

**IN THE IOWA DISTRICT COURT FOR POLK COUNTY**

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STATE OF IOWA *ex rel.*  
THOMAS J. MILLER,  
ATTORNEY GENERAL OF IOWA

Plaintiff,

v.

RETRIEVAL-MASTERS CREDIT  
BUREAU, INC., a Delaware Corporation,  
d/b/a AMERICAN MEDICAL COLLECTION  
AGENCY,

Defendant.

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**EQUITY NO. \_\_\_\_\_**

**PETITION IN EQUITY**

**PETITION FOR INJUNCTIVE AND OTHER RELIEF**

NOW COMES the State of Iowa *ex rel.* Attorney General Thomas J. Miller, through Assistant Attorney General William R. Pearson, bringing this action complaining of Defendant, Retrieval-Masters Creditors Bureau, Inc., doing business as American Medical Collection Agency, for violations of Iowa Code §§ 714.16 and 715C, and states as follows:

**PARTIES**

1. Plaintiff the State of Iowa, acting by and through its Attorney General Thomas J. Miller, brings this enforcement action in the public interest alleging violations of Iowa Code § 714.16 and Ch. 715C 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. Plaintiff State of Iowa has reason to believe Defendant has engaged in and will continue to engage in the unlawful practices described below. Therefore, Plaintiff has 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 Iowa Code Ch. 715C, 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.

4. Therefore, the State of Iowa has reason to believe that this action is in the public interest.

**JURISDICTION AND VENUE**

5. This enforcement action is brought by the Attorney General of Iowa, in the name of the State and in the public interest, pursuant to the authority granted by Iowa Code § 714.16.

6. Venue is proper in Polk County pursuant to Iowa Code § 714.16(10) because Defendant has engaged in violations of Iowa Code § 714.16 and Ch. 715C that have affected residents of Polk County.

**ADVERTISEMENT**

7. Defendant has, at all times described below, engaged in conduct which constitutes “advertisement” as that term is defined by Iowa Code § 714.16(1)(a), which states:

The term “advertisement” includes the attempt by publication, dissemination, solicitation, or circulation to induce directly or indirectly any person to enter into any obligation or acquire any title or interest in any merchandise.

**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 Iowa.

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 Iowa 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 Iowa Code Ch. 715C and Iowa Code § 714.16, which together require 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 Iowa including by acting as a Business Associate, as defined by HIPAA, and collecting debts in this Iowa on behalf of medical providers.

### **CAUSES OF ACTION**

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

18. The State of Iowa 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

following provisions of the Iowa laws: Iowa Code § 714.16 and Ch. 715C. 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.

19. The State of Iowa further alleges that Defendant's conduct as described above violated Iowa Code Ch. 715C and § 714.16, which together require 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, 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 following state laws: the Iowa Code § 714.16 and Ch. 715C;
- b. Enjoining Defendant from engaging in the deceptive acts and practices alleged herein;
- c. Requiring Defendant to pay a penalty of up to \$40,000 per deceptive or unfair act or practice and an additional amount of \$40,000 for each act or practice found to have been committed with intent to defraud, as provided in Section 7 of the Consumer Fraud Act, Iowa Code § 714.16(7);
- d. Requiring Defendant to pay all attorneys' fees and costs as provided by Section 11 of the Consumer Fraud Act, Iowa Code § 714.16(11); and

- e. Providing any such other and further relief as the Court deems just, proper, and equitable under the circumstances.

Respectfully submitted,

THOMAS J. MILLER  
Attorney General of Iowa

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Original filed.