

Threats rarely materialize

# Fear: the collectors' trump card

THE NURSE'S aide stood frightened and shaken in front of her supervisor's desk.

She was afraid for herself, but mostly she was afraid for the eight kids her job helped to support. And she was afraid of the man who had been threatening her almost daily.

"I'll have to let you go because we can't have this Mr. Harris calling here any longer," her boss was telling her. "He's tying up all the hospital lines."

MR. HARRIS was a bill collector for Strom Collection Agency, 505 N. La Salle St., one of Chicago's pack of un-governed and unscrupulous men who will do almost anything for the few dollars it will bring. Mrs. Elgenia Curtis, 31, had incurred his wrath thru an unpaid medical bill that an insurance company was to have

## Task Force report

In the \$667 million-a-year business of collecting America's bills, Illinois is fertile turf. Unscrupulous collectors among Illinois' estimated 350 agencies operate almost without restrictions. During a six-week investigation, reporters worked in eight agencies to compile this chronicle of debt collection abuses. This is the fourth in a series by Task Force director Pamela Zekman and reporters William Crawford, William Gaines, and Robert Unger.

paid. For some reason there was a delay in payment, and the collection agency was hounding Mrs. Curtis for the

\$195 owed on her tonsillectomy.

Mrs. Curtis, like many Americans, had found herself in a financial crisis, a category that 97 per cent of the collectors' prey fall into, according to collection industry sources. Only 3 per cent of debtors have no intention of paying their bills, according to these sources.

Task Force reporters working in eight collection agencies over a six-week period also found many collectors' victims, both poor and wealthy, who did not really owe the debt, had refused to pay the bill as a matter of principle, were the wrong person entirely, or were earnestly trying to pay the bill despite a severe financial setback.

MRS. CURTIS had tried to explain the bill to Harris and his cohorts at the Strom Collection Agency, but no one would

listen. The insurance company, she had explained, was supposed to pay the \$195 bill.

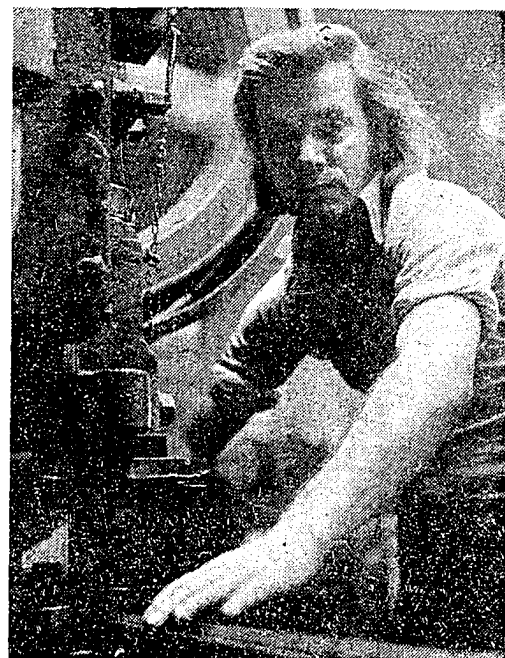
"I can't wait that long," she said Harris told her. "You'll have to pay or I'll start court action."

But he didn't start court action. Instead he started a string of repetitious and abusive phone calls to Roosevelt Hospital, where she worked—calls that landed Mrs. Curtis in front of her boss' desk.

"I was upset too because I thought I was going to lose my job," Mrs. Curtis said. "It would be a disaster to lose my job with eight kids. I was scared, and I'm still scared."

THE STROM people, under the direction of James Barsano, had threatened her repeatedly with lawsuits and verbally

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Tribune Photo by Arthur Walker

Bob Smith at his punch press.



Tribune Photo by James Mayo

Alex McConnell . . . it took a letter to the attorney general's office to stop harassment.

## Debt collectors rely on fear to prey on their victims

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abused almost everyone at Roosevelt Hospital, including the assistant administrator. And she had paid several installments on the bill despite her belief that the insurance would come thru.

Tribune Reporter William Gaines worked in the Strom agency as a collector and saw files which noted that Mrs. Curtis "will be fired if we call there again" followed by further notations that they "phoned debtor's job this day."

Strom's people had even added their own \$40 interest charge, apparently illegal, and then had agreed to "let the \$40 go" if she would pay immediately.

And the phone calls continued—to her home and her job.

**BOB SMITH**, a punch press operator, first got the calls from Strom at his job at Service Sheet Metal Co. He was not even the correct Bob Smith and his employers knew it, but that did not make any difference to Strom.

