

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of
Sumco Panama SA,
Sumco Panama USA,
Virtual Telecom kft,
Virtual Telecom Inc.,
Davis Telecom Inc.,
Geist Telecom LLC,
Fugle Telecom LLC,
Tech Direct LLC,
Mobi Telecom LLC, and
Posting Express Inc.
File No.: EB-TCD-21-00031913
NAL/Acct. No.: 202332170013
FRN: 0033206608
FRN: 0033206681
FRN: 0033206699
FRN: 0033206715
FRN: 0033206731
FRN: 0030277859
FRN: 0030562086
FRN: 0033206764
FRN: 0029886611
FRN: 0033206780

NOTICE OF APPARENT LIABILITY FOR FORFEITURE

Adopted: December 21, 2022

Released: December 23, 2022

By the Commission: Chairwoman Rosenworcel and Commissioner Starks issuing separate statements

TABLE OF CONTENTS

Heading Paragraph #
I. INTRODUCTION..... 1
II. BACKGROUND..... 6
A. Legal Framework..... 6
1. Telephone Consumer Protection Act..... 6
2. Truth in Caller ID Act..... 11
3. TRACED Act..... 14
B. Factual Background..... 15
1. Enterprise Principals..... 21
2. Participants..... 22
3. Straw Directors..... 23
4. Entities..... 23
C. Enforcement Bureau Investigation 28
III. DISCUSSION 42

- A. The Cox/Jones Enterprise Apparently Placed More Than Five Billion Robocalls In Violation of the TCPA..... 43
- B. The Cox/Jones Enterprise Apparently Violated the TCPA with Intent..... 50
- C. The Cox/Jones Enterprise Apparently Violated the Truth in Caller ID Act..... 54
 - 1. The Cox/Jones Enterprise Apparently Knowingly Caused the Display of Misleading Caller ID Information..... 55
 - 2. The Cox/Jones Enterprise Apparently Intended to Defraud, Cause Harm, and Wrongfully Obtain Something of Value..... 61
 - a. The Cox/Jones Enterprise Apparently Intended To Defraud Consumers..... 61
 - b. The Cox/Jones Enterprise Apparently Intended to Cause Harm to Consumers, Numbering Resources, and Service Providers..... 64
 - c. The Cox/Jones Enterprise Apparently Intended to Wrongfully Obtain Something of Value..... 70
- IV. PROPOSED FORFEITURE 72
 - A. We Propose a Base Penalty of \$4,500 Per Each Apparently Unlawful Robocall..... 76
 - B. The Cox/Jones Enterprise’s Conduct Warrants a Significant Upward Adjustment to the Base Penalty..... 78
- V. ENTERPRISE AND INDIVIDUAL ENTITY LIABILITY 82
 - A. We Propose to Hold Each Corporate Entity Identified in This Notice Liable Under The Enterprise Liability Doctrine and Individually Liable..... 82
- VI. ORDERING CLAUSES..... 97

I. INTRODUCTION

1. In connection with more than approximately five billion illegal robocalls that were unleashed on the American public, the Federal Communications Commission (“FCC” or “Commission”) proposes to fine Sumco Panama SA, Sumco Panama USA, Virtual Telecom kft, Virtual Telecom Inc., Davis Telecom Inc., Geist Telecom LLC, Fugle Telecom LLC, Tech Direct LLC, Mobi Telecom LLC, and Posting Express Inc. (collectively the “Entities”)—all of the above are collectively referred to as the “Cox/Jones Enterprise”, or “Enterprise”¹—for apparently placing approximately 5,187,677,000 illegal robocalls between January and March 2021. We also find the Enterprise apparently liable for violating the Truth in Caller ID Act. The Commission proposes to hold each Entity named in this Notice jointly and severally liable for the proposed forfeiture.

2. Since at least July 2018, the Roy M. Cox Jr., Aaron Michael Jones, and Stacey E. Yim (collectively, the “Enterprise Principals” or “Principals”), acting individually and collectively through the Cox/Jones Enterprise, have apparently established an unlawful robocall operation that generated billions of auto warranty robocalls. The Cox/Jones Enterprise was a complex robocall sales lead generation scheme, which was designed to sell vehicle service contracts that were deceptively marketed as car warranties. Jones and Cox are sophisticated robocallers, both of whom have been the subject of prior state and Federal Trade Commission (FTC) robocall lawsuits.²

¹ The Cox/Jones Enterprise, as used throughout this Notice, has no known relation to or association with the Atlanta-based Cox Enterprises, its subsidiary Cox Media Enterprise, or any of its various FCC license-holding subsidiaries.

² See Federal Trade Commission Compl. for Civil Penalties, *United States v. Roy M. Cox et al.* (2011) (8:11-cv-01910), <https://www.ftc.gov/sites/default/files/documents/cases/2011/12/111219roycoxcmpt.pdf> (Dep’t of Justice Compl.); see also Compl. for Civil Penalties, Permanent Injunction, and Other Relief, *Federal Trade Commission v. Aaron Michael Jones et al.* (2017) (8:11-cv-00058), https://www.ftc.gov/system/files/documents/cases/170112_alloreycomplaint.pdf (Jones 2017 Complaint); *FTC v. Pointbreak Media, LLC*, Default Final Order of Permanent Injunction and Monetary Judgment as to Defendants Aaron Michael Jones et al. at 8 (0:18-cv-61017-CMA); Stipulated Order for Permanent Injunction and Monetary Judgment, *State of Texas v. Scm. Media et al.* (2011) (1:09-cv-00387-SS).

3. *Overview.* The Principals organized the network of participants consisting of international companies and individuals that dialed the calls, contracted with service providers and vehicle service contract sellers, and transferred funds. Dialing Entities initiated the calls, contracting entities signed agreements with clients and Voice over Internet Protocol (VoIP) providers for services, and fund transfer entities collected and transferred funds. The Entities' roles were often fluid. A dialer might also contract with VoIP service providers to initiate robocalls or broker contracts with vehicle service contract sellers to generate leads for pay. Revenue from the calling operation flowed from the dialing entities' bank accounts to the fund transfer entities, then to the Principals. Also involved in the operation, but to a lesser degree, was Jovita Migdaris Cedeno Luna, Livia Szuromi, Andrea Baloghne Horvath, Julie Kathryn Bridge, and June Batista (collectively, the Participants). Since 2019, only transactions involving the fund transfer entities or Participants appear in the Principals' bank accounts. To conceal their involvement in the illegal operation, the Principals enlisted the individual Participants, who were apparently close friends or personal assistants of Cox, to manage accounts and day-to-day operations. To further obfuscate their participation, they also used straw directors whose names appear on contracts and corporate filings yet appear to have no other role in the Enterprise ("Straw Directors").

