

AG Six Warns Kansans Of Debt Collection Scam

Attorney General Steve Six is cautioning Kansas consumers about telephone calls from apparent fake debt collector who are impersonating law enforcement officers in an effort to extort money from consumers. Consumers are warned to not submit payments to these fraudulent debt collectors.

When calling, the scammers most often state they are attempting to collect a debt related to an internet payday loan obtained by the consumer, but which the consumer never repaid. Consumers state they have never obtained such a loan or paid off the loan years ago. The scam artists have most recently identified themselves as ACS, National Affidavit Processing Department and United Financial Crime Division, but may use additional phony names. It appears the phone numbers used by the scammers are “spoofed” numbers, so that the number appearing on a consumer’s caller ID is not the actual number of where the call originated. It appears the calls in question may be originating from outside the United States.

When questioned, the individual calling refuses to disclose the full name or address of the collection agency they claim to represent. These scammers have been able to provide consumers with identifying information, such as the consumer’s social security number, home address, e-mail address, names of family members and the consumer’s computer IP address. Since the callers are able to provide valid personal information, consumers may become confused and believe they are being contacted in regard to a legitimate debt.

If the initial debt collection scam is unsuccessful, consumers have been re-contacted months later with the scammers posing as law enforcement officers or officers of the court. Typically, the consumer is threatened with arrest for fraud or some other fictitious crime unless the consumer agrees to immediately wire money via Western Union. The fictitious officers strive to frighten and confuse consumers into compliance by using legal sounding terms such as “We’re filing an affidavit against you” or by stating a lawsuit has been or is in the process of being filed against the consumer.

A hallmark of each scam has been calling consumers repeatedly at their place of employment. This scam hit home when an employee of the Kansas Attorney General’s Office was repeatedly called both on her cell phone and at work. Despite the employee’s repeated verbal disputes, the caller refused to provide any identifying information to allow her to send a written dispute. The scammer also continued to call her numerous times a day regarding a payday loan she denied obtaining. Two months later, she was again contacted by telephone by an individual identifying himself as an “officer”.

“I denied owing the debt and refused to pay without being provided validation of the debt. I was then told, ‘If that’s the case, I will have local law enforcement come to your place of business and drag you out kicking and screaming’,” stated the employee.

“It is important for consumers to know their rights under the law,” Attorney General Six said. “If a consumer is receiving calls from a debt collection company and believe it is a scam, I encourage them to contact our office immediately.”

Under the Fair Debt Collection Practices Act (FDCPA), collectors are required to send consumers a

written notice within five days of the initial contact. The notification should contain information such as the amount of the debt, the name of the creditor to whom the debt is owed and a statement informing the consumer they have thirty days to contact the debtor in writing to dispute the debt or request validation of the debt. In addition, legitimate debt collectors are prohibited by the FDCPA from making false or misleading representations, such as the consumer has committed a crime, implying nonpayment will result in the consumer's arrest, or using the threat of violence.

More information is available on the Federal Fair Debt Collection Practices Act at <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre27.pdf>.

To register a complaint with the Kansas Attorney General's Consumer Protection Division, call 1(800) 432-2310 or visit www.ksag.org.

Copyright KSCB News