



Printing Industry of Illinois/Indiana Association

70 East Lake Street, Chicago IL 60601

IL (312) 704-5000 IN (317) 631-5780

fax (312) 704-5025

www.pii.org

October, 2005

C.S.I.

Credit Scam Investigations: *Slam-Dunked*

A well-known, though minor, regional sports team hired a local printing company to handle a substantial amount of printing. Having been 'wowed' by the opportunity of good profits, the printer failed to do his due diligence and granted the organization a large credit line based solely on name recognition for the granting of liberal terms.

The printer tried diligently to get his money when the invoices became past due. Numerous calls were made to the client's accounts payable department who routinely promised payment. Everyone who spoke to the printer agreed that his work was 'great' and promised that a check would be issued 'shortly', thus lulling him into a false sense of security. He waited to no avail.

Frustrated, the printer then sought a higher authority within the client sports team for assistance. These people were always very conciliatory and agreed to take immediate action and send the printer his money. Needless to say, the printer did not get paid.

Finally, after several months of wasted time and resources, not to mention the cost of the raw materials that the printer had paid for out of his own pocket, the printer sought the assistance of the PII Credit Bureau.

Immediately, PII Credit Bureau saw cause for alarm. The debtor principals refused calls, avoided contact, and ignored all demands for payment. It was also determined through public records that the debtor-company had established several corporate entities. While having multiple business names in and of itself is not illegal, and in some cases, can be a practical solution to building a strong financial operation, there can also be a more dubious intent.

Once our findings were reviewed with our client, the printer, it was determined that the printer's best option was to litigate. This case was then forwarded to our local area law firm for further assistance.

The lawyer who was assigned to this case made several attempts to collect the unpaid amount from the printer's customer. Initially, the debtor promised payment, but as in the past, failed to follow through on what was agreed upon. When confronted, the debtor, once again, went into hiding and refused the attorney's calls. The attorney recommended that a lawsuit be filed immediately. Our client agreed and provided the costs required to move his case forward.



The complaint meandered its way through the legal system and approximately five months after suit was filed, the court granted the printer judgment for the full principal amount due and owing plus statutory interest. (The printer had failed to obtain a written credit agreement specifying terms that allowed him to recover **all actual collection fees, all actual attorney fees, and all actual costs**, and so, was limited to the statutory amount allowable in this jurisdiction).

Having won the battle the printer was elated. He thought, like many business people think, that upon judgment, the courts would force the debtor to pay the judgment immediately. NOT SO! He won the battle but the war was still on.

The debtor then proceeded to enter into several agreements to pay the judgment amount to our printer client, but, as in the past, failed to provide payments as stipulated. The lawyer attempted to garnish the debtor's known bank account, only to be advised that this account had been overdrawn and no monies would be forthcoming. There were no other known bank accounts or assets that could be levied upon.

The printer was frustrated yet again. He needed his money to pay his vendors. The situation was bleak. We needed a creative solution to salvage this bad situation. It was clear that the debtor was not going to pay the judgment voluntarily, even with a court order.

The PII Credit Bureau went back to researching information on the debtor, hoping to find a potential asset that our attorney could successfully use as a levy or take a lien on to satisfy the judgment award.

The Internet and Google News provided the break we needed. It was reported in various local papers that the debtor's company (the sports team) had obtained a substantial grant from the city. The team was promised more than a million dollars in funding. We hoped that the city was still holding these funds and that this would be the missing link that was so desperately needed.

This information was provided to our attorney, who proceeded to attempt the levy. IT WORKED! The court ordered all monies due to the team by the city to be held in satisfaction of the printer's claim. The debtor's asset was frozen.

Not being able to have access to the team's money, the debtor became very attentive to the printer's right to be paid. The debtor was now desperate—he wanted his money. Who's to say that 'turn-around isn't fair game'?

The debtor now wanted to resolve the unpaid debt. Offers of immediate money and future payments were made. Of course, with this debtor's history of unreliability, the offers were rejected. The lawyer, recognizing this to be nothing more than lip service and more empty promises, actually asked the debtor if the debtor 'thought him stupid' and refused to release the levy on the city's grant funds until all amounts due to the printer were paid in full.

The debtor wired all the money due the printer from another bank account. The judgment award was fully satisfied—***THE TEAM WAS SLAM-DUNKED!***

The PII Credit Bureau is a wholly-owned subsidiary of the Printing Industry of IL/IN Association. PICB is licensed and bonded and works exclusively for graphic arts firms. For more information, please contact Janet Dienes at jdienes@pii.org or (312) 580-3114.