

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
FCC Enforcement Bureau Warns All U.S.-Based) File No. EB-TCD-21-00031913
Voice Service Providers To Avoid Or Cease)
Carriage Of Auto Warranty Robocall Traffic From)
Cox/Jones/Sumco Panama Operation)
)
)
)

ORDER

Adopted: July 21, 2022

Released: July 21, 2022

By the Acting Chief, Enforcement Bureau:

1. The Enforcement Bureau (Bureau) of the Federal Communications Commission (FCC or Commission) issues this Order pursuant to section 64.1200(n)(2) to provide actual written notice to all voice service providers about suspected illegal robocalls that have been made in violation of one or more provisions of the Telephone Consumer Protection Act of 1991, the Truth In Caller ID Act of 2009, and/or the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act (TRACED Act) of 2019, collectively codified in section 227 of the Communications Act.1 Specifically, the Bureau notifies and directs all U.S.-based voice service providers to take immediate steps to effectively mitigate suspected illegal robocall traffic made by or on behalf of the following: (1) Roy Cox, Jr.; (2) Aaron Michael Jones; (3) their individual associates; and (4) associated entities (collectively, the Cox/Jones/Sumco Panama Operation). A voice service provider may satisfy this obligation if it terminates a customer relationship with the Cox/Jones/Sumco Panama Operation or blocks all traffic from the Cox/Jones/Sumco Panama Operation and from the Originating Providers identified below.2 If any voice service provider, after investigation of the suspected illegal robocall traffic identified in this Order, thereafter does NOT terminate a customer relationship or block the traffic, it will be required to provide a written report to the Bureau with the results of its investigation, as required by section 64.1200(n)(2) of the rules. The provider should also continue to demonstrate its ongoing efforts to mitigate the traffic associated with the Cox/Jones/Sumco Panama Operation. Should any voice service provider fail to comply with these obligations and fail to take all necessary steps to avoid carrying suspected illegal robocall traffic made by/on behalf of these individuals and entities, that voice service provider may be deemed to have knowingly and willfully engaged in transmitting unlawful robocalls.3

1 47 U.S.C. § 227.

2 Because the Originating Providers listed below have failed to effectively mitigate the illegal traffic within 48 hours and inform the Commission and the USTelecom’s Industry Traceback Group (Traceback Consortium) within fourteen days of the steps that the Originating Providers have taken to implement effective measures to prevent customers from using their networks to make illegal calls, downstream providers may block all of the Originating Providers traffic without liability under the Communications Act or the Commission’s rules. See infra para. 4; 47 CFR § 64.1200(k)(4).

3 If the Commission finds that a voice service provider is knowingly or willfully engaged in transmitting illegal robocalls, it may take action that could result in downstream providers blocking that voice service provider’s calls. See 47 CFR § 64.1200(k)(4) (allowing downstream providers to block traffic from an originating or intermediate

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I. BACKGROUND

2. On July 7, 2022, the Bureau issued a cease-and-desist letter to each of the following voice service providers (the Originating Providers): **Mobi Telecom, Virtual Telecom, Fugle Telecom, Call Pipe, Geist Telecom, Global Lynks, South Dakota Telecom, SipKconnect.**⁴ Pursuant to these letters, the Originating Providers were required to investigate and mitigate the traffic identified in their respective cease-and-desist letter, notify the Bureau and the USTelecom's Industry Traceback Group (Traceback Consortium)⁵ within 48 hours of the steps taken to effectively mitigate the identified traffic, and inform the Bureau and the Traceback Consortium within 14 days of the steps taken to prevent customers from using the voice service provider's network to transmit illegal robocalls.⁶ Each of the letters warned that failure to comply with the requirements set forth in the letters could result in the Originating Provider's removal from the Robocall Mitigation Database, which would in turn obligate all other providers to cease carrying any traffic from that Originating Provider.⁷

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provider that fails to effectively mitigate illegal traffic when notified by the Commission); 47 CFR § 64.6305(c) (requiring downstream providers to cease carrying traffic from originating providers that do not have a certification in the Robocall Mitigation Database); *Call Authentication Trust Anchor*, WC Docket No. 17-97, Second Report and Order, 36 FCC Rcd 1859, 1902-03, paras. 81-83 (2020) (noting that the Bureau may remove a provider's certification from the Robocall Mitigation Database if that certification is defective, including if the provider knowingly or negligently originates illegal robocall campaigns).

