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

# FTC Charges Debt Collection Scheme with Posing as Attorneys to Take Consumers' Money for Phantom Debts

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FOR RELEASE

July 17, 2017

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The Federal Trade Commission has charged a debt collection operation with taking people's money for fake debts they did not owe by posing as lawyers and falsely threatening to sue or have them arrested if they did not pay.

A federal court temporarily halted the operation and froze its assets at the request of the FTC, which seeks to end the practices.

According to the FTC, the defendants' collectors called people without identifying themselves as debt collectors, said a lawsuit or criminal action had been filed or soon would be filed against them, and gave a phony "case number" and a phone number to call. Those who responded were told the callers were attorneys or were calling from a law firm. The FTC also alleges that to coerce some people into paying the phantom debts, the defendants threatened them with prison time or claimed police would come to their house to arrest them.

The defendants allegedly also pretended to be unrelated, legitimate small businesses, which may have harmed those businesses' reputation and caused angry consumers to call the businesses to complain about their debt collection activities.

The FTC also alleges that the defendants illegally disclosed purported debts to third parties, failed to send consumers required written notices with the debt amount and the creditor's name, and failed to give them an opportunity to dispute the debt.

Hardco Holding Group LLC, S&H Financial Group Inc., Daryl M. Hall and Dequan M. Sicard are charged with violating the FTC Act and the Fair Debt Collection Practices Act.

The FTC appreciates the assistance provided in this case by the Florida Department of Agriculture and Consumer Services.

The Commission vote approving the complaint was 2-0. The U.S. District Court for the Middle District of Florida, Orlando Division entered a [temporary restraining order](#) against the defendants on July 10, 2017.

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.

**PRESS RELEASE REFERENCE:**

[FTC Obtains Court Order Banning Debt Collectors from Debt Collection Business](#)

[FTC Obtains Court Order Against Final Defendant in Phantom Debt Scheme](#)

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