



Operator of Fraudulent Debt Collection Scheme Settles With FTC, New York

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Scheme leader will be permanently banned from debt collection

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The operator of a debt collection scheme has settled claims by the Federal Trade Commission and New York Attorney General that he and the companies he controlled lied to consumers about how much debt they owed and used illegal scare tactics to collect it.

Under the settlement, Robert Heidenreich, who ran the scheme from the Buffalo, N.Y. area, is permanently banned from the debt collection business and prohibited from misleading consumers about any financial products. The FTC filed its complaint in the case in October 2018.

“Together, the FTC and the New York Attorney General stopped the latest in a line of illegal and abusive debt collectors,” said Andrew Smith, Director of the FTC’s Bureau of Consumer Protection. “As a result of this joint law enforcement action, Mr. Heidenreich will never again be allowed to collect debts.”

The settlement includes a monetary judgment of \$1.7 million, which is partially suspended due to Heidenreich’s inability to pay. He will be required to surrender \$30,000 to the FTC, and if he were later found to have misrepresented his financial condition, the full judgment would be due.

The complaint filed by the FTC and New York Attorney General alleged that Heidenreich and the companies he controlled violated the FTC Act and the Fair Debt Collection Practices Act, along with similar New York state laws.

In addition to settling their claims against Heidenreich, the FTC and New York Attorney General filed a motion for a default judgment with the court against the case’s remaining defendants, 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 court entered the default judgment order on February 7, 2020.

The Commission vote approving the stipulated final order that settled the claims against Heidenreich was 5-0. The U.S. District Court for the Western District of New York approved the settlement on February 7, 2020.

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 and New York Attorney General Sue Operators of Debt Collection Scheme](#)

[FTC, State, and Federal Law Enforcement Partners Announce Nationwide Crackdown on Phantom and Abusive Debt Collection](#)

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