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Arizona Department of Insurance and Financial Institutions (DIFI) Joins Nationwide Crackdown on Phantom and Abusive Debt Collection by FTC, State, and Federal Law Enforcement Partners.

'Operation Corrupt Collector' targets debt collectors trying to collect on non-existent debts, using illegal scare tactics

The Arizona Department of Insurance and Financial Institutions (DIFI), along with the Federal Trade Commission and more than 50 federal and state law enforcement partners, today announced a nationwide law enforcement and outreach initiative to protect consumers from phantom debt collection and abusive and threatening debt collection practices.

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.

“For many years, we’ve been working with our law enforcement partners to crack down on illegal and abusive debt collectors,” said Andrew Smith, Director of the FTC’s Bureau of Consumer Protection. “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.”

“Consumers never should be subjected to threats or fraudulently coerced into paying a debt they don’t owe, and debt collectors who employ such tactics will be held accountable. The Department of Insurance and Financial Institutions is pleased to join our state and federal partners to crack down

Don't recognize that debt?

Learn more about dealing with debt collection at: ftc.gov/debtcollection

Spot a scam? Report it to: ftc.gov/complaint

FEDERAL TRADE COMMISSION

Did you get a collection call about a debt you don't recognize? Before you pay:

- Find out who's calling.** Get the name of the collector, the collection company, its address, and phone number.
- Did they refuse to give you this information? That's a red flag.**
- Get "validation" information about the debt.** Within 5 days of first contacting you, debt collectors have to "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.
- Did the collector refuse to tell you more about the debt? That's a red flag.**
- 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 FTC at ftc.gov/complaint.
- Do your own detective work.** Check with the original creditor: Is the debt yours? Did they sell the debt or hire a company to collect it? If so, is it their collector?
- 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. Even if you got validation information.



on corrupt collectors.” said Director Evan Daniels.

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

In addition to 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 Federal Trade Commission works to promote competition, and [protect and educate consumers](#). You can [learn more about consumer topics](#) and file a [consumer complaint online](#) or by calling 1-877-FTC-HELP (382-4357). Like the FTC on [Facebook](#), follow us on [Twitter](#), read our [blogs](#), and [subscribe to press releases](#) for the latest FTC news and resources.

CONTACT FOR CONSUMERS:

[Consumer Response Center](#)

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