

# Protect yourself:

## What is collection fraud?

The term “collection agency” often spurs consumers into settling their debts – and scam artists love a scheme that entices people to pay money quickly. With collection fraud, a thief might coerce a victim into paying a debt that he or she may not even owe.



### Who is a target?

Anyone can be a target. In some cases, targets are those who have applied for “payday” or similar high-interest short-term loans, regardless of whether they actually received a loan.



### Common scenarios

An individual calls from a fraudulent company, typically named to sound similar to a law firm. The caller may state that he is with the “process and summons division” or a similar area and that there is a problem associated with your Social Security number.

Another common scenario is when the caller claims to be from the IRS, stating there was a problem with your return and that you owe back taxes.

The fraudster may try to “hook” you by claiming that you could be subject to arrest if you do not pay immediately. He may even threaten to come to your home or place of business to collect or serve you with a summons.



### Red flags

- You receive a phone call or letter from a company you’re not familiar with advising that you owe money for an unfamiliar reason.
- A caller claims there is a warrant for your arrest and advises you to make an immediate payment to avoid legal trouble.

- A caller pressures you to pay money by claiming that someone will visit your home or place of employment.
- A caller claims to be from the IRS.
- You are instructed to send payment to someone other than the party to which you supposedly owe money.



### Tips to protect yourself

**Know your rights.** The Fair Debt Collection Practices Act (FDCPA) prohibits debt collectors from the following:

- Using abusive language
- Using deceptive practices
- Contacting you at your place of employment if you tell them not to in writing
- Stating that you’ll be arrested if you fail to pay



### Reporting collection fraud

If you believe you have been victimized by collection fraud, report the incident to:

- Your state Attorney General’s office ([www.naag.org](http://www.naag.org))
- The Federal Trade Commission (FTC) at 877-382-4357 or [www.ftc.gov](http://www.ftc.gov)
- The Consumer Financial Protection Bureau at 855-411-2372 or [www.consumerfinance.gov](http://www.consumerfinance.gov)

**You may also contact your Edward Jones financial advisor if you have additional questions.**



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