4. The Principals apparently used several deceptive and abusive telemarketing practices. The two foreign dialing entities, Virtual Telecom kft and Sumco Panama, SA, placed calls to consumers' phones without their consent and used misleading caller identification (ID).³ The caller IDs were U.S. numbers selected apparently to cause call recipients to believe that the calls originated locally. The messages also failed to disclose the identity of the caller, misrepresented the nature and characteristics of the product or service being offered, and made false or misleading statements to induce call recipients to purchase goods or services.

5. We propose a forfeiture of \$299,997,000 against the Cox/Jones Enterprise based on a sample of 33,333 verified calls. This proposed fine is appropriate in light of the multiple apparent violations and the scope of the apparently unlawful calling campaign. We propose to hold all Entities and individual members named in this Notice jointly and severally liable.

II. BACKGROUND

A. Legal Framework

1. Telephone Consumer Protection Act

6. The Telephone Consumer Protection Act (TCPA) and the Commission's implementing rules prohibit initiating artificial or prerecorded voice message calls to wireless telephone numbers without subscribers' express prior consent, unless they are made for an emergency purpose.⁴ The TCPA and our rules also prohibit initiating any telephone call using an artificial or prerecorded voice to deliver a message to residential telephone lines, absent the called party's prior express written consent or without an emergency purpose, or unless the call is exempted by a Commission rule or order.⁵ The Commission's rules require prior express *written* consent for artificial or prerecorded voice message calls that include or

³ Where we cannot determine whether the foreign or domestic counterpart was responsible for the call, we refer to them interchangeably.

⁴ See 47 U.S.C. § 227(b)(1)(A)(iii); 47 CFR § 64.1200(a)(1)(iii). Also, pursuant to section 64.1200(a)(2), one may not "[i]nitiate, or cause to be initiated, any telephone call that includes or introduces an advertisement or constitutes telemarketing, using an automatic telephone dialing system or an artificial or prerecorded voice . . . other than a call made with the prior express written consent of the called party."

⁵ See 47 CFR § 64.1200; see also 47 CFR § 64.1200(f)(1) ("The term 'advertisement' means any material advertising the commercial availability or quality of any property, goods, or services."); 64.1200(f)(13) ("The term 'telemarketing' means the initiation of a telephone call or message for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, which is transmitted to any person.").

introduce an advertisement or constitute telemarketing.⁶ In enacting the TCPA, Congress determined that unwanted artificial or prerecorded voice message calls are a greater nuisance and invasion of privacy than live calls.⁷ Congress also recognized that unsolicited artificial or prerecorded voice message calls were pervasive due to their ability to be generated on a large scale at low cost.⁸ Furthermore, the Commission recognized that these calls could be costly to wireless consumers because such consumers can be charged for incoming calls.⁹

7. We have previously interpreted what it means to “initiate” a call: “a person or entity ‘initiates’ a telephone call when it takes the steps necessary to physically place a telephone call, and generally does not include persons or entities, such as third-party retailers, that might merely have some role, however minor, in the causal chain that results in the making of a telephone call.”¹⁰ Our rules define a telemarketer as “the person or entity that *initiates* a [telemarketing] call,” and define the separate term “seller” as “the person or entity on whose behalf a [telemarketing] call or message is *initiated*.”¹¹

Our rules thus draw a clear distinction between a call that is made by a seller and a call that is made by a telemarketer on the seller’s behalf. To be sure, a seller can also be a telemarketer—*e.g.*, when the seller initiates a call on its own behalf. And one can imagine a circumstance in which a seller is so involved in the placing of a specific telephone call as to be directly liable for initiating it—by giving the third party specific and comprehensive instructions as to timing and the manner of the call, for example.¹²

8. Prior express written consent is a written agreement bearing the signature of the call recipient that clearly authorizes the seller to deliver or cause to be delivered to the person called telemarketing messages using an automatic telephone dialing system or an artificial or prerecorded

⁶ See 47 CFR § 64.1200(a)(2)-(3).

⁷ *Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991*, CG Docket No. 02-278, Report and Order, 18 FCC Rcd 14014, 14115, para. 165 (2003) (*2003 TCPA Order*); *Mims v. Arrow Fin. Servs., LLC*, 565 U.S. 368, 372 (2012) (recognizing Congress’s finding that robocalls are an invasion of privacy). Courts have recognized that preserving the sanctity of the home is an important value, see *Frisby v. Schultz*, 487 U.S. 474, 484 (1988), and have found that invasion of privacy confers Article III standing in TCPA cases. See, e.g., *Van Patten v. Vertical Fitness Enter., LLC*, 847 F.3d 1037, 1043 (9th Cir. 2017); *LaVigne v. First Cmty. Bancshares, Inc.*, 215 F. Supp. 3d 1138, 1146-47 (D.N.M. 2016).

⁸ See Telephone Consumer Protection Act of 1991, Pub. L. No. 102-243, 105 Stat. 2394, (1991) (“The use of the telephone to market goods and services to the home and other businesses is now pervasive due to the increased use of cost-effective telemarketing techniques.”); see also *Joffe v. Acacia Mortg. Corp.*, 121 P.3d 831, 842 (2005) (“Cellular telephones have permeated American life, and have replaced traditional ‘land line’ telephones in many homes and businesses. People keep their cellular phones on their person at nearly all times: in pockets, purses, and attached to belts. Unlike other modes of communication, the telephone commands our instant attention. While junk mail may be thrown away unopened, and television commercials turned off, the telephone demands to be answered. In protecting the privacy of cellular telephone subscribers from automated calls, the TCPA serves a significant governmental interest.”).

⁹ See *2003 TCPA Order*, 18 FCC Rcd at 14115, para. 165 (“The Commission has long recognized, and the record in this proceeding supports the same conclusion, that wireless customers are charged for incoming calls whether they pay in advance or after the minutes are used. Wireless subscribers who purchase a large ‘bucket’ of minutes at a fixed rate nevertheless are charged for those minutes, and for any minutes that exceed the ‘bucket’ allowance. This ‘bucket’ could be exceeded more quickly if consumers receive numerous unwanted telemarketing calls.”).

¹⁰ *DISH Network, LLC*, Declaratory Ruling, 28 FCC Rcd 6574, 6583, para. 26 (2013).

¹¹ *Id.* at 6583, para. 27; see also 47 CFR § 64.1200(f)(10), (12).

