

Walker is urged to sign legislation regulating bill collection agencies

By Pamela Zekman and William Gaines

SPOKESMEN for the bill collecting business yesterday urged Gov. Walker to sign legislation that would put unscrupulous collection agencies out of business and bring Illinois in line with 26 other states regulating bill collectors.

The bill sponsored by Rep. L. Michael Getty [D., Dolton], prohibits the freewheeling use of abusive collection tactics like those uncovered during a six-week Tribune Task Force investigation and requires that agencies be bonded and registered with the Department of Registration and Education [DRE]

State regulation is now so lax that no one knows how many agencies are operating in Illinois, the investigation disclosed.

"I BELIEVE it will be an excellent bill," said James Koller, president of the 140-member Illinois Collectors Association. "We'll be able to live with it and it will put the bad guys out of business."

Getty's bill was the only one of three measures introduced in response to The Tribune series that passed through the legislature this session. It survived stormy opposition by some collectors and lobbyists.

The opponents won an amendment to exclude businesses that collect their own



Rep. L. Michael Getty . . . the sponsor.

bills, experts agree that the bill remains an effective regulating tool and will end the "push them till they break" tactics used by unscrupulous collectors.

WESLEY TURCO, president of the American Collectors Association, said the bill is particularly good because of its "relatively high" \$25,000 bond requirement.

"That's as high as, or higher than, other states and means that the bonding companies will take a good look at the agencies before they put up that kind of money," Turco said.

He said the bonding companies, in effect, would be acting as a backup check on the DRE's screening process. The bond would be used to pay off court judgments or reimburse

creditors if a collector absconds with collected funds.

TO QUALIFY for registration, an agency operator must be 21 years old, have at least one year's experience in credit or a related field, have "good moral character," an "acceptable credit rating," and have no history of convictions for serious criminal offenses.

"We hope Gov. Walker will sign the bill," Turco said. "We are in favor of licensing and bonding, and there is no need for harassment, harsh tactics, and abuses used by the non-professionals in this field."

Getty's bill makes six tactics punishable by fines up to \$3,000. They include:

- The representation of a bill collector as an attorney, law enforcement officer, or court official. Reporters found collectors routinely posing as policemen or deputy sheriffs armed with warrants, federal marshals, and even jury commissioners.

- The use of any false identification in dealing with debtors. Reporters witnessed collectors using a grab bag of impersonations of utility company employees, delivery services, and Social Security representatives to obtain information on debtors.

- The addition of arbitrary service, interest, or penalty charges to debts, a practice commonly used by greedy agencies. One agent told a re-

porter to "add whatever you think you can get" to debtors' bills.

- The threat to ruin, destroy, or adversely affect a debtors' credit rating unless the debtor is informed of his right to inspect his credit files and correct mistakes.

- The acceptance of a payment on a debt which a collector knows is not owed. A reporter watched collectors in one agency laughingly pocket \$60 from a frightened and harassed man after they realized he didn't owe any money.

- The use of telephone calls designed to harass, annoy, or intimidate debtors, a tactic commonly used by the city's worst collectors. One collector made dozens of telephone calls pursuing a doctor after announcing to a reporter: "Today he's going to be harassed like he's never been harassed before."

Getty's bill also includes a list of prohibited practices that can cause loss of registration. The list includes threatening debtors with physical violence, legal suits, or wage garnishments; using forms that look like court documents or names that imitate any governmental agency; using lawyers' names on letters, engaging in the practice of law; and using "shame cards" or "shame automobiles" that are designed to embarrass debtors publicly.