



Phantom Debt Brokers and Collectors Settle FTC and New York AG Charges

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Defendants behind Hylan Asset Management are banned from the debt collection industry

FOR RELEASE

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The defendants behind a New York-based debt collection scheme will be permanently banned from the debt collection industry under a settlement with the Federal Trade Commission and the New York Attorney General, who alleged that the defendants bilked consumers out of millions of dollars by brokering and collecting on fake debts that people did not owe.

“We’re proud to partner with the New York Attorney General in our efforts to clean up this industry and stop unlawful and abusive practices,” said Andrew Smith, Director of the FTC’s Bureau of Consumer Protection.

According to the [FTC’s complaint, Hylan Asset Management, LLC, and its owners, Andrew Shaevel and Jon E. Purizhansky](#), bought, placed for collection, and sold lists of phantom debts, including debts that were fake or not authorized by consumers.

Hylan referred the fake debts to several collection agencies, including Worldwide Processing Group, LLC, which then illegally collected on them. Hylan continued to buy the portfolios and distribute them to third parties for collection even though it was repeatedly notified that consumers did not owe many of the debts, the FTC alleged.

Worldwide Processing similarly continued its collection efforts after consumers said they had never heard of the lenders and provided records to prove they owed nothing. Worldwide Processing also illegally contacted consumers’ friends and family members about the purported debts and failed to make disclosures required by the Fair Debt Collection Practices Act. The complaint also alleged that Hylan purchased much of the debt from [Hirsch Mohindra, a defendant in a separate FTC action who was banned](#) from the debt collection business and from selling debt portfolios. Mohindra bought the debt from [former payday loan generator Joel Tucker, who was banned](#) from possessing or distributing sensitive consumer information, including consumer debt portfolios.

“Repaying debt is stressful enough without the added worry that collectors are faking bills,” said New York Attorney General Letitia James. “Stopping this massive scheme is a win for every New Yorkers who no longer have to fear being swindled out of millions of dollars for phantom debts. My office will continue to stand up for consumers to stop illegal debt collection and debt brokering activities. I thank our partners at the FTC for their work on this case.”

The [order against the defendants involved in Hylan Asset Management bans the company and its owners](#), Shaevel and Purizhansky from debt collection activities, including buying, placing for collection, and selling debt. The order imposes a

judgment of \$6.75 million, which is suspended due to inability to pay upon payment of \$676,575.

The order against the defendants involved in Worldwide Processing bans the company and its owner, Frank A. Ungaro, Jr. from engaging in unlawful collection practices. The order imposes a judgment of \$4.94 million, which is suspended due to inability to pay upon payment of \$118,000.

For both settlements, the full judgment will become due immediately if the defendants are found to have misrepresented their financial conditions.

The Commission vote approving the stipulated final order was 5-0. The FTC filed the proposed orders in the U.S. District Court for the Western District of New York.

NOTE: Stipulated final orders or injunctions have the force of law when approved and signed by the District Court judge.

The Federal Trade Commission works to promote competition, and protect and educate consumers. You can learn more about consumer topics and file a consumer complaint online or by calling 1-877-FTC-HELP (382-4357). Like the FTC on Facebook, follow us on Twitter, read our blogs, and subscribe to press releases for the latest FTC news and resources.

PRESS RELEASE REFERENCE:

FTC Settlements Ban Chicago-area Phantom Debt Collector from the Debt Collection Business and from Selling Debt Portfolios

FTC Obtains Court Order Against Scheme that Sold Fake Payday Loan Debt Portfolios

FTC, State, and Federal Law Enforcement Partners Announce Nationwide Crackdown on Phantom and Abusive Debt Collection

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