

STATE OF VERMONT

**SUPERIOR COURT
WASHINGTON UNIT**

**CIVIL DIVISION
DOCKET NO. _____**

STATE OF VERMONT,)
)
 Plaintiff,)
)
 v.)
)
 RETRIEVAL-MASTERS CREDITORS)
 BUREAU, INC., A NEW YORK)
 CORPORATION, D/B/A AMERICAN)
 MEDICAL COLLECTION AGENCY,)
)
 Defendant.)

COMPLAINT

Plaintiff the State of Vermont, acting by and through its Attorney General Thomas J. Donovan, Jr., complains of Retrieval-Masters Creditors Bureau, Inc., doing business as American Medical Collection Agency, and respectfully would show the following.

PARTIES

1. Plaintiff the State of Vermont, acting by and through its Attorney General Thomas J. Donovan, Jr., brings this enforcement action in the public interest alleging violations of the Vermont Consumer Protection Act, 9 V.S.A. §§ 2451-2481. as detailed below in connection with a data breach disclosed by Defendant in June 2019.

2. Defendant Retrieval-Masters Creditors Bureau, Inc., d/b/a American Medical Collection Agency, is a New York corporation with a current principal place of business at 200

Pemberwick Rd., Greenwich, CT 06831, and a previous principal place of business at 4 Westchester Plaza, Suite 110, Elmsford, NY 10523.

PUBLIC INTEREST

3. The Vermont Attorney General believes this action to be in the public interest of the citizens of the State of Vermont and brings this lawsuit pursuant to the Vermont Consumer Protection Act, 9 V.S.A. §§ 2451-2481.

JURISDICTION & VENUE

4. This action is brought for and on behalf of The People of the State of Vermont, by Thomas J. Donovan, Jr., Attorney General of the State of Vermont, pursuant to the provisions of the Vermont Consumer Protection Act, 9 V.S.A. §§ 2451-2481, and his common law authority as Attorney General to represent the People of the State of Vermont.

5. The defendant was at all times relevant hereto engaged in trade and commerce in the State of Vermont.

6. Venue for this action properly lies in Washington County, Vermont, pursuant to 9 V.S.A. §2458.

7. This court has jurisdiction over this matter pursuant to 9 V.S.A. §2458.

ACTS OF AGENTS

8. Whenever in this Petition it is alleged that Defendant did any act, it is meant that:

A. Defendant performed or participated in the act; or

B. Defendant's officers, affiliates, subsidiaries, divisions, agents, or employees performed or participated in the act on behalf of and under the authority of the Defendant.

BACKGROUND AND STATEMENT OF FACTS

9. Defendant Retrieval-Masters Creditors Bureau, Inc., is a debt collection agency. Defendant collected medical debts on behalf of healthcare providers under the name American Medical Collection Agency ("AMCA") from consumers across the country, including residents of Vermont.

10. In June 2019, Defendant publicly disclosed that between August 1, 2018 and March 30, 2019, an unauthorized user had gained access to Defendant's internal system (hereafter "Data Breach").

11. Defendant further disclosed that the intruder had gained access to records with the personal information of approximately twenty million individuals from whom Defendant was attempting to collect payment on behalf of medical providers. The information included names, dates of birth, social security numbers, financial information, and medical information.

12. On or about June 6, 2019, Defendant began mailing notice of the Data Breach to over seven million affected consumers. These notices included an offer to affected individuals of consumer credit monitoring for two years.

13. In the regular course of its business, Defendant collected and maintained the personal information of individuals located in Vermont and throughout the country, to include dates of birth, social security numbers, financial information, and medical information (hereafter "PI").

14. Defendant's conduct in collecting and maintaining PI was subject to the Vermont Consumer Protection Act, 9 V.S.A. §§ 2451-2481, and failure to maintain reasonable data security is a violation of such Act.

15. Defendant's conduct in collecting and maintaining PI was further subject to the requirements of the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulations. *See* 45 CFR Parts 160 and 164.15.

16. Defendant represented on its website that it was compliant with all applicable Federal and State laws. It also accepted payments by credit card, thus directly and indirectly representing that it was compliant with the Payment Card Industry Data Security Standard ("PCI DSS"), which is a set of security standards designed to ensure that all companies that accept, process, store, or transmit credit card information maintain a secure environment to safeguard such information throughout the transaction process.

17. Defendant engaged in trade and commerce and did business in the State of Vermont including by acting as a Business Associate, as defined by HIPAA, and collecting debts in this state on behalf of medical providers.

CAUSES OF ACTION

18. The State of Vermont re-alleges and incorporates by reference each and every preceding paragraph of this petition.

19. The State of Vermont further alleges that Defendant has, in the conduct of trade or commerce, engaged in false, misleading, unfair or deceptive acts or practices in violation of the Vermont Consumer Protection Act, 9 V.S.A. §§ 2451-2481. More specifically, Plaintiff alleges that contrary to its representations, Defendant failed to comply with requirements to safeguard the

personal information of consumers, including the requirements of HIPAA and its implementing regulations.

PRAYER

20. WHEREFORE, Plaintiff prays that this court will award judgment for the Plaintiff and against the Defendant and enter an Order:

- A. Finding that Defendant violated the Vermont Consumer Protection Act, 9 V.S.A. §§ 2451-2481;
- B. Enjoining Defendant from engaging in the deceptive acts and practices alleged herein;
- C. Requiring Defendant to pay a penalty of up to \$10,000 per violation of the Vermont Consumer Protection Act pursuant to 9 V.S.A. § 2458(b)(1);
- D. Requiring Defendant to pay all attorneys' fees and costs.

21. The State further prays that this court grant all other relief to which the Plaintiff may show itself entitled.

STATE OF VERMONT

THOMAS J. DONOVAN JR.
ATTORNEY GENERAL

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