Prepared Statement of
The Federal Trade Commission

Before the
United States Senate
Committee on Commerce, Science and Transportation

Abusive Robocalls and How We Can Stop Them

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Chairman Thune, Ranking Member Nelson, and members of the Committee, I am Lois Greisman, Associate Director of the Division of Marketing Practices, Bureau of Consumer Protection at the Federal Trade Commission ("Commission" or "FTC").[1] I appreciate the opportunity to appear before you today to discuss the Commission's initiatives to fight illegal robocalls.

In 2003, the FTC responded to enormous public frustration with unsolicited sales calls and amended the Telemarketing Sales Rule ("TSR") to create a national Do Not Call Registry.[2] The Registry, which includes more than 229 million active telephone numbers,[3] has been tremendously successful in protecting consumers' privacy from unwanted calls by the thousands of legitimate telemarketers who subscribe to the Registry each year.[4] Subsequently, changes in technology led to a new source of immense frustration—the blasting of prerecorded messages that primarily rely on Voice over Internet Protocol ("VoIP") technology.[5] In 2008, the

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[1] The views expressed in this statement represent the views of the Commission. My oral presentation and responses to questions are my own and do not necessarily reflect the views of the Commission or any individual Commissioner.

[2] 68 Fed. Reg. 4580 (Jan. 29, 2003); 16 C.F.R. Part 310. The FTC issued the TSR pursuant to the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. §§ 6101-6108. *See generally* The Telemarketing Sales Rule, 16 C.F.R. Part 310.

[3] *See* Do Not Call Registry Data Book 2017: Who is using the Do Not Call Registry *available at* https://www.ftc.gov/policy/reports/policy-reports/commission-staff-reports/national-do-not-call-registry-data-book-fy-3.

[4] For example, in fiscal year 2017, more than 17,000 telemarketers accessed the Do Not Call Registry. *See id*.

[5] *See* Section II(A), *infra*.

Commission responded by amending the TSR to prohibit the vast majority of prerecorded sales calls.[6]

Illegal robocalls remain a significant consumer protection problem because they repeatedly disturb consumers' privacy and frequently use fraud and deception to pitch goods and services, leading to significant economic harm. Illegal robocalls are also frequently used by criminal impostors posing as trusted officials or companies. Consumers are justifiably frustrated—in fiscal year 2017 the FTC received more than 4.5 million robocall complaints.[7] The FTC is using every tool at its disposal to fight these illegal calls.[8] This testimony describes the Commission's efforts to stop telemarketer violations, including our aggressive law enforcement, initiatives to spur technological solutions, and robust consumer and business outreach.

I. Law Enforcement

Since establishing the Do Not Call Registry in 2003,[9] the Commission has fought vigorously to protect consumers' privacy from unwanted calls. Indeed, since the Commission

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[6] 73 Fed. Reg. 51164 (Aug. 29, 2008); 16 C.F.R. § 310.4(b)(1)(v).

[7] The FTC's fiscal year 2017 began October 1, 2016 and ended September 30, 2017. Total unwanted-call complaints for FY 2017 including both robocall complaints and complaints about live calls from consumers whose phone numbers are registered on the Do Not Call Registry, exceed 7million. Note, however, that the FTC identified a technical problem with complaint submissions that resulted in artificially high complaint counts in July and August. *See* Do Not Call Registry Data Book 2017: Complaint Figures for FY 2017 *available at* https://www.ftc.gov/policy/reports/policy-reports/commission-staff-reports/national-do-not-call-registry-data-book-fy-1.

[8] *See* FTC Robocall Initiatives,https://www.consumer.ftc.gov/features/feature-0025-robocalls.

[9] In 2003, two different district courts issued rulings enjoining the Do Not Call Registry. *See* Press Release, FTC Files Motion to Stay Pending Appeal in Oklahoma DNC Ruling (Mar. 24, 2003), *available at* https://www.ftc.gov/news-events/press-

began enforcing the Do Not Call provisions of the TSR in 2004, the Commission has brought 135 enforcement actions seeking civil penalties,[10] restitution for victims of telemarketing scams, and disgorgement of ill-gotten gains against 439 corporations and 356 individuals. From the 125 cases that have been resolved thus far, the Commission has collected over $121 million in equitable monetary relief and civil penalties.

A. Robocall Law Enforcement

On September 1, 2009, TSR provisions went into effect prohibiting the vast majority of robocalls selling a good or service.[11] The robocall provisions cover prerecorded calls to all consumers, including those who have not registered their phone number on the Do Not Call

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releases/2003/09/ftc-files-motion-stay-pending-appeal-oklahoma-dnc-ruling; Press Release, Statement of FTC Chairman Timothy J. Muris (Sept. 26, 2003), *available at* https://www.ftc.gov/news-events/press-releases/2003/09/statement-ftc-chairman-timothy-j-muris. Congress addressed the first decision in summary fashion by enacting HR 3161 in one day. *See* "HR 3161 (108th) Do-Not-Call-Registry bill," http://www.govtrack.us/congress/bills/108/hr3161; Press Release, Statement of FTC Chairman Timothy J. Muris (Sept. 25, 2003), *available at* https://www.ftc.gov/news-events/press-releases/2003/09/statement-ftc-chairman-timothy-j-muris-0. The 10th Circuit reversed the second district court decision on February 17, 2004. *See* Press Release, Appeals Court Upholds Constitutionality of National Do Not Call Registry (Feb. 17, 2004), *available at* https://www.ftc.gov/news-events/press-releases/2004/02/appeals-court-upholds-constitutionality-national-do-not-call.

[10] As is true of all TSR violations, telemarketers who violate the Do Not Call provisions are subject to civil penalties of up to $40,000 per violation. 15 U.S.C. § 45(m)(1)(A); 16 C.F.R. § 1.98(d).

[11] Like the other provisions of the TSR, the robocall provisions do not apply to non-sales calls, such as calls placed calls that are purely political, informational, or survey calls. Also, the provisions allow robocalls to members or prior donors of charities. *See generally* "Complying with the Telemarketing Sales Rule" (June 2016), *available at* https://www.ftc.gov/tips-advice/business-center/guidance/complying-telemarketing-sales-rule. Limited exceptions exist for calls that deliver a healthcare message made by an entity covered by the Health Insurance Portability and Accountability Act, 16 C.F.R. § 310.4(b)(1)(v)(D), and for certain calls placed by telemarketers who solicit charitable contributions, 16 C.F.R. § 310.4(b)(1)(v)(B).

Registry. The Commission has been aggressive in enforcing prohibitions against robocalls, filing 45 cases against 163 companies and 121 individuals responsible for *billions of illegal robocalls*.[12] From the 42 cases that have concluded thus far, the Commission has collected more than $29 million in civil penalties, redress, or disgorgement. Set forth below are details regarding several of our recent robocall enforcement actions.

1. Recent Enforcement Activities

i. Alliance Security

Just a few weeks ago, the FTC filed a complaint and motion for preliminary injunction in federal district court alleging that Alliance Security Inc. ("Alliance") and its founder, Jasjit "Jay" Gotra, directly and through its authorized telemarketers, called more than a million consumers whose numbers are on the Do Not Call Registry.[13] Alliance installs home security systems, and makes outbound calls to solicit the sale of the systems and associated security monitoring services.

The FTC's complaint alleges that since 2014, Alliance and Gotra made or helped others make at least two million calls to consumers that violate the TSR, including more than a million

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[12] The FTC filed 12 of the 45 cases before the rule change went into effect on September 1, 2009.

[13] Alliance and Gotra are recidivist violators of the Telemarketing Sales Rule that were under a 2014 FTC order for prior illegal calling practices. *See U.S. v. Versatile Marketing Solutions, Inc.*, 1:14-cv-10612-PBS (D. Mass. Mar. 10, 2014) *available at* https://www.ftc.gov/enforcement/cases-proceedings/122-3162/versatile-marketing-solutions-inc-also-dba-vms-alarms-et-al. Based on this pattern of behavior, the FTC's most recent enforcement action seeks a preliminary and permanent injunction that bans Alliance and Gotra from telemarketing. *FTC v. Jasjit Gotra*, 1:18-cv-10548 (D. Mass. Mar. 23, 2018) *available at* https://www.ftc.gov/enforcement/cases-proceedings/x140022/jasjit-gotra-alliance-security.

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calls to numbers on the DNC Registry.[14] Many of these calls began as illegal robocalls using "spoofed" Caller ID numbers and information.[15] Defendants then transferred the calls to a live agent, but continued to hide the identity of the caller—even taking pains to prohibit agents from naming Alliance.[16] In some cases, Alliance's agents deceptively held themselves out as a competitor, such as ADT, when calling consumers.[17] Some consumers were so frustrated by the barrage of unwanted calls from Alliance that they scheduled an alarm installation just to plead in person for an end to the calls.[18]

The FTC's complaint alleges that Alliance's disregard for consumers' privacy went beyond the telephone and reached into their personal data.[19] Alliance also performed undisclosed, unauthorized credit checks on consumers who received unsolicited telemarketing calls from Alliance or its telemarketers, in violation of the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. § 1681 *et seq*.[20] Alliance typically ran a credit check on every consumer who "pressed 1"

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[14] *FTC v. Jasjit Gotra*, 1:18-cv-10548 (D. Mass. Mar. 23, 2018) *available at* https://www.ftc.gov/enforcement/cases-proceedings/x140022/jasjit-gotra-alliance-security.

[15] *Id*.

[16] *Id*.

[17] *Id*.

[18] *Id*.

[19] *Id*.

[20] To protect consumers' privacy and safeguard their financial information, the FCRA prohibits unauthorized access to credit reports and credit scores. Under the FCRA, 15 U.S.C. § 1681b(f), it is unlawful for any "person to use or obtain a consumer report for any purpose unless," that person has a specific permissible purpose enumerated in 15 U.S.C. § 1681b(a).

in response to a call placed by Alliance or one of its telemarketers and expressed interest in obtaining an alarm system—without informing the consumer.[21]

Two of Alliance's authorized telemarketers and their principals agreed to settle charges that they made illegal calls on Alliance's behalf.[22] One telemarketer and its principal will be permanently barred from telemarketing and is subject to a civil penalty of $2,296,500, that is suspended based on inability to pay.[23] The second telemarketer and its principal will be permanently banned from selling home security and medical alert devices, making robocalls or helping anyone else make them, using spoofed caller ID numbers, and calling phone numbers on the Do Not Call Registry, unless a consumer directly contacts the principal to request a call.[24] The second telemarketer is also subject to a civil penalty of $3,293,512, which will be partially suspended due to their inability to pay, upon payment of $300,000 to the Commission.[25] The FTC is seeking strong injunctive relief and civil penalties against the remaining defendants, Alliance and Gotra, in federal district court.[26]

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[21] *FTC v. Jasjit Gotra*, 1:18-cv-10548 (D. Mass. Mar. 23, 2018) *available at* https://www.ftc.gov/enforcement/cases-proceedings/x140022/jasjit-gotra-alliance-security. Indeed, the complaint further alleges that defendants attempted to pull credit reports or scores on President Trump and former President Obama, and Vice President Pence and former Vice President Biden, among others.

[22] *Id.*

[23] *Id.*

[24] *Id.*

[25] *Id.*

[26] *Id.*

ii. Higher Goals Marketing

In December 2017, the FTC filed an action in federal district court against Higher Goals Marketing LLC to halt an alleged debt-relief scam that defrauded numerous consumers struggling with credit card debt.[27] The complaint alleges that the Higher Goals Marketing defendants used illegal robocalls to contact consumers, pitching their fake debt-relief services and charging hefty up-front fees, causing millions of dollars in injury.[28] Defendants guaranteed that consumers would substantially and permanently lower their credit card interest rates, and would save thousands of dollars in interest payments.[29] In reality, the complaint alleges, the scheme was unable to deliver the promised results to most consumers.[30] Since the FTC filed this action, all defendants stipulated to a Preliminary Injunction, which the Court entered on December 28, 2017.[31] Thanks to the filing of the FTC's enforcement action, the defendants' operation is shut down, and the Court has appointed a receiver to oversee the two corporate defendants.[32]

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[27] *See FTC v. Higher Goals Marketing LLC*, 6:17-cv-02048-GAP-KRS (M.D. Fla. Dec. 4, 2017) *available at* https://www.ftc.gov/enforcement/cases-proceedings/172-3045/higher-goals-marketing-llc.

