

October 31, 2018  
For Immediate Release

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# DA Reaches \$9 Million Settlement with Debt Collection Company over Harassing Phone Calls

## *Company Sued by Prosecutors for Aggressive, Illegal Practices*

San Diego County District Attorney [Summer Stephan](#) announced today that her office, along with the District Attorneys of Los Angeles, Riverside and Santa Clara Counties, have reached \$9 million settlement that cracks down on illegal phone-calling practices at one of the world's biggest third-party debt collection companies. The civil settlement, which is believed to be one of the largest of its kind, sets strict phone call parameters for Allied Interstate LLC, along with its parent company iQor Holdings Inc. and affiliated firms, over the next five years.

The lawsuit alleged that Allied and iQor engaged in illegal debt collection practices that violated California's Rosenthal Fair Debt Collection Practices Act, the Right to Privacy 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.

**"These types of unscrupulous tactics need to stop. The companies subjected people to repeated phone calls for months on end, even when no money was owed,"** said District Attorney Summer Stephan. **"This settlement is a great example of how our Consumer Protection Unit works with other law enforcement agencies in California to protect the consumer and stop companies who violate the law."**

This was the eleventh law enforcement action filed against this debt collector over a period of 10 years. 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 company to immediately stop the following practices:

- 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.

Los Angeles County Superior Court Judge Barbara M. Scheper approved the settlement Tuesday, October 30, 2018.

The district attorney's offices of San Diego, Los Angeles, Riverside 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 the case.

At the San Diego County District Attorney's Office, the case was handled by prosecuting attorney Colleen Huschke in the DA's Consumer Protection Division.

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### **About the San Diego County District Attorney's Office**

*The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue justice and support victims daily across San Diego County. DA Summer Stephan has devoted her life to protecting children and families and providing justice to the voiceless and most vulnerable. She is a national leader in the fight against sexual exploitation and human trafficking, and has served as a Deputy District Attorney in San Diego County for 28 years.*

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