

Widespread Harassment from Phony Debt Collectors Raises Concerns of Mass Data Breach, Warns BBB

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Chicago, IL—(ENEUSPF)— Scammers may have Social Security and bank account numbers, home addresses and employer information Chicago, IL - August 5, 2009 - The Better Business Bureau is issuing an alert about phony debt collectors that are calling consumers nationwide and claiming that they have defaulted on a payday loan and will be arrested if they don't pay immediately. Claiming to be lawyers, the scammers say they are with the "Financial Accountability Association" or the "Federal Legislation of Unsecured Loans" and are equipped with a disconcerting amount of personal information about their potential victims.

"Because the scammers have so much information about potential victims, the BBB is concerned that this may be the result of a data breach," said Steve J. Bernas, president & CEO of the Better Business Bureau serving Chicago and Northern Illinois.

"Thousands of people may have had their personal information compromised, and given the scammers' tactics, it appears that those who have previously used payday loan services could be particularly at risk."

According to reports received by the BBB and posted online, the scammers accuse the victim of defaulting on a payday loan and claim they are being sued. The phony debt collector threatens that, if the victim doesn't pay as much as \$1,000 immediately via wire or by providing bank account or credit card numbers, he or she will be arrested and extradited to California within the hour to stand trial. The scammers often may have the victim's Social Security, old bank account numbers or driver's license numbers as well as home addresses, employer information and even the names of personal friends and professional references.

The BBB offers the following advice to consumers if they receive a suspicious telephone call about an outstanding debt:

- Ask the debt collector to provide official documentation in writing which substantiates the debt.
- Do not provide or confirm any bank account, credit card or other personal information over the phone until you have confirmed the legitimacy of the call.

- Review recent copies of your credit reports to ensure that the alleged debt is not affecting your credit. Consumers can do this for free once every 12 months, and can find more information here: <http://www.ftc.gov/freereports>
- Under the Federal Trade Commission's Fair Debt Collection Practices Act, debt collectors may not harass, oppress, or abuse any person while attempting to collect a debt.
- A debtor may be contacted between 8 a.m. and 9 p.m. only and can be contacted at work unless instructed not to.
- File a complaint with the FTC online if the caller is abusive, uses threats or otherwise violates federal telemarketing laws.
- File a complaint with BBB online at www.bbb.org if you believe a debt collector is trying to scam you.

According to complaints online, phone numbers that the scammers are calling from include: 949-468-5107, 415-200-0274, 213-784-5745, 408-715-1614 and many others.

To learn more about payday loans and debt collection services go to www.bbb.org.

As a private, non-profit organization, the purpose of the Better Business Bureau is to promote an ethical marketplace. BBBs help resolve buyer/seller complaints by means of conciliation, mediation and arbitration. BBBs also review advertising claims, online business practices and charitable organizations. BBBs develop and issue reports on businesses and nonprofit organizations and encourage people to check out a company or charity before making a purchase or donation.