



## Neighborhood Economic Development Advocacy Project

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### PRESS RELEASE

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#### **NYC ADVOCACY GROUPS FILE FEDERAL SUIT CHARGING THAT DEBT COLLECTORS FILED FRIVOLOUS LAWSUITS AGAINST HUNDREDS OF AT&T WIRELESS CUSTOMERS**

The Neighborhood Economic Development Advocacy Project (NEDAP) and South Brooklyn Legal Services filed a federal lawsuit today on behalf of five lower income New Yorkers, charging that two debt collection firms, Pressler and Pressler, LLP, and Palisades Collection, LLP, engaged in a pattern and practice of unlawful, unfair, and deceptive methods to collect on old debts allegedly owed to AT&T Wireless, which went out of business when it merged with Cingular in 2004.

The lawsuit alleges that the defendant companies, which bought the debt for pennies on the dollar, used an arsenal of illegal tactics to pressure low income consumers into paying them money for debts they allegedly owed, but for which defendants had no actual proof. The lawsuit alleges that the companies simply identified their targets from computer spreadsheets in their possession that contained people's names, Social Security and telephone numbers, and information allegedly pertaining to past money owed to AT&T Wireless.

"The defendants filed lawsuits against my clients, and hundreds of other New Yorkers, with no evidence that my clients actually owed the debt, and no intent ever to obtain such evidence," said Claudia Wilner, staff attorney to the NYC Consumer Financial Justice Project at NEDAP. "This and their other abusive practices are clear violations of the federal Fair Debt Collection Practices Act, which prohibits debt collectors from engaging in abusive, deceptive or unfair practices."

The lawsuit alleges that Pressler and Pressler and Palisades Collection used the following tactics to try to compel consumers to pay on spurious debts:

- Filing debt collection lawsuits against consumers, which contained untrue statements and were based on entirely inadmissible evidence;
- Browbeating unsophisticated consumers into entering into settlement agreements, misleading consumers that if they did not agree to pay debts that they would obtain court judgments against them, using documents that were in fact entirely inadmissible in court;
- Systematically obtaining default judgments against consumers on the basis of fraudulent affidavits, then freezing people's bank accounts and garnishing their wages to get the money.

The lawsuit seeks actual and statutory damages, as well as an injunction against the defendant debt collection agencies from committing similar acts in the future.