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people on the phone, because they thought their legitimate account was being accessed by somebody. Then, when he got them on the phone, he turned that around and accused them of fraud. "Well, you haven't paid. Are you trying to commit credit card fraud?" And he'd emphasize, "You signed a legally binding contract," and by playing up the legal aspects, he gave this impression he was connected with law enforcement. This worked pretty well for him: He graduated earlier from the training program.

I should have mentioned that the program was a do-or-die situation. You had to bring in a certain amount of revenue to make the cut, which was pretty hard to do. So it was a lot of pressure on the collectors to go with lying, because if they didn't make a quota, they weren't going to keep the job.

R.R.: So you write in the book, "On a day-to-day level, the job also tested my standards for reasonable and humane conduct." What do you mean?

F.W.: You have to picture me sitting there, surrounded by this, and each day going into work with these folks. Our performance every day is posted on a whiteboard for everybody to see. And here's the thing: Outsiders think, "Well, how could someone do something like that, threaten a debtor with false threats?" Not that I ever did. But as a collector, call after call, you're dealing with people who really don't wanna pay the bill. They haven't paid it for two or three years. So you become inured, you get hardened to people's excuses. We had an abbreviation when you type up your notes on a call: HLS. That's where someone tells you, "Uh, my back went out, I'm out of work, and my wife is sick. The dog died." You listen to all that and then you type in HLS: hard-luck story. So as a collector, it's hard to resist the idea that debtors are trying to run scams on you. And that's how collectors justify being less than honest on the phone and using tricks: It's in retaliation. So I was trying to make my quota, as an employee in good faith, certainly feeling a pressure to adopt tactics that would work better than just calling up and saying, "Hi. Do you feel like paying this bill? No? OK. Well, we tried. Goodbye." Because that doesn't work.

R.R.: As a reporter, was it hard for you to turn off your investigative eye toward what you saw happening?

F.W.: Well, it didn't really take much investigative skill to see what was going on in plain sight. I didn't have any access to the decisions that were being made higher up. But you get a glimmer of that from time to time, based on the accounts we were sent. Using investigative skills, tracking people down: That is helpful if you're trying to do

debt collection. And I don't think the job itself is without merit. If people were doing it like the industry says, trying to help people restructure and get out of debt, that's not a bad thing.

Unfortunately, the collectors who were most successful are pretty adept at steering them (to think) that they need to pay, by whatever means, and steer (them) toward another source of debt. Back at the time I was doing this, you could still get home loans pretty cheaply, if you had any equity in a home. And — this was kind of pernicious — a pretty astute collector would steer people toward the kind of lender that would give them some money. And the debtor is happy because they'll get this money, and there'll be some left over. This lender is happy 'cause they're getting their commissions. And the debtor, that mortgage is going to blow up down the road. But nobody has to worry about that until later. So these were the most successful collectors I saw.

R.R.: How would you define yourself as a collector?

F.W.: I wasn't very successful. My whole experiment was to see if I could succeed without using the illegal tactics. I would take it to the limit, be stern, tell them, "Well, this is a serious matter, and we need to have this settlement." And I didn't quite make the quota. I mean, I worked hard, made a lot of calls, but I didn't quite bring in enough to keep the job. However, they let me graduate to full collector status because I was close and showed up every day. So I was not a good collector.

R.R.: I think I'd be terrible.

F.W.: (Laughs.) Well, you don't know until you try. The financial awards were good. If you did well, you could get pretty lucrative bonuses. The top people in the office where I worked were getting over \$10,000 a month via bonus, and I know this because everybody in the building knew it. Once a month we'd all watch the top people get their bonus checks, and it was a pretty clear message. The guys beside me, maybe just out of high school, can't even afford a car, are seeing people pulling down over \$10,000 a month on top of their salary. That's like winning the lottery to them.

That's the thing. The collections business is people in the same economic stratum as the people they're calling on the phone. A lot of the collectors had debts themselves and were feeling financial pressures of their own. They were squeezed. So it was surprising to me they would take this attitude toward people in the same boat.

R.R.: What kind of links exist among credit card companies and debt collection?

F.W.: They're really part of the same system. Credit card companies could do the

debt collection themselves. The reason they don't is because they don't want to be associated with those tactics. So they get a contractor, and they wash their hands. It's preferable for them to outsource, and when a collector does get into trouble, the card issuer is insulated from any wrongdoing. That's where the regulations come in. The penalties for violation of the (Fair Debt Collection Practices Act) haven't been raised since they were enacted in 1977. Meanwhile, we know what's happened with the financial world. I was able to establish pretty firmly that that \$1,000 penalty is really not much of a deterrent. (If a customer wins a lawsuit showing a debt collector violated the act, the customer can receive up to \$1,000 in statutory damages, plus attorney fees, from the collector.) So there's no reason not to avail yourself of harsh tactics, which do work better, because even if someone complains and they go all the way to the court — oh, my gosh! — the penalty is \$1,000.

R.R.: Recently the Consumer Financial Protection Bureau, or CFPB, proposed a rule to supervise debt collection. Can you talk about how it would work?

F.W.: In my understanding, when they say supervise, it means (the CFPB) would have people on-site. I don't know if that would mean on-site permanently or visiting. I'm hopeful that will clear up a lot of the practices that we see. However, I'm reminded of that New Yorker cartoon with these two suits, one saying to the other, "Golly, these new regulations will totally change the way we have to get around them." Collectors, they're pretty good at getting around the rules that are out there now.

The supervision will be applied to collectors with revenue of \$10 million. So the larger collectors would (say), "Well, we're not Company ABC. We're now Company A and Company B and Company C, with a different set of owners." So, I'm waiting to see how that supervision pans out.