⁴ See Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Jon Luke, CEO, Call Pipe LLC (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to James Ryan, Fugle Telecom LLC (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Adam Radimiri, CEO, Geist Telecom LLC (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Catherine McCormick, CEO, Global Lynks LLC (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Davinder Singh, President, Mobi Telecom LLC (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Curt Ammon, South Dakota Telecom LLC (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Dave Dimnick, CEO, SipKconnect LLC (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Maria Alejandra Gonzalez, Virtual Telecom Inc., and Andrea Horvath, CEO, Virtual Telecom Kft (July 7, 2022). These letters are available on the Commission's website at <https://www.fcc.gov/robocall-facilitators-must-cease-and-desist>.

⁵ The Traceback Consortium is the registered industry consortium selected pursuant to the TRACED Act, to conduct tracebacks to identify suspected bad actors. *Implementing Section 13(d) of the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act (TRACED Act)*, EB Docket No. 20-22, Report and Order, DA 21-1047 (EB 2021) (*2021 Consortium Selection Order*). See also TRACED Act § 13(d).

⁶ See, e.g., Letter from Rosemary Harold, Chief, FCC Enforcement Bureau, to Omar Luna, CEO, R Squared TEelcom LLC (Apr. 13, 2021); Letter from Rosemary Harold, Chief, FCC Enforcement Bureau, to Vitaly Potapov, CEO, RSCOM LTD (Mar. 17, 2021); see also 47 CFR § 64.1200(k)(4). In the circumstances set forth in these cease-and-desist letters, we construe "effective mitigation measures" to mean taking all action necessary to cease carrying any such illegal traffic. See *Robocall Enforcement Notice to All U.S.-Based Voice Service Providers*, Public Notice, DA 22-727 (Jul. 7, 2022) (Notice).

⁷ See 47 CFR § 64.6305(c) (stating that intermediate and terminating voice service providers may only accept calls from an originating voice service provider whose filing appears in the Robocall Mitigation Database); *Call Authentication Trust Anchor*, WC Docket No. 17-97, Second Report and Order, 36 FCC Rcd 1859, 1902-03, paras. 82-83 (2020) (allowing the Enforcement Bureau to remove deficient originating or terminating voice service provider certifications from the Robocall Mitigation Database). The recently adopted *Gateway Provider Order* extended the requirement for gateway providers to submit certifications to the Robocall Mitigation Database. *Advanced Methods to Target and Eliminate Unlawful Robocalls, Call Authentication Trust Anchor*, CG Docket No. 17-59, WC Docket No. 17-97, Sixth Report and Order in CG Docket No. 17-59, Fifth Report and Order in WC Docket No. 17-97, Order on Reconsideration in WC Docket No. 17-97, Order, Seventh Further Notice of Proposed Rulemaking in CG Docket No. 17-59, and Fifth Further Notice of Proposed Rulemaking in WC Docket No. 17-97, FCC 22-37, paras. 35 & 40 (2022) (*Gateway Provider Order*). This new requirement will be effective on September 16, 2022. *Id.* at para. 248; *Advanced Methods to Target and Eliminate Unlawful Robocalls; Call*

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3. Simultaneously, on July 7, 2022, the Bureau issued a *Public Notice*⁸ pursuant to section 64.1200(k)(4) of the Commission's rules to notify all U.S.-based voice service providers that they may block voice calls or cease to accept traffic from the Originating Providers listed in the *Notice* without liability under the Communications Act or the Commission's rules.⁹ The *Notice* also stated that in the event that any of the Originating Providers fail(s) to comply with the requirements laid out in the relevant cease-and-desist letter, the Bureau would issue a follow-up *Order* to all U.S.-based voice service providers notifying them of this fact. The *Notice* also stated that “[i]n the event that a follow-up *Order* is issued by the Bureau in this matter, pursuant to section 64.1200(n)(2) of the Commission's Rules, all U.S.-based voice service providers shall be required to ‘[t]ake steps to effectively mitigate illegal traffic,’ including investigating and taking steps—up to and including blocking, if necessary—to prevent the source of the illegal traffic from continuing to originate such traffic.”¹⁰

4. The Originating Providers failed to respond to the cease-and-desist letters. Accordingly, the Bureau issues this *Order* to provide all U.S.-based voice service providers with actual written notice of suspected illegal robocall traffic and directs them to comply with section 64.1200(n)(2) of the Commission's rules.¹¹

