NEWS FOR IMMEDIATE RELEASE

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Wisconsin, FTC and Federal Law Enforcement Partners Announce Nationwide Crackdown on Phantom and Abusive Debt Collection

MADISON, Wis. – Attorney General Josh Kaul, Department of Financial Institutions Secretary Kathy Blumenfeld, Department of Agriculture, Trade and Consumer Protection Secretary-designee Randy Romanski, along with the Federal Trade Commission and more than 50 federal and state law enforcement partners, today announced a nationwide law enforcement and outreach initiative to protect consumers from phantom debt collection and abusive and threatening debt collection practices.

“Phantom debt collection and abusive and threatening debt collection practices are illegal, and the Wisconsin Department of Justice will hold accountable bad actors that attempt to profit from those unlawful tactics,” said AG Kaul. “I am grateful for the good work of our team at the Wisconsin Department of Justice, as well as the Department of Financial Institutions and the Department of Agriculture, Trade and Consumer Protection, in helping to protect Wisconsin consumers against these prohibited activities.”

“Managing debt can be stressful on its own, but when a debt collector acts fraudulently, it hurts consumers and reflects badly on the industry,” said Wisconsin Department of Financial Institutions Secretary Kathy Blumenfeld. “That’s why we’re pleased to join the Federal Trade Commission, the Wisconsin Department of Justice, and the Wisconsin Department of Agriculture, Trade and Consumer Protection to shine a spotlight on these corrupt collectors and to educate consumers on how to recognize and protect themselves from debt-related scams and fraud.”
The initiative, called Operation Corrupt Collector, includes enforcement actions brought by the FTC, three federal partners, and partners from 16 different states against debt collectors engaged in these illegal practices.

“The financial strain many Wisconsinites are under means law enforcement should be ever vigilant about investigating and prosecuting predatory debt collectors.” Said Lara Sutherlin, Administrator Division of Trade and Consumer Protection. “DATCP greatly values its’ partnership with the FTC, Wisconsin’s DFI, and DOJ, in fighting illegal debt collection practices and safeguarding Wisconsin consumers.”

“For many years, we’ve been working with our law enforcement partners to crack down on illegal and abusive debt collectors,” said Andrew Smith, Director of the FTC’s Bureau of Consumer Protection. “At a time when many are under financial stress, our coordinated actions today show that we’re continuing the fight against collectors who threaten people and try to collect debts they don’t owe.”

The operation includes five cases filed by the FTC, two cases filed by the Consumer Financial Protection Bureau and three criminal cases brought by the U.S. Department of Justice and U.S. Postal Inspection Service. States reporting actions as part of the operation include Arizona, California, Colorado, Connecticut, Florida, Idaho, Illinois, Indiana, Massachusetts, New Mexico, North Carolina, North Dakota, New York, Ohio, South Carolina, and Washington.

In addition to law enforcement actions, state and local consumer protection agencies across the country are joining the FTC in rolling out new information to help consumers know their rights when it comes to debt collection and what steps to take if they receive a call trying to collect on a debt that they do not recognize. The FTC has also created a new online dashboard with information about reports received from consumers on debts not owed and abusive and threatening collection practices. So far in 2020, the FTC’s Consumer Sentinel Network has received more than 85,000 reports from consumers related to debt collection, and nearly 45 percent of those were related to debts the consumer did not owe or abusive and threatening practices.
Wisconsin Department of Financial Institutions has helpful information for what to do when contacted by a debt collector [here](#). To file a complaint in Wisconsin, please contact [Department of Agriculture, Trade and Consumer Protection](#).

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.