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For Immediate Release

FCC IMPOSES RECORD PENALTY AGAINST TRANSNATIONAL ILLEGAL ROBOCALLING OPERATION

Scammers Who Placed Five Billion Auto Warranty Robocalls Fined Nearly \$300 Million for Robocall and Spoofing Violations

WASHINGTON, August 3, 2023—The Federal Communications Commission today issued a record-breaking \$299,997,000 fine for auto warranty scam robocalls made by the largest illegal robocall operation the agency has ever investigated. An international network of companies violated federal statutes and the Commission's regulations when they executed a scheme to make more than five billion robocalls to more than 500 million phone numbers during a three-month span in 2021, including violating federal spoofing laws by using more than one million different caller ID numbers in an attempt to disguise the true origin of the robocalls and trick victims into answering the phone.

The enterprise violated a multitude of robocall prohibitions by making pre-recorded voice calls to mobile phones without prior express consent, placing telemarketing calls without written consent, dialing numbers included on the National Do Not Call Registry, failing to identify the caller at the start of the message, and failing to provide a call-back number that allowed consumers to opt out of future calls. The calls also violated spoofing laws by using misleading caller ID to disguise the enterprise's role and prompt consumers to answer.

"We take seriously our responsibility to protect consumers and the integrity of U.S. communications networks from the onslaught of these types of pernicious calls," said FCC Enforcement Bureau Chief Loyaan A. Egal. "I want to thank the Enforcement Bureau's Telecommunications Consumers Division for its groundbreaking work on this case, and we will continue to work with our federal and state partners to hold these entities and others engaged in similar conduct accountable."

Since at least 2018, this enterprise operated a complex scheme designed to facilitate the sale of vehicle service contracts under the false and misleading claim of selling auto warranties. Two of the central players of the operation, Roy M. Cox and Aaron Michael Jones, were under lifetime bans against making telemarketing calls following lawsuits by the Federal Trade Commission and State of Texas. The multi-national enterprise did business as Sumco Panama, Virtual Telecom, Davis Telecom, Geist Telecom, Fugle Telecom, Tech Direct, Mobi Telecom, and Posting Express.

Last year, to stop this then-ongoing telemarketing campaign in its tracks, the FCC directed all U.S.-based voice service providers to cease carrying traffic associated with certain members of the enterprise. As a result, these illegal auto warranty robocalls dropped by 99%. That enforcement action was taken in coordination with the Ohio Attorney General's Office, which

brought a lawsuit under the Telephone Consumer Protection Act against several entities and individuals associated with the enterprise. The Commission also proposed a fine and offered the parties a chance to respond, which they did not do, resulting in today's unprecedented fine. Should the parties not pay the fine promptly, this matter will be referred to the U.S. Department of Justice for collection.

The FCC's Robocall Response Team today also announced new robocall investigation partnerships with the Attorneys General of Hawaii and New Mexico. Forty-six states and the District of Columbia and Guam have now signed Memoranda of Understanding to join with the FCC's Enforcement Bureau to share evidence, coordinate investigations, pool enforcement resources, and work together to combat illegal robocall campaigns and protect American consumers from scams.

Action by the Commission August 3, 2023 by Forfeiture Order (FCC 23-64). Chairwoman Rosenworcel, Commissioners Carr, Starks, and Simington approving. Chairwoman Rosenworcel issuing a separate statement.

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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).