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New York City awards contract to Houston debt collection firm

Houston Business Journal - by [Mary Ann Azevedo](#) Houston Business Journal

Universal Fidelity LP is taking on debt collection in the Big Apple.

The Houston-based company has inked a five-year deal to collect taxes, fines and parking tickets due to the New York City Department of Finance from individuals and companies outside the state.

The contract is one of Universal Fidelity's largest to date and supports growth plans in the government sector, according to Rich Storm, president of the firm's new commercial division, Global Integrity LLC.

Universal Fidelity beat out 15 other bidders and cites a variety of reasons for being selected. The company has collection and litigation experience in the nine states where the majority of debtors are located, along with financial strength and competitive pricing.

Universal will start work in the fourth quarter out of Houston and Columbus, Ohio, locations.

"The win really speaks a lot to our organization," says Storm. "We'll act on their behalf to collect those fees for them."

The prior Finance Department contract yielded about \$125 million in placements over a three-year period, meaning Universal will be asked to collect as much as \$40 million each year.

Aging reports released to potential bidders indicated that, as of early 2006, more than \$1.9 billion was owed to New York City for the debt types included in the contract, with nearly three quarters of that number less than seven years old. City officials could not be reached for comment.

Universal generates revenue by assessing a collective fee, or a percentage of the amount it collects, according to Storm, who declined to reveal that percentage.

In addition to government clients, Universal serves companies in the credit card, student loan, health care and automotive industries. Customers include multinational banks, manufacturing institutions, Fortune 500 firms and a Fortune 5 company.

The firm recently established a new commercial division in an effort to win more commercial

customers. Besides collections, the firm also undertakes telemarketing projects.

Patrick Lunsford, editor of [insideARM .com](http://insideARM.com), an online publication focused on collections, says the contract to service New York City is significant in that it shows that if Universal is licensed to do such work in New York, the company can likely "collect anywhere."

Calling Universal "a substantial player" in the collections industry, Lunsford also notes that the firm's new commercial division represents a specific niche in focusing on business-to-business collections.

Adds Lunsford: "It's a pretty big deal and they're branding it under a different name."

Universal Fidelity LP

Business: Collections and customer service for a variety of clients

Headquarters: Houston

Year founded: 1991

Employees: More than 400 people in six offices in the U.S., Panama, and New Delhi, India. About 260 are located in Houston.

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