

Media Contact:

Will Wiquist, (202) 418-0509
will.wiquist@fcc.gov

For Immediate Release

FCC PROPOSES \$37.5 MILLION FINE FOR SPOOFED MARKETING CALLS APPEARING TO COME FROM CONSUMERS

Whistleblower Alerted FCC to Arizona Company Making Millions of Calls to Arizonans to Peddle Home Improvement & Remodeling Services

WASHINGTON, September 26, 2018—The Federal Communications Commission today proposed a more than \$37.5 million fine against Affordable Enterprises of Arizona for apparently making millions of illegally-spoofed telemarketing calls that appeared to originate from consumers and other numbers not assigned to the company. This is the Commission’s first major enforcement action against a company that apparently commandeered consumers’ phone numbers, an oft-complained about nuisance for Americans.

The Tucson-based company made more than 2.3 million maliciously-spoofed telemarketing calls to Arizonans during a 14-month span starting in 2016 to sell home improvement and remodeling services. The company apparently manipulated the caller ID information so that many calls appeared to come from consumers who were unconnected to the operation. Calls also appeared to come from unassigned phone numbers and numbers assigned to pre-paid “burner” phones. In each case, the caller ID was spoofed and consumers were unable to identify from the caller ID that the call was from Affordable Enterprises.

One Arizonan received more than five calls per day on her cell phone from consumers complaining about telemarketing calls they thought she had made. Records show that Affordable Enterprises had made spoofed telemarketing calls to consumers that appeared to be coming from the cell phone of this unaffiliated Arizonan. Such calling tactics harm both the consumers receiving the deceptive calls and those whose numbers are essentially commandeered by the telemarketer.

Illegal spoofing occurs when a caller maliciously falsifies the information transmitted to a consumer’s caller ID display. The Truth in Caller ID Act prohibits anyone from transmitting misleading or inaccurate caller ID information with the intent to defraud, cause harm or wrongly obtain anything of value. More information on spoofing rules is available at: <https://www.fcc.gov/spoofing>

The FCC’s Enforcement Bureau began its investigation based on information provided by a whistleblower. Using this lead—from a former employee of Affordable Enterprises—the Commission subpoenaed the phone records of the company and worked with the Federal Trade Commission to review consumer complaints from individuals on the Do Not Call Registry. The company, which also used names including Affordable Kitchens and Affordable Windows, used a telemarketing platform to connect sales representatives to consumers to try to market home improvement services.

Many consumers who received these telemarketing calls had placed their numbers on the national Do Not Call Registry, which prohibits marketing calls to listed numbers. Making such calls despite the prohibition would be a violation of the Telephone Consumer Protection Act. Thus, in addition to the proposed fine for apparent violations of anti-spoofing rules, Affordable Enterprises has been issued a citation for violating the TCPA.

Today's proposed fine, formally called a Notice of Apparent Liability for Forfeiture, contains only allegations that advise a party on how it has apparently violated the law and may set forth a proposed monetary penalty. The Commission may not impose a greater monetary penalty in this case than the amount proposed in the NAL. Neither the allegations nor the proposed sanctions in the NAL are final Commission actions. The party will be given an opportunity to respond and the Commission will consider the party's submission of evidence and legal arguments before acting further to resolve the matter.

Action by the Commission September 26, 2018 by Notice of Apparent Liability for Forfeiture (FCC 18-135). Chairman Pai, Commissioners Carr and Rosenworcel approving. Commissioner O'Rielly approving in part and dissenting in part. Chairman Pai, Commissioners O'Rielly, Carr, and Rosenworcel issuing separate statements.

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Office of Media Relations: (202) 418-0500
ASL Videophone: (844) 432-2275
TTY: (888) 835-5322
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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).