



**Fair Collections and Outsourcing, Inc. Agrees to Order Ending 5-Year Investigation  
Agreement with Consumer Financial Protection Bureau Includes No Finding of Consumer Harm**

BELTSVILLE, MARYLAND, August 17, 2021 – Fair Collections and Outsourcing, Inc. (FCO) has entered into an agreement with the Consumer Financial Protection Bureau (CFPB) officially ending the over 60-month inquiry into FCO’s collection practices. The agreement includes no formal finding or judgment as to the merits of the Bureau’s case. In fact, over the five-year investigation, the CFPB did not identify a single consumer who was actually harmed by identity theft, the issue at the heart of the investigation.

“We have and will continue to work cooperatively with the Bureau because we have done nothing wrong. And other collection firms should take heed and work proactively towards this new ‘enhanced compliance’ that has been thrust upon our industry, before they become the next target,” said Michael Sobota, FCO’s CEO and President. “Nonetheless, it is in the best interests of our company, employees, clients and industry to end this prolonged disruption as expeditiously as possible, and entering into the stipulated order does just that.”

Among a list of items to complete, FCO will pay a civil penalty of \$850,000, hire experts to audit its collection practices and enhance its procedures related to claims of identity theft. “We operate in strict compliance with regulatory requirements, and we look forward to receiving positive feedback from the independent experts selected to audit our processes,” Sobota said. “We are certain the experts will find we perform quality research, analysis and evaluations, using the best data and tools available in our industry. We look forward to their scrutiny and welcome their feedback.”

FCO began as a small family owned and operated company with one employee working out of a basement. It has since grown into one of most respected residential property management collection companies in the United States.

Since the CFPB started its inquiry over five years ago, FCO has cooperated fully by responding to more than ten Civil Investigative Demands (CIDs), producing thousands of pages of documents, submitting to multiple depositions and providing all information requested. This was done at a substantial cost, but also with confidence that FCO operates ethically and within all regulatory compliance standards.

“FCO is a well-established company with a superior track record of helping debtors succeed in repayment,” Sobota said. “We have never been so healthy, profitable and successful in an historically difficult industry. We succeed because in every transaction, we strive to meet the highest standards of ethics and regulatory compliance and we will continue to do so.”

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