 508-6553 Lawrence.Pacheco@coag.gov
Accredited Management Solutions LLC (East Amherst, New York)	Cease & Desist Advisory Notice	**Date of action**: 1/21/2020. **Status of action**: Complete.	**Colorado Department of Law, Consumer Credit Unit**	Lawrence Pacheco Director of Communications (720) 508-6553 Lawrence.Pacheco@coag.gov
CSN Student Loan Recovery (Phoenix, Arizona)	Cease & Desist Advisory Notice	**Date of action**: 10/16/2019. **Status of action**: Complete.	**Colorado Department of Law, Consumer Credit Unit**	Lawrence Pacheco Director of Communications (720) 508-6553 Lawrence.Pacheco@coag.gov
Gaffney Mediation Services (Richmond, Virginia)	Cease & Desist Advisory Notice	**Date of action**: 10/15/2019. **Status of action**: Complete.	**Colorado Department of Law, Consumer Credit Unit**	Lawrence Pacheco Director of Communications (720) 508-6553 Lawrence.Pacheco@coag.gov
Johnson, Smith & Associates (Woburn, Massachusetts)	Cease & Desist Advisory Notice	**Date of action**: 9/30/2019. **Status of action**: Complete.	**Colorado Department of Law, Consumer Credit Unit**	Lawrence Pacheco Director of Communications (720) 508-6553 Lawrence.Pacheco@coag.gov

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CONNECTICUT				
Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing in the Matter of: Samantha S. Flores d/b/a Premier Legal and Financial Services a/k/a Premier Legal & Financial Group (Apple Valley, California)	Administrative action alleging that Respondent acted within this state as a consumer collection agency without a license, and used false, deceptive or misleading representations or means in connection with the collection of debt from a Connecticut resident, including representing that the debt was valid and a lawsuit would be filed imminently.	**Date of action:** 9/10/2020: Notice issued. **Status of action**: Pending: Respondent has been afforded an opportunity to request a hearing on the allegations set forth in the Notice.	**State of Connecticut Department of Banking**	Matt Smith (860) 240-8105
FLORIDA				
CNR Express Group LLC (Orlando, Florida)	Warning Letter Based on consumer's allegations, the targets are failing to provide written validation of debts and have orally represented themselves as attorneys. At this time, the relief the Florida Office of the Attorney General is seeking is response from target companies with resolutions.	**Date of action**: 9/15/2020: Warning Letter sent.	**Florida Office of the Attorney General**	Kylie Mason Press Secretary Office of Attorney General Main: (850) 245-0150 Kylie.Mason@myfloridalegal.com
Feldman and Stern (Altamonte Springs, Florida)	Warning Letter Based on consumer's allegations, the targets are failing to provide written validation of debts and have orally represented themselves as attorneys. At this time, the relief the Florida Office of the Attorney General is seeking is response from target companies with resolutions.	**Date of action**: 9/15/2020: Warning Letter sent.	**Florida Office of the Attorney General**	Kylie Mason Press Secretary Office of Attorney General Main: (850) 245-0150 Kylie.Mason@myfloridalegal.com

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IDAHO				
Midwest Fidelity Services LLC Idaho (Kansas)	Mediation on Consumer Complaint: Complainant contended that Midwest Fidelity Services, LLC, an unlicensed collector in the State of Idaho, was attempting to collect on a previously paid debt.	**Date of action**: 6/06/2019: Complaint received, file #11380. 7/19/2019: Mediation resolution #10686. Midwest Fidelity Services, LLC releases debt against complainant, ceases collection efforts, and acquires licensure. **Date of related events**: 9/04/2019: Midwest Fidelity Services, LLC became licensed with the Department.	**Idaho Department of Finance**	Celia Kinney, Consumer Affairs Officer (208) 332-8067
Midland Funding, LLC Idaho (California)	Mediation on Consumer Complaint: Complainant contended that Midland Funding LLC had assigned a debt against her that was the result of an instance of identity theft. The debt was subsequently assigned to Machol & Johannes LLC who then garnished all of the funds in the complainant's checking account.	**Date of action**: 6/17/2020: Complaint received, file # 12634. 8/13/2020: Mediation Resolution #11887. **Date of related events**: Midland Funding LLC, reached out to the assignee of the debtor account Machol & Johannes LLC and provided the complainant a fraud affidavit to sign and return. Upon receipt all further funds due were cleared. As of	**Idaho Department of Finance**	Celia Kinney, Consumer Affairs Officer (208) 332-8067

