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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

In re:

RAUCH-MILLIKEN INTERNATIONAL, INC.,

Applicant.

Docket No. 2019-9-01

CONSENT ORDER

The Director of the State of Idaho, Department of Finance (Director) has conducted a review of the Idaho collection activities of RAUCH-MILLIKEN INTERNATIONAL, INC. (the Applicant). Pursuant to said review, it appears to the Director that the Applicant has violated provisions of the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act). The Director and the Applicant have agreed to resolve this matter through this Consent Order rather than through a formal administrative or civil action. Therefore, the Director deems it appropriate and in the public interest that this Consent Order be entered. The Applicant voluntarily consents to the entry of this Consent Order.

THE APPLICANT

1. The Applicant was formed as a Louisiana corporation on February 27, 1989. The Applicant conducts business as a third-party collection agency from 4400 Trenton Street, Suite A, Metairie, Louisiana 70006. Steven Michael Rauch is the Applicant's president.

2. The Applicant held a collection agency license under the Act from April 22, 2011, until March 15, 2017, when it expired by operation of law due to a failure in timely submitting license renewal forms as required annually.

3. The Applicant reapplied for an Idaho collection agency license in October 2017, but that application was deemed withdrawn/abandoned on February 26, 2018, after the Applicant failed to cure deficiencies found in the application.

4. On December 7, 2018, the Department received a collection agency license application from the Applicant.

FACTS

5. On August 20, 2018, K.L., an Idaho resident and business owner, filed a complaint with the Department regarding the Applicant's collection attempts against his company. K.L. included several copies of collection letters that the Applicant sent to his company, as well as a copy of email correspondence his company's representative had with the Applicant. Each letter from the Applicant demanded payment of \$4,347.83 from K.L.'s business.

6. Upon review of the letter, the Department determined that 1) the Applicant was appeared to be engaged in debt collection activity in Idaho; 2) the Applicant was not licensed under the Act to engage in collection activity against Idaho residents; and 3) the Applicant had

previously entered into a Consent Order on April 22, 2011, for conducting unlicensed collection activity in Idaho.¹

7. On September 9, 2018, as part of its investigation, the Department sent a letter to the Applicant via certified mail concerning K.A.'s complaint and the Applicant's apparent unlicensed collection activity in Idaho. In that letter, the Department notified the Applicant that its Idaho collection agency license was expired and that its application for licensure had been deemed withdrawn/abandoned on February 26, 2018. The letter also advised the Applicant of the licensing requirement of the Act and the sanctions for failing to comply with such requirement.

8. The Department's September 9, 2018, letter further required the Applicant to cease all collection activity in Idaho until it became licensed to do so and requested that the Applicant provide information concerning all of its collection activities in Idaho between February 26, 2018, and September 19, 2018, including all documents relating to its collection activity against K.L.'s business. The letter required the Applicant to respond by October 10, 2018.

9. On October 9, 2018, the Applicant emailed a response to the Department and included a spreadsheet of unlicensed collection activity it had conducted in Idaho. The Applicant also stated that it had ceased all collection activity in Idaho.

10. The records that the Applicant provided to the Department substantiate that the Applicant engaged in collection activities in Idaho without a license under the Act.

¹ Pursuant to the 2011 Consent Order, the Applicant paid \$10,000 for an administrative penalty, and an additional \$1,000 for investigative expenses and attorney fees. The Applicant also agreed to cease and desist from engaging from unlicensed collection activity in Idaho until it became licensed under the Act authorizing it to do so.

ALLEGED VIOLATIONS

ENGAGING IN UNLICENSED COLLECTION AGENCY ACTIVITY IN IDAHO

11. The allegations set forth in paragraphs 1 through 10 above are fully incorporated herein by this reference.

12. Idaho Code § 26-2223 provides as follows, in pertinent part:

26-2223. Collection agency, debt counselor, or credit counselor permits.

– No person shall without complying with the terms of this act and obtaining a license from the director:

(1) Operate as a collection agency, debt counselor, credit counselor, or credit repair organization in this state.