"I know it's the same Bob Smith," Barsano told a reporter working as a collector. "It's got to be. He probably set up this business on the side with some other guys and they decided not to pay any of their bills."

Barsano contended that Bob Smith, thru a company called Time Electric, owed a Strom client \$125.80 plus another \$30 in apparently illegal interest. Even Smith's employers tried to convince Barsano he had the wrong man, but Barsano only screamed, "You owe the money and you are going to pay."

**MRS. FRANCISCO Vazquez**, 46, of 2143 N. Austin Blvd., never claimed that she was the wrong person. She knew when she signed the contract with a local health club that it was for a year, but she also had been told she could break the contract if she wanted after 20 weeks.

According to the club, a statement from her doctor was all she needed to break the contract. She got the letter stating that she was suffering from high blood pressure, diabetes, arthritis, and other maladies.

But that did not satisfy Health Spa Finance, Inc., the company that was out to collect for the full year of payments.

"I'M GIVING you 10 days in which to pay the bill or we are going to come over to your house and take your furniture and sell it," she was told by Francisco Serano, a Health Spa collector. "Pay up or we're going to take your valuables."

The collector was not interested in her doctor's letter. He said: "Like it or not you have to pay. The only time you don't is if you're under age when you sign the contract."

**ALEX H. McConnell**, vice president of Intercontinental Coffee Service, 5312 N. Elston Av., thought he had taken care of all the paperwork after his divorce, even advertising that he was not responsible for his ex-wife's debts.

Strom Collection Agency saw it differently and began hounding McConnell for a \$150 bill for carpet cleaning and repair that he said his ex-wife had charged after their divorce.

"I told them to contact my attorney and he would straighten it out. They wouldn't do it, tho," McConnell said. "They would call about twice a week threatening to sue. I told them not to bother me at work, it's against the law."

**BUT STROM** continued the calls, McConnell said. "When I wouldn't come to the phone

they would insult me to whoever answered the phone here. They would say, 'What kind of a deadbeat is he? Why are you protecting this deadbeat? What kind of business place is this? Is it some hot dog stand or something?'"

Finally, McConnell sent a letter to the attorney general's office. Only then did the harassment stop.

Mrs. Mary Lewis even wore the uniform of the Chicago Police Department, but found that to be no protection against the unscrupulous bill collector. Her contacts with collectors started with harassing letters and led to a phony deputy sheriff's threat to take her mother's furniture and sell it.

Collectors from Marshall Zeidman's Account Service International, 7646 N. Sheridan Rd., told Mrs. Lewis at various times that they would sue, had sued, that she would be fired, and even that she had been fired.

**TROUBLE BEGAN** for Mrs. Lewis, a crossing guard for the police department, when she fell behind in payments to her credit union and her account was turned over to Zeidman for collection.

Zeidman sent his series of threatening letters and then worked up to his phony ploy to confirm her job with the police department. Using a phony letterhead of Western Acceptance Corp. and signing the letter as William Bennett, credit manager, Zeidman and his collectors tricked the department twice into confirming her job as a crossing guard.

Zeidman then sent the police department a series of letters under the phony letterhead of Bennett, Brady, Collins and Klein. Zeidman's nonexistent law firm, demanding that she be disciplined.

**THE MASTER** collector then used his special trick that he said is "always effective" against city employees — The Mayor Daley Form Letter, which tells the mayor that, "the immunity of civil service jobs damaged City Hall's prestige in the business community which comprises a sizable portion of your constituency."

The letter got Mrs. Lewis summoned before her bosses.

Later, the collectors told her to "post bond at the Criminal Court Building because a warrant is going out," and even told her, "Your job is terminated." None of which was true.

**COLLECTORS** are not even dissuaded by the time-honored American tradition of get what you pay for—or don't pay for what you don't get. The more unscrupulous collectors do not care if payment was withheld because of bad merchandise, poor service, or nondelivery. They just want the payment made.

Mrs. Gwen Blake, of 5740 N. Sheridan Rd., learned the lesson the hard way after she had contracted with a local moving company to move her belongings across town. The "give or take a few dollars" agreement ended with the moving company trying to add \$45 to the \$125 charge she agreed to earlier.

When she balked, she said, the movers walked out with her television set—and the North Shore Credit Bureau, 1791 W. Howard St., continues to hound her.

But there is a defense against collectors, and some people have found it. William Harris, president of a novelty card company, had refused to pay Contact, Inc., which is owned by Strom, \$105 for services he

felt they did not deliver, and the decision brought the Strom agency's wrath down on him.

"Go ahead and sue," Harris told them. "I'd welcome it."

Now they leave him alone.

Tomorrow: Illinois — Mecca for the unscrupulous bill collector.