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		8/20/2020 and refund is pending for the funds garnished from the consumer's account.		
JP Development, Inc. d/b/a AcctCorp International Idaho (Idaho)	Mediation on Consumer Complaint: Complainant contended that JP Development Inc. acquired their account in error as it had been satisfied with the original creditor. Subsequently JP Development Inc. received a judgment against the complainant and garnished the majority of the disputed sum from their checking account.	**Date of action**: 3/20/2020: Complaint received, file #12584. 4/21/2020: Mediation Resolution #11843. **Date of related events**: 5/06/2020: JP Development, Inc. vacated the judgement for debt that was previously satisfied with the original creditor, and issued a refund to the consumer for all monies previously garnished.	**Idaho Department of Finance**	Celia Kinney, Consumer Affairs Officer (208) 332-8067
Apex Servicing d/b/a First Loan Idaho (South Dakota)	Mediation on Consumer Complaint: Apex Servicing issued a "Wage Assignment Demand Notice" to the complainant, an employer, instructing them to garnish wages from an employee paycheck for alleged loans owed to Inbox Loan and First Loan. This complaint was filed by an employer on behalf of employee.	**Date of action**: 5/14/2020: Complaint received, file # 12606. 6/01/2020: Mediation Resolution #11864. **Date of related events**: 6/01/2020: Subject of complaint issued a "wage assignment release" to the complainant (employer of the debtor). Furthermore, subject claimed exemption from licensure as First Loan asserting to be owned by the Elem Indian Colony of Pomo Indians, a federally recognized Indian Tribe.	**Idaho Department of Finance**	Celia Kinney, Consumer Affairs Officer (208) 332-8067

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ILLINOIS				
People of the State of Illinois v. Freedom Financial Solutions, Desiree Hawkins, and Jean Johnson 2020-CH-00397 Cook County Circuit Court Chancery Division, Illinois (Cook County, Illinois)	Civil lawsuit: Complaint for Injunctive and Other Relief.	**Date of action:** 1/13/2020: Complaint filed. **Status of action:** Pending.	**Illinois Attorney General's Office**	Tori Joseph tjoseph@atg.state.il.us https://illinoisattorneygeneral.gov/pressroom/2020_01/20200113.html
INDIANA				
State of Indiana v. New Britain Financial, LLC and Nelson Macwan 45D01-2009-PL-000584 Lake County Superior Court (Munster, Indiana)	Civil action with claims under the Indiana Deceptive Consumer Sales Act and Senior Consumer Protection Act seeking restitution, injunction, and civil penalties. The State of Indiana alleges that Defendants New Britain Financial, LLC and its owner Nelson Macwan violated the Indiana Deceptive Consumer Sales Act ("DCSA") and Senior Consumer Protection Act by attempting to collect debts from consumers that did not belong to those consumers, were already paid, were discharged in bankruptcy, or were otherwise not owed. Additionally, the Defendants threatened to have people arrested, to have their wages garnished, and to have liens put on their homes when the Defendants had no legal right to do so. And	**Date of action**: 9/04/2020: Complaint filed. **Status of action**: Pending.	**Office of the Indiana Attorney General**	Shelley Triol (317) 233-3715 Shelley.Triol@atg.in.gov

