

A.G. Schneiderman Announces Joint Lawsuits With Federal Trade Commission Against Abusive Debt Collectors In Buffalo Area

Companies Allegedly Engaged In Harassing, Deceptive Conduct Aimed At Consumers Across New York State And The United States

NEW YORK – Attorney General Eric T. Schneiderman today announced joint lawsuits with the Federal Trade Commission (FTC) aiming to shut down two abusive debt collection rings operating in the Buffalo area and targeting consumers nationwide. According to the complaints, the two operations used threats and abusive language, including false threats that consumers would be arrested, to collect more than \$45 million in supposed debts. The lawsuits were filed against Four Star Resolution, LLC and Vantage Point Services, LLC.

“Today’s action should make it clear that nobody is above the law, and when shady debt collectors engage in illegal and abusive business practices, they will be held accountable,” said **Attorney General Schneiderman**. “The use of threats, including the threat of arrest, to collect debts is unconscionable, and I am pleased to partner with the FTC to stand up for consumers against these bad actors.”

“The Federal Trade Commission is pleased to work with the New York State Attorney General to stop abusive debt collectors,” said **Jessica Rich, Director of the FTC’s Bureau of Consumer Protection**. “The cases announced today will help protect consumers from debt collectors that disregard the law in an attempt to make a buck.”

The details of the two complaints are as follows:

Vantage Point Services, LLC

[According to the first complaint](#), filed against Vantage Point Services, LLC, and related corporate and individual collaborators, the organization, based in Amherst, New York, used deceptive, unfair, and abusive tactics to pressure consumers into making payments on supposed debts.

The complaint alleges that in collection calls to consumers the companies often falsely claimed to be a law firm, process server, unrelated debt collection company, or entity affiliated with the government. In some instances, the company even posed as government agencies, including the FBI and district attorneys. In others instances, the company falsely told consumers they were working as an intermediary with the state, or that the state has placed the consumers’ account with them to give them a chance to pay the debt before criminal charges are filed.

With this deceptive backdrop, the companies falsely claimed that consumers had committed a crime and that an arrest warrant would be issued unless they made a payment. Often, the company told consumers that they would spend 90 or 120 days in jail, or that that would need to pay thousands of dollars in bail if they didn’t pay.

The company's conduct was not limited to people that supposedly owed the debt, however. Vantage Point made similar representations to third parties, including supposed debtors' friends, family members, and co-workers. In some cases, the company falsely told third parties that the supposed debtors have committed a crime and that a warrant has been issued for their arrest.

Finally, the complaint states that the company failed to provide consumers with basic information about their identity during calls, did not provided consumers with information about the supposed debt within five days of the call, as required by the Fair Debt Collection Practices Act (FDCPA), and illegally charged them a "processing fee."

The complaint against Vantage Point Services was filed under seal in the U.S. District Court for the Western District of New York, the seal has now been lifted, and a [temporary restraining order](#) granted. The companies named in the complaint are: 1) Vantage Point Services, LLC; 2) Payment Management Solutions, Inc.; and 3) Bonified Payments Solutions, Inc.; and 4) Gregory MacKinnon; 5) Megan Vandeviver; 6) Joseph Ciffa and 7) Angela Burdorf, each individually and as an officer of one or more of the corporate entities.

Four Star Resolution, LLC

[According to the second complaint](#), filed against several entities operating as a common enterprise called Four Star Resolution, LLC, debt collectors in Buffalo, New York and elsewhere, called consumers and made a series of misrepresentations and threats to get them to pay supposed debts. If they could not reach a consumer, they typically left a message telling them about "possible litigation" pending against them, and saying the consumer has 48 hours to call back before a complaint is "formalized" with the county where they live.

Consumers who called back were sometimes told they were delinquent on a payday loans or other debts. Four Star's collectors often lied to consumers, telling them they were attorneys, investigators, process servers, court officials, government agents, or even criminal law enforcers. They continued the deception by telling consumers they would be jailed, criminal legal action would be taken against them, their wages would be garnished, or their property seized if they did not pay the supposed debts. In reality, Four Star had no authority to take any of these actions.

The complaint cites several examples of the company's alleged deception. During one call to collect on a supposed debt, the Four Star collector used the pseudonym "Detective Jack Ramsay," and left a message falsely asserting he is seeking to serve a bench warrant on the consumer for "check fraud." In another case, Four Star's collectors falsely told a consumer that a relative had committed check fraud and that legal action would be taken against them if the debt was not paid in two days. The call was from a collector who claimed he was "Investigator Kearns," and that he worked for "a government agency located in Washington, DC."

When consumers asked for proof of the alleged debt, Four Star's representatives refused to provide it, instead telling consumers a court would provide them with proof after the debt was paid. The complaint also alleges that during calls, the company's collectors used fake corporate names, spoofed phone numbers on consumers' caller-ID, failed to provide written notice of the debt as required by law, and failed to make required disclosures.

Finally, the complaint states the company illegally disclosed information about alleged debtors to third parties, including friends, family members, and employers, and used abusive and profane language, routinely calling consumers "idiot," "dummy," "piece of scum," "thief," and "loser."

The complaint against Four Star also was filed under seal in the U.S. District Court for the Western District of New York, the seal has now been lifted, and a [temporary restraining order](#) granted. The companies named in the complaint are: 1) Four Star Resolution, LLC, also doing business as (d/b/a) Consumer Recovery Group, Four Star Capital Services, Four Star Resolution Services, LLC, and FS Mediation Group; 2) Profile Management, Inc.; and 3) International Recovery Service, LLC, also d/b/a Financial Mediation Group; 4) Check Solutions Services, Inc., also d/b/a County Check Services; 5) Check Fraud Services, LLC, also d/b/a Check Services and CFS & Associates, Inc.; 6) Merchant Recovery Services, Inc., also d/b/a Mandatory Arbitration Services and PDL Recovery Services; 7) Fourstar Revenue Management, LLC; 8) Travell Thomas, individually and as a manager and/or officer of several of the corporate entities; 9) Maurice Sessum, individually and as a member and/or officer of several of the corporate entities; and 10) Charles Blakely, III, individually and as a member and/or officer of Merchant Recovery Services, Inc.

Both complaints allege that the companies violated the FTC Act and the FDCPA, as well as New York State's fair debt collection statute and laws prohibiting deceptive acts and practices. In filing the complaints, the FTC and the State of New York are seeking to permanently stop the illegal conduct and to obtain money to provide refunds to consumers.

The cases are being handled by Assistant Attorney General James M. Morrissey in the Attorney General's Buffalo Regional Office with assistance from Karen Davis, Senior Consumer Fraud Representative and bureau support staff. The Buffalo Regional office is led by Assistant Attorney General-in-Charge Michael Russo. The division of Regional Affairs is led by Executive Deputy Attorney General for Regional Affairs Marty Mack.