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Georgia AG announces settlement with debt collection company

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On April 4, Georgia Attorney General Chris Carr (“AG Carr”) [announced](#) an \$8.5 million settlement with a national debt collection company, resolving alleged Fair Debt Collection Practices Act (FDCPA) and the Georgia Fair Business Practices Act violations.

Specifically, AG Carr alleged that the company harassed and deceived consumers by falsely representing to consumers that they were attorneys or otherwise affiliated with government entities, that the consumers had committed a crime and could be imprisoned because of nonpayment, failed to disclose they were debt collectors, attempted to collect illegal payday loans, and divulged information to third-parties without authorization. The settlement required the company to stop collecting on nearly 12,000 accounts, totaling over \$8.5 million in consumer debt, pay a \$20,000 civil penalty, and agree to comply with the FDCPA and Georgia Fair Business Practices Act. Any subsequent failure to do so will cause the company to owe an additional \$240,000 civil penalty.

While it may not surprise the collections industry to see a state Attorney General take issue with the alleged actions above, seeing this sort of settlement come out of a Republican attorney general in a solidly Republican state is slightly more interesting. It is yet another example of significant state-level enforcement but this time, out of a state that is generally not thought of as being particularly active within the collections arena. Coming after confirmation from the CFPB that it plans to move forward with a [third-party collections rulemaking](#), this recent settlement demonstrates that regardless of party, federal and state regulators continue to be interested in collections and addressing perceived violations arising under both federal and state law.

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