

# TRANSCRIPT OF UNDERCOVER GAO CALLS TO DEBT SETTLEMENT COMPANIES

## Telling consumers to stop paying their creditors. (Industry trade groups say their members do not do this.):

### Clip 1: Call from GAO to A NEW BEGINNING FINANCIAL (TASC MEMBER)

*Debt Settlement Company:* You don't actually have to be delinquent to be in our, into our program, but once you do enter the program you don't make credit, you don't make your payments to the creditors.

### Clip 2: Call from GAO to FREEDOMDEBT.COM (USOBA)

*Debt Settlement Company:* Once you enroll in the program, you will no longer make any of your credit card payments.

*Fictitious Consumer:* Okay, so...

*Debt Settlement Company:* That's correct.

*Fictitious Consumer:* So then, what's, what's gonna happen with my, uh, creditors? I mean...

*Debt Settlement Company:* They're, they, they're, uh, they're...you're not gonna pay 'em!

*Fictitious Consumer:* I shouldn't, I shouldn't pay a few of these cards at all?

*Debt Settlement Company:* You're not...when you are in our program you will not pay any of your creditors anymore...

*Fictitious Consumer:* [cross-chatter]

*Debt Settlement Company:* ...throughout the whole program.

**Clip 3: Call from GAO to CREDIT SOLUTIONS OF AMERICA**

***Debt Settlement Company:*** I'm, I'm saying I don't, don't tell anybody not to pay their bills. I say 100 percent of the clients who have been successful have stopped paying their bills.

***Fictitious Consumer:*** Okay. Alright...right...so now, so...so now I'm caught between a rock and a hard place. Do I put money away in my savings account or do I use that money to pay my bills, if I'm in your program?

***Debt Settlement Company:*** If you're in our program, umm, put that money into your savings account.

***Fictitious Consumer:*** Okay.

**Claims of high success rates:**

**(Federal and state investigators have generally found single-digit success rates.)**

**Clip 4: Call from GAO to WEB CREDIT ADVISORS via Free Debt Settlement Now (USOBA MEMBER)**

***Debt Settlement Company:*** Okay, great. So, it's important for you to know we have thousands of clients. We're also an accredited business with the Better Business Bureau with an A rating. Umm, and, uh, we have zero unresolved customer complaints. And that's because we do exactly what we say. And we help 100 percent of the people who enter this program eliminate their debt, uh, in less than 3 years.

**Clip 5: Call from GAO to **PROCORP DEBT SOLUTIONS (TASC MEMBER) via Free Debt Settlement Now****

*Debt Settlement Company:* Now, our fallout ratio in the program is probably the lowest in the country. Fallout ratio meaning people that sign up and then don't complete the program.

(cross-chatter)

*Fictitious Consumer:* Do you know what it is, roughly?

*Debt Settlement Company:* Yeah, it's less than 7 percent.

*Fictitious Consumer:* Wow, that's tremendous.

*Debt Settlement Company:* It's my job to know those numbers. It's my job to know those numbers.

**Fraudulent claims of links to government programs:**

**Clip 6: Call from GAO to **FREEDOM FIDELITY MANAGEMENT (CA) via The Bailout Group****

*Fictitious Consumer:* With the government the way it is, does this government approved thing, does that have anything to do with the stimulus package?

*Debt Settlement Company:* No, no. It's just, it's just government approved. They allow for us to do this.

*Fictitious Consumer:* Okay.

*Debt Settlement Company:* Um, you know the banks received, you know, bailout money last year—I'm sure you saw it on the news. There has to be some type of assistance for people on a consumer level also.

## **Other Fraudulent, Deceptive or Questionable Representations:**

### **Clip 7: Call from GAO to **PROCORP DEBT SOLUTIONS (TASC MEMBER) via Free Debt Settlement Now****

***Debt Settlement Company:*** And there's actually 12,000 companies in the U.S. that do what we do. Only 200 of them are licensed and regulated. Uh, they're regulated by TASC, which is The Association of Settlement Companies.... They are the regulating body for this industry.

***Fictitious Consumer:*** So TASC...

***Debt Settlement Company:*** They're like the SEC for stock traders. T-A-S-C.

***Fictitious Consumer:*** So, for you all, that would be kind of like, in your industry, the Good Housekeeping Seal of Approval?

***Debt Settlement Company:*** Correct. That's exactly what the story is.

### **Clip 8: Call from GAO to **PROCORP DEBT SOLUTIONS (TASC MEMBER) via Free Debt Settlement Now****

***Debt Settlement Company:*** The companies that operate like ours are the ones that are safe, stay around forever. We've never been inquired on by the Attorney General, ever. You find me a debt settlement company that can say that, and I'll move over there and work for them. Every debt settlement company that I've ever come across has had investigations or inquiries by an attorney, the Attorney General for their state. The Attorney General doesn't even, doesn't even look our way.