

AG puts debt collector out of business

Business First of Buffalo - by [Matt Chandler](#)

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Attorney General Andrew Cuomo obtained a court order against Lamont Cooper and his two Buffalo-based debt collection companies — [Emanee Development Inc.](#) and [Dial Tech](#) LLC — under which the companies will shut down.

Also, in an announcement made Wednesday, Cooper will be forced to pay restitution to consumers statewide.

According to Cuomo's office, employees at both companies unlawfully lied to consumers, threatened to arrest them and intimidated them into paying debts that they sometimes did not owe. They would call third parties including neighbors or employers to embarrass and harass consumers.

“At a time when New York families are already struggling with unprecedented levels of debt, unscrupulous collection agencies add salt to an open wound,” Cuomo said. “Using fear and intimidation to take advantage of individuals facing debt is a shameful and illegal scare tactic. This judgment is the first step in this office's expanding investigation into debt collectors that violate the rights of consumers and operate outside of the law.”

According to the Attorney General's Office, Cooper operated Emanee and Dial Tech, which did business under the names of various shell companies and fictitious law firms across the state, including: Claims Process Services, Claims America, [CMC Recovery Services](#), [Lomax & Barnes](#) and [Murray, Bradshaw & Associates](#). Collectors at the companies used various tactics to collect debts including falsely accusing customers of illegal activities, telling them they would be arrested within 24 hours if they did not pay their debt and threatened them with lawsuits, while posing as lawyers.

Some consumers, intimidated by these unlawful practices, paid debts that they did not even owe, according to the AG's ongoing probe into the conduct of collection agencies across the state, .

State and federal laws stipulate that collectors cannot do the following: pose as an attorney, threaten lawsuits or other legal action which cannot be taken, say a consumer committed a crime or will be arrested, talk with third parties except to get location information and cannot engage in conduct meant to harass, oppress or abuse consumer. The law further requires collection agencies to send a written notice within five days of initial communication with the consumer explaining how he or she can dispute the debt. If properly disputed, the collection agency must stop all collection attempts and send verification.

Under the terms of court order obtained by Cuomo's office, Cooper agreed to pay restitution to consumers who paid debts they did not owe. Additionally, Cooper and the two corporate entities

are permanently barred from engaging in the debt-collection business and are also permanently banned from acting as brokers that buy and then re-sell portfolios of consumer debt to individuals who then intend to hand the debts over to collection agencies that Cooper selects or with whom he otherwise has a business relationship.

The Attorney General has subpoenaed nearly 20 companies and law firms operating as debt collectors throughout the state. The subpoenas included requests designed to discover the policies and procedures the debt collectors have implemented to comply with federal and state laws, how the companies respond to complaints about their collection practices, as well as how individual collectors are compensated.

The companies subpoenaed by Cuomo's Office include: Cavalry Portfolio Services, LLC; Cohen & Slamowitz, LLP; Debt Recovery Solutions LLC; Eltman, Eltman & Cooper; Forster and Garbus; LHR, Inc; Mel S. Harris & Associates, LLC; Med-Rev Recoveries, Inc.; Mitchell N. Kay, P.C.; [NCO Portfolio Management](#), Inc. and [NCO Financial Systems](#), Inc.; [North Shore Agency](#), Inc.; RJM Acquisitions LLC; Rubin & Rothman LLC; and [Sharinn & Lipshie P.C.](#)

Earlier this month, Cuomo announced a lawsuit against two debt settlement companies for fraudulent business practices and false advertising. Cuomo filed suit against [CSA-Credit Solutions](#) of America, Inc., based in Richardson, Texas, and [Nationwide Asset Services](#), Inc., based in Phoenix, Arizona for making millions of dollars by selling misleading debt settlement plans that very rarely deliver the promised benefits to consumers dealing with debt.

The AG has also launched a Web site, NYDebtHelp.com, that explains consumer rights, allows victims of debt settlement companies quick access to the Attorney General's office to file complaints, and outlines the stages of the Attorney General's investigation.