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Debt Collection Outfit Fined \$350,000 and Ordered to Forfeit \$946,770 for Paying Bribes to Arizona Official in Exchange for Non-Public Info

LOS ANGELES – A now-defunct debt collection company that was based in Culver City was sentenced today for its role in a scheme that paid bribes to a public official in Arizona in exchange for confidential information that helped the company collect nearly \$1 million in outstanding debts.

Professional Collection Consultants (PCC) was ordered to pay a \$350,000 fine and to forfeit \$946,770, which represent the amount of money PCC was able to collect in eight months as a result of the information obtained through bribes.

PCC was sentenced by United States District Judge S. James Otero, who is scheduled to sentence a PCC employee later this month for his role in the scheme.

According to court documents, PCC paid bribes to an employee of the Arizona Department of Economic Security, the state agency that provided unemployment insurance benefits, from approximately September 2010 through August 2013. In exchange for the bribes, the public official disclosed to PCC wage and earnings information for specific Social Security numbers that had been provided by a PCC employee. The state agency maintained employment-related data in its computer systems that were linked with federal and state databases containing confidential information for people across the nation.

The PCC employee who was charged in this case – Michael S. Flowers, 56, of Mid-City Los Angeles – provided the Arizona official with the names and social security numbers of thousands of people who owed money on accounts being serviced by PCC, and the official sent confidential information found on each individual or advise that no wages existed for a specific Social Security number. PCC used the confidential information to analyze the collectability of each debtor's debt and to determine whether it made financial sense for PCC to sue a debtor in an effort to obtain a judgment that would allow PCC to garnish wages.

Flowers deposited the bribe payments into a local bank where the Arizona official maintained an account.

During the first eight months of 2013, the confidential information assisted PCC's efforts in collecting \$946,770 in debts owed, and Flowers received a 10 percent commission on these recoveries.

PCC and Flowers each pleaded guilty to one count of conspiracy to commit bribery concerning a program receiving federal funds. Flowers is scheduled to be sentenced on May 29.

This matter was investigated by the United States Department of Labor, Office of the Inspector General, which received assistance from the Federal Bureau of Investigation.

The case is being prosecuted by Assistant United States Attorney Elisa Fernandez of the Public Corruption and Civil Rights Section.