

CFPB Sues United Holding Group, Its Affiliates, and Its Owners for Illegal Debt Collection Practices

The debt collection company and its owners knowingly used third-party collectors that engaged in unlawful and deceptive tactics

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The defendants allegedly harmed consumers by:

- **Allowing third parties to deceive consumers:** UHG, UDH, and JTM and their owners were aware some of their third-party collection companies were deceiving consumers through false and misleading statements. The defendants received hundreds of complaints that their collection companies were threatening arrest, jail, or lawsuits if consumers did not pay their debts imminently. The defendants also received recorded phone calls in which some of their third-party collection companies falsely threatened suits or made false statements about credit reporting. The defendants continued to place debt with and sell debt to these companies, allowing them to continue to collect on consumer debt after receiving evidence of their violations. As a result, some of the third-party companies continued making false threats and misleading statements for years when collecting on debt they received from the defendants.
- **Placing debt with and selling debt to collection companies engaged in unlawful behavior:** UHG, UDH, and JTM and their owners substantially assisted third-party collection companies engaged in deceptive conduct. The defendants knew or should have known the third-party debt collection companies were making false statements to consumers. For example, from 2015 through January 2017, UDH's compliance staff reviewed recorded phone calls from JTM's collection companies and found that many contained major violations of federal law. Instead of terminating its relationship with JTM, UDH increased the amount of business it sent to JTM. By 2017, UDH was using JTM almost exclusively for debt placements despite objections by UDH's compliance manager.
- The complaint is not a final finding or ruling that the defendants have violated the law.