[28] *Id.*

[29] *Id.*

[30] *Id.* The Commission also alleges that several defendants previously worked for a nearly identical telemarketing operation shut down in 2016 by court order at the request of the FTC. These defendants set up a new operation selling similar bogus credit-card interest-rate-reduction services within weeks of the court order shuttering the earlier operation. *Id.*

[31] *Id.*

[32] *See id.*

iii. *Jones* and *Ramsey* Cases

Also in 2017, the Commission filed two lawsuits, *FTC v. Justin Ramsey* and *FTC v. Aaron Michael Jones*, that shut down operations responsible for *billions* of illegal robocalls. The *Ramsey* and *Jones* defendants bombarded consumers with robocalls pitching home security systems and extended auto warranties.[33] The FTC obtained a settlement order in the *Ramsey* action that bans Ramsey and his company from placing robocalls to individuals to sell goods or services, initiating sales calls to numbers listed on the DNC Registry, and selling data lists containing phone numbers listed on the Registry.[34] Ramsey and his company also agreed to a $2.2 million civil penalty, suspended upon payment of $65,000.[35] In the *Jones* action, the court entered final orders permanently banning Jones and his companies from all telemarketing activities, including initiating robocalls, calling numbers on the DNC Registry, and selling data lists containing consumers' phone numbers and other information.[36] The default judgment order against Jones also imposes a $2.7 million civil penalty against him, payable to the Commission.[37]

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[33] *FTC v. Justin Ramsey*, 9:17-cv-80032-KAM (S.D. Fla. Jan. 13, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/132-3254/justin-ramsey; *FTC v. Michael Aaron Jones*, 8:17-cv-00058 (M.D. Fla. Jan. 13, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3152/allorey-inc. Evidence reviewed by FTC staff in connection with the *Ramsey* case indicated that a portion of the unlawful telemarketing calls targeted "distressed seniors."

[34] *FTC v. Justin Ramsey*, 9:17-cv-80032-KAM (S.D. Fla. Apr. 11, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/132-3254/justin-ramsey.

[35] *Id.*

[36] *FTC v. Michael Aaron Jones*, 8:17-cv-00058 (M.D. Fla. May 31, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3152/allorey-inc.

[37] *Id.*

Over the past three years the FTC, often in conjunction with its law enforcement partners, initiated eleven new actions targeting defendants we alleged are responsible for billions of illegal robocalls hawking home security systems, free vacations, medical alert devices, energy savings, and credit card interest rate reductions.[38] Many of the defendants in these cases are now banned from robocalling or telemarketing.[39]

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[38] *FTC v. Jasjit Gotra*, 1:18-cv-10548 (D. Mass. Mar. 23, 2018) *available at* https://www.ftc.gov/enforcement/cases-proceedings/x140022/jasjit-gotra-alliance-security; *FTC v. Higher Goals Marketing LLC*, 6:17-cv-02048-GAP-KRS (M.D. Fla. Dec. 4, 2017) *available at* https://www.ftc.gov/enforcement/cases-proceedings/172-3045/higher-goals-marketing-llc; *FTC v. Justin Ramsey*, 9:17-cv-80032-KAM (S.D. Fla. Jan. 13, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/132-3254/justin-ramsey; *FTC v. Michael Aaron Jones*, 8:17-cv-00058 (M.D. Fla. Jan. 13, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3152/allorey-inc; *U.S. v. Consumer Education.info, Inc.*, 1:16-cv-02692 (D. Col. Nov. 1, 2016), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3081/consumer-educationinfo-inc; *FTC et al. v. Life Management Services of Orange County, LLC*, 6:16-CV-982-Orl (M.D. Fla. June 8, 2016), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3216/life-management; *U.S. v. Lilly Management and Marketing, LLC*, 6:16-cv-485-Orl (M.D. Fla. Mar. 17, 2016), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3115/usa-vacation-station; *U.S. v. KFJ Marketing Inc.*, 2:16-cv-01643 (C.D. Cal. Mar. 10, 2016), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3166/kfj-marketing-llc; *FTC v. Lifewatch Inc.*, 1:15-cv-05781 (N.D. Ill. June 20, 2015), *available at* https://www.ftc.gov/enforcement/cases-proceedings/142-3123/lifewatch-inc; *FTC v. All Us Marketing LLC*, 6:15CV1016-0RL-28GJK (M.D. Fla. June 29, 2015), *available at* https://www.ftc.gov/enforcement/cases-proceedings/142-3256/all-us-marketing-llc-formerly-known-payless-solutions-llc; *FTC et al. v. Caribbean Cruise Line, Inc.*, 0:15-cv-60423 (S.D. Fla. Mar. 4, 2015), *available at* https://www.ftc.gov/enforcement/cases-proceedings/122-3196-x150028/caribbean-cruise-line-inc.

[39] *See, e.g., U.S. v. KFJ Marketing Inc.*, 2:16-cv-01643 (C.D. Cal. Nov. 7, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3166/kfj-marketing-llc (final order permanently banning corporate defendants and individual ringleader from all telemarketing); *FTC v. Michael Aaron Jones*, 8:17-cv-00058 (M.D. Fla. May 31, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3152/allorey-inc (final orders permanently banning Jones and related companies from all telemarketing activities, including initiating robocalls, calling numbers on the Do Not Call Registry, and selling data lists containing consumers' phone numbers and other information); *FTC v. All Us Marketing LLC*, 6:15CV1016-0RL-28GJK (M.D. Fla. May 22, 2017, June 8, 2016 and Nov. 1, 2016), *available at* https://www.ftc.gov/enforcement/cases-proceedings/142-3256/all-us-marketing-llc-formerly-

iv. Historic Victory in Dish Network

In addition to initiating new enforcement actions, the FTC and our law enforcement partners also achieved an historic win in a long-running fight against unwanted calls and robocalls. On June 5, 2017, a federal district court in Illinois issued an order imposing the largest penalty ever issued in a Do Not Call case: $280 million against Dish Network.[40] The *Dish* litigation began in 2009 when the Department of Justice brought an action on behalf of the FTC with the states of California, Illinois, North Carolina, and Ohio alleging millions of violations of the Telemarketing Sales Rule, the Telephone Consumer Protection Act ("TCPA") and various state Do Not Call laws.[41] The litigation centered on allegations that Dish and its telemarketers made tens of millions of calls—often robocalls[42]—to telephone numbers on the Do

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known-payless-solutions-llc (multiple final orders permanently banning most defendants from robocalling, telemarketing, and providing debt relief services); *FTC v. Justin Ramsey*, 9:17-cv-80032-KAM (S.D. Fla. Apr. 11, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/132-3254/justin-ramsey (stipulated order banning Ramsey and his company from placing robocalls to individuals to sell goods or services, initiating sales calls to numbers listed on the Do Not Call Registry, and selling data lists containing phone numbers listed on the Registry); *FTC v. Caribbean Cruise Line, Inc.*, 0:15-cv-60423 (S.D. Fla. Feb. 17, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/122-3196-x150028/caribbean-cruise-line-inc (final stipulated order banning the Pacific Telecom defendants from robocalling and illegal telemarketing, as well as helping anyone else make such calls).

[40] *See U.S. v. Dish Network, LLC*, No. 3:09-cv-03073 (C.D. Ill. June 6, 2017) *available at* https://www.ftc.gov/news-events/press-releases/2017/06/ftc-doj-case-results-historic-decision-awarding-280-million-civil.

[41] *U.S. v. Dish Network, LLC*, No. 3:09-cv-03073 (C.D. Ill. Mar. 25, 2009), *available at* https://www.ftc.gov/news-events/press-releases/2009/03/ftc-charges-dish-network-formerly-known-echostar-multiple-do-not.

[42] When the *Dish* case was filed in March of 2009, the robocall provision of the TSR was not yet in effect, thus the complaint reached Dish's unlawful use of robocalls through a count alleging violations of the TSR's abandoned call provisions. Since October 1, 2003, telemarketers have been prohibited from abandoning an outbound telephone call, and sellers are prohibited from causing a telemarketer to do so in violation of the TSR. 16 C.F.R. §

Not Call Registry and called consumers who previously asked Dish and its telemarketers to stop calling.[43] In January 2015, the Court found that Dish and its telemarketers had engaged in more than 66 million violations of the TSR and that Dish was responsible for calls made by its retailers.[44] The $280 million penalty against Dish includes $168 million to the United States for violations of the TSR and $112 million to the states for violations of the TCPA and various state laws. The order also imposed strong injunctive relief that, among other provisions, requires Dish to hire a monitor to ensure that Dish and its retailers comply with telemarketing laws.[45] The tireless efforts of DOJ and our state co-plaintiffs were invaluable in securing an outcome that takes a strong stand against companies who invade a consumer's privacy through unwanted calls and robocalls.

2. Reaching Violators Attempting to Avoid Detection

Increasingly, the perpetrators behind these abusive and often fraudulent calls take steps to avoid detection, either by operating through a web of related entities, "spoofing" their Caller ID

310.4(b)(1)(iv). An outbound telephone call is abandoned if a person answers it and the telemarketer does not connect the call to a sales representative within two (2) seconds of the person's completed greeting. 16 C.F.R. § 310.4(b)(1)(iv). The use of robocalls, where a sales pitch to a live consumer begins with or is made entirely by a pre-recorded message, violates the TSR's abandoned call prohibition because the telemarketer is not connecting the call to a sales representative within two (2) seconds of the person's completed greeting.

[43] *U.S. v. Dish Network, LLC, No. 3:09-cv-03073 (C.D. Ill. Mar. 25, 2009), available at* https://www.ftc.gov/enforcement/cases-proceedings/052-3167/dish-network-llc-united-states-america-federal-trade.

[44] *U.S. v. Dish Network, LLC*, No. 3:09-cv-03073 (C.D. Ill. Jan. 21, 2015), *available at* https://www.ftc.gov/news-events/press-releases/2015/01/court-grants-partial-summary-judgment-ftc-case-against-dish.

[45] *See U.S. v. Dish Network, LLC,* No. 3:09-cv-03073 (C.D. Ill. June 6, 2017) *available at* https://www.ftc.gov/news-events/press-releases/2017/06/ftc-doj-case-results-historic-decision-awarding-280-million-civil.

information, or hiding overseas. The FTC uses every investigative and litigation tool at its disposal to cut through these deceptions. For example, the defendants in the *Jones* and *Ramsey* cases operated through a tangle of related individuals and entities to avoid detection by law enforcement. In addition, defendants in many of our robocall cases routinely hid their true name or phone number to deceive consumers and evade detection by law enforcement and the Commission included counts in its suits targeting this unlawful Caller ID spoofing.[46]

The perpetrators behind many unlawful calls also seek to evade law enforcement by operating overseas. When consumers are victimized by fraudulent calls from international call centers, the Commission finds ways to stymie the scammers by cracking down on their U.S. enablers. In one recent case, the Commission filed suit against individuals and entities in the U.S. who were collecting money on behalf of telemarketers at India-based call centers operating government impostor scams that conned consumers into paying hundreds or thousands of dollars for taxes they did not owe, or fees for services they did not receive.[47] In another recent case, the

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[46] *See FTC v. Jasjit Gotra*, 1:18-cv-10548 (D. Mass. Mar. 23, 2018) *available at* https://www.ftc.gov/enforcement/cases-proceedings/x140022/jasjit-gotra-alliance-security*; U.S. v. KFJ Marketing Inc.*, 2:16-cv-01643 (C.D. Cal. Mar. 10, 2016), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3166/kfj-marketing-llc; *FTC v. Lifewatch Inc.*, 1:15-cv-05781 (N.D. Ill. June 20, 2015), *available at* https://www.ftc.gov/enforcement/cases-proceedings/142-3123/lifewatch-inc; *FTC v. All Us Marketing LLC*, 6:15CV1016-0RL-28GJK (M.D. Fla. June 29, 2015), *available at* https://www.ftc.gov/enforcement/cases-proceedings/142-3256/all-us-marketing-llc-formerly-known-payless-solutions-llc; *FTC v. Caribbean Cruise Line, Inc.*, 0:15-cv-60423 (S.D. Fla. Mar. 4, 2015), *available at* https://www.ftc.gov/enforcement/cases-proceedings/122-3196-x150028/caribbean-cruise-line-inc. In each case, the FTC alleged that defendants failed to transmit complete and accurate Caller ID information in violation of 16 C.F.R. § 310.4(a)(8) or assisted others in doing the same.

[47] *FTC v. PHLG Enterprises LLC*, 8:17-cv-00220-RAL-AEP (M.D. Fla. Jan. 27, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3245-x170019/phlg-enterprises-llc.

Commission brought suit against the U.S. operators of a scam that relied on Peruvian call centers and sophisticated Caller ID spoofing to pressure Spanish speaking U.S. consumers into purchasing English-language learning materials of little value—and then posing as government officials to threaten and harass uninterested consumers into "purchasing" their products.[48]

B. Coordination with Law Enforcement Partners

As the law enforcement challenges associated with illegal telemarketing have increased, the FTC's relationships with other agencies have become increasingly important. The Commission has robust, collaborative relationships with state law enforcers, including through the National Association of Attorneys General Do Not Call working group. The Commission coordinates with various partners to bring law enforcement actions. Many of the recent robocall enforcement actions the FTC has led involved collaboration with the Department of Justice or our state partners.[49] The FTC also leads robocall law enforcement "sweeps"—coordinated, simultaneous law enforcement actions—in conjunction with state and federal partners.[50]

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[48] *FTC v. ABC Hispana Inc.*, 5:17-cv-00252-JGB-DTB (C.D. Cal. Apr. 19, 2017), *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3108/abc-hispana-inc-et-al.

