



FTC Actions: Debt Collectors Banned from Debt Collection Business

Defendants in One Case Will Pay \$4.4 Million to Settle Fraud Charges

FOR RELEASE

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Two groups of debt collectors will be banned from the collection business under settlements with the Federal Trade Commission, and one of them will pay more than \$4.4 million to resolve charges that they conned people into paying debts they did not owe.

The actions were filed as part of [Operation Collection Protection](#), an ongoing federal-state-local crackdown on collectors that use deceptive and abusive collection practices. To date, the FTC and its law enforcement partners have brought a total of 148 actions in this effort [including 16 which were filed or resolved in the last five months](#).

AFS Legal Services

A [stipulated order](#) announced today resolves FTC charges brought in November 2015 against [National Client Services LLC, also doing business as AFS Legal Services, AFS Services, Account Financial Services, and Account Financial Solutions; National Payment Processing LLC; Omar Smith; and Ernest Smith](#). The court had halted the operation, frozen the defendants' assets, and appointed a receiver to control the business pending litigation.

According to the FTC, the defendants called consumers and demanded payment of payday loan or other purported debt, even when consumers disputed the debt and the defendants failed to verify that money was owed. They also impersonated law enforcement, accused people of bank fraud, and falsely threatened to arrest or sue consumers if they did not pay.

The stipulated order bans the defendants from debt collection activities and prohibits them from misrepresenting materials facts about any financial-related products or services, and from profiting from consumers' personal information and failing to dispose of it properly. The final order impose a judgment of more than \$4.4 million, which represents the amount of money consumers lost.

The Commission vote authorizing the staff to file the stipulated order for permanent injunction was 3-0. The U.S. District Court for the Northern District of Georgia, Atlanta Division, entered the order on August 29, 2016.

Audubon Financial Group

In May 2015, the FTC alleged that [Unified Global Group LLC, ARM WNY LLC, Audubon Financial Bureau LLC and Domenico D'Angelo](#) illegally threatened to arrest or sue consumers and harassed their friends, family members, and employers in an effort to collect debts. They also allegedly sent alarming and deceptive text messages to trick consumers into contacting them, without identifying themselves as debt collectors. The court subsequently halted the operation and froze the defendants' assets pending litigation.

Under a [stipulated order](#) announced today, the defendants will be banned from debt collection activities and from debt brokering or otherwise trading in consumer information regarding debt. The order also prohibits them from profiting from

consumers' personal information and failing to dispose of it properly, and imposes a judgment of approximately \$27 million, which will be partially suspended upon the surrender of all of their frozen funds and an additional \$11,000 payment from D'Angelo. The full judgment will be imposed immediately if the defendants are found to have misrepresented their financial condition.

Litigation continues against Anthony Coppola.

The Commission vote authorizing the staff to file the stipulated order for permanent injunction was 3-0. The U.S. District Court for the Western District of New York entered the order on August 26, 2016.

NOTE: Stipulated final orders have the force of law when approved and signed by the District Court judge.

Learn more at [Debt Collection](#), and see the [list of companies and individuals banned from the debt collection business](#) as a result of FTC actions.

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.

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