¹² *DISH Network, LLC*, 28 FCC Rcd at 6583, para. 27.

voice.¹³ This written agreement must specify the phone number to which the signatory authorizes such advertisements or telemarketing messages to be delivered and must include the called party's written or electronic signature.¹⁴ Additionally, this written agreement must include a clear and conspicuous disclosure informing the person signing that (a) by signing the consent agreement the person authorizes the seller to deliver (or cause to be delivered) telemarketing calls using an automatic telephone dialing system or an artificial or prerecorded voice, and (b) the person is not required to sign the agreement, or agree to enter into such an agreement, as a condition of purchasing any property, goods, or services.¹⁵ "Clear and conspicuous" means "a notice that would be apparent to the reasonable consumer, separate and distinguishable from the advertising copy or other disclosures."¹⁶

9. Artificial or prerecorded messages must include certain disclosures and must comply with telephone solicitation within the methods prescribed by the Commission. Within two seconds of providing identification information, the artificial or prerecorded voice messages must "provide an automated, interactive voice – and/or key press-activated opt out mechanism for the called person to make a do-not-call request."¹⁷ Furthermore, when a called party uses the mechanism to make a do-not-call request, the mechanism must "automatically record the called person's number to the seller's do-not-call list and immediately terminate the call."¹⁸ Additionally, telemarketing calls must not be placed to "a residential telephone subscriber before the hour of 8 a.m. or after 9 p.m." or to a residential telephone number on the National Do Not Call Registry.¹⁹ When contacting residential phones, the artificial or prerecorded voice messages must identify the entity responsible for initiating the call at the beginning of the message.²⁰ Additionally, when calling residential phones, the artificial or prerecorded messages must also provide a telephone number during or after the artificial or prerecorded message, which, for telemarketing message calls, the called party can dial to make a do-not-call request.²¹

10. The Commission established caller ID requirements for telemarketers as part of the implementation of the TCPA. Telemarketers must transmit information indicating either the Calling Party Number (CPN) or the Automatic Numbering Information (ANI) and, if available to the telemarketer's carrier, the telemarketer's name.²² However, telemarketers may substitute their information with the name and customer service telephone number of the seller.²³ Further, the called party must be able to call the number displayed and "make a do-not-call request during regular business

¹³ 47 CFR § 64.1200(f)(9).

¹⁴ *Id.*

¹⁵ *Id.*; see also *Sullivan v. All Web Leads, Inc.*, No. 17 C 1307, 2017 WL 2378079, at *3 (N.D. Ill. June 1, 2017) (noting that, to be effective, express written consent must satisfy further requirements in that "(i) The written agreement shall include a clear and conspicuous disclosure informing the person signing that: (A) By executing the agreement, such person authorizes the seller to deliver or cause to be delivered to the signatory telemarketing calls using an automatic telephone dialing system or an artificial or prerecorded voice; and (B) The person is not required to sign the agreement (directly or indirectly), or agree to enter into such an agreement as a condition of purchasing any property goods, or services.").

¹⁶ 47 CFR § 64.1200(f)(3).

¹⁷ 47 CFR § 64.1200(b)(3).

¹⁸ *Id.*

¹⁹ 47 CFR § 64.1200(c).

²⁰ 47 U.S.C. § 227(d)(3)(A); 47 CFR § 64.1200(b)(1).

²¹ 47 U.S.C. § 227(d)(3)(A); 47 CFR § 64.1200(b)(3).

²² 47 CFR § 64.1601(e)(1).

²³ *Id.*

hours.”²⁴ It is not sufficient to simply supply a call-back number that does not as a practical matter provide an opportunity to request to be placed on a do-not-call list.²⁵

2. Truth in Caller ID Act

11. The Truth in Caller ID Act prohibits “caus[ing] any caller identification service” in connection with any voice service or text messaging service to “knowingly transmit misleading or inaccurate caller identification information with the intent to defraud, cause harm, or wrongfully obtain anything of value.”²⁶ Congress recognized that consumers have long embraced caller ID as a vital part of voice telephone service, depending on it to help them decide whether to answer the phone.²⁷ The Commission has stated that “[a]ccurate caller ID also allows the phone companies and law enforcement to detect and combat unlawful calls, such as unlawful telemarketing calls.”²⁸ Caller ID is only valuable if it is accurate.²⁹ The Commission has acknowledged that “[a]s technology has advanced, the dangerous combination of spoofing and illegal telemarketing calls has become much more pervasive and harder to stop.”³⁰

12. *Inaccurate or Misleading Caller ID Information.* The Truth in Caller ID Act and implementing Commission rules reinforce the caller ID requirements established under the TCPA and previously implemented Commission rules. The passage of the Truth in Caller ID Act, and the implementing Commission Rules, does not relieve telemarketers of the obligation “to transmit caller identification information” with a phone number which a person can call to request placement on a company-specific do-not-call list.³¹ “This requirement allows consumers to more easily identify incoming telemarketing calls and to make informed decisions about whether to answer particular calls. It also facilitates consumers’ ability to request placement on company-specific do-not-call lists.”³²

13. *Unlawful Intent.* The Truth in Caller ID Act requires a finding of an intent to defraud, cause harm, or wrongfully obtain anything of value. The Commission has said that it considers whether the calling party had the wrongful intent, rather than whether it in fact caused harm, defrauded the called party, or obtained something of value.³³ For example, an intent to harm under the Truth in Caller ID Act

²⁴ See 47 CFR § 64.1601(e)(1); see *2003 TCPA Order*, 18 FCC Rcd at 14122, para. 180.

²⁵ See *Affordable Enterprises of Arizona, LLC*, Forfeiture Order, 35 FCC Rcd 12142, 12150, para 16 (2020) (*Affordable Enterprises of Arizona Forfeiture Order*); see also *id.* at 12155, para. 333 (finding that telemarketers who hang up on consumers when asked for identifying information are not compliant with our rules).

²⁶ 47 U.S.C. § 227(e)(1); see also 47 CFR § 64.1604(a)-(b). There are exceptions for investigative, protective, or intelligence activities, which do not apply here.

²⁷ 153 Cong. Rec. S2357, S2361 (2007) (Remarks of Sen. Nelson).

²⁸ See *Affordable Enterprises of Arizona Forfeiture Order*, 35 FCC Rcd at 12143, para. 1.

²⁹ 156 Cong. Rec. H2522, H2524 (2010) (Remarks of Rep. Engel) (“Now, if you see a caller ID and you see it has a phone number, most people think that it’s ironclad that that’s the actual phone number that’s calling them when in truth it’s not.”); 155 Cong. Rec. S170-02, S173 (2009) (Remarks of Sen. Nelson) (“Consumers expect caller I.D. to be accurate because it helps them decide whether to answer a phone call and trust the person on the other end of the line.”).

³⁰ See *Affordable Enterprises of Arizona Forfeiture Order*, 35 FCC Rcd at 12143, para.1.

³¹ 47 CFR § 64.1601(e). See also *Rules & Regulations Implementing the Truth in Caller ID Act of 2009*, 26 FCC Rcd 9114, 9119 (2011) (*Truth in Caller ID Order*).

³² See *Truth in Caller ID Order*, 26 FCC Rcd at 9128.

