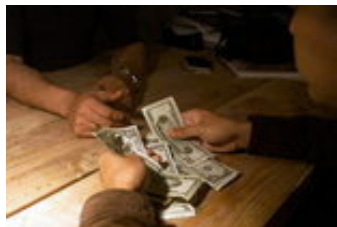


Phony payday debt collectors strike again: Plain Dealing

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Phony payday debt collection scams are back.

The Legal Aid Society of Cleveland reports a sharp increase in complaints about payday debt collection scams.

The calls are from phony collectors who aren't authorized to collect the debt. Borrowers who pay up won't be able to erase the debt or avoid collection calls from a legitimate collector.

Victims report being threatened with arrest or prosecution if they don't send money within hours or days. Callers may falsely claim to be employees of the sheriff, attorney general or court.

Threats and impersonating someone else to collect a debt are both violations of the Fair Debt Collection Practices Act.

The calls can be confusing, though, because those targeted may indeed have an outstanding payday debt, and callers also appear to have some information about the original debt or the borrowers' family or friends.

Last October, the Federal Trade Commission shut down Pinnacle Payment Services, an operation based in Cleveland and Atlanta that made similar threatening calls to payday loan debtors nationwide after gleaning information about them from online inquiries made about payday loans. The FTC has taken action against at least four other operations that made bogus, threatening collection calls to consumers.

Borrowers should never make Green Dot or wire payments in response to threatening or menacing collection calls.

Report suspect calls to the Ohio Attorney General's Office (ohioattorneygeneral.gov or 1-800-282-0515) or the Federal Trade Commission (ftc.gov or 1-877-382-4357).

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