



January 22, 2009

ATTORNEY GENERAL MADIGAN SUES ABUSIVE COLLECTION AGENCY

Chicago — Attorney General Lisa Madigan today filed a lawsuit in Wabash County against a Jacksonville, Fla., collection agency for employing deceptive collection practices and using threatening and abusive language while attempting to collect on alleged debts on behalf of payday loan companies.

"These defendants used malicious tactics to bully alleged debtors, their family members, and even their employers," Madigan said. "This case is an egregious example of the unscrupulous methods often used to collect debts. These methods violate consumers' rights and certainly will not be tolerated in Illinois."

Madigan's complaint names United Processing, Inc., and its President and Director, Lisa Waters, for allegedly threatening debtors, communicating private information to debtors' employers and operating in Illinois without the proper state licensing, all in violation of the Illinois Consumer Fraud and Deceptive Business Practices Act and the Illinois Collection Agency Act. Madigan's Consumer Fraud Bureau has received 11 complaints against the defendants since 2007.

The complaint alleges that United Processing employees, some of whom misrepresented themselves as attorneys, made a variety of false threats to callers, ranging from threats that the state's child welfare agency would remove a debtor's children if they refused to pay, that the local sheriff would arrest the debtor, that the debtor would be charged criminally or that they would face a "minimum two-year federal prison term." The United Processing employees also allegedly used abusive language when they spoke to people who would not disclose the debtor's whereabouts. In some situations, the United Processing employees disclosed private information about the alleged debtors to their employers and other individuals related to the debtors.

Madigan is asking the court to enter a permanent injunction preventing the defendants from engaging in debt collection services in Illinois. The suit also seeks to have the court order the defendants to pay fees, franchise taxes and penalties for their failure to obtain approval to operate in Illinois as an out-of-state corporation and file the legally-required documents. Finally, Madigan also asked the court to order the defendants to pay a civil penalty of \$50,000, additional penalties of \$50,000 for each act committed with intent to defraud, and costs for the investigation and prosecution of the case.

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