II. NOTIFICATION AND ORDER

5. As required by section 64.1200(n)(2) of the Commission's rules, the Bureau is required to provide certain notice and identifying information to voice service providers so that they may locate any of the suspected illegal traffic in their records or on their networks, and take effective steps to mitigate it. Specifically, in providing the actual written notice, the Bureau must (1) identify with as much particularity as possible the suspected traffic; (2) provide the basis for the Enforcement Bureau's reasonable belief that the identified traffic is unlawful; (3) cite the statutory or regulatory provisions the suspected traffic appears to violate; and (4) direct the voice service provider receiving the notice that it must comply with the requirements of that rule section.¹²

6. After notification, the voice service provider is required to do all of the following:

- (1) promptly investigate the identified traffic;
- (2) promptly report the results of its investigation to the Enforcement Bureau, including:
 - (a) any steps the provider has taken to effectively mitigate the identified traffic; or
 - (b) an explanation as to why the provider has reasonably concluded that the identified calls were not illegal, and what steps it took to reach that conclusion.¹³

Moreover, the rule requires that “should the notified provider find that the traffic comes from an upstream provider with direct access to the U.S. Public Switched Telephone Network, that provider must promptly

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Authentication Trust Anchor, 87 Fed. Reg. 42916 (July 18, 2022). The Further Notice of Proposed Rulemaking adopted with the *Gateway Provider Order* contemplates further extending the Robocall Mitigation Database requirements to all domestic providers. *Gateway Provider Order* at para. 188.

⁸ See *Notice*, DA 22-727 (Jul. 7, 2022).

⁹ See *id.*; 47 CFR § 64.1200(k)(4).

¹⁰ See *Notice* at p. 4 (citing 47 CFR § 64.1200(n)(2)).

¹¹ 47 CFR § 64.1200(n)(2).

¹² *Id.*

¹³ *Id.*

inform the Enforcement Bureau of the source of the traffic and, if possible, take steps to mitigate this traffic.”¹⁴

A. Notification of Suspected Illegal Robocall Traffic

1. Persons and Entities Originating the Suspected Illegal Robocall Traffic

7. For the purposes of assisting voice service providers with identifying suspected illegal robocall traffic, and avoiding carrying suspected illegal robocall traffic in the future, the Bureau provides the following information about individuals and entities associated with the Cox/Jones/Sumco Panama Operation below. The individuals listed include officers, principals, and other key players in the Cox/Jones/Sumco Panama Operation and the entities involved with that operation.¹⁵

<i>Individuals:</i>	<i>Companies:</i>
Roy Melvin Cox Jr. , resident of Tustin, California	Sumco Panama S.A.
Aaron Michael Jones , resident of Orange County, California	Sumco Panama Inc.
Scott Presta , resident of Lakeway, Texas	Tech Direct LLC
Kathleen Presta , resident of Lakeway, Texas	Posting Express Inc.
Stacey Yim , resident of La Crescenta, California	7 Sundays Inc.
Jovita Migdaris Cedeno Luna , resident of San Francisco, Panama	Texas Outdoor Adventures Inc
Livia Szuromi , resident of Budapest, Hungary	
Maria Alejandra Gonzalez	
Davinder Singh	
Andrea Baloghne Horvath , resident of Budapest, Hungary	
Adam Radimiri	
June Batista , resident of Costa Mesa, California	
Julie K. Bridge , resident of Upland, California	

¹⁴ *Id.*

¹⁵ We encourage voice service providers to perform due diligence when evaluating mitigation options.

