
IN THE MATTER OF:

**LABORATORY CORPORATION
OF AMERICA**

(“LabCorp”)

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CONSENT ORDER

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Part I of Chapter 669, Sections 36a-645 to 36a-648a, inclusive, of the Connecticut General Statutes, “Creditors’ Collection Practices”, and the regulations promulgated thereunder, Sections 36a-647-2 to 36a-647-7, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”), and Part XII of Chapter 669, Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes, “Consumer Collection Agencies”, and the regulations promulgated thereunder, Sections 36a-809-6 to 36a-809-17, inclusive, of the Regulations;

WHEREAS, LabCorp is a Delaware corporation with an office located at 358 S Main Street, Burlington, North Carolina;

WHEREAS, LabCorp has never been licensed to act as a consumer collection agency in Connecticut;

WHEREAS, the Commissioner, through the Division, conducted an investigation pursuant to Sections 36a-17 and 36a-647(b) of the Connecticut General Statutes into the activities of LabCorp to determine if it had violated, was violating, or was about to violate, the provisions of the Connecticut General Statutes and Regulations within the jurisdiction of the Commissioner (“Investigation”);

WHEREAS, on October 21, 2020, the Consumer Credit Division (“Division”) of the Department of Banking sent LabCorp an unlicensed collection agency letter following a newspaper article in which a Connecticut resident complained that he received bills from “LCA Collections”, in an attempt to collect \$314 for a COVID-19 test received in May 2020;

WHEREAS, on November 19, 2020, the Division received a response from LabCorp stating that “LCA Collections” is not a consumer collection agency as defined by Section 36a-800(3) of the Connecticut General Statutes, rather, “LCA Collections” is an in-house division of LabCorp and only collects debts owed to LabCorp;

WHEREAS, as a result of the Investigation, the Commissioner alleges that LabCorp constitutes a “creditor” as defined in Section 36a-645(2) and by using the name “LCA Collections”, LabCorp is in violation of Section 36a-647-6(15) of the Regulations, which prohibits the use of any business, company or organization name other than the true name of the creditor’s organization;

WHEREAS, LabCorp responded to the Commissioner’s allegation and cited cases in which federal courts have granted motions to dismiss claims against LabCorp under the Fair Debt Collection Practices Act related to use of the name “LCA Collections”;

WHEREAS, the Commissioner believes that such allegation would support the initiation of enforcement proceedings against LabCorp, including, without limitation, proceedings to issue an order to cease and desist against LabCorp pursuant to Sections 36a-647(c) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty of up to One Hundred Thousand Dollars (\$100,000) per violation upon LabCorp pursuant to Sections 36a-647(c) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, initiation of such enforcement proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes;

WHEREAS, Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, the Commissioner and LabCorp now desire to resolve the matters set forth herein;

WHEREAS, both the Commissioner and LabCorp acknowledge the possible consequences of formal administrative proceedings, and LabCorp voluntarily agrees to this Consent Order solely for the purpose of obviating the need for formal administrative proceedings concerning the allegation set forth herein;

WHEREAS, the Commissioner and LabCorp agree that this Consent Order is a voluntary settlement of disputed claims, and that neither this Consent Order nor the performance of any action hereunder shall be deemed an admission of any wrongdoing;

WHEREAS, LabCorp specifically assures the Commissioner that the violation alleged herein shall not occur in the future;

WHEREAS, LabCorp acknowledges that this Consent Order is a public record and is a reportable event for purposes of the Nationwide Multistate Licensing System and Registry (“NMLS”), as applicable;

AND WHEREAS, LabCorp, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegation set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

CONSENT TO ENTRY OF ORDER

WHEREAS, LabCorp, through its execution of this Consent Order, consents to the Commissioner’s entry of a Consent Order containing the following terms:

1. No later than September 1, 2021, LabCorp shall cease and desist from collecting debts in this state under the name “LCA Collections” or any name other than the true name of the business, company or organization in this state, in violation of Section 36a-647-6(15) of the Regulations; and
2. No later than the date this Consent Order is executed by LabCorp, it shall remit to the Department of Banking by wire transfer, cashier’s check, certified check or money order made payable to “Treasurer, State of Connecticut”, the sum of Ten Thousand Dollars (\$10,000) as a civil penalty.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The terms set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against LabCorp based upon the allegation set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against LabCorp based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by LabCorp and reflected herein is subsequently discovered to be untrue;
3. LabCorp shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, the Commissioner’s factual allegation referenced in this Consent Order that LabCorp referred to the name “LCA Collections” in a collections notice sent to a Connecticut resident, which the Commissioner alleges, as set forth herein, violated Section 36a-647(15) of the Regulations;
4. This Consent Order shall be binding upon LabCorp and its successor and assigns; and
5. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 14th day of October 2021.

/s/

Jorge L. Perez
Banking Commissioner

I, Kathryn W. Kyle, state on behalf of Laboratory Corporation of America that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Laboratory Corporation of America; that Laboratory Corporation of America agrees freely and without threat or coercion of any kind to comply with the terms entered herein; and that Laboratory Corporation of America voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/
Name: Kathryn W. Kyle
Title: Senior Vice President & Assistant Secretary
Laboratory Corporation of America

State of: North Carolina

County of: Alamance

On this the 20 day of September 2021, before me, Kathryn W. Kyle, herself, the undersigned officer, personally appeared, who acknowledged herself to be the Assistant Secretary of Laboratory Corporation of America, a corporation, and that she as such Assistant Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Assistant Secretary.

In witness whereof I hereunto set my hand.

/s/
Notary Public – Anetta Outlaw
Date Commission Expires: 2-11-24