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	Defendants violated the DCSA by acting as a debt collector after having its license renewal denied by the Indiana Secretary of State. The State of Indiana seeks restitution for consumers, an order enjoining New Britain Financial, LLC and Nelson Macwan from acting as debt collectors in Indiana, and civil penalties.			
MASSACHUSETTS				
Eastern Revenue, Inc. (Wayne, Pennsylvania)	Cease Directive: Issued in response to alleged unlicensed debt collection activity in Massachusetts related to apparent phantom debt.	**Date of action:** 8/31/2020: Completed. **Date of Related matters**: Consumer complaint received on 8/19/2020 alleging attempted collection activity on 7/31/2020.	**Massachusetts Division of Banks**	Cynthia A. Begin, Esq. First Deputy Commissioner of Banks Massachusetts Division of Banks (617) 956-1523 cindy.begin@mass.gov
Johnson Smith & Associates (Woburn, Massachusetts)	Cease Directive: Issued in response to alleged unlicensed debt collection activity in Massachusetts related to apparent phantom debt.	**Date of action:** 2/19/2020: Completed. (Consumer complaints reported in FTC Sentinel Database received on 8/13/2018 and 6/25/2019 alleging attempted collection activity).	**Massachusetts Division of Banks**	Cynthia A. Begin, Esq. First Deputy Commissioner of Banks Massachusetts Division of Banks (617) 956-1523 cindy.begin@mass.gov

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The Offices of Morgan and Moss (Newport Beach, California)	Cease Directive: Issued in response to alleged unlicensed debt collection activity in Massachusetts related to apparent phantom debt.	**Date of action:** 2/19/2020: Completed. (Consumer complaint reported in FTC Sentinel Database received on 1/15/2020 alleging attempted collection activity).	**Massachusetts Division of Banks**	Cynthia A. Begin, Esq. First Deputy Commissioner of Banks Massachusetts Division of Banks (617) 956-1523 cindy.begin@mass.gov
Global Management Acquisition Firm, Inc. (Lawrenceville/Grayson/Norcross, Georgia)	Cease Directive: Issued in response to alleged unlicensed debt collection activity in Massachusetts related to apparent phantom debt.	**Date of action:** 12/02/2019: Completed. (Consumer complaint received on 9/12/2019 alleging attempted collection activity on 9/9/2019).	**Massachusetts Division of Banks**	Cynthia A. Begin, Esq. First Deputy Commissioner of Banks Massachusetts Division of Banks (617) 956-1523 cindy.begin@mass.gov

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NEW MEXICO				
State of New Mexico v. Capio Partners, LLC, Capio Asset Servicing, LLC, Mark Detrick, James F. Richards, Bob Hodges, The Law Offices of Mitchell D. Bluhm & Associates, LLC, Mitchell Bluhm, and Donald Meisinger U.S. District Court District of New Mexico (Duluth, Georgia/Sherman, Texas)	Civil lawsuit: New Mexico's complaint asserts claims under New Mexico's Unfair Practices Act, the Fair Debt Collection Practices Act, and the Fair Credit Reporting Act against defendants' collection operation. The complaint alleges defendants' operation collects medical debts using abusive collection practices including attempts to collect debts not owed and providing inaccurate information to the credit bureaus.	**Date of action:** 9/28/20: Complaint filed. **Status of action:** Pending.	**Office of the Attorney General of New Mexico**	Matt Baca mbaca@nmag.gov
State of New Mexico v. LVNV Funding, LLC, Sherman Financial Group LLC, Resurgent Capital Services, L.P., Robert Pierson, Donald Meisinger, Guglielmo & Associates, and Eliza Guglielmo Second Judicial District Court of New Mexico (Arizona, New Mexico, New York, South Carolina)	Civil lawsuit: New Mexico filed a complaint in state court based on egregious collection practices and attempted collection of stale debts in breach of New Mexico's Unfair Practice Act, including claims of Fraudulent Misrepresentation, Negligent Misrepresentation, and Unjust Enrichment. New Mexico has requested temporary and permanent injunctive relief, disgorgement, restitution, and civil penalties.	**Date of action:** 9/18/2020: Complaint filed. **Status of action:** Pending.	**Office of the Attorney General of New Mexico**	Matt Baca mbaca@nmag.gov
State of New Mexico v. Central Mediation Services, Jay	Civil lawsuit: In response to complaints about CMS, New Mexico filed a complaint in state court for	**Date of action:** 9/09/2020: Complaint filed.	**Office of the Attorney General of New**	Matt Baca mbaca@nmag.gov