³³ 47 U.S.C. § 227(e)(1).

can be demonstrated when the harms are “consequences which are desired” or “substantially certain.”³⁴ Furthermore, the Commission has found that when spoofing occurs in combination with illegal robocalls, there is evidence of intent to cause harm.³⁵ We have held that under the Truth in Caller ID Act, “harm” includes emotional, physical, and financial harm.³⁶ Courts and the Commission have found that “anything of value” is not limited to monetary value or tangible assets.³⁷ For example, evading legal liability constitutes a thing of value for the purposes of the Truth in Caller ID Act.³⁸

3. TRACED Act

14. In December 2019, Congress passed the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act (TRACED Act) to provide additional tools to assist regulatory enforcement efforts.³⁹ The TRACED Act amended section 227(b) and (e) in several respects. First, the TRACED Act removed the requirement that the Commission issue a citation, or warning, pursuant to section 503(b)(5) of the Communications Act before the Commission may propose a monetary forfeiture under section 227(b) or (e) against any person that does not hold (or is not an applicant for) a license, permit, certificate, or other authorization issued by the Commission.⁴⁰ Second, the TRACED Act authorized an additional monetary penalty for violations of section 227(b) if the Commission determines

³⁴ See *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*, Forfeiture Order, 36 FCC Rcd 6225, 6237, para 25 (2021) (*Rising Eagle Forfeiture Order*).

³⁵ *Id.*

³⁶ *Id.*; see also *Adrian Abramovich, Marketing Strategy Leaders, Inc., and Marketing Leaders, Inc.*, Notice of Apparent Liability, 32 FCC Rcd 5418, 5423, para 16 (2017), *forfeiture issued.*, Forfeiture Order, 33 FCC Rcd 4663 (2018).

³⁷ See *United States v. Picquet*, 963 F.2d 54, 55-56 (5th Cir. 1992) (holding that sales taxes constitute “a thing of value” for the purposes of 18 U.S.C. § 1029(a)(2)’s prohibition of using unauthorized access devices to obtain “anything of value”); see also *United States v. Singleton*, 144 F.3d 1343, 1349-50 (10th Cir. 1998), *rev’d on other grounds*, 165 F.3d 1297 (10th Cir. 1999) (agreeing with *Picquet*); *United States v. Draves*, 103 F.3d 1328, 1332 (7th Cir. 1997) (agreeing with and applying the 5th Circuit’s expansive interpretation of the phrase “anything of value” in *Picquet*); *United States v. Nilsen*, 967 F.2d 539, 542-43 (11th Cir. 1992) (“Congress’ frequent use of ‘thing of value’ in various criminal statutes has evolved the phrase into a term of art which the courts generally construe to envelop both tangibles and intangibles. This broad interpretation is based upon a recognition that monetary worth is not the sole measure of value.”); *United States v. Schwartz*, 785 F.2d 673, 680 (9th Cir. 1986) (noting the broad range of intangibles that have been found to be “things of value” by prior courts); *United States v. Williams*, 705 F.2d 603, 622-23 (2d Cir. 1983) (holding that the district court properly construed the meaning of the term “anything of value” to “focus on the value that the defendants subjectively attached to the items received”); *United States v. Sheker*, 618 F.2d 607, 609-10 (9th Cir. 1980) (holding that “value” includes anything recognized or appreciated by others); *United States v. Girard*, 601 F.2d 69, 71 (2d Cir. 1979) (“[T]he phrase [‘thing of value’] is generally construed to cover intangibles as well as tangibles.”).

³⁸ See *Best Insurance Contracts, Inc., and Philip Roesel, dba Wilmington Insurance Quotes*, Forfeiture Order, 33 FCC Rcd 9204, 9212, para. 22. (2018) (*Roesel Forfeiture Order*).

³⁹ Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act, Pub. L. No. 116-105, 133 Stat. 3274 (2019) (codified as amended in 47 U.S.C. 227, 227b, 227b-1, and 227b-2) (TRACED Act); see also S. Rep. No. 116--41 at 6 (2019) (“The TRACED Act is designed to respond to the scourge of illegal robocalls. The legislation would help to substantially increase the penalties for illegal robocalls with intent. The bill would provide stronger tools to combat illegal robocalls and ensure that industry and regulators have the tools and resources needed to address changing technologies.”).

⁴⁰ See TRACED Act § 3(a)(1), 133 Stat. at 3274 (adding 47 U.S.C. § 227(b)(4)(A)); *id.* § 3(a)(2)(A), 133 Stat. at 3275 (amending 47 U.S.C. § 227(e)(5)(A)(ii)); see also *Implementing Section 3 of the Pallone Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act (TRACED Act)*, Order, 35 FCC Rcd 4476, 4477, para. 5 (EB 2020) (Section 3 TRACED Act Order).

that the person violated section 227(b) “with the intent to cause such violation.”⁴¹ Third, the TRACED Act set a four-year statute of limitations period for enforcement action against intentional violations of section 227(b); the one-year statute of limitations remains for non-intentional violations.⁴² Fourth, the TRACED Act extended the statute of limitations to four years (from two years) for enforcement action against violations of section 227(e).⁴³ Congress intended that “the TRACED Act would allow the Commission additional time to pursue the worst of the worst” robocallers.⁴⁴

B. Factual Background

15. From at least 2018, Roy Melvin Cox Jr., Aaron Michael Jones, and Stacey Yim (the “Enterprise Principals”) apparently violated the TCPA and the Commission’s rules by orchestrating the largest robocall scheme that the Commission has ever investigated. This robocall scheme involved the placement of prerecorded calls to consumers—without their consent—and the use of misleading caller ID technology to sell auto warranties. Between January and March 2021, the Enterprise Principals caused more than five billion illegal robocalls to be made to consumers.

16. To orchestrate this robocalling scheme, the Enterprise Principals formed, or caused to be formed, at least 10 companies (the “Entities”).⁴⁵ The Enterprise Principals and Entities – along with an additional 8 individuals based in Hungary, Panama, Canada, and the United States – worked in concert to (a) contract with auto warranty companies, (b) place illegal robocalls to consumers to sell auto warranties, and (c) funnel the profits from auto warranty sales back to the Enterprise Principals. The Participants apparently had substantial roles in facilitating the robocall operation. Traceback reporting on the robocall operations shows a foreign point of departure for the call centers.⁴⁶ Migdaris Cedeno and Szuromi apparently managed the call centers and facilitated the acquisition of Direct Inward Dialing numbers and VoIP services.⁴⁷ Bridge and Batista apparently performed day-to-day tasks, such as conducting banking transactions and filing corporate registration paperwork.⁴⁸ Horvath apparently directed other Participants to take actions in the United States to establish U.S.-based companies and bank accounts.⁴⁹ Conversely, the Straw Directors apparently had a limited role in the Enterprise. They signed contracts, appeared as officers on corporate forms, or took part in discrete transactions, but did not appear to have a significant, on-going role compared to the Participants.

17. In a hub-and-spoke fashion, Cox apparently was the nexus for most of the individuals and relationships in named in this Notice. The individuals had varying degrees of separation from the

⁴¹ TRACED Act § 3(a)(1), 133 Stat. at 3274 (adding 47 U.S.C. § 227(b)(4)(B)). Such amounts are recoverable under section 504(a) of the Communications Act. *See* 47 U.S.C. § 504(a).

