



Waltham debt-collection firm agrees to pay \$1M, change practices

By: Kris Olson July 27, 2017

Stoughton resident Alberta Silva said she can draw a straight line from the stress caused by the harassment of Waltham debt-collection law firm Lustig, Glaser & Wilson and her current health problems, which will require a “difficult surgery.”

In Marblehead resident Ron Grenier’s case, he was not the firm’s target but his mentally disabled adult son. The firm, he explained, came after his son’s meager Social Security Disability Insurance payments, money it should have known was exempt from debt collection.

For his son, the threat of being dragged into court was “overwhelming, terrifying and impossible to manage,” Grenier said. To relieve the pressure, the family began making payments from the SSDI allotments, only learning later they were not required to.

Now, Attorney General Maura Healey hopes her office has been able to spare other families similar distress.

As a result of a consent judgment, the 21-lawyer firm and its two principals, Ronald E. Lustig and Kenneth C. Wilson, have agreed to pay \$1 million in restitution and significantly change their practices, ending a suit the AG’s Office had initially filed against the firm and its two owners in 2015.

The consent judgment alleges the firm “routinely sued consumers for debts they did not owe or debts that were inaccurate, and consistently violated state law and abused the court system in the pursuit of debts,” according to a press release from Healey’s office.

However, the document approved by Superior Court Judge Edward P. Leibensperger notes that “the Final Judgment shall not be construed as an admission, waiver of defenses, or finding of liability or wrongdoing by the Responding Parties and shall not ever be offered by the Commonwealth as such in an proceeding.”

Moreover, the judgment limits to three years the period during which a firm representative will be required to supervise Lustig’s compliance with the injunctive terms of the judgment, embodying the firm’s agreed-upon amended practices.

Displayed at a press conference Thursday morning was a poster-board-sized placard noting the number of lawsuits — 211,543 — Lustig, Glaser & Wilson had filed between 2011 and 2016. Asked how many of that number related to improper debts, Healey indicated that efforts to make that determination were ongoing.

The firm has not admitted to the allegations but has agreed to change its practices, one of which should help people who find themselves in Grenier’s son’s situation in the future. Lustig will now be required to disclose to consumers that certain income is exempt from debt collection and will also cease collection if the consumer is elderly or

disabled and relies solely on exempt income.

In addition to Grenier's story, Healey's office had learned during its investigation of a 90-year-old woman in an assisted-living facility who was subsisting on Social Security and who had been threatened with being taken into custody by a sheriff on a civil arrest warrant, she said.

Healey's office indicated that consumers experiencing financial hardship, either earning wages below a certain threshold or receiving unemployment benefits, would also be protected.

Lustig has also agreed to obtain documentation and verify the accuracy of a consumer's debt before beginning collection efforts. Healey said Lustig's practice had been to buy thousands of old debts for "pennies on the dollar," the documentation of which may have been limited to a single line on spreadsheet.

Lustig will no longer be able to sue any consumer "unless an attorney has meaningfully reviewed appropriate documentation and determined that there is sufficient evidence to support its claims," Healey's office said.

Healey said that Lustig lawyers had signed affidavits without any personal knowledge about the debts to which they related.

Asked whether the firm's practices might also warrant an investigation into possible violation of the Rules of Professional Conduct, Healey said she would "leave that to others to determine."

Lustig has pledged to stop using court processes, such as payment review hearings and civil arrest warrants, to intimidate consumers who have no ability to pay the debt or are living on exempt income. When a consumer disputes the legitimacy of the debt, it will also cease collection efforts until it investigates and provides the consumer with proof of the debt.

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