



FTC and New York Attorney General Sue Operators of Debt Collection Scheme

November 1, 2018

Defendants tricked consumers into agreeing to pay more money than what they allegedly owed

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The Federal Trade Commission and the New York Attorney General's Office have sued a New York-based debt collection operation for tricking people into agreeing to pay more money than what they allegedly owed, according to defendants' own business records. A [federal court temporarily halted the operation's illegal activity](#) and froze its assets at the request of the FTC and NY AG.

According to [the complaint](#), the defendants' employees often completed forms that showed they demanded more money than consumers allegedly owed, also known as "overbiffing" in the debt collection industry. In many cases, according to the complaint, consumers agreed to pay more than what they allegedly owed.

The complaint also alleges that employees pretended to work for law enforcement agencies and threatened consumers with arrest. Other collectors falsely claimed to work on behalf of attorneys and told consumers they would face lawsuits if they did not make a payment on an alleged debt.

The defendants in the case are six corporations and one individual, Robert Heidenreich, who controls the operation. The corporate defendants are Campbell Capital LLC; Kahl, Heidenreich, and Nemmer LLC; Urban, Heidenreich, Melendez, and Associates, LLC; J & V Receivables LLC; Rich Financial LLC; and BCH & Associates Ltd. The FTC and NY AG allege they violated the FTC Act, the Fair Debt Collection Practices Act, and similar New York State laws.

The Commission vote approving the complaint was 5-0. The U.S. District Court for the Western District of New York entered a temporary restraining order in the case on October 26, 2018.

NOTE: The Commission files a complaint when it has "reason to believe" that the law has been or is being violated and it appears to the Commission that a proceeding is in the public interest. The case will be decided by the court.

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:

[Operator of Fraudulent Debt Collection Scheme Settles With FTC, New York](#)

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