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For Immediate Release

**FCC REACHES \$5 MILLION SETTLEMENT
WITH VOIP PHONE COMPANY**

WASHINGTON, June 5, 2020—The Federal Communications Commission today announced a \$5 million settlement with voice over Internet provider (VoIP) magicJack regarding its failure to report its interstate revenues and contribute to the Universal Service Fund. The company, which sells a VoIP telephone service to consumers, agreed to the settlement, along with an extensive compliance plan.

“Today’s settlement sends a strong message that we take seriously the requirements on VoIP service providers to meet their legal obligations,” said Chairman Ajit Pai. “I am glad we can resolve this long-standing investigation. I thank the FCC Enforcement Bureau team for their hard work and dedication to enforcing the law.”

magicJack markets itself to consumers as a competitive replacement for traditional telephone service. It uses Internet service to allow consumers to make phone calls to and receive calls from traditional mobile and landline phones. The service includes “traditional” phone services such as caller ID, voicemail, call forwarding, and 411 service. The \$5 million settlement resolves the Enforcement Bureau’s investigation and makes clear that magicJack will comply with federal rules going forward.

Formally called magicJack VocalTec, this publicly traded company operates in the United States through Delaware-based, wholly owned subsidiaries MJLP and YMax Communications. The company will be required to regularly report to the Commission on its compliance with this agreement.

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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).