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MADIGAN ANNOUNCES TOP 10 CONSUMER COMPLAINTS

As Education Concerns Move up the List, Attorney General Advocates for Student Loan Servicing Standards in Illinois

Chicago — Attorney General Lisa Madigan today announced her office's annual top 10 consumer complaints for 2016 that again show consumer debt and identity theft ranked as the top concerns among Illinois consumers in the last year. Joining Madigan in discussing the top scams facing Illinois consumers were Todd Kossow with the Federal Trade Commission (FTC)'s Midwest Region, Steve Bernas with the Better Business Bureau (BBB) of Chicago and Northern Illinois and E.C. Woodson with the U.S. Postal Inspection Service in Chicago.

Madigan's office received 23,735 complaints in 2016. For the ninth year in a row, consumer debt ranked as the top complaint, with 2,783 complaints involving issues such as mortgage lending, abusive debt collection practices and predatory payday loans. Number two on the list also for the ninth year in a row is identity theft, with 2,391 complaints.

Education-related complaints now rank number six, jumping a notch from last year's list and reflecting the ever-growing student loan debt crisis. About 44 million Americans grapple with more than \$1.4 trillion in student loan debt and many borrowers face issues with loan servicers and predatory for-profit schools.

"My office continues to see an increase in education complaints, including loan servicers that don't provide accurate assistance and for-profit schools that provide worthless degrees," Madigan said. "I remain committed to seeking relief for students and holding schools and loan servicers that commit fraud accountable."

Attorney General Madigan is a national leader in investigating and enforcing consumer protection violations in the higher education field. In January, Madigan filed a lawsuit against Navient and its predecessor Sallie Mae for the companies' mistreatment of student loan borrowers from start to finish – from originating student loans to servicing those loans and collecting on defaulted student loans. In addition, Madigan is working to reform student loan servicing in Illinois.

Madigan has testified before Congress and urged the U.S. Department of Education to crack down on the many abuses and scams facing student borrowers. She has repeatedly called on the U.S. Department of Education to immediately forgive federal loans of students who attended fraudulent for-profit schools. Madigan reached a \$15 million settlement with Westwood College in 2015 that forgave private debt owed by students of Westwood's criminal justice program.

After resolving Madigan's lawsuit, the college announced its closure. More than 3,600 former Westwood College students in Illinois received an average of more than \$4,200 in relief under the settlement, in addition to the potential federal loan relief called for by Madigan.

Madigan's investigation into Everest College, which was operated by Corinthian Colleges Inc., revealed widespread misrepresentations made to prospective students, supporting the Department of Education's own findings of fraud.

Madigan also reached a settlement with Education Management Corporation (EDMC), which operates five Illinois Institute of Art and Argosy University campuses in Illinois. The settlement requires EDMC to provide disclosure to students about the true cost of the school and expectations for job placement after graduation and forgives more than \$3 million in loans for Illinois students, and returns money fraudulently obtained from the state of Illinois.

Madigan was also the first attorney general in the country to take action against student loan debt relief scams. These scams target student loan borrowers who are desperate for help to avoid defaulting on their loans and end up getting scammed into paying

money that does not reduce their debt. Once these scammers illegally take upfront fees from borrowers, they do little to help them with their payments.

Madigan's office runs a free Student Loan Helpline to provide student borrowers with resources about repayment options, avoiding default or to file a complaint about loan servicing at (800) 455-2456 (TTY: 1-800-964-3013). More information can also be found on her [website](#).

Top 10 Breakdown

Madigan's annual top 10 list of consumer complaints ranks every complaint her office receives on a range of topics. In total, Madigan's Consumer Fraud Bureau returned more than \$48 million in savings through litigation and mediation to Illinois consumers in 2016. In addition to consumer debt, identity theft and education-related complaints, Madigan noted other categories that topped her list of complaints involved telecommunications and home repair.

CATEGORY	# OF COMPLAINTS
1. Consumer Debt (mortgages, collection agencies, banks)	2,783
2. Identity Theft (government document fraud, credit cards, utilities, data breaches)	2,391
3. Promotions/Schemes (phone scams, investment schemes, lottery scams, phishing)	2,387
4. Construction/Home Improvement (remodeling, roofs and gutters, heating and cooling, plumbing)	2,094
5. Telecommunications (telemarketing, cable and satellite TV, phone service and repairs, cell phones)	1,851
6. Education (for-profit schools, student loan debt, loan counseling)	1,691
7. Used Auto Sales/Motor Vehicles (as-is used cars, financing, warranties)	1,648
8. Internet/Mail Order Products (Internet and catalog purchases, TV and radio advertising)	955
9. Motor Vehicle/Non-Warranty Repair (collision, engines, oil changes and tune-ups)	677
10. New Auto Sales/Motor Vehicles (financing, defects, advertising)	668

For more information, visit Madigan's website or contact her office about consumer fraud issues.

Consumer Fraud Hotlines:

1-800-386-5438 (Chicago), 1-800-243-0618 (Springfield) or 1-800-243-0607 (Carbondale)

Spanish Language Hotline: 1-866-310-8398

Student Loan Helpline: 1-800-455-2456

Identity Theft Hotline: 1-866-999-5630

Homeowner Helpline: 1-866-544-7151

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