

Jackie Lacey

District Attorney
<http://da.lacounty.gov>



NEWS RELEASE

Media Contact:

Paul Eakins
Public Information Officer
213-257-2000
PEakins@da.lacounty.gov
Twitter: @LADAOoffice

Oct. 31, 2018

Debt Collection Company Agrees to \$9 Million Settlement Over Illegal Phone-Calling Practices

One of the world's largest third-party debt collection companies has agreed to pay \$9 million and curb illegal phone-calling practices to settle a civil consumer protection lawsuit brought by the Los Angeles County District Attorney's Office and other county prosecutors.

The settlement, which is believed to be among the largest of its kind, sets strict phone call parameters for Allied Interstate LLC, its parent company iQor Holdings Inc. and affiliated firms over the next five years.

"California law protects all consumers, even those who are behind in their payments, from constant harassing phone calls," District Attorney Jackie Lacey said. "We will strictly enforce laws designed to protect consumers from illegal and abusive phone-calling practices."

Los Angeles County Superior Court Judge Barbara M. Scheper approved the settlement yesterday.

Pursuant to the settlement terms, Allied and its affiliates are required to comply with state and federal laws regarding debt collection phone calls. Additionally, the judgment orders the companies to immediately stop:

- making calls at an unreasonable frequency that could constitute harassment;
- calling phone numbers that the call recipients have identified as wrong numbers;
- calling numbers when the recipients request to stop getting calls; and
- using robo-dialing technology to call consumers' cell phones without the consumers' consent.

Allied and iQor also must provide training about the calling rules for employees who make debt collection calls, maintain records of calls and complaints, and conduct an annual third-party audit to ensure compliance with the settlement provisions for five years.

The monetary judgment includes \$8 million in civil penalties to be paid over two years, plus \$1 million to reimburse prosecutors for the costs of investigating and filing the case.

The district attorney's offices of Los Angeles, Riverside, San Diego and Santa Clara counties filed *People v. iQor Holdings Inc., et al*, on Sept. 14, 2016, in Los Angeles County Superior Court after a 1½-year investigation. Fourteen other California county district attorney's offices later joined as plaintiffs in case BC633831.

The lawsuit alleged that Allied and iQor engaged in illegal debt collection practices that violated California's Rosenthal Fair Debt Collection Practices Act, the federal Debt Collection Practices Act and the federal Telephone Consumer Protection Act. The alleged violations included calling consumers with excessive frequency, sometimes hundreds of times and sometimes calling the wrong person numerous times; failing to cease calling even when advised that they had reached a wrong number; and using a robo-dialer, known as a "predictive dialer," to place calls to the cell phones of consumers without having adequate proof that the consumer had consented to be called on their cell phone.

This was the 11th law enforcement action filed against this debt collector over a period of 10 years.

At the Los Angeles County District Attorney's Office, the case was handled by the Consumer Protection Division: Head Deputy District Attorney Stanley Williams, Assistant Head Deputy District Attorney Hoon Chun, Deputy District Attorney Jessie Lee Ann McGrath and Deputy District Attorney Seza Mikikian.

[About the Los Angeles County District Attorney's Office](#)

Los Angeles County District Attorney Jackie Lacey leads the largest local prosecutorial office in the nation. Her staff of nearly 1,000 attorneys, 300 investigators and 800 support staff members is dedicated to protecting our community through the fair and ethical pursuit of justice and the safeguarding of crime victims' rights.