⁴² *See* TRACED Act § 3(a)(1), 133 Stat. at 3275 (adding 47 U.S.C. § 227(b)(4)(E)); *see also* 47 CFR § 1.80(c)(4)-(5).

⁴³ *See* TRACED Act § 3(a)(2)(B), 133 Stat. at 3275 (amending 47 U.S.C. § 227(e)(5)(A)(iv)); *see also* 47 CFR § 1.80(c)(3).

⁴⁴ S. Rep. No. 116-41, at 12 (“By limiting the extended enforcement period to ‘violations with the intent to cause such violation,’ the TRACED Act would allow the Commission additional time to pursue the worst of the worst: scammers and lead-generation mills intentionally violating restrictions on the use of automatic telephone dialing systems.”).

⁴⁵ *See supra* para. 1.

⁴⁶ *See* ITG Response to Subpoena, Traceback Report Summary (on file at EB-TCD-21-00031913).

⁴⁷ *See* Vultr Subpoena Response at 95 (showing communications of Sumco Panama SA with Vultr in which Szuromi and Migdaris Cedeno submit forms of identification to gain the call center access to the cloud platform).

⁴⁸ *See* Response of Julie Bridge to FCC Subpoena (Response of Julie Bridge) at 2-3; *see also* Cox Depo, Page 75.

⁴⁹ *See* Response of Julie Bridge at 2-3; *see also* Cox Depo, Page 75.

apparently illegal robocalls. However, our evidence suggests that they were likely aware of the apparently illegal calling operation yet continued to act in furtherance of the scheme.

18. During an October 28, 2022 deposition, Cox provided the Bureau with an accounting of his background and how he formed these relationships. From approximately 2004 to 2007, Cox worked as a telecommunications consultant to find uses for his company's autodialing platform—including making telemarketing calls.⁵⁰ Cox stated that in 2008 he met Livia Szuromi after she responded to an ad he placed on Craigslist seeking a bilingual liaison to work with employees at an emergency notification call center in Argentina.⁵¹ Cox also stated that he met⁵² Cedeno at a social event in Panama City at least three years ago.⁵³ According to Cox, the next night, he met Migdaris Cedeno for dinner and wine.⁵⁴ Following their dinner, he provided Migdaris Cedeno's contact information to Szuromi, who contacted her⁵⁵ and the two began working together.⁵⁶ According to Cox, Szuromi and Migdaris Cedeno started Sumco Panama together.⁵⁷ By 2019, Sumco Panama had begun receiving traceback requests from the ITG.⁵⁸

19. Cox also acknowledged his familiarity with Andrea Horvath. Cox stated that he was introduced to Horvath by Szuromi in approximately 2012.⁵⁹ In 2017 Cox sold his interest in Virtual Telecom to Szuromi and Horvath.⁶⁰ They later partnered with Migdaris Cedeno.⁶¹ Virtual Telecom became the subject of tracebacks beginning in 2019 or earlier.⁶² Cox stated that he met June Batista in early 2012 when she was his real estate agent and the two became close friends.⁶³ Cox also stated that he met Julie Bridge on a dating app in 2010 or 2011.⁶⁴

20. Cox maintained contact with these individuals through messaging apps, local meetings, and trips to Hungary, Panama, and South America. Cox stated that he last communicated with Bridge a few weeks prior to his deposition,⁶⁵ with Szuromi and Migdaris Cedeno approximately six months prior to his deposition,⁶⁶ and with June Batista sometime after she was named in the Ohio complaint.⁶⁷ The

⁵⁰ Cox Dep. 41-42, (Oct. 28, 2022).

⁵¹ Cox Dep. 49, (Oct. 28, 2022).

⁵² Cox Dep. 55, (Oct. 28, 2022).

⁵³ Cox Dep. 56, (Oct. 28, 2022).

⁵⁴ Cox Dep. 58, (Oct. 28, 2022).

⁵⁵ Cox Dep. 58, (Oct. 28, 2022).

⁵⁶ Cox Dep. 58, (Oct. 28, 2022).

⁵⁷ Cox Dep. 69, (Oct. 28, 2022). *See also* Republic of Panama Registry, Sumco Panama Registration Documents.

⁵⁸ ITG Response to Subpoena, Traceback Report Summary (on file at EB-TCD-21-00031913).

⁵⁹ Cox Dep. 58, (Oct. 28, 2022).

⁶⁰ Cox Dep. 68, (Oct. 28, 2022) (stating that he sold his 90% interest in the company to Szuromi and Horvath for \$1.00).

⁶¹ *See* Response of Julie Bridge to FCC Subpoena (Response of Julie Bridge) at 2 (on file at EB-TCD-21-00031913).

⁶² *See* ITG Response to OH AGO Subpoena Docket No. 597858 (showing Virtual Telecom and Sumco Panama as the foreign points of departure for traffic from 42 robocall campaigns between February 2019 and February 2021.).

⁶³ Cox Dep. 62, (Oct. 28, 2022).

⁶⁴ Cox Dep. 48, (Oct. 28, 2022).

⁶⁵ Cox Dep. 49, (Oct. 28, 2022).

⁶⁶ Cox Dep. 52, 58 (Oct. 28, 2022).

⁶⁷ Cox Dep. 61, (Oct. 28, 2022).

network of individuals that Cox created runs the day to day activity of the call centers. However, he apparently profits financially from their operations.

1. Enterprise Principals

21. During the months of January through March 2021 the following individuals played key roles in the telemarketing campaign to sell automobile warranties:

- *Roy Melvin Cox Jr.* received payments from several of the Entities named in this Notice, including Davis Telecom Inc., Technologic USA, Inc., and Sumco Panama SA. As a result, he is one of the most compensated individuals in the Enterprise.⁶⁸ In December 2011, Roy Cox was sued by the Department of Justice (DOJ), on behalf of the Federal Trade Commission (FTC), for making millions of robocalls that marketed credit card interest rate reduction programs, extended automobile warranties, and home security systems.⁶⁹
- *Aaron Michael Jones* received commission payments from the Cox/Jones Enterprise.⁷⁰ The Enterprise, in this case Tech Direct LLC, also made payments on behalf of Jones⁷¹ for a customized “voice-prompted software” to answer consumer call backs.⁷² In January 2017, the FTC sued Aaron Michael Jones for making billions of robocalls that marketed credit card interest rate reduction programs, extended automobile warranties, and home security systems.⁷³ In June 2017, the FTC obtained a judgment against Aaron Michael Jones.⁷⁴ The judgement imposed a \$2.7 million penalty and permanently banned Jones from all telemarketing activities, including initiating robocalls, calling numbers on the Do Not Call (DNC) Registry, and selling data lists containing consumers’ phone numbers and other information.⁷⁵

⁶⁸ See JP Morgan Chase Bank Records for Roy M. Cox Jr.(on file at EB-TCD-21-00031913).

