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Attorney General Balderas Partners with the Federal Trade Commission to Crackdown on Debt Collectors

Santa Fe, NM—Today, Attorney General Hector Balderas announced his crackdown on abusive debt collectors. The announcement is part of a nationwide law enforcement and outreach initiative to protect consumers from phantom debt collection and abusive and threatening debt collection practices. New Mexico joins the Federal Trade Commission and more than 50 federal and state law enforcement partners in this effort. The initiative, called Operation Corrupt Collector, includes enforcement actions brought by the FTC, three federal partners, and partners from 16 different states against debt collectors engaged in these illegal practices.

“I will not tolerate any company coming into New Mexico that abuses and intimidates our families and consumers,” said Attorney General Balderas. “We always seek to protect New Mexico consumers and will hold abusive and unconscionable debt collectors accountable to the laws of New Mexico.”

Attorney General Balderas has filed three separate lawsuits in connection with this operation against debt collection companies: LVNV Funding, Central Mediation Services and Capio Partners, LLC. All three suits allege these companies illegally induced consumers into paying debts by making fraudulent misrepresentations about the debts, engaging in abusive and predatory practices and in some cases forcing consumers to pay debts they did not owe. The Attorney General also sent a formal cease and desist demand to Ability Recovery Services.

In addition to these law enforcement actions, state and local consumer protection agencies across the country are joining the FTC in rolling out new information to help consumers know their rights when it comes to debt collection and what steps to take if they receive a call trying to collect on a debt that they do not recognize. The FTC has also created a new online dashboard with information about reports received from consumers on debts not owed and abusive and threatening collection practices. So far in 2020, the FTC’s Consumer Sentinel Network has received more than 85,000 reports from consumers related to debt collection, and nearly 45 percent of those were related to debts the consumer did not owe or abusive and threatening practices.

The operation 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. Other states reporting actions as part of the operation include Arizona, California, Colorado, Connecticut, Florida, Idaho, Illinois, Indiana, Massachusetts, North Carolina, North Dakota, New York, Ohio, South Carolina, and Washington.

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