

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *John C. Spiller; Jakob A. Mears; Rising Eagle Capital Group LLC; JSquared Telecom LLC; Only Web Leads LLC; Rising Phoenix Group; Rising Phoenix Holdings; RPG Leads; and Rising Eagle Capital Group – Cayman*, File No.: EB-TCD-18-00027781.

The COVID-19 pandemic has disrupted businesses across the nation, displaced the American workforce, shuttered sports leagues, and closed our children's schools. But there is one thing the pandemic hasn't dampened—our commitment to protect the American people from illegal robocallers. Indeed, in a first-of-its-kind effort in April, we partnered with the Federal Trade Commission to send cease and desist letters to three gateway providers that were facilitating the delivery of COVID-19-related scam robocalls into the United States. We told them that if they didn't stop bringing these unlawful robocalls into the country, they would be at risk of entirely losing access to our nation's phone system. Within 24 hours of our sending these letters, those providers stopped carrying those scam robocalls. Then, in May, we did it again with the U.S. Department of Justice now on board. And again, three different gateway providers stopped bringing COVID-19-related scam robocalls into the United States within 24 hours of receiving the letters.

Today's Notice of Apparent Liability is the latest action taken by the Commission to combat illegal robocalls since the COVID-19 pandemic was declared a national emergency. It proposes a landmark forfeiture of \$225,000,000—the largest fine ever in FCC history. That's because operating through various companies—collectively, Rising Eagle—John C. Spiller and Jakob A. Mears made approximately one billion spoofed robocalls—yes, that's billion with a “b”—in the first four-and-a-half months of 2019 with the intent to defraud, cause harm, and wrongfully obtain something of value, in apparent violation of the Truth in Caller ID Act.

Like other nefarious robocalling scams, Rising Eagle primarily used spoofed Caller ID numbers to flood consumers with prerecorded calls. The robocalls misled consumers into thinking that the calls were from well-known and reputable health insurance providers, such as Cigna and Blue Cross Blue Shield. But that was far from the truth. Instead, the unsuspecting recipients of these robocalls were transferred to Rising Eagle's clients, which attempted to sell them short-term, limited-duration health insurance plans offered by lesser known entities—a far cry from expectations.

One disabled and elderly recipient attested to having fallen down attempting to answer these repeated calls. The scam also caused the companies whose Caller IDs were spoofed by Rising Eagle to become overwhelmed with angry call-backs from aggrieved consumers. At least one company was hit with several lawsuits because its number was spoofed, and another was so overwhelmed with calls that its telephone network became unusable.

What made Mr. Spiller's scheme so insidious from a consumer perspective was something he admitted to investigators. Not only did he make millions of calls a day using spoofed numbers, but he took particular care to include customers who had put their names on the National Do Not Call Registry—because he “found his sales rates . . . rose substantially” when he did so. Rising Eagle even continued to make abusive robocalls despite being warned on multiple occasions that the calls were unlawful and were generating complaints.

Thankfully, Rising Eagle's scam has now run its course. And I think it's important to highlight that this enforcement action was made possible, in part, thanks to a collaborative and ongoing effort between our own Enforcement Bureau staff and experts from the USTelecom Industry Traceback Group. Along with our action to clamp down on COVID-19-related robocall scams with the Federal Trade Commission and the Department of Justice, today's NAL is another example of how collaboration across government and with industry can bring robocallers to justice.

I want to thank our intrepid staff for their diligent work in bringing this action before the Commission: Lisa Gelb, Rosemary Harold, Jermaine Haynes, Shannon Lipp, Nakasha Ramsey, Sonja

Rifken, Linda Sims, Daniel Stepanicich, Kristi Thompson, Brandon Thompson, Kimberly Thorne, Bridgette Washington, Lisa Williford, and Shana Yates of the Enforcement Bureau; Eduard Bartholme, Kurt Schroeder, and Mark Stone of the Consumer Governmental Affairs Bureau; Rachel Kazan, Susan Lee, Ginny Metallo, and Emily Talaga of the Office of Economics and Analytics; Valerie Hill, Rick Mallen, and Bill Richardson of the Office of General Counsel; and Daniel Kahn and Melissa Droller Kirkel of the Wireline Competition Bureau.