

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Philip Roesel, dba Wilmington Insurance Quotes, and Best Insurance Contracts, Inc.*,
File No.: EB-TCD-16-00023195

During my tenure as FCC Chairman, I've had the opportunity to set the agenda for 20 monthly meetings. And at almost half of those meetings, we've voted on measures to fight the scourge of unlawful robocalls. This proactive strategy follows through on what I said shortly after becoming Chairman: Combating illegal robocalls would be the FCC's top consumer protection priority.

Today, we take further steps to address this priority by approving two major enforcement actions. The first involves Philip Roesel. By making unsolicited calls to consumers, Roesel generated leads for insurance products that he sold. Last year, we found he and his company apparently liable for \$82,106,000 for violating the Truth in Caller ID Act. Roesel was responsible for more than 200,000 spoofed robocalls a day—21.5 million altogether, over a three-month period from late 2016 through early 2017.

Roesel's response to the Commission was not persuasive, to say the least. He admits that he hired a dialing platform. He admits that he intentionally spoofed the caller ID. He admits that he robocalled consumers. And he does not deny that he failed to obtain prior consent from any consumers that he robocalled. Nor does he deny he obtained value using his robocalling campaign or that he caused harm.

Now, Roesel claims that any value obtained was not obtained "wrongfully." But it's impossible to believe that he would have generated the same volume of leads (and potential commissions) had he not made over 21 million unlawfully spoofed robocalls in violation of the Truth in Caller Act.

He also asserts that any unlawful conduct was "cured" because consumers who wanted more information were ultimately given truthful information. But tell this to the millions of innocent consumers who were misled into answering his calls, or who had no interest in learning more about the offer. Baiting the hook and casting the line are bad, with or without the sinker.

So today, we reject Roesel's specious arguments and impose a forfeiture of over \$82 million for intentionally including false or misleading spoofed caller ID information with his unlawful robocalls.

The second enforcement action is a Notice of Apparent Liability against Affordable Enterprises of Arizona. Affordable ran a telemarketing scheme to gain new customers and increase sales of its home improvement and remodeling services. The company apparently made over two million unlawful spoofed telemarketing calls in just a 14-month period. So we're proposing a penalty of \$37,525,000 for apparent violations of the Truth in Caller ID Act.

Here's how their scheme apparently worked. First, Affordable would upload a random list of targeted numbers into a calling platform that would dial the numbers on Affordable's behalf. (Affordable was apparently aware that many of these numbers were on the national Do No Call Registry.) Next, Affordable would program the calling platform to display spoofed caller ID information. In other words, this information did not transmit the originating phone number. The Caller ID displayed was an unassigned number, an assigned number to a prepaid burner phone, or, in the most egregious instances, a number already assigned to an innocent consumer.

This design made it virtually impossible for any consumer with a complaint to contact Affordable's official business line. It also was designed to make it easier for Affordable to hide any link between the company and its illegal telemarketing calls from law enforcement or potential plaintiffs.

The Enforcement Bureau's able investigation unearthed details about this scheme after investigating a sampling of 13 separate numbers used by Affordable for caller ID purposes from July 26, 2016 to September 25, 2017. Affordable used these 13 numbers to make 2,341,125 telemarketing calls during this period. And not one of these numbers displayed correct caller ID information to show that the

calls came from Affordable or otherwise listed Affordable as the subscriber of record.

Most troubling is the fact that four of the sampled numbers used by Affordable for caller ID purposes were assigned to innocent consumers. One of them claimed to have received more than five calls a day from people irate that they were receiving unwanted calls from her number and demanding that she stop. This consumer said that she was overwhelmed by these calls. And no wonder: The Bureau's investigation confirmed that Affordable had made more than 48,349 calls alone using her phone number during the period that it was assigned to this consumer. This conduct is outrageous and unacceptable.

Of course, enforcement actions alone won't solve the problem of unlawful robocalls. That's why we've been busy working on a variety of initiatives to address this issue. In response to our charge, the North American Numbering Council, an FCC Advisory Committee, has set out the next steps for implementing a nationwide call authentication system designed to stamp out robocalls from bad actors, and the private sector is now setting up the governance system for authenticating calls industry-wide. We are carefully monitoring these efforts and will consider whether any Commission action is needed to ensure that milestones are met in a timely manner.

But make no mistake about it: Penalizing those who spoof caller ID information and flood Americans' phones with unlawful robocalls must be a component of any effective strategy for combatting this scourge.

I want to thank staff for their careful sleuthing and hard work in bringing these cases forward. For Roesel, I want to thank Vilma Anderson, Tamara Baxter, Jonathan Garvin, Lisa Gelb, Susan German, Rosemary Harold, Jermaine Haynes, Rick Hindman, Parul Desai, Matthew Hoke, Lisa Landers, Coly Marierose, Ann Morgan, Phil Priesman, Nakasha Ramsey, Terrell Richardson, Mary Romano, Stacy Ruffin-Smith, Mika Savir, Michael Scurato, Daniel Stepanicich, Kimbarly Taylor, Kristi Thompson, Bridgette Washington, and Lisa Williford of the Enforcement Bureau; Kurt Schroeder, Mark Stone, and Kristi Thornton of the Consumer and Governmental Affairs Bureau; and Terry Cavanaugh, Neil Dellar, Valerie Hill, Billy Layton, and Rick Mallen in the Office of General Counsel. And for Affordable, I want to thank Jonathan Garvin, Lisa Gelb, Rosemary Harold, Jermaine Haynes, Rick Hindman, Parul Desai, Matthew Hoke, Coly Marierose, Nakasha Ramsey, Terrell Richardson, Michael Scurato, Kristi Thompson, Bridgette Washington, Shante Willis, and Shana Yates of the Enforcement Bureau; John B. Adams, Jerusha Burnett, Kurt Schroeder, Mark Stone, and Kristi Thornton of the Consumer and Governmental Affairs Bureau; and Ashley Boizelle, Valerie Hill, Tom Johnson, Rick Mallen, Linda Oliver, and Bill Richardson in the Office of General Counsel.