

# **COMPLAINT PROCESS**

## **What Happens When a Complaint Is Filed Against A Collection Agency?**

### **Overview of the complaint process**

The Washington State Collection Agency Board is authorized by law to revoke, suspend, or otherwise discipline licensees who are guilty of violations of the law governing collection agencies. The Board can also impose sanctions on unlicensed collection agencies. The law establishing the Washington State Collection Agency Board was enacted by the Legislature to promote the public welfare.

### **What are the laws relating to discipline of collection agencies?**

The Collection Agency Act (Chapter 19.16 RCW), Uniform Regulation of Business and Professions (Chapter 18.235 RCW), and Board rules (Chapter 308-29 Washington Administrative Code) specify the acts that constitute grounds for discipline and the sanctions that the Board may impose.

### **Who files a complaint?**

Anyone may file a complaint. Complaints are received from debtors, other members of the profession, and the general public.

### **Does the Collection Agency Board receive a lot of complaints?**

The Department has approximately 1,300 active collection agency licensees. In 2012, we received 116 total complaints against licensed and unlicensed collection agencies.

### **What are the most common complaints?**

The most common complaints received fall into four categories:

1. Harassment (number of calls received per week)
2. General harassment (yelling, profanity, etc.)
3. Refusal to provide an itemized statement to the debtor
4. Unlicensed activity

### **How long does it take to resolve a complaint?**

It takes approximately 90 days from receipt of a complaint to resolution in most cases. It is possible, however, for a settlement to be completed in as little as 30 days or as long as 180 days. If the Board holds a formal hearing the time frame is lengthened, and the process could take up to a year.

### **How are complaints investigated?**

When we receive a complaint, we start an investigation file. Within a few days of receipt we send an acknowledgement letter to the individual making the complaint. If we need supporting documentation, we contact the individual by telephone or mail. We then send the collection

agency a letter asking them to respond to the allegations and, in most cases, to provide specific documentation. We investigate anonymous complaints, provided that sufficient information is available to investigate.

### **What happens if the Department receives a complaint about me?**

The initial step we take is to notify you that a complaint has been filed and give you an opportunity to respond to the allegations.

If we request a response from you we will identify a time frame, usually 20 days, for you to respond. If you are unable to meet this deadline, contact the Department and we will give you an extension.

The law requires that you comply with requests from the Board during the course of an investigation. The Uniform Regulation of Business and Professions Act (URBP), Revised Code of Washington (RCW) 18.235.130, states that grounds for disciplinary action include "failure to cooperate with the disciplinary authority in the course of an investigation."

The investigation process can be lengthy and the case has several possible outcomes. The case may be closed by the Department if not enough evidence is found to support the complaint or you quickly remedy the situation.

You or your attorney may contact the Department staff at any time to check on the status of the investigation or discuss proposed disciplinary action or compliance with actions taken by the Board.

### **What happens after the investigation?**

Department staff evaluates the information that was gathered and determines if specific violations of law are involved or if any additional investigation is needed.

If Department staff concludes that a violation has occurred, a proposed Statement of Charges or a Notice of Intent will be prepared and served on you by mail. You have a limited period of time in which to respond and request an administrative review. If you do not respond you will be "in default" and the Board will take action on the charges without any further opportunity for you to participate.

### **What if I deny the allegations in the complaint?**

In most cases, the Department gives you an opportunity to request a Brief Adjudicative Proceeding (BAP) which is an internal review of the case file by a presiding officer who is not a member of the staff or the Collection Agency Board. You may request a Brief Adjudicative Proceeding (BAP) after being served with a Statement of Charges or a Notice of Intent. With the request for a BAP, you may submit a response and any additional supporting evidence you wish to have considered.

The BAP is then conducted by the Presiding Officer. In a BAP, only written evidence and statements are considered -- no testimony is taken. After the BAP, the Presiding Officer will mail his written Findings of Fact, Conclusions of Law and Initial Order to you and your attorney of record, if any.

## **What happens if I disagree with the Presiding Officer's ruling?**

Within 21 days of the mailing date of the Initial Order, you may submit a written request for an administrative review by the Collection Agency Board. No additional evidence may be submitted but your stated reasons for requesting the review and arguments disputing the points of the ruling will be considered. Members of the Board will review all the documentation considered by the Presiding Officer as well as your arguments against his ruling.

The Board will either withdraw the charges or uphold the ruling by the Presiding Officer.

The Board will send you a final order which explains the sanctions the Board is imposing. If the Board takes disciplinary action, you will be required to comply with the terms and conditions imposed by the Board. Failure to comply may result in additional disciplinary action against your license.

The decision of the Board is final unless reversed or modified by a superior court. You have limited time to file an appeal for judicial review.

## **What penalties may the board impose?**

The purpose of disciplinary action is to protect the public against actions that constitute professional misconduct and could be harmful to the public welfare.

The Board may impose a variety of sanctions, which may include:

- a) Revocation of the license,
- b) Suspension of the license for a specified period of time,
- c) Reprimand, and/or
- d) Imposition of fines and investigative costs.

Disciplinary action taken by the Board through an approved settlement or Order following a hearing is public information. The fact that disciplinary action has been taken against a license is reported on the Department's website.

*IF YOU HAVE QUESTIONS, CALL THE DEPARTMENT AT (360) 664-1389*