[49] *See supra* n. 38.

[50] For example, the FTC led a multinational robocall sweep announced in June 2016 that took action against operations estimated to be responsible for billions of illegal robocalls.[50] The June 2016 sweep included thirty-nine actions taken by the FTC, the Canadian Radio-television and Telecommunications Commission (CRTC), the United Kingdom's Information Commissioner's Office (ICO), as well as DOJ, the FCC and the attorney generals' offices of Colorado, Florida, Indiana, Kansas, Mississippi, Missouri, North Carolina, Ohio, and Washington State, and the Tennessee Regulatory Authority. *See* Press Release, FTC, Florida Attorney General Take Action Against Illegal Robocall Operation (June 14, 2016), *available at* https://www.ftc.gov/news-events/press-releases/2016/06/ftc-florida-attorney-general-take-action-against-illegal-robocall and https://www.ftc.gov/system/files/attachments/press-releases/ftc-florida-attorney-general-take-action-against-illegal-robocall-operation/160614robocallenforcementactions.pdf (listing actions comprising the coordinated enforcement crackdown).

In addition, the FTC regularly works with the Federal Communications Commission ("FCC"), the Department of Justice, the Internal Revenue Service ("IRS"), the U.S. Treasury Inspector General for Tax Administration ("TIGTA"), the U.S. Postal Inspection Service, and U.S. Attorneys' Offices across the country. The Commission also coordinates with its counterparts in other countries on particular cases and broader strategic matters such as Caller ID spoofing. The FTC's collaboration with its partners takes many forms, including sharing information and targets, assisting with investigations, and working collaboratively on long-term policy initiatives. Also, on May 17, for the third year in a row, the FTC is coordinating a meeting among stakeholders specifically to tackle Indian call-center fraud.

Just last month,the FTC and FCC co-hosted a Joint Policy Forum on Illegal Robocalls on March 23, 2018.[51] The purpose of the forum was to discuss the regulatory and enforcement challenges posed by illegal robocalls and what the FCC and FTC are doing to protect consumers and encourage the development of private-sector solutions.[52] Discussion topics included the factors driving the volume of illegal robocalls; Caller ID spoofing; new threats to consumers, such as "neighbor spoofing"; protections for callers placing legal calls; FCC rulemakings; enforcement challenges; third-party solutions and other resources available to empower consumers; and industry efforts to develop Caller ID authentication.[53] The forum included

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[51] *See* Press Release, FTC and FCC to Host Joint Policy Forum on Illegal Robocalls (Mar. 22, 2018) *available at* https://www.ftc.gov/news-events/press-releases/2018/03/ftc-fcc-host-joint-policy-forum-illegal-robocalls.

[52] *Id*.

[53] *See* Press Release, Agenda Announced for the March 23, 2018 FTC-FCC Joint Policy Forum on Fighting the Scourge of Illegal Robocalls (Mar. 19, 208) *available at* https://www.ftc.gov/news-events/press-releases/2018/03/ftc-fcc-host-joint-policy-forum-illegal-robocalls.

policy and regulatory experts from both agencies, enforcement leaders from both agencies and the Florida Office of Attorney General, representatives from voice service providers, representatives from companies providing call-blocking solutions, as well as representatives from the call originators.[54]

II. Policy and Market Stimulation Initiatives

A. Understanding the Landscape of the Robocall Problem

Despite the 2009 prohibition of unauthorized robocalls and the Commission's vigorous enforcement efforts, technological advances have permitted law-breakers to make more robocalls for less money with a greater ability to hide their identity. For example, at the end of 2009, the FTC received approximately 63,000 complaints about illegal robocalls each month.[55] That number has now more than quadrupled—in fiscal year 2017, the FTC received an average of nearly 400,000 robocall complaints per month.[56]

Recognizing that law enforcement, while critical, is not enough to solve the problem, FTC staff has aggressively sought new strategies in ongoing discussions with academic experts, telecommunications carriers, industry coordinating bodies, technology and security companies, consumers, and counterparts at federal, state, and foreign government agencies. The Commission ramped up these efforts in October 2012, when the FTC hosted a public summit on

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[54] *Id*. A video recording of the event is available on the FCC's website at https://www.fcc.gov/fcc-ftc-robocalls-forum.

[55] National Do Not Call Registry Data Book FY 2010 at 5 (Nov. 2010), *available at* https://www.ftc.gov/reports/national-do-not-call-registry-data-book-fiscal-year-2010. Since that time, the FTC began separately tracking Do Not Call complaints and robocall complaints based on information provided by the consumer.

[56] *See supra* n. 8.

robocalls to explore these issues (the "Robocall Summit").[57] Since then, as discussed below, the Commission has spurred the creation of specific groups of experts and industry members to work together and with international law enforcers to tackle this vexing consumer protection issue.

Speakers at the Robocall Summit made clear that convergence between the legacy telephone system and the Internet has allowed robocallers to engage, at very little cost, in massive, unlawful robocall campaigns that cross international borders and hide behind spoofed Caller ID information. As a result, it is not only much cheaper to blast out robocalls; it is also easier to hide one's identity when doing so.

1. Technological Developments Have Made Robocalls Extremely Inexpensive

Until relatively recently, telemarketing required significant capital investment in specialized hardware and labor.[58] Now, robocallers benefit from automated dialing technology, inexpensive international and long distance calling rates, and the ability to move internationally and employ cheap labor.[59] The only necessary equipment is a computer connected to the Internet.[60] The result: law-breaking telemarketers can place robocalls for a fraction of one cent per minute. In addition, the cheap, widely available technology has resulted in a proliferation of entities available to perform any portion of the telemarketing process, including generating leads,

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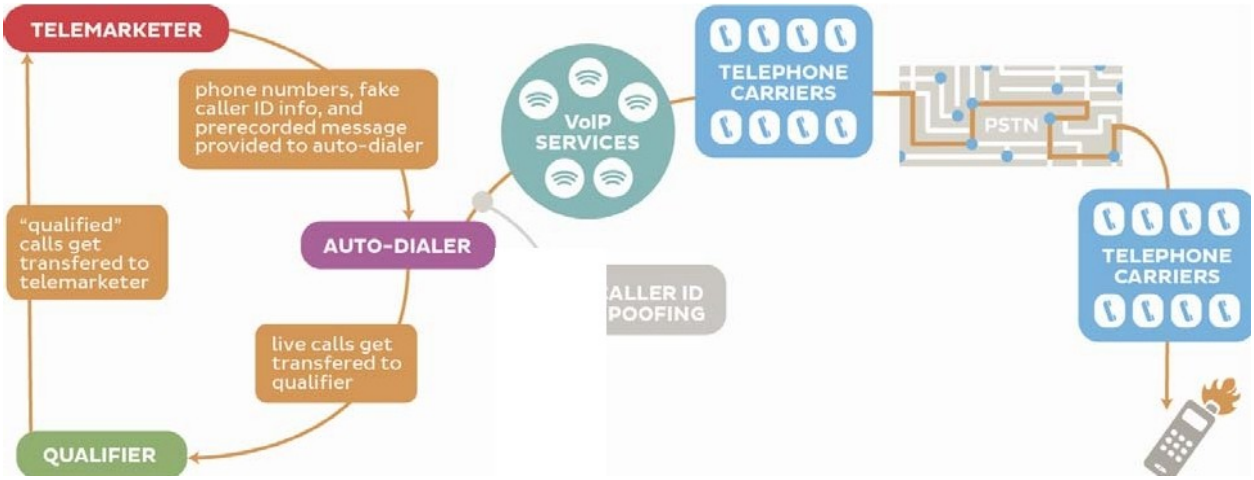
[57] *See generally* FTC Workshop, *Robocalls: All the Rage* (Oct. 18, 2012), *available at* https://www.ftc.gov/news-events/events-calendar/2012/10/robocalls-all-rage-ftc-summit. A transcript of the workshop (hereinafter "Tr.") is available at https://www.ftc.gov/sites/default/files/documents/public_events/robocalls-all-rage-ftc-summit/robocallsummittranscript.pdf.

[58] Herrmann, Tr. at 58-59; Schulzrinne, Tr. at 24.

[59] Schulzrinne, Tr. at 24.

[60] Herrmann, Tr. at 59-61.

placing automated calls, gathering consumers' personal information, or selling products.[61] Because of the dramatic decrease in upfront capital investment and marginal cost, robocallers—like email spammers—can make a profit even if their contact rate is very low.[62]



Technology enables a cheap and scalable model for robocalls.

2. Technological Developments Have Made It Easier for Robocallers to Hide

Technological changes have also affected the marketplace by enabling telemarketers to conceal their identities when they place calls. First, direct connections do not exist between every pair of carriers, so intermediate carriers are necessary to connect many calls. Thus, the typical call now takes a complex path, traversing the networks of multiple VoIP and legacy carriers before reaching the end user.[63] These circuitous paths make it cumbersome to trace a

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61 Schulzrinne, Tr. at 20-21; Maxson, Tr. at 95-98.

62 Schulzrinne, Tr. at 21; Bellovin, Tr. at 16-17.

63 Panagia, Tr. at 130-32; Bellovin, Tr. at 17.

call to its inception.[64] All too often, this process to trace the call fails because one of the carriers in the chain has not retained the records necessary for a law enforcement investigation.[65]

Second, callers can easily manipulate the Caller ID information that appears with an incoming phone call.[66] While "Caller ID spoofing" has some beneficial uses,[67] it also allows telemarketers to deceive consumers by pretending to be an entity with a local phone number or a trusted institution such as a bank or government agency.[68] In addition, telemarketers can change their phone numbers frequently in an attempt to avoid detection.[69] Today, many illegal callers rely on "neighbor spoofing", the practice of using a Caller ID number that appears to be from a number local to the call recipient.[70]

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[64] Schulzrinne, Tr. at 24-25; Maxson, Tr. at 100; Bash, Tr. at 104. Recently, USTelecom's Industry Traceback Group has been able to assist law enforcement to traceback a call more quickly through the network.

[65] Panagia, Tr. at 160-61; *see also id*. at 132-133; Schulzrinne, Tr. at 21.

[66] Schulzrinne, Tr. at 24-26.

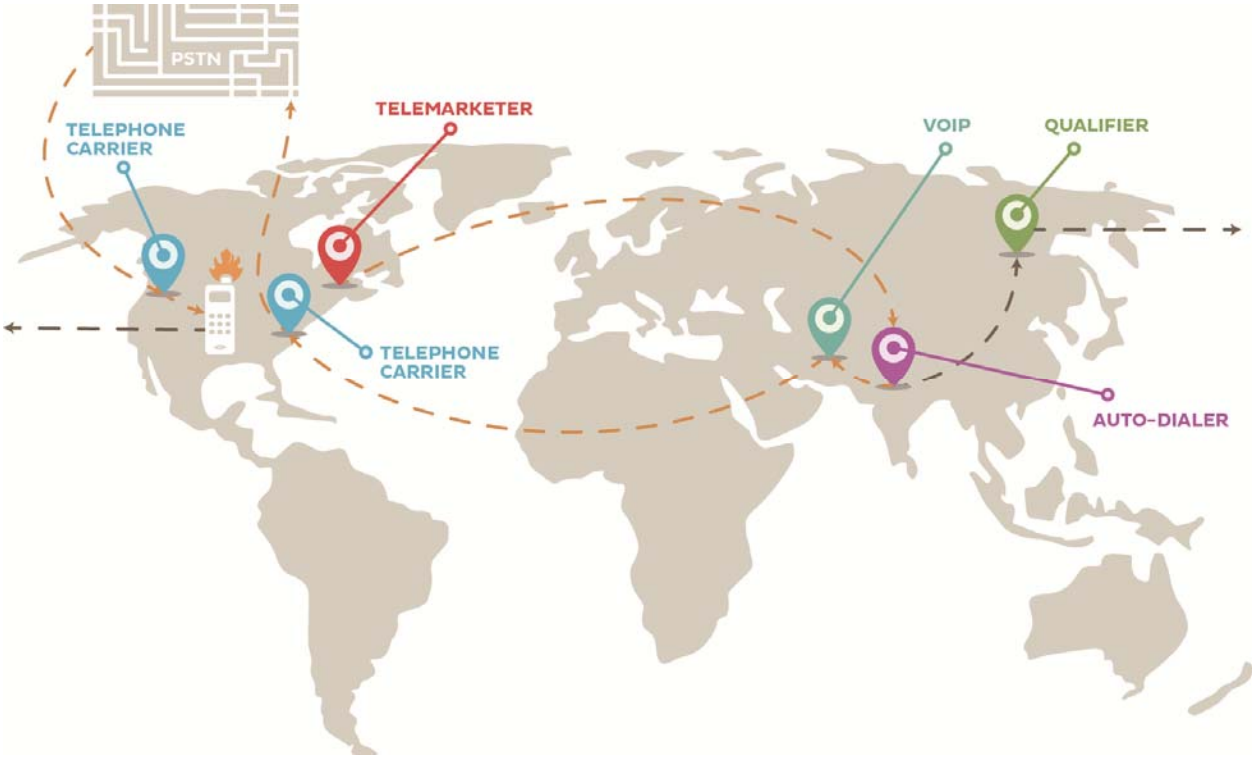
[67] *See, e.g.*, Panagia, Tr. at 129 (AT&T allows the third party that performs AT&T's customer service to "spoof" AT&T's customer service line).