⁶⁹ See Judgment, *United States v. Roy M. Cox, Jr. et al*, 8:11-cv-01910-DOC-JPR (C.D. Cal. 2013) (Cox 2013 Judgment).

⁷⁰ See Bank of America Records for Posting Express (on file at EB-TCD-21-00031913) (showing deposits from Tech Direct, Virtual Telecom, and Sumco Panama described as “commission.”).

⁷¹ See Wells Fargo Subpoena Response (on file at EB-TCD-21-00031913 (showing payments from Tech Direct to Vocinity between March and April 2020, five payments totaling \$13,958.79). *But see* Vocinity Inc. invoices dated March 30, 2020, and April 3, 2020, billed to Mike Jones/Maxim. The amounts of these invoices match amounts debited from the Tech Direct Wells Fargo account.

⁷² See Declaration of {{ }} at 1 (on file at EB-TCD-21-00031913) (explaining that he spoke with Mike Jones to customize a voice-prompted software). Material set off by double brackets {{ }} is confidential and is redacted from the public version of this document.

⁷³ See Compl. for Civil Penalties, Permanent Injunction, and Other Relief, *Federal Trade Commission v. Aaron Michael Jones et al.* (2017) (8:11-cv-00058), https://www.ftc.gov/system/files/documents/cases/170112_alloreycomplaint.pdf (Jones 2017 Complaint) .

⁷⁴ See Entry of Default Judgment and Final Order for Permanent Injunction Against Defendant Aaron Michael Jones, *Federal Trade Commission v. Aaron Michael Jones, et al.,*, SACV17-00058-JCGx (C.D. Cal. 2017) (Jones 2017 Judgment).

⁷⁵ See *id.* See also Federal Trade Commission, FTC Obtains Court Judgments Against California-based Robocallers Who Placed Billions of Illegal Calls, (June 2, 2017), <https://www.ftc.gov/news-events/news/press-releases/2017/06/ftc-obtains-court-judgments-against-california-based-robocallers-who-placed-billions-illegal-calls>

- *Stacey Yim* is married to Aaron Michael Jones⁷⁶ and is the President, Secretary, Treasurer, and Director of Posting Express,⁷⁷ which received commission payments from Tech Direct LLC, Virtual Telecom Inc., and Sumco Panama USA.⁷⁸

2. Participants

22. The following individuals played ancillary roles in the Enterprise:

- *Jovita Migdaris Cedeno Luna* is a resident of Panama and is the Director and President of Sumco Panama SA.
- *Julie Kathryn Bridge* is a resident of California who makes payments to service providers on behalf of the Enterprise.⁷⁹ She is also a signatory with Roy Cox on the Davis Telecom Inc. accounts and the sole signatory of Virtual Telecom Inc.'s Wells Fargo bank accounts.⁸⁰
- *June Batista* is a resident of California and is the sole signatory of Tech Direct's Wells Fargo bank account. Batista also transferred funds into bank accounts owned by the Enterprise Principals.
- *Livia Szuromi* is a resident of Hungary and is the President of Davis Telecom Inc. and the Director and Secretary of Sumco Panama SA. Szuromi transferred funds between Sumco Panama USA and bank accounts owned by the Enterprise Principals.
- *Andrea Horvath* is a resident of Hungary and the CEO and Treasurer of Virtual Telecom.

3. Straw Directors

- *Maria Alejandra Gonzalez* is the President of Tech Direct LLC and the CEO or Vice President of Davis Telecom Inc. Gonzalez executed "Vendor Services Agreements" on behalf of Tech Direct LLC with a company named Affordable Automotive Solutions to generate "Billable Leads."⁸¹
- *Davinder Singh* is the CEO of Mobi Telecom LLC.
- *Adam Radimiri* was the owner of Geist Telecom LLC and arranged for the use of numbers and services for the Cox/Jones Enterprise.

⁷⁶ See The Knot Registry, Stacey Yim and Mike Jones Wedding Registry, www.registry.theknot.com/stacey-yim-mike-jones-july-2017-ca/190210733 (last visited Jan. 12, 2022).

⁷⁷ See Nevada Secretary of State, Entity Information for Posting Express (showing a formation date of May 3, 2019). See Posting Express Inc. Bank Records (Between July 2019 and May 2020, Posting Express Inc. received more than \$1.5 million from a Tech Direct LLC Wells Fargo bank account.).

⁷⁸ See Bank of America Records for Posting Express (showing deposits from Tech Direct, Virtual Telecom, and Sumco Panama described as "commission.").

⁷⁹ See G4 Telecom Subpoena Response (on file at EB-TCD-21-00031913) (showing a payment on Feb. 16, 2021, to G4 Telecom from a Virtual Telecom account in the amount of \$30,000.).

⁸⁰ See Wells Fargo Subpoena Response, Virtual Telecom Business Application, Signature_Cards_Doc_ID_5952980 (May 25, 2019) (showing Julie Kathryn Bridge as the sole owner.); see also Wells Fargo Subpoena Response, Virtual Telecom Business Application, Signature_Cards_Doc_ID_5953001 (Jan. 31, 2017) (showing Julie Kathryn Bridge as the sole owner.); Wells Fargo Subpoena Response, Addendum to Certificate of Authority, Signature_Cards_Doc_ID_5952996 (May 25, 2019) (showing Julie Kathryn Bridge and Roy M. Cox as authorized signers.).

⁸¹ In telemarketing, "Billable Leads" are potential customers' contact information such as name phone number, and the service that they are likely interested in purchasing.

4. Entities

23. The Enterprise Principals used Entities to facilitate the apparently unlawful robocall campaign. The Entities performed several roles: (a) contracting with auto warranty companies and facilitating business transactions; (b) calling consumers to market auto warranties or contracting with third-party dialing services to place such calls; and (c) directing the proceeds of the auto warranty sales calls to the Enterprise Principals.

24. *Contracting Entities*: The Enterprise Principals used Sumco Panama SA, Virtual Telecom kft, and Davis Telecom Inc., described below, as the contracting entities with auto warranty policy providers. These three entities provided the auto warranty policy providers “leads” of consumers who might be persuaded to purchase a policy.

25. *Dialing Entities*: The Enterprise Principals used the following entities to place calls to consumers to sell auto warranty policies.

- *Sumco Panama USA* (“Sumco Panama USA”) is a Wyoming company formed in 2020 with a counterpart in Panama, Sumco Panama SA.⁸² Sumco Panama USA’s corporate officers include Jovita Migdaris Cedeno Luna as Director and President, and Livia Szuromi as a Director and Treasurer.⁸³
- *Virtual Telecom Inc.* (“Virtual Telecom Inc”) is a Wyoming corporation formed in 2016 with a Hungarian counterpart, Virtual Telecom kft.⁸⁴ Its corporate officers include Maria Alejandra Gonzalez as an authorized signatory, and Andrea Horvath as the registered agent.⁸⁵ During the relevant period, Virtual Telecom generated robocall traffic and entered into sales lead contracts with auto warranty sellers.⁸⁶
- *Fugle Telecom LLC* (“Fugle Telecom”) is a Wyoming company formed in January 2021.⁸⁷ According to the Industry Traceback Group (ITG),⁸⁸ Fugle Telecom first appeared in tracebacks for auto warranty robocalls on April 26, 2021.⁸⁹

⁸² See Sumco Panama, Profit Corporation Articles of Incorporation, Wyoming Secretary of State (Jan. 31, 2020); see also ITG Response to Subpoena #1469 (Jan. 30, 2020) (on file at EB-TCD-21-00031913) (comments show that service provider Modok had Sumco’s address listed as “PH Palma de Mallorca, 17th floor 17D, Panama City, Panama.”).