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Camacho, and Ronald C. Serio Second Judicial District Court of New Mexico (Buffalo, New York)	violations of the New Mexico Unfair Practices Act. CMS is alleged to have collected on debts not owed that it had no authority to collect and also to utilize abusive collection practices including threatening consumers with false consequences such as charging consumers with fraud, canceling their vehicle registration, and filing lawsuits to garnish wages. New Mexico has requested injunctive relief, disgorgement, civil penalties, and restitution for consumers in this lawsuit.	**Status of action:** Pending.	**Mexico**	
State of New Mexico v. Ability Recovery Services (Scranton, Pennsylvania)	Cease & Desist Letter: On September 2, 2020, New Mexico ordered Ability Recovery Services to immediately cease and desist from engaging in business practices that violate the New Mexico Unfair Practices Act ("UPA"), the New Mexico Collection Agency Regulatory Act ("CARA"), the Fair Debt Collection Practices Act ("FDCPA"), and the Fair Credit Reporting Act ("FCRA"). Consumers reported that Ability tried to collect debts not owed and refused to review the validity of debts it tried to collect.	**Date of action:** 9/02/2020: Sent Cease & Desist by certified mail.	**Office of the Attorney General of New Mexico**	Matt Baca mbaca@nmag.gov
NEW YORK				
People of the State of New York, by Letitia James, Attorney General for the State of New York, v. Kenneth Thomas, Wesley Newman, Johnfredrick Daniels, Jasmine Ashley Daniels, Elizabeth Farnham, Midway Resolution Services LLC (d/b/a	Civil lawsuit: (Special proceeding) with *ex parte* Temporary Restraining Order in New York State Supreme Court, Erie County against Midway Resolution Services, LLC (d/b/a Greenland Recovery), owners Kenneth Thomas and Wesley Newman and certain collectors. The New York Attorney General is seeking to permanently ban all respondents from the debt	**Date of action:** 9/16/2020: Proceeding filed. **Date of related events:** 9/18/2020: Temporary Restraining Order. TRO prohibits respondents from engaging in debt collection or related activities. TRO	**New York State Office of the Attorney General**	Sofia Quintanar sofia.quintanar@ag.ny.gov https://ag.ny.gov/press-release/2020/attorney-general-james-moves-shut-down-illegal-

Matter Name Action Location (Company Location)	Type of Action	Date/Matter Information	Responsible Agency	Press Contact Press Release
Greenland Recovery Group), and Jax Management Group LLC 810231/2020 New York Supreme Court Erie County (Erie County, New York)	collection industry, and seeking restitution, disgorgement, damages, civil penalties, costs and an accounting. Respondent Thomas breached a prior Assurance of Discontinuance with our office, so as to him and his company (Midway) we are also seeking relief for their breach of the AOD. The New York Attorney General alleges that respondents used a call spoofing service to disguise their phone number to appear as consumers' local county court or sheriff. Respondents claimed to be process servers and/or court officials and falsely told consumers that they would be arrested, subject to a "pickup order" or bench warrant if they failed to call the "underwriting attorney" and pay their debts. Respondents also claimed that consumers would have their license suspended and wages garnished. Respondents made similar threats to consumer debtors' friends, family members and employers. The New York Attorney General has thousands of call recordings substantiating these allegations.	places a freeze on corporate respondents' bank accounts and respondents' service provider. **Status of action:** TRO granted. Return date for request for permanent injunction currently scheduled for 10/22/2020.		debt-collecting-scheme
Two Actions filed jointly with the Federal Trade Commission: ***FTC and State of New York v. Hylan Asset Management, LLC, et al.*** ***&*** ***FTC and State of New York v. Campbell Capital LLC, et al.***	See entries under "Federal Trade Commission" (above).		**New York State Office of the Attorney General** **&** **Federal Trade Commission** **(cases filed jointly)**	

