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**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA,

Case No.

Plaintiff,

**COMPLAINT FOR CIVIL PENALTIES,
INJUNCTIVE, AND OTHER RELIEF**

v.

NCO GROUP, INC.,
a Pennsylvania corporation,
NCO FINANCIAL SYSTEMS, INC.,
a Pennsylvania corporation, and
NCO PORTFOLIO MANAGEMENT, INC.,
a Delaware corporation.

Defendants.

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission (“Commission”), for its complaint alleges as follows:

1. Plaintiff brings this action under Sections 5(a), 5(m)(1)(A), 13(b), and 16(a) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), and 56(a), and the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. §§ 1681-1681u, to obtain monetary civil penalties and injunctive or other relief for defendants’ violations of the FTC Act and the FCRA.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this matter under 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355, and under 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), 56(a), 57b, and 1681s.

3. Venue is proper in the United States District Court for the Eastern District of Pennsylvania under 28 U.S.C. §§ 1391(b) - (c) and 1395(a), and 15 U.S.C. Section 53(b).

DEFENDANTS

4. Defendant NCO Group, Inc., is a for-profit corporation organized, existing, and doing business under the laws of the State of Pennsylvania. Its principal place of business is located at 507 Prudential Road, Horsham, Pennsylvania 19044. At all times relevant to this complaint, defendant NCO Group, Inc., has transacted business in this district.

5. Defendant NCO Financial Systems, Inc., is a for-profit Pennsylvania corporation with its principal place of business located at 507 Prudential Road, Horsham, Pennsylvania 19044. NCO Financial Systems, Inc., transacts business in this district.

6. Defendant NCO Portfolio Management, Inc., is a for-profit Delaware corporation with its principal place of business located at 1804 Washington Boulevard, Montgomery Park Business Center, Baltimore, Maryland 21209. NCO Portfolio Management, Inc., transacts business in this district.

7. Defendant NCO Group, Inc., dominates or controls the operations of defendants NCO Financial Systems, Inc., and NCO Portfolio Management, Inc.

8. Defendant NCO Financial Systems, Inc., is a “debt collector” as that term is defined in Section 803(6) of the FDCPA, 15 U.S.C. § 1692a(6). As part of its debt collection activities, defendant furnishes information to consumer reporting agencies. As such, defendant is subject to Section 623 of the FCRA, 15 U.S.C. § 1681s-2, which imposes a series of duties and prohibitions upon any person or entity that furnishes information to a consumer reporting agency.

THE FAIR CREDIT REPORTING ACT

9. The FCRA was enacted in 1970 and became effective on April 25, 1971, and has been in force since that date. In 1996, the FCRA was amended extensively by Congress. Among other things, Congress added Section 623(a)(5) to the Act, which became effective on October 1, 1997.

10. Section 621 of the FCRA, 15 U.S.C. § 1681s, authorizes the Commission to use all of its functions and powers under the FTC Act to enforce compliance with the FCRA by all persons subject thereto except to the extent that enforcement specifically is committed to some other governmental agency, irrespective of whether the person is engaged in commerce or meets any other jurisdictional tests set forth by the FTC Act.

VIOLATIONS OF THE FAIR CREDIT REPORTING ACT

11. Section 623(a)(5) of the FCRA requires anyone furnishing information to a consumer reporting agency regarding a delinquent account that has been placed for collection, charged to profit or loss, or subjected to any similar action, to provide to the consumer reporting agency, not later than 90 days after furnishing the information, the month and year of the commencement of the delinquency that immediately preceded the action.

12. In the course of their business, defendants failed to comply with the requirements of section 623(a)(5) in that, for a period of time, they reported dates of delinquency to credit reporting agencies, including delinquency dates for accounts previously collected by Commercial Financial Service, Inc., on behalf of Global Rated Eligible Asset Trust, Securitized Multiple Asset Rated Trust 1997-5, and Securitized Multiple Asset Rated Trust 1997, that were later than the month and year of the commencement of the delinquency.

13. The acts and practices alleged in Paragraph 12 constitute violations of Section 623(a)(5) of the FCRA, 15 U.S.C. § 1681s-2(a)(5). Pursuant to Section 621(a)(1) of the FCRA, 15 U.S.C. § 1681s(a)(1), the acts and practices alleged in Paragraph 12 also constitute unfair or deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CIVIL PENALTIES AND INJUNCTIVE RELIEF
FOR VIOLATIONS OF THE FAIR CREDIT REPORTING ACT

14. Defendants have violated the FCRA as described above, with actual knowledge or knowledge fairly implied on the basis of objective circumstances, as set forth in Section 621(a)(2) of the FCRA, 15 U.S.C. § 1681s(a)(2).

15. Section 621(a)(2) of the FCRA, 15 U.S.C. § 1681s(a)(2), authorizes the Court to award monetary civil penalties of not more than \$2,500 per violation of Section 623(a)(5).

16. Each instance in which defendants reported a later than actual delinquency date in violation of Section 623(a)(5) of the FCRA, 15 U.S.C. § 1681s-2(a)(5), since October 1, 1997, the date that Section 623(a)(5) went into effect, constitutes a separate violation of the FCRA for which plaintiff seeks monetary civil penalties under Section 621 of the FCRA, 15 U.S.C. § 1681s.

17. Under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), this Court is authorized to issue a permanent injunction prohibiting defendants from violating the FTC Act and the FCRA, including violations of Section 623(a)(5).

PRAYER FOR RELIEF

WHEREFORE, plaintiff respectfully requests that the Court, pursuant to 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), and 1681s, and pursuant to this Court's own powers:

1. Enter judgment against defendants and in favor of plaintiff for each law violation alleged in this Complaint;

2. Award plaintiff monetary civil penalties for each violation of the FCRA as alleged in this complaint;
3. Enjoin defendants from violating Section 623 of the FCRA;
4. Award plaintiff such additional relief as the Court deems just and proper.

Dated:

FOR THE UNITED STATES OF AMERICA:

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