⁸³ See Jovita Migdaris Cedeno Luna, LinkedIn Panama, <https://pa.linkedin.com/in/jovitaa-migdaris-cedeno-luna-26a1913b> (last visited July 19, 2021); see also Sumco Panama, Profit Corporation Articles of Incorporation, Wyoming Secretary of State (Jan. 31, 2020).

⁸⁴ See Virtual Telecom FCC Form 499 Filer Information (2020) (showing headquarters located in Utica Damjanich, Budapest Hungary).

⁸⁵ See Vendor Services Agreement, Affordable Automotive Solutions-Tech Direct (Jan. 1, 2020) (on file at EB-TCD-21-00031913) (showing Maria Alejandra Gonzalez as the signatory on the contract); see also Virtual Telecom Profit Corporation Annual Report, Wyoming Secretary of State, (July 1, 2019) (Andrea Horvath signing as the secretary and treasurer of Virtual Telecom).

⁸⁶ See Vendor Services Agreement, Affordable Automotive Solutions-Virtual Telecom (Jan. 1, 2020) (Virtual Telecom signed a one-year contract to provide “billable leads” and also signed a 2018 contract with A&E Services to generate sales leads).

⁸⁷ See Fugle Telecom LLC, Limited Liability Company Articles of Organization, Wyoming Secretary of State (Jan. 26, 2021).

⁸⁸ USTelecom’s ITG currently serves as the registered consortium to conduct private-led call traceback efforts under section 13(d) of the TRACED Act. *Implementing Section 13(d) of the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act (TRACED Act)*, EB Docket No. 20-22, Report and Order, DA 21-1047, at 1, para. 1 (EB Aug. 25, 2021).

- *Mobi Telecom LLC* (“Mobi Telecom”) is Wyoming headquartered company.⁹⁰ According to its FCC 499 registration form, Davinder Singh is its CEO.⁹¹

26. *Fund Transferring Entity*: The Enterprise Principals used the following entities to move funds between and among the Entities and to transfer profits to the Enterprise Principals:

- *Posting Express Inc.* (Posting Express) is a Nevada corporation that identifies Stacey Yim as President, Secretary, Treasurer, and Director.⁹²

27. *Other Entities*: The Enterprise Principals apparently used the Entities to evade law enforcement efforts. For example, some entities that started out as dialing entities, such as Davis Telecom Inc. and Sumco Panama USA, transitioned to other roles within the Cox/Jones Enterprise after the Commission and the ITG identified them as transmitters of robocall traffic. New entities, such as Fugle Telecom LLC and Mobi Telecom LLC, were then formed to take over the dialing operations.⁹³

- *Davis Telecom Inc.* (“Davis Telecom”) is a Wyoming corporation.⁹⁴ Its corporate officers include Maria Alejandra Gonzalez as the Vice President and General Manager,⁹⁵ and Livia Szuromi as the President.⁹⁶
- *Tech Direct LLC*. (“Tech Direct”) is a Wyoming company. June Batista is Tech Direct’s signatory and controlling owner of its bank account,⁹⁷ and Maria Alejandra Gonzalez is an authorized signatory for contracts with vehicle service contract providers.⁹⁸ Tech Direct purchased goods and services for the Enterprise. Its bank accounts fund the Cox/Jones Enterprise’s operations, and its name appeared on contracts with vehicle service providers.

⁸⁹ A “Traceback” is a network-based process that starts with the terminating voice service provider possessing evidence of illegal calling activity, seeking out the source of the originating malicious traffic that is coming from a network, non-native to their own terminating network. The call is then systematically traced through the non-native networks that chronologically precede the terminating network(s) either until there is an uncooperative call path voice service provider or until the originating party is identified. *See Industry Traceback Group “Traceback 101”* – by USTelecom, <https://www.ustelecom.org/wp-content/uploads/2020/05/May-28-2020-ITG-Webinar.pdf> (last visited May, 5, 2022).

⁹⁰ *See* Mobi Telecom, FCC Form 499 Filer Database, Detailed Information (shows headquarters located in Sheridan, Wyoming).

⁹¹ *See id.*

⁹² *See* Nevada Secretary of State, Entity Information for Posting Express (listing Stacey Yim as Secretary, Treasurer, and Director).

⁹³ *See* Affidavit of Jessica Thompson, Director, Policy & ITG Traceback, USTelecom – The Broadband Association, (Feb. 11, 2022).

⁹⁴ *See* Davis Telecom, Profit Corporation Articles of Incorporation, Wyoming Secretary of State, (June 28, 2018); *see also* FCC 499 Filer Information (2019) (listing address for Davis Telecom headquarters in Panama City, Panama).

⁹⁵ Davis Telecom, Talkie Communications Annual Universal Service Fund Exemption Certification, at 2 (not dated, 2020) (listing Maria Andrea Gonzalez as the Vice President and General Manager at Davis Telecom’s address in Panama).

⁹⁶ Davis Telecom, Articles of Dissolution by Incorporators or Initial Directors, Wyoming Secretary of State, (Apr. 27, 2021).

⁹⁷ *See* Wells Fargo Subpoena Response, Business Application Account, Signature_Cards_Doc_ID_5953017, (Mar. 26, 2019).

⁹⁸ *See* Vendor Services Agreement, Affordable Automotive Solutions-Tech Direct (Jan. 1, 2020). (on file at EB-TCD-21-00031913)

- *Geist Telecom* (“Geist”) was a Wyoming company formed on October 30, 2020.⁹⁹ It dissolved a little over a year later in December 2021.¹⁰⁰ Geist obtained the phone numbers used to make many of the calls at issue in this Notice. Third party service providers dealt with and referred to *Mobi Telecom* and *Geist* interchangeably.