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Two Actions filed jointly with the Consumer Financial Protection Bureau: ***CFPB and State of New York v. Douglas MacKinnon, et al.*** ***&*** ***CFPB and State of New York v. JPL Recovery Solutions, LLC, et al.***	See entries under "Consumer Financial Protection Bureau" (above).		**New York State Office of the Attorney General** **&** **Consumer Financial Protection Bureau** **(cases filed jointly)**	
In the Matter of Forster & Garbus LLP Offices of the Department of Financial Services New York, New York **(**Commack, New York**)**	Administrative action: Statement of Charges filed against Forster & Garbus LLP for failing to comply with substantiation requirements under New York State law. In the statement of charges, the Department alleges that Forster & Garbus failed to comply with substantiation requirements in several ways, including: failing to provide any substantiation; failing to provide substantiation within required timeframes; and providing insufficient substantiation by omitting, for example, underlying transaction documents.	**Date of action:** 9/16/2020: Statement of Charges filed. **Related dates:** Hearing scheduled for 1/12/2021 at the offices of the Department of Financial Services, New York, New York.	**New York State Department of Financial Services**	Sophia Kim public-affairs@dfs.ny.gov https://www.dfs.ny.gov/reports_and_publications/press_releases/pr202009161
NORTH CAROLINA				
State of North Carolina v. Turtle Creek Assets., LTD., Turtle Creek Rentals LLC, Royal Park Holdings, Inc. and Gordon Scott Engle	Civil lawsuit: Seeking injunctive relief, civil penalties, restoration of money paid, and restitution. The lawsuit alleges that between 2012 and 2018, Engle used his codefendant-debt collection companies to purchase unpaid consumer debt from	**Date of action:** 7/10/2019: Complaint filed. **Date of related events:** 7/15/2019: TRO entered.	**North Carolina Department of Justice**	Laura Brewerlbrewer@ncdoj.gov (919) 716-6484

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No. 19-CVS-009339 Wake County Superior Courts (North Carolina and Texas)	Aarons Inc. and since 2018, Engle has collected or attempted to collect on these unpaid debts from North Carolina consumers. Engle's companies are registered in Texas; he failed to file the appropriate registrations with the North Carolina Secretary of State to operate in North Carolina and also failed to obtain the necessary permits from the North Carolina Department of Insurance to operate as a collection agency. Engle's companies sent consumers collection notices telling them they had committed a criminal violation by failing to return rented property. The notices appeared to be, but were not, official court notices. Some of the letters even included unsigned criminal summonses that appeared to be real, but did not have any legal effect, and were delivered by Engle's hired private police officers. In addition to sending these unsigned summonses, Engle and his companies also filed hundreds of criminal complaints with misleading language in several North Carolina counties that resulted in actual criminal summonses being issued against customers.	7/24/2019: Preliminary injunction entered (still in effect). **Status of action:** Pending – case currently stayed due to Gordon Scott Engle's criminal cases for felony debt collecting without a license. (See NC DOI actions.)		https://ncdoj.gov/attorney-general-josh-stein-obtains-temporary-rest/
State of North Carolina, North Carolina Department of Insurance v. Gordon Scott Engle DBA Turtle Creek NC DOI Case 69525 Charged in 17 counties including: Alexander, Anson, Burke, Cumberland, Davie, Guilford, Iredell, Lee, Mecklenburg, Moore, Richmond, Rowan, Stanley, Stokes, Surry, Wilkes and Yadkin (Cornelius, North Carolina)	Criminal Actions: 81 Felony Counts of Failure to Secure Permit from Commissioner of Insurance – Debt Collecting without a license, charged in 17 Counties – Victims in each of the 81 counts.	**Date of action:** 8/2020: Case was finalized at the State level. **Status of action:** Currently Pending Court for 17 North Carolina Counties.	**North Carolina Department of Insurance, Criminal Investigations**	Marla Sink (919) 807-6017 Marla.Sink@ncdoi.gov https://www.ncdoi.gov/news/press-releases/2020/09/11/insurance-commissioner-causey-announces-arrest-unlicensed-debt