[68] Schulzrinne, Tr. at 21-22.

[69] *Id.* at 24-26; Maxson, Tr. at 97; Bash, Tr. at 103. Under the Truth in Caller ID Act, it is generally illegal to transmit misleading or inaccurate Caller ID information with intent to defraud. *See* Truth in Caller ID Act, 47 U.S.C.§ 227(e); *cf.* 16 C.F.R. § 310.4(a)(8) (the Telemarketing Sales Rule requires that sellers and telemarketers transmit or cause to be transmitted the telephone number and, when made available by the telemarketer's carrier, the name of the telemarketer, to any caller identification service in use by a recipient of a telemarketing call, or transmit the customer service number of the seller on whose behalf the call is made and, when made available by the telemarketer's seller, the name of the seller. Under this provision, it is not necessary to prove intent to defraud.).

[70] *See* FTC Consumer Information Blog, That's Not Your Neighbor Calling https://www.consumer.ftc.gov/blog/2018/01/thats-not-your-neighbor-calling.

Finally, new technologies allow robocallers to operate outside of jurisdictions where they are most likely to face prosecution.[71] Indeed, the entities involved in the path of a robocall can be located in different countries, making investigations even more challenging.



The path of a robocall can span the entire globe.

B. Efforts to Stimulate Technological Solutions

1. Robocall Contests

Recognizing the need to spur the marketplace into developing technical solutions that protect American consumers from illegal robocalls, the FTC lead four public challenges to help tackle the unlawful robocalls that plague consumers. In 2012-2013, the FTC conducted its first

[71] Schulzrinne, Tr. at 21; Bellovin, Tr. at 16-17.

Robocall Challenge[72], and called upon the public to develop a consumer-facing solution that blocks illegal robocalls, applies to landlines and mobile phones, and operates on proprietary and non-proprietary platforms. In response, we received 798 submissions and partnered with experts in the field to judge the entries. One of the winners, "NomoRobo," was on the market and available to consumers by October 2013—just 6 months after being named one of the winners. To date, "NomoRobo," which reports blocking over 600 million calls, is being offered directly to consumers by a number of telecommunications providers and is now available as an app on iPhones.[73]

The following year, the FTC launched its second challenge—Zapping Rachel[74]—which called upon information security experts to help create a robust robocall honeypot. Sixty teams and individuals signed up for one or more phase, and FTC staff obtained new insights that improved current robocall honeypot designs and connected new partners and stakeholders.

In June 2015, the FTC sponsored its third challenge, DectectaRobo[75], in which it called upon the public to analyze call data to create algorithms that could predict which calls were likely robocalls. Nineteen teams from all over the U.S. participated. Later in 2015, the FTC

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[72] For more information on the first FTC Robocall Challenge, *see* https://www.ftc.gov/news-events/press-releases/2013/04/ftc-announces-robocall-challenge-winners.

[73] *See* https://www.nomorobo.com/ (last visited April 4, 2018) and Robocall Strike Force, Robocall Strike Force Report at 17-18 (April 28, 2017), https://www.fcc.gov/file/12311/download ("*Strike Force Report II*") at 17-18.

[74] A robocall honeypot is an information system designed to attract robocallers and help investigators and academics understand and combat illegal calls. For more information on the Zapping Rachel challenge *see* https://www.ftc.gov/news-events/contests/zapping-rachel.

[75] For more information on the Detectarobo challenge *see* https://www.ftc.gov/news-events/contests/detectarobo.

challenged information security experts to create tools people could use to block and forward robocalls automatically to a honeypot as part of the Robocalls: Humanity Strikes Back challenge.[76] Contestants built and submitted robocall solutions to the judges and finalists, then competed to "seed" their solutions and collect the highest number of robocalls. One of the winners of the Humanity Strikes Back challenge developed Robokiller, a call-blocking app available for iOS phones.[77]

Each of the four challenges provided the Commission with an opportunity to promote industry dialogue and innovation in combatting illegal robocalls, develop industry partnerships, and refine its understanding of the robocall problem and potential solutions. More importantly, the challenges contributed to a shift in the development and availability of technological solutions in this area, particularly call-blocking and call-filtering products. A number of voice service providers now offer call-blocking or call-filtering products to some or all of their customers.[78] In addition, there are a growing number of free or low-cost apps available for download on wireless devices that offer call-blocking and call-filtering solutions.[79]

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[76] For more information on the Robocalls: Humanity Strikes Back challenge, *see* https://www.ftc.gov/news-events/contests/robocalls-humanity-strikes-back.

[77] *See* https://www.robokiller.com/ (last visited April 4, 2018).

[78] For example, in late 2016 AT&T launched "Call Protect", which is a product available to many AT&T wireless customers that blocks fraud calls and flags others as potential "spam." *See* http://about.att.com/story/att_call_protect.html. T-Mobile offers its wireless customers two free products, "Scam ID" and "Scam Block", that flag and block unwanted calls. *See* http://explore.t-mobile.com/callprotection (last visited April 4, 2018). Verizon offers a product called "Caller Name ID" to its wireless customers that also attempts to flag and block unwanted calls. *See* https://www.verizonwireless.com/solutions-and-services/caller-name-id/ (last visited April 4, 2018). In addition, a number of carriers make Nomorobo available to their VoIP or cable line customers. *See, e.g.*, https://www.fcc.gov/consumers/guides/stop-unwanted-calls-texts-and-faxes (listing available call blocking resources from a number of wireline providers) (last visitedApril 4, 2018).

2. Coordinating with Technical Experts, Industry, and Other Stakeholders

The FTC provided input to support the industry-led Robocall Strike Force, which is also working to deliver comprehensive solutions to prevent, detect, and filter unwanted robocalls.[80] In tandem with this effort, the FTC worked with a major carrier and federal law enforcement partners to help block IRS scam calls that were spoofing well-known IRS telephone numbers. The Strike Force expanded this effort and it contributed to a drop in IRS scam calls at the end of 2016.[81]

The Strike Force also found that, while several providers and third parties offered call-blocking products, there was no widespread call-blocking solution spanning the networks. In order to provide proactive call-blocking services to customers, the Strike Force sought clarification from the FCC that "blocking presumptively illegal calls is one of the tools carriers

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[79] The Cellular Telecommunications Industry Association (CTIA) maintains a list of hundreds of available call blocking apps (including a list of the top 15 apps as determined by CTIA), both for iOS devices: https://www.ctia.org/consumer-tips/robocalls/ios-robocall-blocking and for Android devices: https://www.ctia.org/consumer-tips/robocalls/android-robocall-blocking (last visited April 4, 2018).

[80] The Robocall Strike Force developed in response to a call from the FCC to make better call blocking solutions available to consumers, quickly, and free of charge. *See* Robocall Strike Force, Robocall Strike Force Report at 1 (2016), https://transition.fcc.gov/cgb/Robocall-Strike-Force-Final-Report.pdf. The FTC has long been a proponent of call blocking services as a critical tool to reduce unwanted calls and robocalls and strongly supports the Strike Force's efforts. *See e.g.*, FTC Staff, Comments Before the Federal Communications Commission on Public Notice DA 14-1700 Regarding Call Blocking, CG Docket No. 02-278; WC Docket No. 07-135 (Jan. 23, 2015), *available at* https://www.ftc.gov/policy/policy-actions/advocacy-filings/2015/01/ftc-staff-comment-federal-communications-commission.

[81] *See* Robocall Strike Force, Robocall Strike Force Report at 32-33 (2016), https://transition.fcc.gov/cgb/Robocall-Strike-Force-Final-Report.pdf.

are permitted to use to provide consumers additional relief."[82] In response, in March 2017, the FCC issued a Notice of Proposed Rule Making and Notice of Inquiry that sought to expand the categories of calls that voice service providers are authorized to block and invited comment on what types of standards should govern providers engaged in call blocking.[83] The FTC filed a comment in response, supporting the NPRM's efforts to expand the categories of calls that voice service providers are authorized to block and encouraging the FCC to allow for some provider flexibility when considering standards to govern provider-based blocking of presumptively-illegal calls.[84] In November 2017, the FCC issued a Report and Order that enabled voice service

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[82] *See id*. at 40.

[83] Specifically, the FCC's NPRM sought input on rulemaking proposals that would authorize two categories of provider-based call blocking: 1) when the subscriber to a particular telephone number requests that telecommunications providers block calls originating from that number; and 2) when the originating number is invalid, unallocated, or unassigned. *See* Advanced Methods to Target and Eliminate Unlawful Robocalls, Notice of Proposed Rulemaking and Notice of Inquiry, CG Docket No. 17-59, FCC 17-23 (released Mar. 23, 2017), *published in* 82 Fed. Reg. 22625 (May 17, 2017).

[84] *See* Comment of the FTC to the Federal Communications Commission, Advanced Methods to Target and Eliminate Unlawful Robocalls, Notice of Proposed Rulemaking and Notice of Inquiry, CG Docket No. 17-59, FCC 17-23 (July 3, 2017), *available at* https://www.ftc.gov/system/files/documents/advocacy_documents/ftc-staff-comment-federal-communications-commission-supporting-fccs-proposed-expansion-provider/ftc_comment_to_fcc_re_nprm_noi_call_blocking_07032017.pdf. As call-blocking technology gains momentum, the FTC is mindful about concerns that bad actors may place telemarketing calls while spoofing an innocent consumer's telephone number as the outbound caller ID number in an effort to evade detection or that the inadvertent blocking of legitimate calls may occur. These concerns were also raised by the FCC and addressed in the FTC's Comment.

providers to block certain categories of calls before they reach consumers' phones as proposed by the Notice of Proposed Rulemaking.[85]

Increased call-blocking and call-labeling tools for consumers has presented new challenges for call originators, some of which contend that their calls are being erroneously blocked or labeled. The FTC participates in several forums that seek to improve the communication between call originators and service providers. The FCC also recently sought input on how best to address the question of potential errors in call blocking and call labeling.[86] In response, the FTC filed a comment encouraging providers of call-blocking services to consider engaging in practices that could reduce the potential for inadvertently blocking wanted calls, such as communicating clearly to subscribers the types of calls that are being blocked, using plain and specific terms to label calls, and providing designated points of contact to handle questions about calls blocked in error.[87]

The FTC also has engaged with technical experts, academics, and others through industry groups, such as the Messaging, Malware and Mobile Anti-Abuse Working Group ("M^{3}AAWG"). M^{3}AAWG is a consortium of industry, regulators, and academics focused on developing solutions to mitigate various forms of messaging abuse such as email spam.[88] After discussions

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[85] *See* Advanced Methods to Target and Eliminate Unlawful Robocalls, Report and Order and Further Notice of Proposed Rulemaking, CG Docket No. 17-59, FCC 17-151 (released Nov. 17, 2017).

[86] *See id.*

[87] *See* Comment of the FTC to the Federal Communications Commission, Advanced Methods to Target and Eliminate Unlawful Robocalls, CG Docket No. 17-59, FCC 17-151 (Jan 23, 2018), *available at* https://www.ftc.gov/policy/advocacy/advocacy-filings/2018/01/ftc-staff-comment-federal-communications-commission.

[88] *See* M^{3}AAWG, Activities, https://www.m3aawg.org/ (last visited April 5, 2018).

with the FTC and others, M[3]AAWG leadership formed the Voice and Telephony Abuse Special Interest Group ("VTA SIG") in 2014, a subgroup formed to apply M[3]AAWG's expertise on messaging abuse to voice spam, such as robocalls.[89]

Through the VTA SIG, the FTC coordinates with experts working on industry standards that will combat Caller ID spoofing by enabling the authentication of VoIP calls, such as the Internet Engineering Task Force's working group called "STIR"—Secure Telephone Identity Revisited.[90] The FTC further promotes technical advancements by collaborating with its counterparts in other countries, through its leadership in the Unsolicited Communications Enforcement Network ("UCENet") an international syndicate of government agencies and private sector representatives focused on international spam enforcement cooperation.[91]

3. Data Initiatives

The Commission also engages in information sharing to help facilitate technological solutions such as call blocking and has taken steps to increase the quality and quantity of shared information. To that end, on September 28, 2016, the FTC updated its Do Not Call complaint intake process to provide a drop-down list of possible call categories for consumers to choose from to make it easier for consumers to report the subject of the call and to help the Commission identify trends.

