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**FEDERAL TRADE COMMISSION**  
PROTECTING AMERICA'S CONSUMERS

# FTC Charges Debt Collection Scheme Took Consumers' Money for Phantom Debts They Did Not Owe

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The Federal Trade Commission has charged a North Carolina debt collection operation and its owner with taking money from consumers for fake debts they did not owe. The action is part of the FTC's crackdown on "phantom" debt collection.

According to the FTC, [Anthony Swatsworth](#), [ACDI Group LLC](#), and [Solutions to Portfolios LLC \(ACDI\)](#) bought [phony payday loan debts](#) – loans supposedly made by "500FastCash" – from [SQ Capital](#) through a debt broker, and continued to collect on those debts even after learning the debts were fake and receiving a full refund for their purchase.

Almost immediately after ACDI started collecting on the loans, consumers complained and provided evidence that they had never taken out a 500FastCash loan. Other consumers complained that they did not have an outstanding balance. When the defendants reported the complaints to the broker, the broker returned the defendants' money and told the defendants to stop collecting on the phony debts. Yet the defendants kept collecting from consumers for at least seven more months.

According to the FTC, since the debts SQ Capital sold were counterfeit, ACDI had no right to collect on them. The defendants are charged with violating the FTC Act and the Fair Debt Collection Practices Act.

The Commission vote authorizing the staff to file the complaint was 2-0. It was filed in the U.S. District Court for the Western District of North Carolina.

**NOTE:** The Commission files a complaint when it has “reason to believe” that the law has been or is being violated and it appears to the Commission that a proceeding is in the public interest. The case will be decided by the court.

The Federal Trade Commission works to promote competition, and [protect and educate consumers](#). You can [learn more about consumer topics](#) and file a [consumer complaint online](#) or by calling 1-877-FTC-HELP (382-4357). Like the FTC on [Facebook](#), follow us on [Twitter](#), read our [blogs](#) and [subscribe to press releases](#) for the latest FTC news and resources.

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