



State of Wisconsin
Department of Financial Institutions

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FOR IMMEDIATE RELEASE

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Beware of debt collection practices, consumers warned

MADISON – Wisconsin consumers should be on the alert for phone calls from unscrupulous debt collectors, the Wisconsin Department of Financial Institutions (DFI) warned today. In many cases, the caller states he is attempting to serve a summons and if the consumer does not “act immediately,” he or she will be arrested. The callers do not represent law enforcement and any threats of arrest or jail are bogus.

DFI’s Bureau of Consumer Affairs receives on average several phone calls per day regarding these types of complaints, and since Jan. 1 has fielded more than 100 written complaints.

“In many cases, we suspect that consumers may have applied for or obtained loans on the internet or, at the very least, may have entered their personal information into an internet application,” said Paul Egide, Director of the Bureau of Consumer Affairs. “That information is then fraudulently obtained by the perpetrators, who target consumers for collection of debt the consumers do not owe, or at least do not owe the debt to the company that is calling.”

In other cases, Egide said, companies that have purchased the accounts and have a legitimate right to collect a debt may be engaging in illegal collection practices. Debt collectors that “own” consumer credit accounts for purposes of direct collection are required to register with DFI.

DFI offered these tips to consumers who are being targeted by these callers:

- Ask for verification that you owe the debt. Collectors are required by law to provide such documentation or discontinue collection activities. They also are required to provide written evidence of their identity and where they are located.
- Do not provide a caller with any personal identification or payment information.
- Do not purchase money cards or money orders to pay the alleged debt.
- If you are receiving calls at work, speak with your employer to come up with a plan on how to handle the calls.

Consumers who believe they are being targeted by potentially illegal collection practices are encouraged to report the activity to any of four agencies:

- DFI at 800-452-3328, or online, www.wdfi.org/contact_us/ComplaintDefault.htm.
- The Federal Trade Commission, www.ftc.gov.
- The Federal Bureau of Investigation, www.ic3.gov.
- The Consumer Financial Protection Bureau, www.consumerfinance.gov/protecting-you.

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