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NORTH DAKOTA				
State of North Dakota v. Zaw Lwin aka Pat Lwin Civil No. 08-2020-CV-01994 Burleigh County District Court North Dakota (El Monte, California)	Assurance of Voluntary Compliance: Based on violation of NDCC ch. 51-15 (Consumer Fraud Law)(deceptive practices) and ch. 13-05 (Collection Agencies Law)(failure to register as debt collector)	**Date of action**: 9/07/2020: Order of Approval of Assurance of Voluntary Compliance entered by the Burleigh County District Court. **Status of action**: Completed.	**Consumer Protection & Antitrust Division, Office of Attorney General of North Dakota**	Liz Brocker (701) 328-2210 lbrocker@nd.gov
State of North Dakota v. Portfolio Recovery Management Inc. and Jason Jakubec, Individually, dba Karl Frankovitch Law Firm (New York, New York)	Cease & Desist Order: Based on failure to comply with Civil Investigative Demand and based on violation of NDCC ch. 51-15 (Consumer Fraud Law)(deceptive practices) and ch. 13-05 (Collection Agencies Law)(failure to register as debt collector).	**Date of action**: 7/13/2020: Cease and Desist Order issued pursuant to N.D.C.C. §51-15-07 for violations of North Dakota law and failure to comply with Civil Investigative Demand. **Status of action**: Completed.	**Consumer Protection & Antitrust Division, Office of Attorney General of North Dakota**	Liz Brocker (701) 328-2210 lbrocker@nd.gov https://attorneygeneral.nd.gov/news/fraudulent-out-state-debt-collectors-banned-north-dakota
State of North Dakota v. IKS and Associates LLC and Karriem Madison, Individually, dba Bradford Stevens and Associates (Riverside, California)	Cease & Desist Order: Based on failure to comply with Civil Investigative Demand and based on violation of NDCC ch. 51-15 (Consumer Fraud Law)(deceptive practices) and ch. 13-05 (Collection Agencies Law)(failure to register as debt collector).	**Date of action**: 7/13/2020: Cease and Desist Order issued pursuant to N.D.C.C. §51-15-07 for violations of North Dakota law and failure to comply with Civil Investigative Demand. **Status of action**: Completed.	**Consumer Protection & Antitrust Division, Office of Attorney General of North Dakota**	Liz Brocker (701) 328-2210 lbrocker@nd.gov https://attorneygeneral.nd.gov/news/fraudulent-out-state-debt-collectors-banned-north-dakota

