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Florida Attorney General's Office News Release

Nationwide Crackdown on Phantom and Abusive Debt Collection

TALLAHASSEE, Fla.—Attorney General Ashley Moody today announced Operation Corrupt Collector, a federal-state law enforcement sweep against phantom and abusive debt collection. In a joint effort with the Federal Trade Commission, and more than 50 federal and state law enforcement partners, the initiative involves enforcement actions brought by the FTC, three federal partners and 16 different state agencies against debt collectors engaged in these illegal practices. The sweep includes five cases filed by the FTC, two cases filed by the Consumer Financial Protection Bureau and three criminal cases brought by the U.S. Department of Justice and U.S. Postal Inspection Service. In addition to Florida, states reporting actions as part of the operation include Arizona, California, Colorado, Connecticut, Idaho, Illinois, Indiana, Massachusetts, New Mexico, North Carolina, North Dakota, New York, Ohio, South Carolina and Washington. As part of the nationwide sweep, Attorney General Moody issued two warning letters to businesses believed to be involved in abusive, deceptive or unfair debt collection practices.

Attorney General Ashley Moody said, “In a time when many are struggling with financial uncertainty and challenges amid the COVID-19 pandemic, it is reprehensible that some debt collectors harangue consumers through unlawful threats, harassment and fraudulent attempts to collect nonexistent debt. These forms of predatory debt collection practices must end now, and I am confident that through federal and state cooperative efforts such as Operation Corrupt Collector, we will successfully fight for consumers and hold these companies accountable.”

Office of Financial Regulation Commissioner Russell C. Weigel, III, said, “I applaud Attorney General Moody’s commitment to fighting for consumers and holding predatory debt collectors accountable. We are proud to join her office in supporting Operation Corrupt Collector. The Office of Financial Regulation continues to protect consumers against abusive and fraudulent debt collection practices. We invite Floridians to visit www.flofr.com to learn more, and we encourage anyone who suspects unlawful debt collection practices to file a complaint with our office.”

FTC Bureau of Consumer Protection Director Andrew Smith said, “For many years, we’ve been working with our law enforcement partners to crack down on illegal and abusive debt collectors. At a time when many are under financial stress, our coordinated actions today show that we’re continuing the fight against collectors who threaten people and try to collect debts they don’t owe.”

In an ongoing effort to protect consumers from predatory and fraudulent debt collectors, Attorney General Moody’s Consumer Protection Division is committed to reviewing debt collection complaints received by the Florida Attorney General’s Office as well as working with businesses

to facilitate resolutions of the complaints. The dedicated team also works closely with the Florida Office of Financial Regulation, the agency that regulates third-party debt collectors.

If you receive a collection call about a debt you don't recognize, review the following tips to protect yourself before you pay:

- Find out who's calling. Get the name of the collector, the collection company, its address and phone number. Then, research the company;
- Get validation information about the debt. Within five days of first contacting you, debt collectors must validate or tell you the amount of the debt, the name of the current creditor and how to get the name of the original creditor. Be sure to get this information before proceeding;
- Don't respond to threats. When scammers threaten to arrest you, suspend your driver's license, or call your employer if you don't pay immediately, hang up and report the collector to the Florida Attorney General's Office, OFR and FTC;
- Do your own investigative work. Check with the original creditor. Ask if the debt is yours, ask if the creditor sold your debt or hired a company to collect it and ask if the caller is the original creditor's collector; and
- Dispute the debt. If you think you don't owe some—or all—of the debt, dispute it with the collector by mail or online. Be sure to dispute the debt within 30 days of receiving the notice from the debt collector.

For more debt collection tips and information resources for consumers, click here.

To report suspected scams to the Florida Attorney General's Office, call 1(866) 9NO-SCAM or visit MyFloridaLegal.com.