



RIVERSIDE COUNTY DISTRICT ATTORNEY  
**NEWS RELEASE**  
MIKE HESTRIN, DISTRICT ATTORNEY

WEBSITE: WWW.RIVCODA.ORG

TWITTER: @RIVCODA

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CONTACT: JOHN HALL  
PUBLIC INFORMATION OFFICER  
951.955.8662

## **SETTLEMENT OF \$9 MILLION REACHED WITH LARGE DEBT COLLECTION COMPANIES**

**RIVERSIDE** –District Attorney Mike Hestrin announced today, Oct. 31, 2018, that prosecutors have reached a \$9 million settlement that cracks down on illegal phone-calling practices at one of the world’s largest third-party debt collection companies.

The civil settlement sets phone call parameters for Allied Interstate LLC, its parent company, iQor Holdings Inc., and other affiliated firms. 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:

- using robo-dialing technology to call consumers’ cell phones without the consumers’ consent;
- making calls at an unreasonable frequency that could constitute harassment;
- calling phone numbers that the call recipients have identified as wrong numbers; and
- calling numbers when the recipients request to stop getting calls.

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.

The monetary judgment includes \$8 million in civil penalties to be paid over two years, plus \$1 million to reimburse prosecutors for costs associated with the investigation and prosecution of the case. The Riverside County DA’s Office will receive \$1.6 million in penalties and \$150,000 in costs.

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

The district attorney’s offices of Riverside, Los Angeles, San Diego 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 case BC633831.

The lawsuit alleged that Allied and iQor engaged in illegal debt collection practices that violated California’s Rosenthal Fair Debt Collection Practices Act, the federal Fair Debt Collection Practices Act 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 cellular phones of consumers without proof that the consumer had consented to be called on their cellular phone.

This was the 11<sup>th</sup> law enforcement action filed against this debt collector over a period of 10 years.

At the Riverside County District Attorney’s Office, the case was handled by Senior Deputy District Attorney Elise Farrell and Deputy District Attorney Timothy Brown of the DA’s Special Prosecutions Section.

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