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89 *See* M[3]AAWG, Voice and Telephony Abuse Special Interest Group, https://www.m3aawg.org/voice-and-telephony-abuse-sig (last visited April 5, 2018).

90 *See* Internet Eng'g Task Force, Secure Telephone Identity Revisited (STIR), https://datatracker.ietf.org/wg/stir/charter/ (last visited April 5, 2018).

91 *See* https://www.ucenet.org/ (last visited April 5, 2018).

Next, in fiscal year 2017, the FTC redesigned its annual National Do Not Call Registry Data Book.[92] The Data Book now provides more information on robocall complaints, new information about the types of calls consumers reported to the FTC, and includes a complete state-by-state analysis.[93] In addition, this year the FTC has developed a "mini site" on its website to make the information in the FY 2017 Data Book more accessible for the public, such as providing a webpage for each state.[94] For the first time, the data behind the report is also available in data files on the new website.[95]

One of the features of the new Data Book is a breakdown of the topics of calls reported to the FTC that it gathered from the FTC's revised online complaint form:

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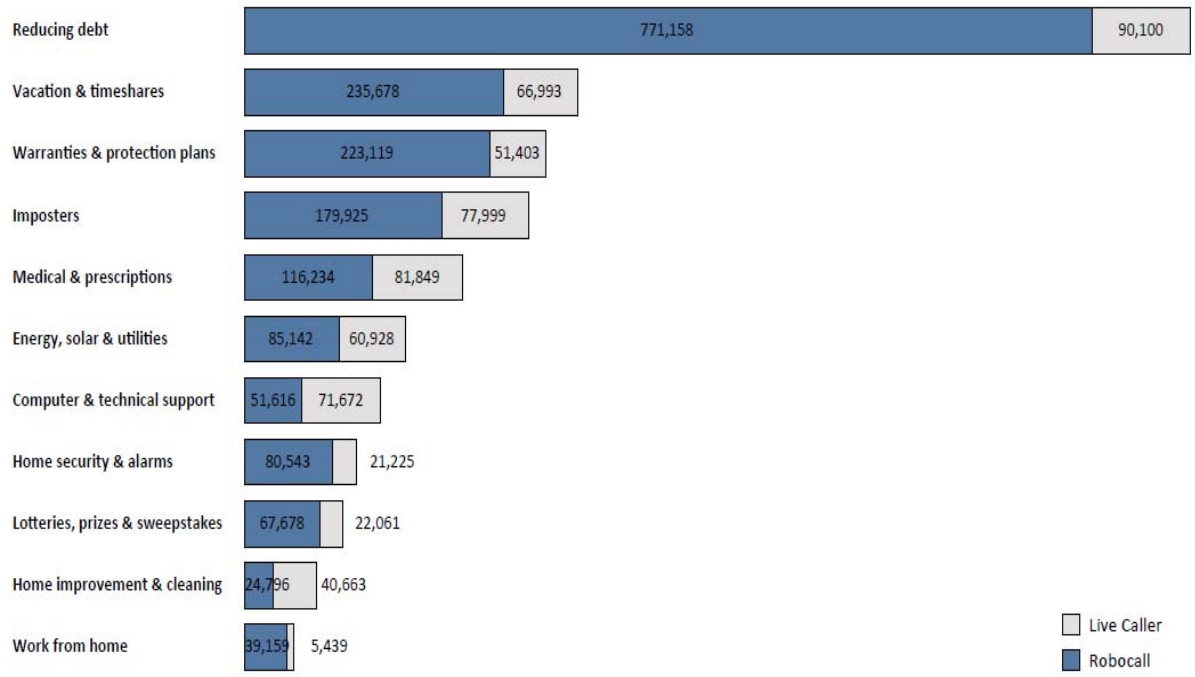
[92] Press Release, FTC Releases FY 2017 National Do Not Call Registry Data Book and DNC Mini Site (Dec. 18, 2017) *available at* https://www.ftc.gov/news-events/press-releases/2017/12/ftc-releases-fy-2017-national-do-not-call-registry-data-book-dnc. Excerpts from the Data Book are attached at Exhibit A.

[93] *Id.*

[94] *Id.*

[95] *Id.*

FY 2017 COMPLAINTS BY TOPIC[96]



The state-by-state analysis also includes the top 10 topics of consumer complaints per state.[97]

In addition to refining our complaint intake process and upgrading our Data Book, the FTC recently began a new initiative to help improve industry call-blocking solutions by increasing the amount and frequency of consumer complaint data that we make publicly available.[98] Beginning in August 2017, when consumers report Do Not Call or robocall

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[96] *See* Do Not Call Registry Data Book 2017: Complaint Figures for FY 2017 *available at* https://www.ftc.gov/reports/national-do-not-call-registry-data-book-fiscal-year-2017. Not everyone who files a complaint reports a topic.

[97] *See, e.g.*, Do Not Call Registry Data Book 2017: Alabama *available at* https://www.ftc.gov/reports/national-do-not-call-registry-data-book-fiscal-year-2017/alabama.

[98] *See* https://www.ftc.gov/news-events/press-releases/2017/08/ftc-escalates-fight-against-illegal-robocalls-using-consumer. The complaint data is available at: https://www.ftc.gov/site-information/open-government/data-sets/do-not-call-data.

violations to the FTC, the phone numbers consumers report are released each business day. The FTC is also releasing the following consumer-reported data: the date and time the unwanted call was received, the general subject matter of the call (such as debt reduction, energy, warranties, home security, etc.), and whether the call was a robocall.[99] By making our available data more up-to-date and more robust, the FTC seeks to improve the functionality of call-blocking solutions for consumers that choose to use a call-blocking service or feature.

The Commission is committed to continuing to work with industry and government partners to improve information sharing to combat illegal calls.

III. Consumer Education

Public education is also an essential tool in the FTC's consumer protection and fraud prevention work. The Commission's education and outreach program reaches tens of millions of people a year through our website, the media, and partner organizations that disseminate consumer information on the FTC's behalf.

The FTC delivers practical, plain language information on numerous issues in English and in Spanish. The Commission also uses law enforcement announcements as opportunities to remind consumers how to recognize a similar situation and report it to the FTC. In the case of robocalls, the FTC's message to consumers is simple: if you answer a call and hear an unwanted recorded sales message—hang up. Period. Other key messages to consumers include how to place a phone number on the Do Not Call Registry, how and where to report illegal robocalls,[100]

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[99] In the past, the Commission released a bi-weekly report that published only the telephone numbers that consumers complained about in their Do Not Call and robocall complaints.

[100] *See, e.g.,* National Do Not Call Registry, http://www.consumer.ftc.gov/articles/0108-national-do-not-call-registry.

available call blocking solutions,[101] and how to identify common scams.[102] The FTC disseminates these tips through articles,[103] blog posts,[104] social media,[105] infographics,[106] videos,[107] audio,[108] and campaigns such as "Pass It On"—an innovative means of arming older consumers with information about scams that they can "pass on" to their friends and family members.[109]

The FTC is taking additional steps to communicate information to consumers about the available call-blocking solutions that might reduce the amount of unwanted calls they receive.

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[101] *See, e.g.*, FTC Consumer Information Blocking Unwanted Calls https://www.consumer.ftc.gov/articles/0548-blocking-unwanted-calls.

[102] *See, e.g.*, FTC Consumer Information Scam Alerts, https://www.consumer.ftc.gov/scam-alerts.

[103] *See, e.g.*, FTC Robocall Microsite, http://www.consumer.ftc.gov/features/feature-0025-robocalls.

[104] *See, e.g.*, FTC Consumer Information Blog, Looking to Block Unwanted Calls? https://www.consumer.ftc.gov/blog/looking-block-unwanted-calls; FTC Consumer Information Blog, That's Not Your Neighbor Calling https://www.consumer.ftc.gov/blog/2018/01/thats-not-your-neighbor-calling; FTC Consumer Information Blog,Apps to Stop Robocalls https://www.consumer.ftc.gov/blog/2017/10/apps-stop-robocalls.

[105] *See, e.g.*, FTC Robocalls Facebook Q&A Transcript (Oct. 25, 2012), https://www.ftc.gov/sites/default/files/attachments/ftc-facebook-chats/1210robocallschallenge-fb.pdf.

[106] *See, e.g.*, FTC Robocalls Infographic, https://www.ftc.gov/sites/default/files/documents/public_events/robocalls-all-rage-ftc-summit/pdf-0113-robocalls-infographic.pdf.

[107] *See, e.g.*, FTC Video and Media, http://www.consumer.ftc.gov/media.

[108] *See, e.g.*, FTC Consumer Information Audio, "Hang Up on Robocalls," http://www.consumer.ftc.gov/media/audio-0045-hang-robocalls.

[109] *See* Pass It On, http://www.consumer.ftc.gov/features/feature-0030-pass-it-on#identity-theft.

On April 23, 2018, the FTC is co-hosting with the FCC a "Stop Illegal Robocalls Expo."[110] The Expo will feature innovative technologies, devices, and applications to minimize or eliminate the number of illegal robocalls consumers receive.[111] The Expo is free and open to the public.[112] In late March, the FTC also put out additional information on its websites regarding how to stop unwanted calls for different types of phone services: mobile, landline or VOIP.[113]

IV. Next Steps and Conclusion

The Do Not Call Registry continues to help protect consumers against unsolicited calls from legitimate telemarketers. However, as technology continues to develop and fraudsters exploit those developments, we must remain agile and creative. The Commission will continue its multifaceted efforts to fight illegal robocalls, including the following actions:

- Continue Aggressive Law Enforcement
    - We will maintain our enforcement efforts, in coordination with state, federal, and international partners, to target high-volume offenders and pursue robocall gatekeepers in order to stop the largest number of illegal calls.
    - We will work with the telecommunications industry, encouraging carriers to be proactive in monitoring for illegal robocalls, blocking illegal calls, and securing the information necessary for prosecutions.
- Spur Innovation

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110 *See* Press Release, FTC and FCC Seek Exhibitors for an Expo Featuring Technologies to Block Illegal Robocalls (Mar. 7, 2018) *available at* https://www.ftc.gov/news-events/press-releases/2018/03/ftc-fcc-seek-exhibitors-expo-featuring-technologies-block-illegal.

111 *Id.*

112 *Id.*

113 *See* FTC Consumer Information How to Stop Unwanted Calls *available at* https://www.consumer.ftc.gov/features/how-stop-unwanted-calls. A copy of this guidance is attached at Exhibit B.

- We will work with industry leaders and other experts to further stimulate the development of technological solutions to protect consumers from illegal robocalls.

- We will continue to encourage industry-wide coordination to create and deploy VoIP standards that incorporate robust authentication capabilities. Such coordination is the only way to ensure a future phone system with accurate and truthful calling information.

- Engage in Ongoing Consumer Education

  - We will continue our broad outreach to consumers regarding the Do Not Call Registry as well as illegal robocalls and how best to fight them.

Thank you for the opportunity to share some of the highlights regarding the FTC's battle against illegal robocalls. We look forward to working with you on this important issue.

EXHIBIT A

National Do Not Call Registry

Data Book FY 2017

Federal Trade Commission
December 2017

The Data Book

The *National Do Not Call Registry Data Book* contains statistical data about phone numbers on the Registry, telemarketers and sellers accessing phone numbers on the Registry, and complaints consumers submit to the FTC about telemarketers allegedly violating the Do Not Call rules. Statistical data on Do Not Call (DNC) complaints is based on unverified complaints reported by consumers, not on a consumer survey.

