



CFPB Takes Action Against Two Law Firms for Misrepresenting Attorney Involvement to Collect on Medical Debts

Bureau Orders Medical Debt Collection Law Firms and their President to Refund \$577,135 to Consumers

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WASHINGTON, D.C. – Today the Consumer Financial Protection Bureau (CFPB) is taking action against two medical debt collection law firms and their president for falsely representing that letters and calls were from attorneys attempting to collect on a debt when no attorney had yet reviewed the account. The law firms also did not ensure the accuracy of the consumer information they furnished to credit reporting companies and used improperly notarized affidavits in lawsuits filed against consumers. The practices affected thousands of individuals. The CFPB is ordering Works and Lentz, Inc., Works and Lentz of Tulsa, Inc., and their president, Harry A. Lentz, Jr., to provide \$577,135 in relief to harmed consumers, correct their business practices, and pay a \$78,800 penalty.

“Misrepresenting that a lawyer is involved in a debt collection action gives the collection a false weight,” said CFPB Director Richard Cordray. “Works and Lentz intimidated consumers with unfounded threats of potential lawsuits. Today we are putting a stop to that and getting consumers the relief they deserve.”

Works and Lentz, Inc. and Works and Lentz of Tulsa, Inc., are debt collection law firms based in Oklahoma City, Okla., and Tulsa, Okla. Harry A. Lentz, Jr. is the president of both. The firms primarily collect medical debt on behalf of hospitals, doctors, and other healthcare providers in the state of Oklahoma. Annually, the firms attempt collection on approximately 700,000 debts totaling more than \$500 million. Like many other debt collectors, the firms collect delinquent accounts and are paid based on how much money they collect.

The CFPB's investigation found that the firms engaged in illegal debt collection practices. Their standard practices implied lawyers were reviewing the veracity of a consumer's medical debt when no lawyer had, in fact, reviewed the file. The CFPB order charges the company with violating the Fair Debt Collection Practices Act and the Fair Credit Reporting Act from January 2012 to August 2016. Specifically, the CFPB found that collectively Works and Lentz:

- **Sent collection letters implying they were from a lawyer:** Works and Lentz sent letters on formal law firm letterhead containing a signature block with the computerized signature of an individual attorney, underneath which the words "Attorney at Law" were printed. Some demand letters threatened to sue consumers who did not make payments. Despite these representations, no attorneys had reviewed consumer accounts or made any determination as to whether a lawsuit was appropriate before these letters were sent.
- **Called consumers and implied a lawyer was involved:** Debt collectors told consumers during collection calls that they were calling from a law firm. This gave consumers the impression that attorneys participated in the decision to make collection calls, but no attorney had reviewed consumer accounts before debt collectors called consumers.
- **Falsified notarization of affidavits in lawsuits against consumers:** Before filing a lawsuit against a consumer, Works and Lentz solicited signed and notarized affidavits from its clients with information about the client and the debt. In some instances, clients returned signed affidavits with a nonnotarized signature. When that happened, employees of Works and Lentz notarized the affidavit without verifying the truth of the signature and used the affidavit in a lawsuit against a consumer.
- **Furnished information to a credit reporting company without policies to ensure accuracy:** Works and Lentz furnished consumer information for more than 1 million consumers to a credit reporting company. Until July 2016, Works and Lentz lacked any written policies or procedures regarding its transmission of information to a credit reporting company or any protocols to ensure the accuracy and integrity of this information.

Enforcement Action

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the CFPB has the authority to take action against institutions violating federal consumer financial laws. Works and Lentz violated the Fair Debt Collections Practices Act and the Fair Credit Reporting Act. Today the CFPB is ordering the two firms and their president to:

- **Provide \$577,135 in refunds to harmed consumers:** Works and Lentz will provide refunds to consumers who made payments as a result of receiving letters that threatened the filing of a lawsuit and misrepresented that an attorney had reviewed the debt.
- **Stop using deceptive language in letters and collection calls:** Works and Lentz will clearly and prominently disclose that no attorney has reviewed consumer accounts in all letters and calls to consumers where attorneys have not previously reviewed the account.

They will also accurately identify the identity or job title of the individual responsible for sending the letter or making the call. In addition, the firms will omit the name of any attorney and the phrase “Attorney at Law” from the signature block of any collection letter.

- **Prohibit the unlawful notarization of affidavits:** Employees are prohibited from illegally notarizing affidavits regarding consumers.
- **Revise and enhance consumer credit reporting protections: Works and Lentz must** revise and enhance their written policies and procedures regarding the accuracy and integrity of information relating to consumers that they furnished to a credit reporting company.
- **Pay a civil money penalty of \$78,800:** Works and Lentz will pay \$78,800 to the CFPB’s Civil Penalty Fund for the illegal actions.

The consent order filed today is available here:

http://files.consumerfinance.gov/f/documents/201701_cfpb_Works-and-Lentz-consent-order.pdf

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The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit consumerfinance.gov.