2. Characteristics of the Suspected Illegal Robocall Traffic

8. The Cox/Jones/Sumco Panama Operation appears to be responsible for making more than eight billion unlawful prerecorded message calls to American consumers since at least 2018. Between January 15, 2022 and June 15, 2022, the Traceback Consortium investigated prerecorded voice message calls that customers of YouMail had flagged as illegal robocalls made without consent.¹⁶ The calls are prerecorded telemarketing messages that apparently were made without consent of the called parties and absent an emergency purpose, in violation of section 227(b) of the Telephone Consumer Protection Act (TCPA) and section 64.1200 of the Commission's rules.¹⁷ The calls apparently also were made with the intent to violate the TCPA¹⁸ and the calls displayed inaccurate or misleading caller identification, with an apparent intent to defraud, cause harm, or wrongfully obtain something of value, in violation of the Truth in Caller ID Act and section 64.1604 of the Commission's rules.¹⁹ Specifically, the Cox/Jones/Sumco Panama Operation purchased nearly 500,000 numbers from at least 229 area codes in November and December 2020 apparently to make the calls appear to consumers as if they were originating locally.²⁰ The Bureau determined that approximately 75% of FCC complaints which listed caller ID pertained to numbers that matched the consumer's area code, belonged to area codes adjacent to the consumer's area code, or belonged to an area code in the same state.²¹ The matching originating and destination numbers in consumer complaints support a finding of deliberately transmitting misleading caller ID similar to so-called "neighbor spoofing."²² Moreover, one of the individuals involved, Roy Cox, entered into a settlement with the Department of Justice and the Federal Trade Commission in which he accepted a permanent ban on all telemarketing activities.²³ Call detail records obtained by the Bureau via the Traceback Consortium indicate that the calls either directly originated from, or were carried by, the Originating Providers.²⁴

9. The robocalls include prerecorded messages marketing vehicle service warranties. The messages encouraged call recipients to follow prompts to speak with a "warranty specialist" about extending or reinstating their car warranty. For example, some of the robocalls contained the following message:

We've been trying to reach you concerning your car's extended warranty. You should have received something in the mail about your car's extended warranty. Since we have not gotten a response, we are giving you a final courtesy call before we close out your file. Press 2 to be removed and put on our Do-Not-Call list. Press 1 to speak with someone about extending or reinstating your car's warranty. Again, press 1 to speak with a warranty specialist. (Pause) Or call our 800 number at 833-304-1447.²⁵

¹⁶ See 47 U.S.C. § 227(b); 47 CFR § 64.1200(a).

¹⁷ Telephone Consumer Protection Act of 1991, 1991 Enacted S. 1462, 102 Enacted S. 1462, 105 Stat. 2394; 47 U.S.C. § 227; 47 CFR § 64.1200(a)(2)-(3).

¹⁸ Under the TRACED Act, violations of the TCPA with the intent to cause such violation are subject to an additional penalty of up to \$10,000. Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act, § 3, Pub. L. No. 116-105, 133 Stat. 3274 (2019) (codified as amended in 47 U.S.C. § 227).

¹⁹ Truth in Caller ID Act of 2009, Pub. L. No. 111-331, codified at 47 U.S.C. § 227(e); 47 CFR § 64.1604.

²⁰ See evidence on file at File No. EB-21-00031913.

²¹ *Id.*

²² See, e.g., *Affordable Enterprises of Arizona, LLC*, Forfeiture Order, 35 FCC Rcd 12142 (2020).

²³ *U.S. v. Roy M. Cox, Jr. et al*, No. 8:11-cv-01910-DOC-JPR (C.D. Cal. 2013).

²⁴ See call detail record information on file in FCC File No. EB-21-00031913.

²⁵ See Recording on file at File No. EB-21-00031913.

Recent tracebacks show that the Cox/Jones/Sumco Panama Operation is still generating millions of apparently unlawful calls to consumers on a daily basis.²⁶ We direct voice service providers to Attachment A attached to this *Order*, which contains examples of traceback data (from January 2022 to the present) of suspected illegal robocalls made by the Cox/Jones/Sumco Panama Operation, for further and more detailed specifics of the suspected illegal traffic.²⁷

B. Order to Investigate, Mitigate, and Report

10. *Investigate and Mitigate.* By this *Order*, the Bureau directs all U.S.-based voice service providers to investigate promptly the apparently illegal robocall traffic identified in section II.A. above. We further direct all voice service providers that locate any of the apparently illegal robocall traffic described in this *Order* to take immediate steps to effectively mitigate and prevent further transmission of the apparently unlawful calls.²⁸

11. *Partial Waiver of Reporting Obligation.* Pursuant to section 1.3 of the Commission's rules,²⁹ the Bureau finds that good cause exists in this instance to waive in part the reporting obligations otherwise required by section 64.1200(n)(2) of the rules. In particular, the Bureau concludes that obligating all U.S.-based voice service providers to generate a written report documenting their investigation of the suspected illegal robocall traffic identified in this *Order* would result in an excessively voluminous record, given the billions of calls at issue. Accordingly, a voice service provider shall not be required to file a report with the Commission if it terminates a customer relationship with the Cox/Jones/Sumco Panama Operation or blocks all traffic from the Cox/Jones/Sumco Panama Operation and from the Originating Providers identified above.³⁰ **However, if any voice service provider, after investigation of the suspected illegal robocall traffic identified in this *Order*, thereafter does NOT terminate a customer relationship or block the traffic, it will be required to provide a written report to the Bureau with the results of its investigation, as required by section 64.1200(n)(2) of the rules.** If the voice service provider concludes that the identified traffic was not illegal, the report must include an explanation as to why the provider has reasonably concluded that the identified calls were not illegal and what steps the voice service provider took to reach that conclusion. If the voice service