New in FY 2017

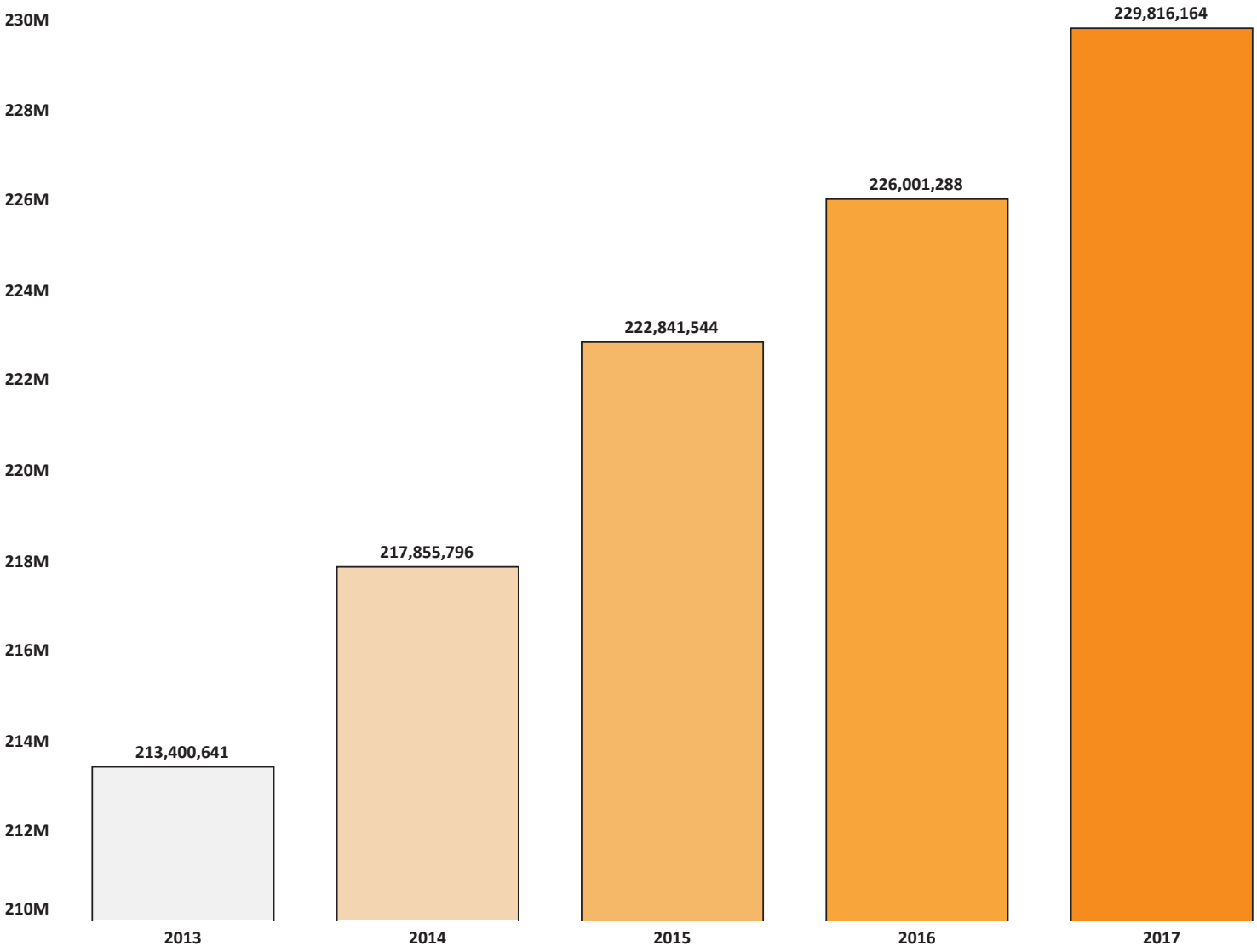
- When reporting the total number of DNC complaints, the Data Book now breaks the number down to show how many complaints were about robocalls and how many were from live callers. With a few exceptions, telemarketing robocalls are illegal, whether or not a number is on the Do Not Call Registry. As always, when it's a live caller, we verify that the consumer's telephone number was on the Do Not Call Registry before we take the complaint.
- The online complaint form now asks for the topic of the call, so this new information is included in the Data Book.
    - Consumers can choose to report specific topics, such as reducing debt, vacation & timeshares, and several other categories. Not everyone who files a complaint reports a topic.
    - The Data Book does not include statistics where a consumer chose "Other," or topics less likely to violate the Do Not Call Rules, such as debt collection, political, or charitable calls.
- The Data Book now includes a state-by-state analysis of DNC complaints, and it has a new, more accurate way of reporting a consumer's state:
    - If consumers report their state, the Data Book always uses the state they report.
    - If consumers do not report their state, the Data Book uses their area code.
    - The state-by-state analysis also includes the top 10 topics of consumer complaints.
- The underlying data in the report is available on our open government site at: www.ftc.gov/donotcall-databook2017.

Inside the numbers

- States are ranked based on the number of registrations or complaints per 100,000 population. Complaint figures include the total number of FY 2017 complaints submitted to the FTC. Population estimates are based on 2016 U.S. Census population estimates (Table NST-EST2016-01 – Annual Estimates of the Population for the United States, Regions, States, and Puerto Rico: April 1, 2010 to July 1, 2016).
- For the purposes of this report, "active registrations" are those registrations consumers have placed on the Registry that have not been subsequently deleted by the consumer or removed by the FTC. The FTC removes numbers that have been disconnected and reassigned.

FY 2017
National Do Not Call Registry
Who is using the Do Not Call Registry

Active Registrations by Fiscal Year



"Active Registrations" reflect the total number of phone numbers registered on the National Do Not Call Registry for each fiscal year as of September 30, 2017.

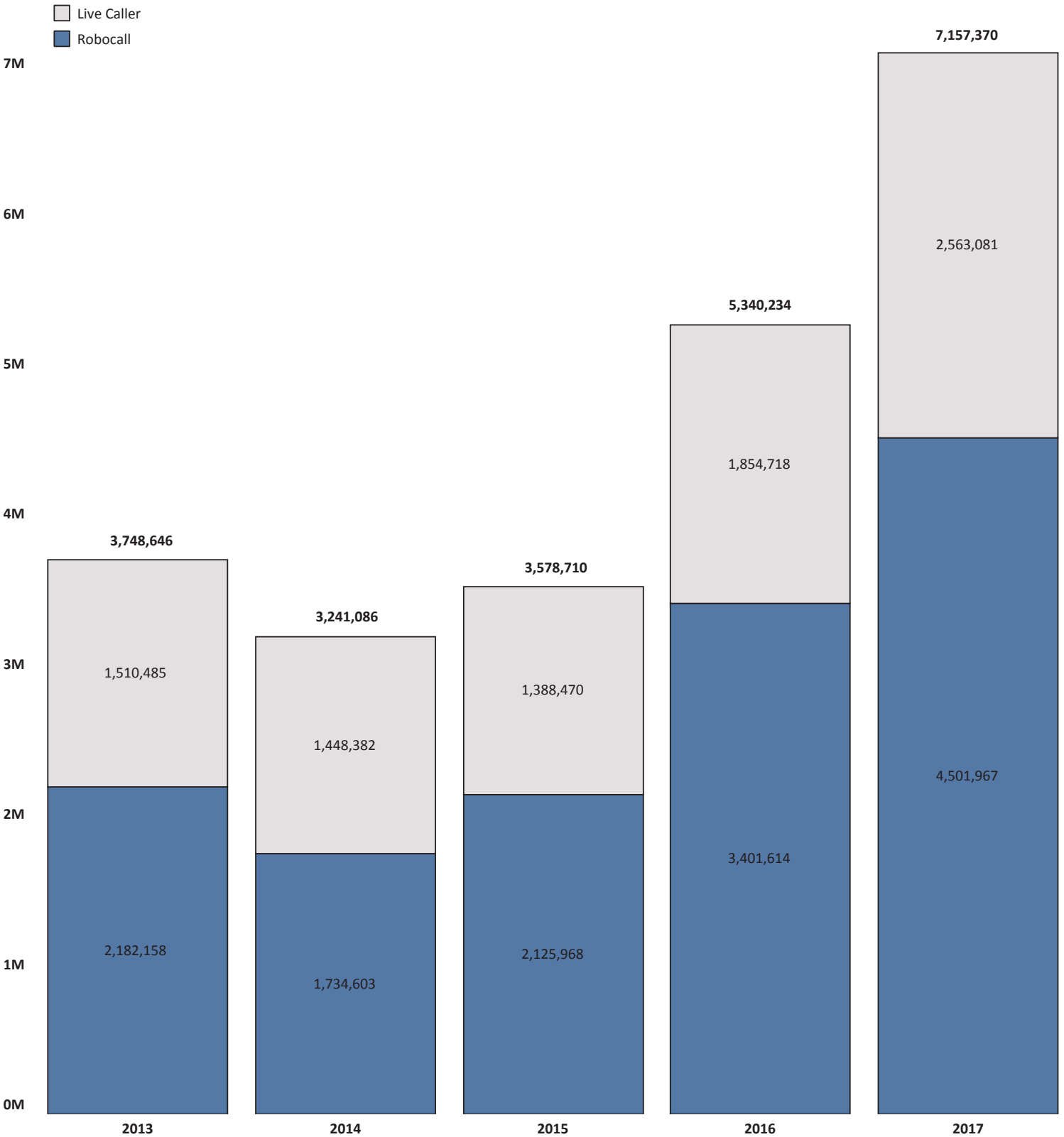
Organizations Accessing the Registry by Fiscal Year

	2013	2014	2015	2016	2017
5 or Fewer Area Codes	24,182	23,049	20,075	17,634	15,536
Organizations Who Paid	2,877	2,582	2,502	2,353	2,259
Exempt Organizations	598	585	521	503	543
Total	27,657	26,216	23,098	20,490	18,338

Telemarketers and sellers can access up to five area codes on the Registry for free. To access more than five area codes, they must pay a fee. Organizations that are not selling goods or services are "exempt" and can access numbers on the Registry for free. This includes organizations asking for charitable contributions, raising money for political purposes, or conducting surveys. It also includes organizations calling **only** people they have an established business relationship with or who have given the organization written permission to call.

FY 2017
National Do Not Call Registry
Complaint Figures by Year

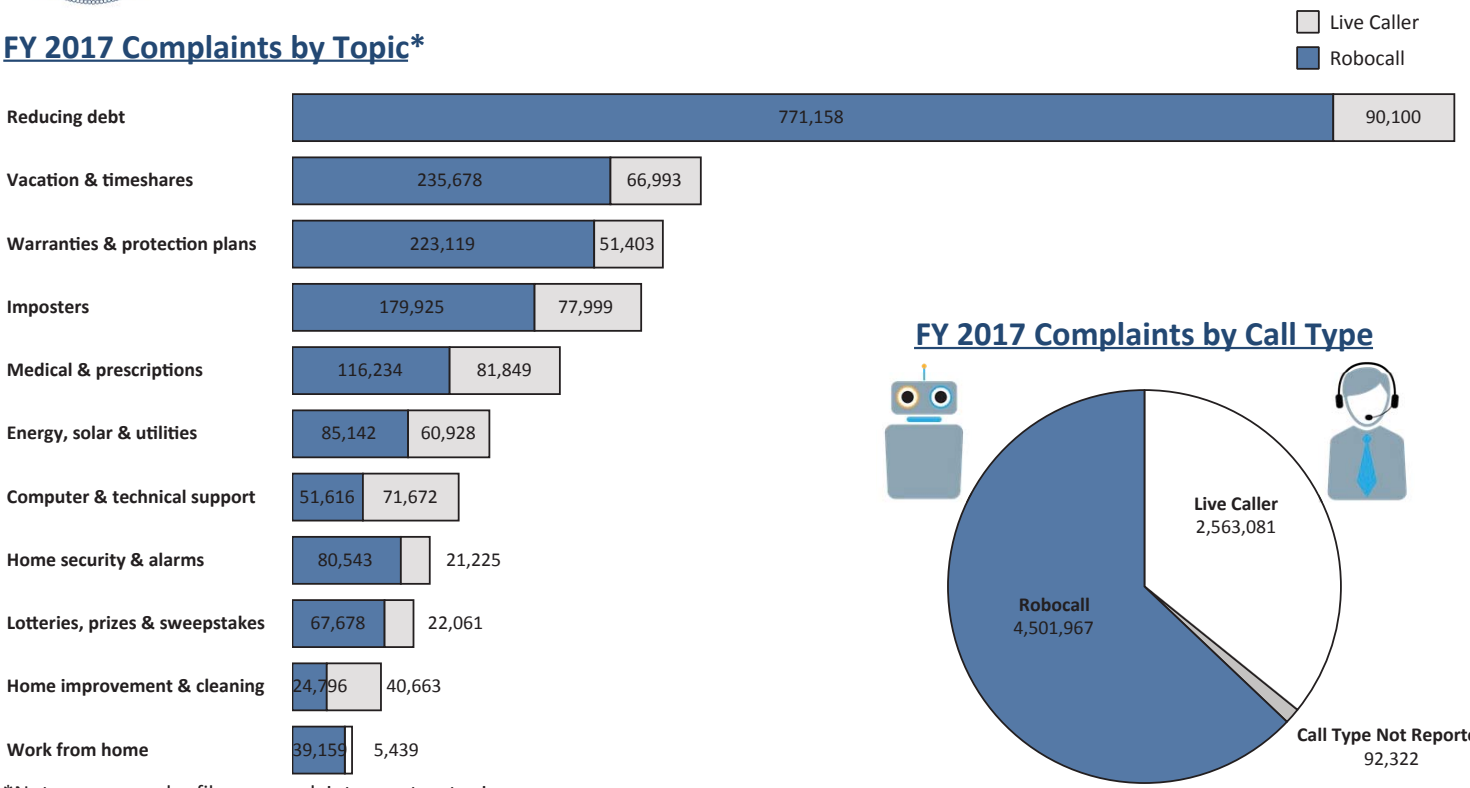
Complaints by Call Type and Fiscal Year



The total includes complaints about robocalls, complaints about live callers, and complaints where the call type was not reported. The number of calls where a call type was not reported is relatively small every year. The data is available at www.ftc.gov/donotcall-databook2017.