R.R.: I don't know if you'd be willing to answer this: Have you had any personal experience with debt collection?

F.W.: On the other end? Most was unfounded. I would get calls for people who had the same number as me, but not that I'm remembering offhand. I keep no balance on my credit card. I'm one of those people who hates being in debt. I think I might have disputed a phone bill, but I'm not sure that was with collections.

R.R.: This leads to my next question. What are some simple steps people can take to stop abusive collection calls?

F.W.: They have a lot of rights under the

Fair Debt Collection Practices Act. And depending on what state they live in — Where you are in Seattle, I think they have a Department of Finance or the Attorney General's office has debt collection regulation. So that adds another layer of protection. But the main layer of protection is the FDCPA.

First, it depends on whether you're sure the debt is real, or if it's some guy trying to get you for money you maybe owed a long time in the past. In that second case, you're in good shape. You can just tell them, "Don't call again." Get an address, follow that up with a letter and keep a copy of that letter. Under the law it should turn off the calls.

Similarly, you have a right not be called at work. This is really important because, from what I saw, that was a main pressure tactic that people would use. They'd call people at work repeatedly, and if you're sitting there trying to keep your coworkers and your boss from hearing this conversation, it puts a lot of pressure on people. You just tell them, "I can't get these calls at work, don't ever call here again." And they shouldn't do it.

If there is a debt that is owed, and you think you probably need to pay it, that gets pretty involved with how many assets you have. But if it is a debt that someone thinks they want to pay, they should do a negotiation. They should keep things in writing.

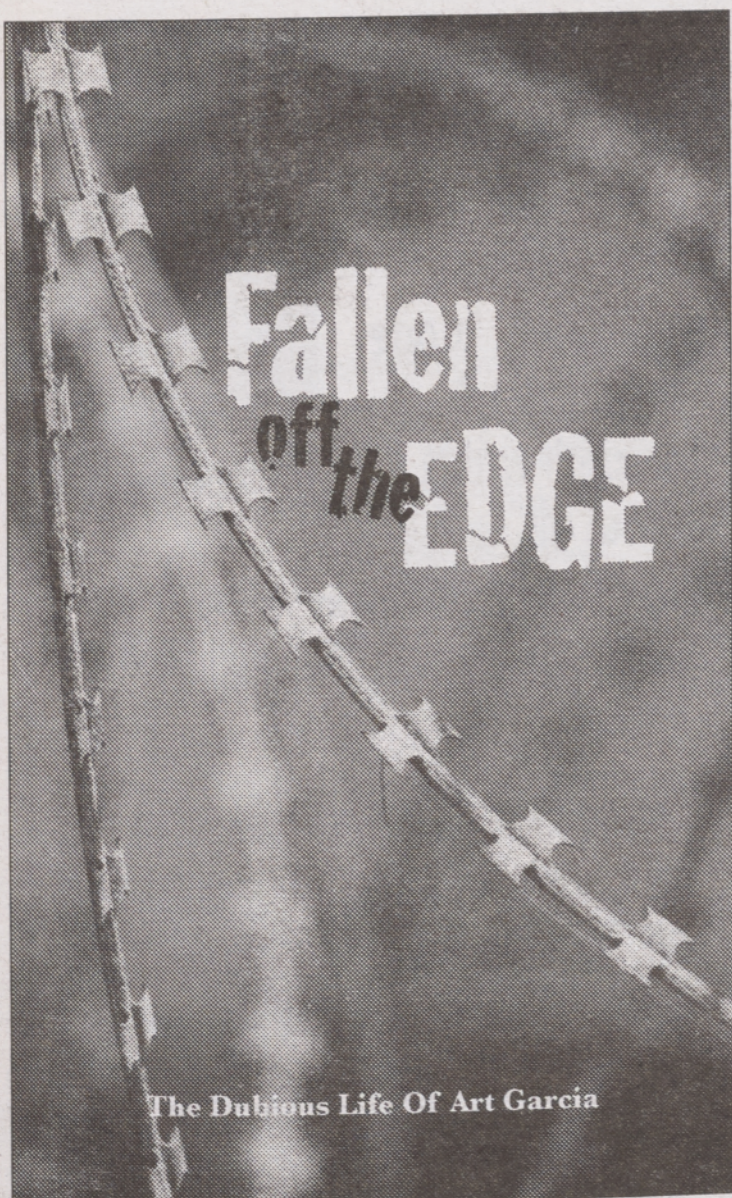
One thing to remember is to not opt for the first offer or bid. Keep in mind that toward the end of the month in the collection world is when you're going to get the best offers, if you're trying to settle a debt.

But abusive calls: I would record them, no matter what state you're in. I've had this advice from regulators. Some states have single- or dual-party consent, where it's technically illegal for you to record someone without their permission. If that makes some people uncomfortable, just say to the collector, "Well, I'm going to record this starting now." That might have a real chilling effect on the threats you're getting. And if not, they'll have this recording they can take to a consumer attorney. It helps a lot to have evidence of the kind of threatening behavior that you're alleging.

R.R.: Last question: Would you ever work as a debt collector again?

F.W.: Well, you're not supposed to say never, right? It sure would be way down on my choices of things to do. But I'm not sorry I did it. It was the most interesting job I (ever) had.

Rosette Royale is the assistant editor at Real Change News, Street Roots sister paper in Seattle, Wash. Republished from Real Change News.



Fallen Off the Edge

A new book by Art Garcia

"Fallen Off the Edge" is a chronicle of one man's experiences after returning from the Vietnam War. Told through the eyes of Street Roots columnist Art Garcia, this book celebrates the major victories born from a series of questionable choices. Art's jocular storytelling takes the reader along with him in and out of the California prison system over the course of 10 years until he found the strength and courage to pull himself up from the fall.

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