²⁶ See traceback data on file in FCC File No. File No. EB-21-00031913. We also note that Roy Cox signed a settlement agreement on July 12, 2012, with the Department of Justice and the Federal Trade Commission, agreeing to a permanent ban on all telemarketing activities. *United States v. Roy M. Cox, Jr. et al*, No. 8:11-cv-01910-DOC-JPR (C.D. Cal. 2013).

²⁷ See Attachment A.

²⁸ Our rules define "effectively mitigate" as "identifying the source of the traffic and preventing that source from continuing to originate traffic of the same or similar nature." 47 CFR § 64.1200(f)(18). As we noted in the *Notice* and in the cease-and-desist letters, we construe this to include taking all actions necessary to cease carrying such illegal traffic. See *Notice* at p. 4. For the purposes of effective mitigation when notified by the Bureau of suspected illegal traffic under section 64.1200(n)(2) of the rules, the Commission has advised that such actions may include "ending a customer relationship, limiting access to high-volume origination services, or any other steps that have the effect of stopping this traffic and preventing future, similar traffic." See *Advanced Methods to Target and Eliminate Unlawful Robocalls*, Fourth Report and Order, 35 FCC Rcd 15221 15231, para. 26 (2020). The Commission also encouraged downstream voice service providers without a direct relationship with the makers of such calls to block calls from bad-actor providers to the extent permissible under section 64.1200(k)(4) of the rules. See *id.* at 15230-31, paras. 24, 27.

²⁹ 47 CFR § 1.3 ("The provisions of this chapter may be suspended, revoked, amended, or waived for good cause shown, in whole or in part, at any time by the Commission, subject to the provisions of the Administrative Procedure Act and the provisions of this chapter. Any provision of the rules may be waived by the Commission on its own motion or on petition if good cause therefor is shown.")

³⁰ Because the Originating Providers listed above have failed to effectively mitigate the illegal traffic within 48 hours, downstream providers may block all of their traffic without liability under the Communications Act or the Commission's rules. See para. 4, above; 47 CFR § 64.1200(k)(4).

provider concludes that the traffic is illegal but is unable to effectively mitigate the traffic by terminating the customer relationship or blocking traffic from the Cox/Jones/Sumco Panama Operation and the Originating Providers identified above, the report must include any alternative steps the voice service provider has taken to effectively mitigate that traffic, and identify the source of the traffic should the notified provider find that the traffic comes from an upstream provider with direct access to the U.S. Public Switched Telephone Network.

12. Any provider filing such a report must do so within two weeks of this *Order*, and shall demonstrate its ongoing efforts to mitigate the traffic associated with the Cox/Jones/Sumco Panama Operation. Reports must be filed electronically by email sent to Kristi Thompson, Division Chief, Enforcement Bureau, Telecommunications Consumers Division, at Kristi.Thompson@fcc.gov; with copies sent to Lisa Zaina, Asst. Chief, Enforcement Bureau, Telecommunications Consumers Division, at Lisa.Zaina@fcc.gov; and Daniel Stepanicich, Enforcement Bureau, Telecommunications Consumers Division, at Daniel.Stepanicich@fcc.gov. Reports and/or supporting documentation that exceed 5MB must be transmitted by an alternative mechanism; providers must contact Daniel Stepanicich for alternative filing instructions.

13. Any questions may be directed to Kristi Thompson, Division Chief, Enforcement Bureau, Telecommunications Consumers Division, at 202-418-1318 or by email at Kristi.Thompson@fcc.gov; Lisa Zaina, Asst. Chief, Enforcement Bureau, Telecommunications Consumers Division, at 202-418-2803 or by email at Lisa.Zaina@fcc.gov; or Daniel Stepanicich, Enforcement Bureau, Telecommunications Consumers Division, at 202-418-7451 or by email at Daniel.Stepanicich@fcc.gov.

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