FY 2017
National Do Not Call Registry
Complaint Figures for the Year

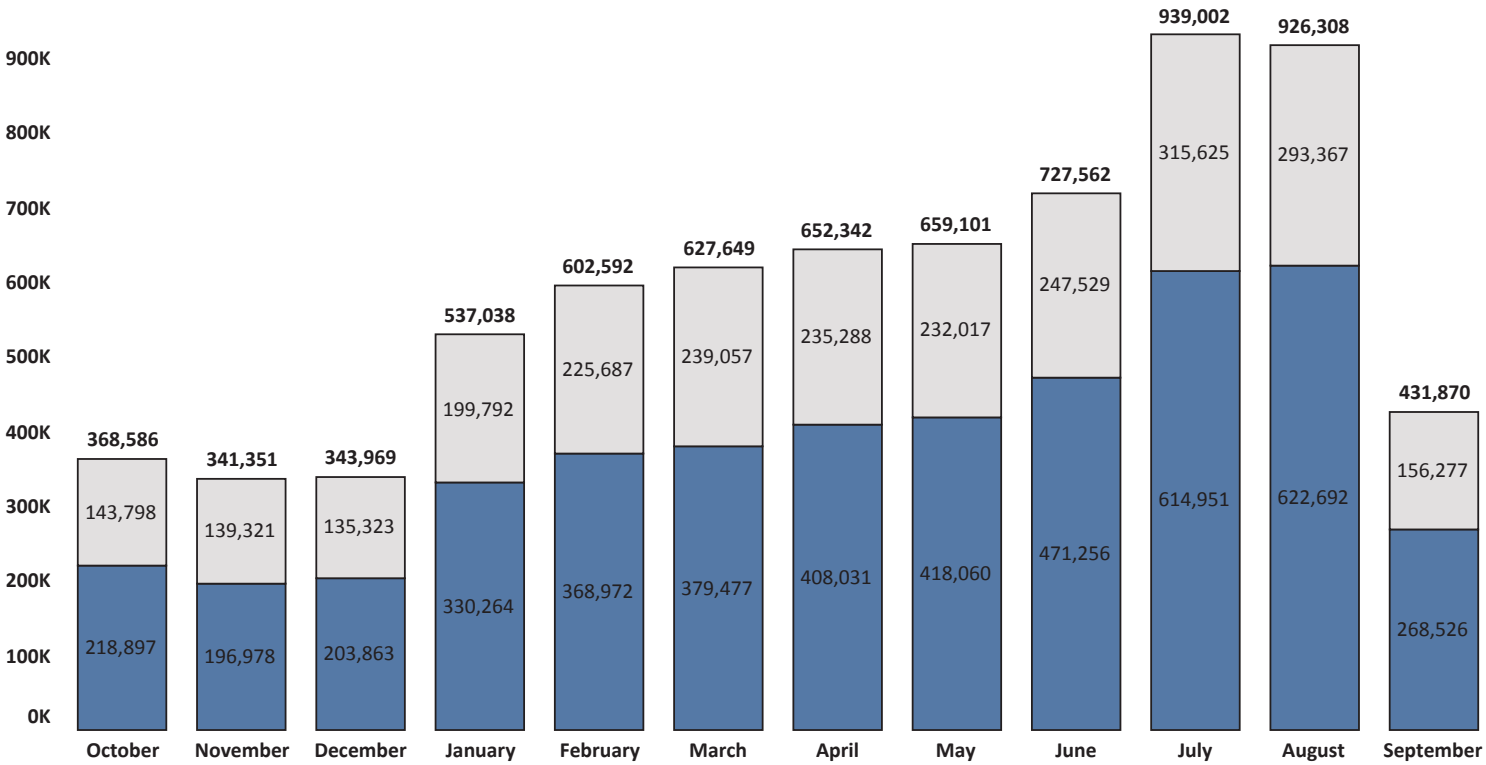
FY 2017 Complaints by Topic*



*Not everyone who files a complaint reports a topic.

FY 2017 Complaints by Call Type

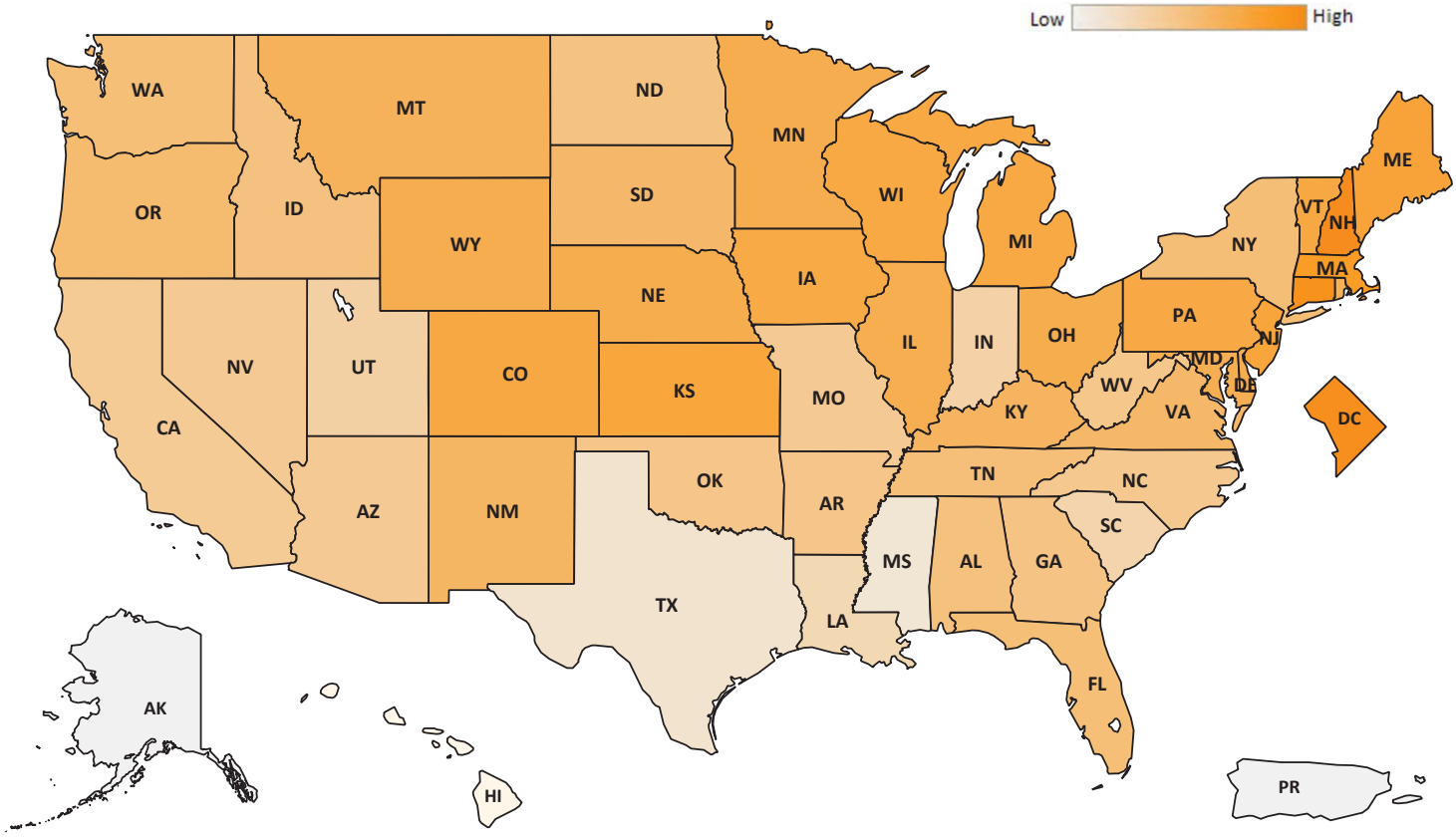
FY 2017 Complaints by Month



The total includes complaints about robocalls, complaints about live callers, and complaints where the call type was not reported. The number of calls where a call type was not reported is relatively small every month. The full data, as well as complaints reporting that the consumer asked the entity to stop calling, is available at www.ftc.gov/donotcall-databook2017. The FTC identified a technical problem with complaint submissions that resulted in artificially high complaint counts in July and August. The FTC addressed the issue, and September's figures reflect the adjustment.

FY 2017
National Do Not Call Registry
Registrations by State

State Rankings for National Do Not Call Registry Registrations per 100K Population



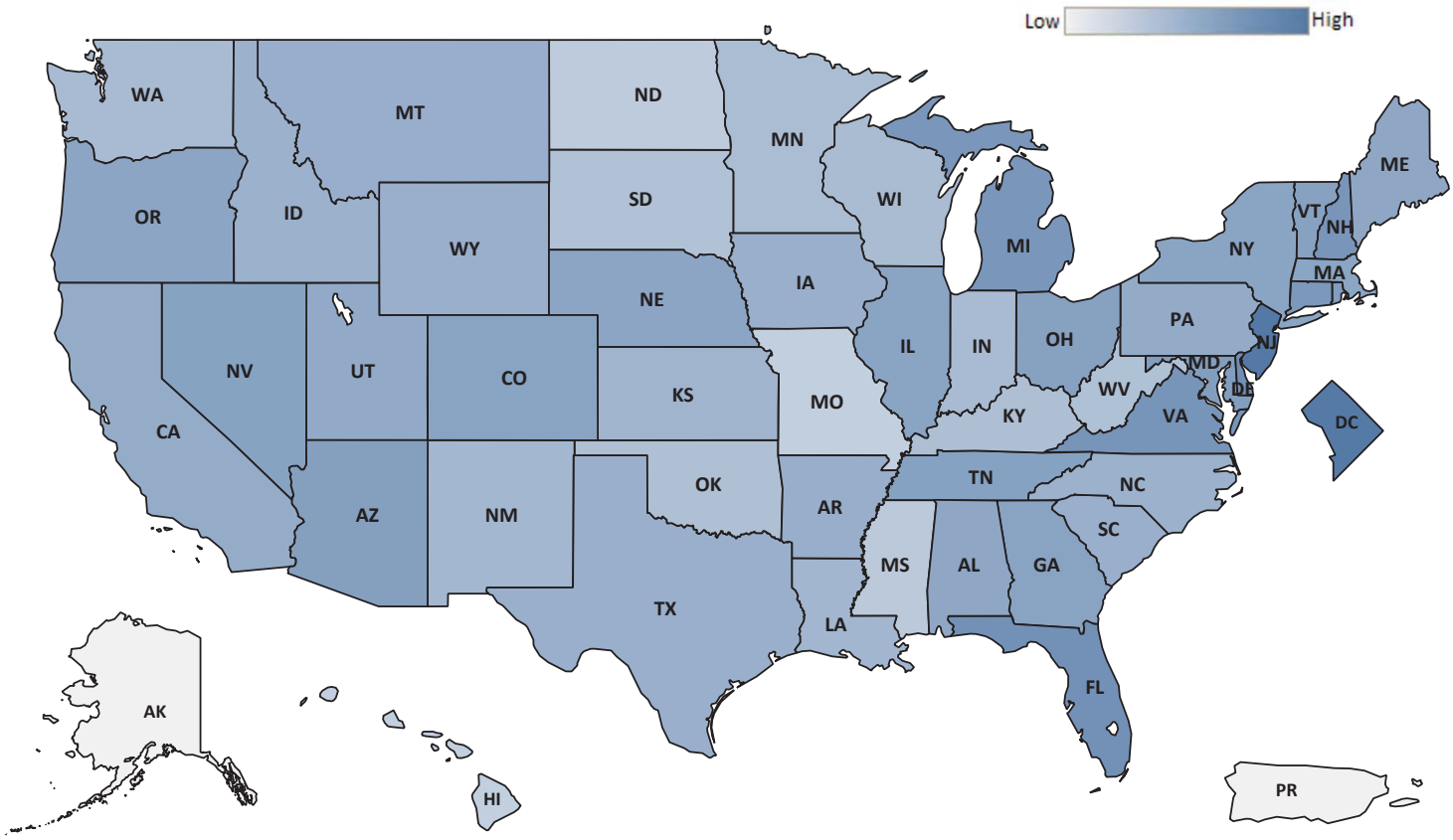
Rank	Consumer State	Active Registrations	Active Registrations per 100K Population
1	New Hampshire	1,222,035	91,552
2	Connecticut	3,183,068	89,001
3	Massachusetts	5,794,655	85,068
4	Maine	1,092,143	82,025
5	New Jersey	7,306,538	81,688
6	Kansas	2,359,523	81,159
7	Colorado	4,444,187	80,212
8	Vermont	500,495	80,131
9	Michigan	7,942,407	79,998
10	Wisconsin	4,621,662	79,977
11	Pennsylvania	10,209,190	79,858
12	Iowa	2,490,336	79,444
13	Nebraska	1,496,889	78,490
14	Delaware	746,072	78,364
15	Ohio	9,085,945	78,230
16	Wyoming	457,902	78,207
17	Minnesota	4,316,316	78,195
18	Illinois	9,960,663	77,808
19	Maryland	4,654,404	77,361
20	Rhode Island	813,061	76,963
21	Montana	794,053	76,167
22	Kentucky	3,329,393	75,037
23	New Mexico	1,548,728	74,422
24	Virginia	6,189,394	73,580
25	South Dakota	634,341	73,296
26	Oregon	2,971,402	72,589