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State of North Dakota v. Global Management Acquisition Firm Inc. and Walter Hargrove, Individually, dba Global Management (Lawrenceville, Georgia)	Cease & Desist Order: Based on failure to comply with Civil Investigative Demand and based on violation of NDCC ch. 51-15 (Consumer Fraud Law)(deceptive practices) and ch. 13-05 (Collection Agencies Law)(failure to register as debt collector).	**Date of action**: 7/13/2020: Cease and Desist Order issued pursuant to N.D.C.C. §51-15-07 for violations of North Dakota law and failure to comply with Civil Investigative Demand **Status of action**: Completed.	**Consumer Protection & Antitrust Division, Office of Attorney General of North Dakota**	Liz Brocker (701) 328-2210 lbrocker@nd.gov https://attorneygeneral.nd.gov/news/fraudulent-out-state-debt-collectors-banned-north-dakota
State of North Dakota v. The Trilateral Group, LLC and Daniel Caldera dba Alliance Litigation Associates (Rancho Cucamonga, California)	Settlement agreement reached in which The Trilateral Group, LLC and Daniel Caldera agreed to comply with NDCC ch. 51-15 (Consumer Fraud Law)(deceptive practices) and ch. 13-05 (Collection Agencies Law) and cease any collection activity involving the North Dakota consumer that filed a consumer complaint.	**Date of action**: 5/08/2020: Letter Agreement signed. **Status of action**: Completed.	**Consumer Protection & Antitrust Division, Office of Attorney General of North Dakota**	Liz Brocker (701) 328-2210 lbrocker@nd.gov
State of North Dakota v. Global Recovery Solutions, LLC Civil No. 08-2020-CV-01617 Burleigh County District Court North Dakota **(**Boca Raton, Florida)	Assurance of Voluntary Compliance: Based on violation of NDCC ch. 51-15 (Consumer Fraud Law)(deceptive practices) and ch. 13-05 (Collection Agencies Law)(failure to register as debt collector)	**Date of action**: 5/07/2020: Order of Approval of Assurance of Voluntary Compliance entered by the Burleigh County District Court. **Status of action**: Completed.	**Consumer Protection & Antitrust Division, Office of Attorney General of North Dakota**	Liz Brocker (701) 328-2210 lbrocker@nd.gov

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State of North Dakota** v.* ***Brandon Wilson, Individually and dba BHA and Bryant Hodge Associates LLC Civil No. 08-2020-CV-01456 Burleigh County District Court North Dakota (Manchester, New Hampshire)	Assurance of Voluntary Compliance: Based on violation of NDCC ch. 51-15 (Consumer Fraud Law)(deceptive practices) and ch. 13-05 (Collection Agencies Law)(failure to register as debt collector).	**Date of action**: 4/21/2020: Order of Approval of Assurance of Voluntary Compliance entered by the Burleigh County District Court. **Status of action**: Completed.	**Consumer Protection & Antitrust Division, Office of Attorney General of North Dakota**	Liz Brocker (701) 328-2210 lbrocker@nd.gov
State of North Dakota v. Apex Business Solutions, LLC dba Offices of Taylor and Michaels, and* Josh*ua Neal Civil No. 08-2020-CV-00050 Burleigh County District Court North Dakota (Rialto, California)	Assurance of Voluntary Compliance: Based on violation of NDCC ch. 51-15 (Consumer Fraud Law)(deceptive practices) and ch. 13-05 (Collection Agencies Law)(failure to register as debt collector).	**Date of action**: 1/08/2020: Order of Approval of Assurance of Voluntary Compliance entered by the Burleigh County District Court. **Status of action**: Completed.	**Consumer Protection & Antitrust Division, Office of Attorney General of North Dakota**	Liz Brocker (701) 328-2210 lbrocker@nd.gov

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State of North Dakota v. Lakeshore Financial, LLC dba LS Financial and Joel Williams, Individually Civil No. 08-2020-CV-00051 Burleigh County District Court North Dakota (Rock Hill, South Carolina)	Assurance of Voluntary Compliance: Based on violation of NDCC ch. 51-15 (Consumer Fraud Law)(deceptive practices) and ch. 13-05 (Collection Agencies Law)(failure to register as debt collector).	**Date of action**: 1/08/2020: Order of Approval of Assurance of Voluntary Compliance entered by the Burleigh County District Court. **Status of action**: Completed.	**Consumer Protection & Antitrust Division, Office of Attorney General of North Dakota**	Liz Brocker (701) 328-2210 lbrocker@nd.gov
State of North Dakota v. Paramount Assets Protection Services, LLC and Jeffrey Pusateri, Individually Civil No. 08-2019-CV-03834 Burleigh County District Court North Dakota (Fort Mill, South Carolina)	Assurance of Voluntary Compliance: Based on violation of NDCC ch. 51-15 (Consumer Fraud Law)(deceptive practices) and ch. 13-05 (Collection Agencies Law)(failure to register as debt collector).	**Date of action:** 12/06/2019: Order of Approval of Assurance of Voluntary Compliance entered by the Burleigh County District Court. **Status of action:** Completed.	**Consumer Protection & Antitrust Division, Office of Attorney General of North Dakota**	Liz Brocker (701) 328-2210 lbrocker@nd.gov

