

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Implementing Section 503 of RAY BAUM'S Act*, WC Docket No. 18-335; *Rules and Regulation Implementing the Truth in Caller ID Act of 2009*, WC Docket No. 11-39.

Last year, the FCC received more than 52,000 consumer complaints about caller ID spoofing. Among them were complaints about an international phone scam targeted at Chinese-Americans.¹ In one variation, the perpetrators manipulated caller ID information to make it look like they were calling from one of the Chinese consulate offices in the United States, and conned their victims into thinking that they were the subject of a criminal investigation in China—an investigation that could be resolved by wiring money to a Hong Kong bank account.² According to New York City police, as a result of this scam, dozens of residents were defrauded out of an estimated *three million dollars*.³

Congress has recognized the serious harm this kind of spoofing causes to American consumers. In 2018, legislation was enacted to expand the FCC's "jurisdiction to pursue spoofing originating from overseas as well as spoofing activity using text messages and other voice communications services not already covered by [existing] law."⁴ We begin to implement that authority today by proposing updates to our Truth in Caller ID rules. These updates would allow the FCC to bring enforcement actions against spoofers who try to scam consumers—regardless of where the calls originate. They would also allow us to go after those who spoof text messages and voice calls to the extent that conduct isn't already covered by our current rules (an example being one-way interconnected VoIP calls).

Today's efforts are the latest step in our ongoing fight against the persistent problem of malicious caller ID spoofing. In the past year-and-a-half, we've adopted rules allowing phone companies to stop spoofed calls before they even reach consumers' phones. We've imposed or proposed fines totaling more than \$237.5 million for illegal caller ID spoofing. We've held town halls around the country to educate older consumers about phone scams. We've urged the phone industry to help "traceback" illegal spoofed calls to their original source. And just this week, I again demanded that industry deploy robust caller ID "authentication" in their networks this year. In short, the FCC is working on multiple fronts to combat spoofing fraud.

For their work on this rulemaking, I'd like to thank the following Commission staff: Pamela Arluk, Annick Banoun, Alex Espinoza, Justin Faulb, Lisa Hone, Kris Monteith, and Terri Natoli of the Wireline Competition Bureau; Malena Barzilai, Rick Mallen, Linda Oliver, and Bill Richardson of the Office of General Counsel; Eric Burger, Chuck Needy, and Eric Ralph of the Office of Economics and Analytics; Garnet Hanly and Jennifer Salhus of the Wireless Telecommunications Bureau; John B. Adams, James Brown, Jerusha Burnett, Micah Caldwell, Kurt Schroeder, Mark Stone, and Kimberly Wild of the Consumer and Governmental Affairs Bureau; and Kristi Thompson of the Enforcement Bureau.

¹ See FCC, *Chinese Americans Targeted in Consulate Phone Scam* (June 5, 2018), <https://www.fcc.gov/chinese-americans-targeted-consulate-phone-scam>.

² See, e.g., Stephen Nessen, National Public Radio, *Chinese Robocalls Bombarding the U.S. are Part of an International Phone Scam* (May 10, 2018), <https://www.npr.org/2018/05/10/609117134/chinese-robocalls-bombarding-the-u-s-are-part-of-an-international-phone-scam>; see also Chinese Consulate General of Chicago, *Warning Again: Be Careful of Telecom Scams Using the Phone Number of the Chinese Consulate General in Chicago* (May 2, 2018), <http://www.chinaconsulatechicago.org/eng/zytz/t1555970.htm>.

³ Nessen, *Chinese Robocalls Bombarding the U.S. are Part of an International Phone Scam*.

⁴ S. REP. NO. 115-91, at 2 (2017).