Rank	Consumer State	Active Registrations	Active Registrations per 100K Population
27	New York	14,052,247	71,168
28	Washington	5,166,189	70,886
29	Florida	14,605,866	70,859
30	Tennessee	4,703,989	70,724
31	Alabama	3,393,619	69,780
32	Idaho	1,171,358	69,594
33	North Dakota	524,414	69,188
34	Georgia	7,095,159	68,816
35	Oklahoma	2,675,174	68,182
36	Arkansas	2,031,921	67,997
37	West Virginia	1,240,873	67,766
38	North Carolina	6,810,043	67,115
39	Nevada	1,955,039	66,497
40	Arizona	4,596,446	66,317
41	Missouri	4,040,559	66,315
42	California	25,926,903	66,056
43	Utah	1,938,175	63,521
44	Indiana	4,169,999	62,867
45	South Carolina	3,063,994	61,760
46	Louisiana	2,824,750	60,336
47	Texas	15,469,941	55,522
48	Mississippi	1,636,395	54,752
49	Hawaii	781,815	54,728
50	Alaska	366,837	49,446
	District of Columbia	620,154	91,042
	Puerto Rico	399,156	11,701

The District of Columbia and Puerto Rico are included in the table but are not ranked. States are ranked based on the number of active registrations per 100,000 population. Active registrations include all phone numbers on the National Do Not Call Registry as of September 30, 2017. Population estimates are based on 2016 U.S. Census population estimates.

FY 2017
National Do Not Call Registry
Complaints by State

State Rankings for National Do Not Call Registry Complaints per 100K Population



Rank	Consumer State	Complaints	Complaints per 100K Population
1	New Jersey	321,393	3,593
2	Delaware	27,691	2,909
3	Florida	588,021	2,853
4	Virginia	232,818	2,768
5	New Hampshire	36,401	2,727
6	Michigan	265,465	2,674
7	Connecticut	94,440	2,641
8	Rhode Island	26,590	2,517
9	Maryland	150,346	2,499
10	Arizona	169,702	2,448
11	Tennessee	158,896	2,389
12	Vermont	14,896	2,385
13	Ohio	276,667	2,382
14	Nevada	69,639	2,369
15	Georgia	242,242	2,349
16	Colorado	129,609	2,339
17	Illinois	295,218	2,306
18	New York	454,100	2,300
19	Massachusetts	156,006	2,290
20	Oregon	93,121	2,275
21	Nebraska	43,255	2,268
22	Alabama	108,003	2,221
23	Maine	29,495	2,215
24	Utah	66,229	2,171
25	Pennsylvania	271,832	2,126
26	California	824,692	2,101

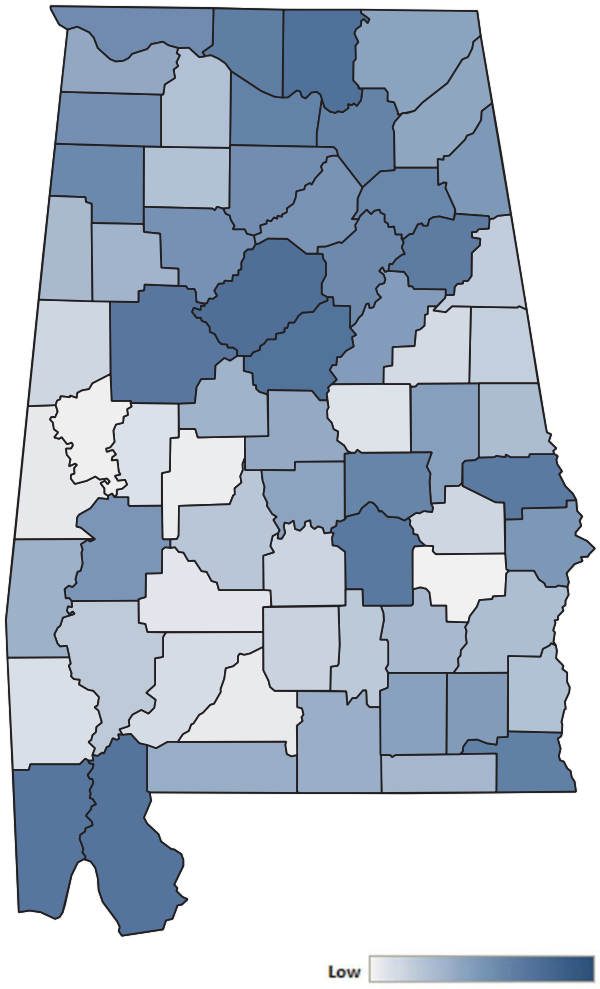
Rank	Consumer State	Complaints	Complaints per 100K Population
27	Arkansas	61,697	2,065
28	Montana	21,211	2,035
29	Iowa	63,502	2,026
30	Wyoming	11,808	2,017
31	Texas	559,563	2,008
32	South Carolina	99,620	2,008
33	Idaho	33,157	1,970
34	North Carolina	199,407	1,965
35	Kansas	55,207	1,899
36	Louisiana	86,267	1,843
37	New Mexico	37,653	1,809
38	Washington	125,689	1,725
39	Indiana	114,241	1,722
40	Wisconsin	98,352	1,702
41	Minnesota	91,166	1,652
42	Kentucky	72,110	1,625
43	Oklahoma	61,962	1,579
44	West Virginia	28,738	1,569
45	South Dakota	13,316	1,539
46	Mississippi	39,969	1,337
47	North Dakota	9,881	1,304
48	Missouri	74,102	1,216
49	Hawaii	16,055	1,124
50	Alaska	3,041	410
	District of Columbia	24,303	3,568
	Puerto Rico	1,638	48

The District of Columbia and Puerto Rico are included in the table but are not ranked. States are ranked based on the number of complaints per 100,000 population. Complaints include the total number of FY 2017 complaints submitted to the FTC. Population estimates are based on 2016 U.S. Census population estimates.

FY 2017
National Do Not Call Registry
Registration and Complaint Figures by State

Alabama

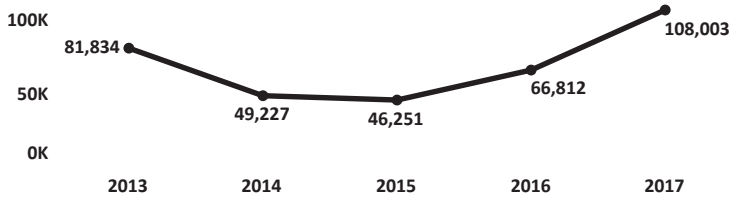
Complaints by County



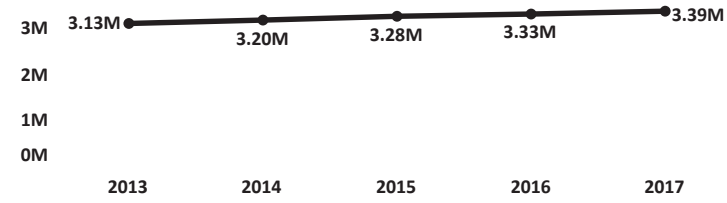
State Totals

Complaints:	108,003	**(#22 nationally, per 100K population)**
Active Registrations:	3,393,619	**(#31 nationally, per 100K population)**

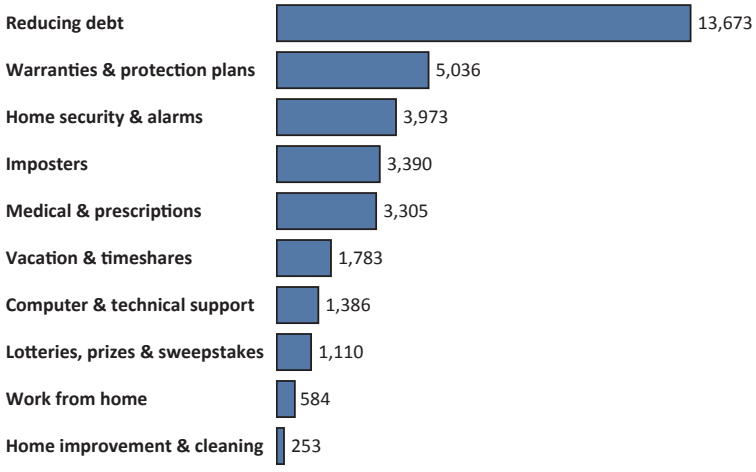
Complaints by Fiscal Year



Active Registrations by Fiscal Year



Complaints by Topics*



*Not everyone who files a complaint reports a topic.

Complaints by Call Type

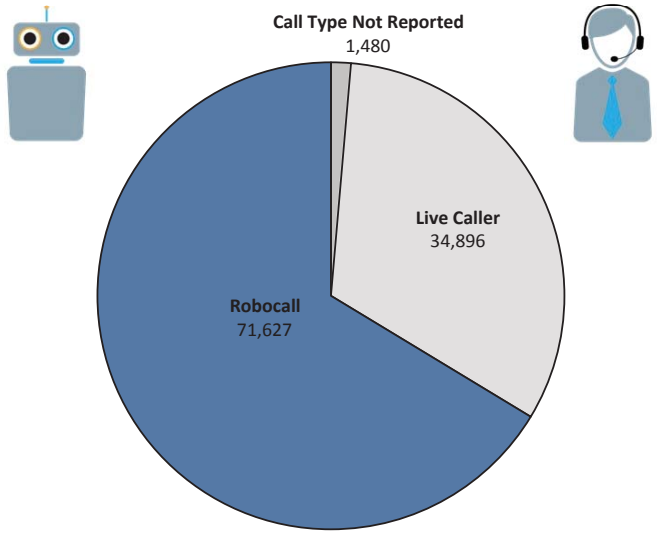
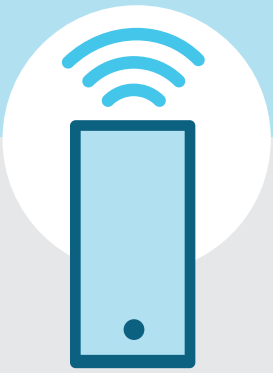


EXHIBIT B

How to stop unwanted calls

ON A MOBILE PHONE



See what **built-in features** your phone has.

Download a **call-blocking app**.

- Some apps are **free**, but others charge a monthly **fee**.
- Some apps will **access your contacts.**
- Calls might be **stopped**, **ring silently**, or go straight to **voicemail**.

See what services your **carrier** offers.

Report unwanted calls at **ftc.gov/complaint**

How to stop unwanted calls

IF YOU USE VOIP

Look into **internet-based services**. Your **carrier** might be able to help.

Not sure if your home phone uses the **internet** (VOIP)? Check with your **carrier**.

With blocking services, calls might be **stopped**, **ring silently**, or go straight to **voicemail**.

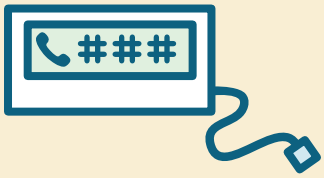
Some services are **free**, but others charge a monthly **fee**.

Report unwanted calls at **ftc.gov/complaint**

How to stop unwanted calls

ON A LANDLINE

See what services your **carrier** offers.



Install a **call-blocking device**. Some use **blacklists** to

- stop unwanted calls
- divert calls to voicemail

Some use **whitelists** of approved numbers.

Some services are **free**, but others charge a monthly **fee**.

Report unwanted calls at **ftc.gov/complaint**