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OHIO				
State of Ohio ex rel. Attorney General Dave Yost v. Advanced Capital Solutions, Inc. Stark County Court of Common Pleas (Canton, Ohio)	Civil lawsuit: Alleging violations of the Ohio Consumer Sales Practices Act, including (1) Noncompliance with the FDCPA, (2) Engaging in harassing or abusive behavior, (3) Improper communications with third parties, and (4) False, misleading, and deceptive representations.	**Date of action**: 9/11/2020: Complaint filed. **Status of action**: Pending.	**Ohio Attorney General's Office**	Bethany McCorkle and Hannah Hundley (614) 466-3840
SOUTH CAROLINA				
Bureau of Consumer Financial Protection; South Carolina Department of Consumer Affairs; and the State of Arkansas Attorney General v. Candy Kern-Fuller, Howard Sutter III, and Upstate Law Group LLC No. 6:20-cv-786 U.S. District Court District of South Carolina (Easley, South Carolina)	Civil lawsuit: Alleging, among other activities, unconscionable debt collection due to attempts to collect money from consumers based on contracts that were invalid under South Carolina law.	**Date of action**: 2/20/2020: Complaint filed seeking injunctive relief, equitable monetary relief, and civil money penalties. **Status of action**: Matter is pending.	**South Carolina Department of Consumer Affairs**	Bailey Parker (803) 734-4296 https://consumer.sc.gov/business-resourceslaws/enforcement-actions
Bureau of Consumer Financial Protection, and South Carolina Department of Consumer Affairs v. Katharine Snyder,	Civil lawsuit: Alleging, among other activities, unconscionable debt collection due to attempts to collect money from consumers based on contracts that were invalid under South Carolina law.	**Date of action**: 10/01/2019: Complaint filed seeking injunctive relief, equitable monetary relief,	**South Carolina Department of Consumer Affairs**	Bailey Parker (803) 734-4296

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Performance Arbitrage Company, Inc., and Life Funding Options, Inc. No. 6:19-cv-02794-DCC U.S. District Court District of South Carolina (Greenville, South Carolina)		and civil money penalties. **Status of action**: Matter is pending.		https://consumer.sc.gov/business-resourceslaws/enforcement-actions
WASHINGTON				
State of Washington vs. Convergent Outsourcing, Inc. Case # 20-2-10463-9 SEA King County Superior Court (Renton, Washington)	Civil lawsuit: Alleging that from January 1, 2013 to February 23, 2015, Convergent sent over 75,000 collection letters to Washington consumers, and hundreds of thousands more to consumers in other states, titled “Settlement Offer” that offered to “settle” time-barred debts without disclosing that the debts were legally unenforceable because the statute of limitations had expired and, thus, made implied threats to sue consumers over legally unenforceable debts. The lawsuit asserts violations of (1) the Consumer Protection Act, RCW 19.86.020, (2) the Collection Agency Act, RCW 19.16.250(16), and (3) per se violation of the Consumer Protection Act, RCW 19.86.020—based on RCW 19.16.250(16) The lawsuit seeks injunctive relief, civil penalties, and consumer restitution.	**Date of action**: 6/25/2020: Complaint for Injunctive and Other Relief filed.	**Washington Attorney General**	Dan Jackson dan.jackson@atg.wa.gov https://www.atg.wa.gov/news/news-releases/ag-ferguson-sues-debt-collection-agency-deceptive-collection-letters-over-old