



For Immediate Release
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MADIGAN FILES SUIT AGAINST DECEPTIVE DEBT COLLECTION AGENCY

ILLINOISANS ALLEGEDLY HARASSED FOR PAYMENT ON UNCOLLECTIBLE DEBT

Chicago – Attorney General Lisa Madigan today filed a lawsuit against an aggressive debt collection agency that allegedly used unfair pressure tactics and misrepresentations to convince consumers they had to make payments on often uncollectible debt.

Madigan's lawsuit names as defendants Financial Credit Service, Inc., an Illinois corporation based in Palatine, Bruce Cohen, individually and as President, and Mario Bianchi, individually and as Secretary.

Madigan's Consumer Protection Division has received 88 complaints against Financial Credit Service, alleging the collection agency used unfair and deceptive representations to obtain payments on uncollectible debt. In some cases, consumers alleged they were intimidated into making payments of between \$100 and \$5,000. In other reported instances, the defendants allegedly deducted money from the consumer's bank account without the consumer's permission.

The complaints have been sent in from consumers across the country. In Illinois, complaints have been received from consumers in Champaign, Cook, DuPage, Rock Island Whiteside and Williamson Counties.

"According to the numerous consumer complaints my office has received, Financial Credit Service and its company representatives have unfairly harassed Illinois consumers – including senior citizens – and used intimidation to get payments for uncollectible debt," Madigan said.

According to the lawsuit, filed today in Cook County Circuit Court, the defendants purchased debt from various entities and then attempted to collect on that debt from consumers. Often, the debt was more than 20 years old and therefore too old to be collected under the law, had been discharged in bankruptcy or was not actually owed by the consumer they were contacting for collection. In many cases, the defendants allegedly did not verify that the debt was valid and owed by the consumer in question.

Madigan alleges the defendants sent collection letters and called consumers, often using abusive language to intimidate the consumer. In some cases, collectors from Financial Credit Service allegedly called consumers at their places of employment to harass them.

In addition, Madigan alleges Financial Credit Service ignored or refused consumer requests to verify the debt or improperly informed consumers that they would have to pay a fee to receive those documents.

When attempting to collect on the debts, Financial Credit Service representatives allegedly made numerous misrepresentations, including (1) that they are attorneys and that the company would file a lawsuit if the debt is not paid; (2) that the company would file a lien against the consumer's property if the debt was not paid; (3) that the consumer could be arrested or imprisoned for failing to pay the debt; (4) that the consumer's wages would be garnished if the debt was not paid; (5) that the consumer has a legal obligation to pay the debt; and (6) that the consumer's credit report would be negatively affected if the debt was not paid.

Madigan's lawsuit asks the court to prohibit the defendants from engaging in the business of purchasing and collecting debt and from further violating Illinois' consumer protection laws. The lawsuit seeks a civil penalty of \$50,000 and additional penalties of \$50,000 for each violation found to have been committed with the intent to defraud. Madigan's lawsuit also seeks a civil penalty of \$10,000 per violation committed against a person 65 years of age or older. Finally, Madigan's lawsuit asks the court to order the defendants to pay restitution to consumers.

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