(2) Engage, either directly or indirectly, in this state in the business of collecting or receiving payment for others of any account, bill, claim or other indebtedness.

13. “Collection agency” means a person who engages in any of the activities enumerated in either subsections (1) or (2) of Idaho Code § 26-2223, which are set forth in the previous paragraph. Idaho Code § 26-2222(4).

14. The Applicant’s acts of engaging in collection activities in Idaho without a license, as referenced above, constitute violations of Idaho Code § 26-2223(1) and (2) as set forth in paragraphs 12 and 13 above. Each act of collecting constitutes a separate violation.

REMEDIES

15. The Applicant admits to the allegations set forth in this Consent Order.

16. The Applicant agrees to immediately cease and desist from engaging in any and all collection activities in Idaho, to include making telephone calls related to collection activities, including automated calls; and mailing, faxing, e-mailing, or otherwise delivering communications to Idaho residents in connection with collection activities until such time as it obtains a license under the Act authorizing it to do so.

17. The Applicant agrees to pay to the Department the sum of twenty-five thousand dollars (\$25,000) as an administrative penalty in settlement of the violations contained herein; however sixteen thousand dollars (\$16,000) of this amount is hereby suspended for three years and will be cancelled at that time as long as Applicant has fully complied with the terms of this Consent Order. The remaining nine thousand dollars (\$9,000) shall be paid in nine equal monthly installments of one thousand dollars (\$1,000) with the first payment due on or before April 15, 2019, and each succeeding payment due on or before the fifteenth day of month.

18. When the Applicant has executed this Consent Order and timely paid to the Department the initial payment referenced in paragraph 17 above, the Department agrees to accept and consider the license application already submitted by the Applicant, and further agrees that it will not use this Consent Order as the basis for denial of the Applicant's license application.

19. The Applicant agrees to comply with all provisions of the Idaho Collection Agency Act, rules promulgated thereunder, and relevant federal law and regulations at all times in the future. As long as the Applicant is in compliance with the terms of this Consent Order and does not conduct unlicensed activity, the suspended penalty amount will be cancelled on April 15, 2022. If the Applicant violates the terms of this Consent Order, or conducts unlicensed activity, or fails to make a timely payment as described in paragraph 17, the remaining unpaid amount of the penalty, including the suspended amount, shall immediately become due and payable. If the Applicant fails to make a payment timely, the Applicant consents to its license being revoked without further opportunity for a hearing.

20. The Department agrees not to seek further penalties or fees from the Applicant for the violations addressed in this Consent Order, other than as set forth in paragraph 17 above, if the Applicant timely and fully complies with all provisions of this Consent Order.

21. The Applicant acknowledges and understands that this Consent Order is an administrative action that must be disclosed to the Department on future licensing and renewal forms. The disclosure requirements of other states may also require disclosure of the same.

22. The Applicant acknowledges and understands that should the Department learn of additional violations by the Applicant of the Act, rules promulgated under the Act, or applicable federal laws and regulations relating to the Applicant's collection activities in Idaho, the Department may pursue further legal action and seek additional remedies.

DATED this 5th day of April, 2019.

RAUCH-MILLIKEN INTERNATIONAL, INC.

By: 

President

Title

DATED this 8th day of April, 2019.

STATE OF IDAHO
DEPARTMENT OF FINANCE



ANTHONY POLIDORI

Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 8th day of April, 2019.



STATE OF IDAHO
DEPARTMENT OF FINANCE

A handwritten signature in cursive script, appearing to read 'Mary E. Hughes', written in black ink.

MARY E. HUGHES, Acting Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 8th day of April, 2019, I caused a true and correct copy of the foregoing fully-executed CONSENT ORDER to be served on the following by the designated means:

Van A. Meador Jr., Director of Operations
PO Box 8309
Metairie, LA 70011

- U.S. mail, postage prepaid
- Certified mail
- Facsimile
- Email: vmeador@rauchmilliken.com



Paralegal