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ATTORNEY GENERAL OF NEW JERSEY  
Division of Law  
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Attorney for Plaintiffs

By: Cody I. Valdez (278232019)  
Deputy Attorney General

SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION  
MERCER COUNTY  
DOCKET NO.: \_\_\_\_\_-21

GURBIR S. GREWAL, Attorney General of  
the State of New Jersey, and KAITLIN A.  
CARUSO, Acting Director of the New Jersey  
Division of Consumer Affairs, acting on  
behalf of the State of New Jersey,

Plaintiffs,

v.

RETRIEVAL-MASTERS CREDITORS  
BUREAU, INC., a New York Corporation,  
d/b/a, American Medical Collection Agency,

Defendant.

**COMPLAINT**

Plaintiffs Gurbir S. Grewal, Attorney General of the State of New Jersey (“Attorney General”) with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Kaitlin A. Caruso, Acting Director of the New Jersey Division of Consumer Affairs (“Director”), acting on behalf of the State of New Jersey, with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, (collectively, “Plaintiffs”) by way of complaint state:

## **PRELIMINARY STATEMENT**

1. Defendant Retrieval-Masters Creditors Bureau, Inc., d/b/a American Medical Collection Agency (“AMCA” or “Defendant”), 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.

2. Defendant is registered with the New Jersey Secretary of State as an active foreign business corporation, effective February 1981.

3. As set forth in detail below, Plaintiffs allege that AMCA failed to protect individuals’ sensitive personal information and personal health information from a data breach.

4. As a result, Plaintiffs allege that Defendant has violated the New Jersey Consumer Fraud Act, N.J.S.A., 56:8-1 to -226 (“CFA”), including the Identity Theft Protection Act, N.J.S.A. 56:8-161 to -166 (“ITPA”).

5. Plaintiffs commence this action to halt Defendant’s misrepresentations and unconscionable commercial practices and obtain other authorized relief.

## **PARTIES AND JURISDICTION**

1. The Attorney General is charged with the responsibility of enforcing the CFA and ITPA. The Director is charged with the responsibility of administering the CFA and ITPA, on behalf of the Attorney General.

2. Jurisdiction is proper because Defendant has transacted business within New Jersey or has engaged in conduct impacting New Jersey or its residents at all times relevant to this complaint.

3. Pursuant to R. 4:3-2, venue is proper in Mercer County because Defendant has transacted business in this county.

4. Plaintiffs bring this enforcement action in the public interest alleging violations of the CFA and ITPA as detailed below in connection with a data breach disclosed by Defendant in June 2019.

### **PUBLIC INTEREST**

5. Plaintiffs have reason to believe Defendant has engaged in and will continue to engage in the unlawful practices described below. Therefore, Plaintiffs have reason to believe that Defendant has caused and will cause adverse effects to business enterprises which lawfully conduct trade and commerce in this State. Further, one of the principal purposes of the CFA and ITPA pursuant to which this action is filed is to protect consumers from identity theft, in part by requiring businesses to implement and maintain reasonable safeguards to protect the personal information of consumers from unlawful use or disclosure.

6. Therefore, Plaintiffs have reason to believe that this action is in the public interest.

### **ACTS OF AGENTS**

7. Whenever in this Complaint 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**

8. 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 New Jersey.

9. 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").

10. 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.

11. The intruder was able to gain access to Defendant's network due to the insufficient security employed by Defendant.

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 New Jersey 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 requirements of the CFA, which requires that a business implement and maintain reasonable procedures to protect from unlawful use or disclosure any personal information collected or maintained by the business in the regular course of business, including information that identifies an individual and relates to the provision of health care to the individual, and 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.

15. 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.

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

## **COUNT I**

### **VIOLATIONS OF THE CFA** **(UNCONSCIONABLE COMMERCIAL PRACTICES)**

17. Plaintiffs re-allege and incorporate by reference each and every preceding paragraph of this petition.

18. Plaintiffs further allege that Defendant has, in the conduct of trade or commerce, engaged in false, misleading, unfair or deceptive acts or practices in violation of the following provisions of the state laws: the CFA, N.J.S.A. 56:8-1 to -226. More specifically, Plaintiffs allege 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.

19. Plaintiffs further allege that Defendant’s conduct as described above violated the ITPA, N.J.S.A. 56:8-161 to -166, which provides that a business shall implement and maintain reasonable procedures, including taking any appropriate corrective action, to protect from unlawful

use or disclosure any personal information collected or maintained by the business in the regular course of business, including information that identifies an individual and relates to the provision of health care to the individual.

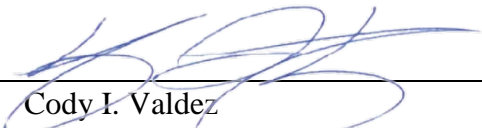
**PRAYER FOR RELIEF**

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

- A. Finding that Defendant violated the following state laws: the CFA, N.J.S.A., 56:8-1 to -226, including the ITPA, N.J.S.A. 56:8-161 to -166;
- B. Enjoining Defendant from engaging in the deceptive acts and practices alleged herein;
- C. Requiring Defendant to pay statutory civil penalties, in accordance, with the accompanying Final Consent Judgment for each and every violation of the CFA and ITPA, in accordance with N.J.S.A. 56:8-13;
- D. Requiring Defendant to pay all attorneys' fees and cost in accordance with the accompanying Final Consent Judgment as authorized by the CFA, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19; and

21. Plaintiffs further pray that this court grant all other relief to which the Plaintiffs may show themselves entitled.

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By:   
Cody I. Valdez  
Deputy Attorney General

Dated: March 11, 2021

**RULE 4:5-1 CERTIFICATION**

I certify, to the best of my information and belief, that the matter in controversy in this action involving the aforementioned violations of the CFA, N.J.S.A., 56:8-1 to -226 is not the subject of any other action pending in any other court of this State. I further certify, to the best of my information and belief, that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: \_\_\_\_\_

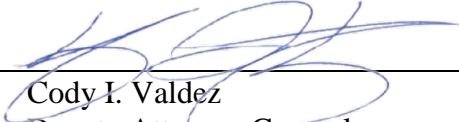
  
Cody I. Valdez  
Deputy Attorney General

Dated: March 11, 2021

**RULE 1:38-7(c) CERTIFICATION OF COMPLIANCE**

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with R. 1:38-7(b).

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

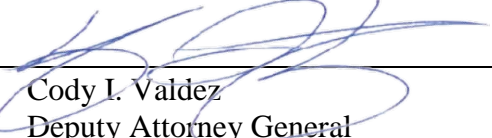
By:   
Cody I. Valdez  
Deputy Attorney General

Dated: March 11, 2021

**DESIGNATION OF TRIAL COUNSEL**

Pursuant to R. 4:25-4, Deputy Attorney General Cody I. Valdez is hereby designated as trial counsel for the Plaintiffs in this action.

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By:   
Cody I. Valdez  
Deputy Attorney General

Dated: March 11, 2021