C. Enforcement Bureau Investigation

28. In February 2021, the Ohio State Attorney General’s Office (OAG) informed the Commission’s Enforcement Bureau (“Bureau”) that it was investigating the *Cox/Jones Enterprise* for making billions of apparently illegal robocalls.¹⁰¹ After it received the OAG’s information, the Bureau initiated an investigation into each entity identified in this Notice. The Bureau’s investigation confirmed the existence of the robocall campaign and verified that the *Cox/Jones Enterprise* was apparently responsible for the robocall campaign. In its investigation, the Bureau relied on corporate bank records, “Call Detail Records,”¹⁰² and IP addresses that linked the entities and individuals listed on this Notice.¹⁰³

29. On July 7, 2022, the Enforcement Bureau issued a Public Notice alerting all U.S.-based voice service providers to a substantial number of apparently unlawful calls originating from the *Cox/Jones Enterprise* and authorizing them to cease carrying any traffic originating from the *Cox/Jones Enterprise* consistent with FCC regulations.¹⁰⁴

30. On the same day, the Enforcement Bureau also sent cease-and-desist letters to service providers that were allegedly carrying calls for the *Cox/Jones Enterprise*, including *Call Pipe*, *Fugle Telecom*, *Geist Telecom*, *Global Lynks*, *Mobi Telecom*, *South Dakota Telecom*, *SipKconnect*, and *Virtual Telecom*.¹⁰⁵ The cease-and-desist letters warned these entities to stop carrying this suspicious robocall traffic within 48 hours and requested that they report the steps they take to the FCC and continue to close off scam traffic. The letters warned that failure to comply with these requests could result in the Bureau directing other providers to cut off traffic from these companies.¹⁰⁶

⁹⁹ *Geist Telecom*, Limited Liability Company Articles of Organization, Wyoming Secretary of State (Oct. 30, 2020).

¹⁰⁰ *See Geist Telecom*, Dissolution filing, Wyoming Secretary of State (Dec. 9, 2021).

¹⁰¹ Email from Erin Leahy-Connolly, Senior Assistant Attorney General, Ohio Attorney General’s Office (On file at EB-21-00031913).

¹⁰² “Call Detail Records” is the industry term for spread sheets that included detailed information on telephone calls such as the number that was used to place the call, the date/time the call was placed and call duration.

¹⁰³ Enforcement Bureau Analysis of IP addresses. (On file at EB-21-00031913).

¹⁰⁴ *Press Release*, FCC, FCC Authorizes Phone Companies to Cut Off Likely Auto Warranty Scam Robocall Campaign (July 7, 2022), <https://docs.fcc.gov/public/attachments/DOC-385038A1.pdf>.

¹⁰⁵ Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Jon Luke, CEO, *Call Pipe LLC* (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to James Ryan, *Fugle Telecom LLC* (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Adam Radimiri, CEO, *Geist Telecom LLC* (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Catherine McCormick, CEO, *Global Lynks LLC* (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Davinder Singh, President, *Mobi Telecom LLC* (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Curt Ammon, *South Dakota Telecom LLC* (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Dave Dimnick, CEO, *SipKconnect LLC* (July 7, 2022); Letter from Loyaan A. Egal, Acting Chief, FCC Enforcement Bureau, to Maria Alejandra Gonzalez, *Virtual Telecom Inc.*, and Andrea Horvath, CEO, *Virtual Telecom kft* (July 7, 2022). These letters are available on the Commission's website at <https://www.fcc.gov/robocall-facilitators-must-cess-and-desist>.

¹⁰⁶ *See Press Release*, *FCC Authorizes Phone Companies to Cut Off Likely Auto Warranty Scam Robocall Campaign* (July 7, 2022) <https://docs.fcc.gov/public/attachments/DOC-385038A1.pdf>.

31. None of the entities or individuals identified in the cease-and-desist letters responded to the Commission's request. Further, the Commission issued subpoenas to each entity and individual listed in this Notice. Only Roy Cox Jr. and Julie Kathryn Bridge responded to the subpoenas.

32. On July 21, 2022, the Enforcement Bureau issued an Order¹⁰⁷ directing all U.S.-based voice service providers to take immediate steps to effectively mitigate suspected illegal robocall traffic made by or on behalf of the Cox/Jones Enterprise.¹⁰⁸ The Order warned that any voice service provider that failed to comply with the Order might be deemed to have knowingly and willfully engaged in transmitting unlawful robocalls.

33. By July 20, 2022, a third-party robocall monitoring platform, YouMail, estimated that robocalls about auto warranties was reduced by about 80 percent.¹⁰⁹ Robokiller, another robocall monitoring platform found that the number of auto warranty robocalls had dropped to 7 and 12 million, from a previous high of the nearly 1 billion in the two months prior to the Commission's Order.¹¹⁰ The coincidence between the Bureau's actions and the cessation of the robocalls further suggests that the Cox/Jones Enterprise was responsible for the auto warranty calls.

34. The Bureau analyzed records of more than eight billion calls apparently placed by the Cox/Jones Enterprise.¹¹¹ The Call Detail Records identified each dialing entity including Sumco Panama SA, Virtual Telecom kft, Mobi Telecom, and Fugle Telecom. The Bureau confirmed that each call listed in the Call Detail Records represented an actual call placed by one of the entities identified in this Notice. The Bureau also ran a sample of the calls through an industry-standard, commercially available software and database of known assigned phone-numbers to determine whether any robocalls in a sample were made to wireless phone-numbers.¹¹² The Bureau found that the Cox/Jones Enterprise made

¹⁰⁷ See Press Release, *FCC Enforcement Bureau Warns All U.S.-Based Voice Service Providers to Avoid or Cease Carriage of Auto Warranty Robocall Traffic from Cox/Jones/Sumco Panama Operation*, EB Docket No. 21-31913, Report and Order, DA 22-784 (EB July. 21, 2022).

¹⁰⁸ Press Release, *FCC Enforcement Bureau Warns All U.S.-Based Voice Service Providers to Avoid or Cease Carriage of Auto Warranty Robocall Traffic from Cox/Jones/Sumco Panama Operation*, EB Docket No. 21-31913, Report and Order, DA 22-784 (EB July. 21, 2022). Also on July 7, 2022, the Ohio Attorney General's Office filed a complaint¹⁰⁸ in the Southern District of Ohio targeting many of the same individuals and entities identified in this Notice as participants in the Cox/Jones Enterprise. Ohio's Complaint alleged that the individuals and entities connected to the Cox/Jones Enterprise initiated over 77 million robocalls per day for the purpose of generating sales leads, for the sale of Vehicle Service Contracts that are deceptively marketed as "car warranty" plans. *State of Ohio, ex rel. Yost v. Jones et al.*, No. 2:2022cv02700, (S.D. Ohio July. 7, 2022).

¹⁰⁹ See Karl Bode, Techdirt.com, *July Enforcement Achieve Success in Escalating the War on Robocalls*, *YouMail Blog* (July 20, 2022), <https://blog.youmail.com/2022/07/july-enforcement-achieve-success-in-escalating-the-war-on-robocalls/> ("There are still warranty robocalls out there but they are relatively minor in terms of overall volume . . . We have gone from nearly 30 million warranty calls per day that were defeating network filtering down to under 1 million warranty calls per day now apparently being received by consumers."); see also Karl Bode, FCC, *State Action Nets an Amazing 80% Reduction in Auto Warranty Scam Robocalls*, TechDirt, (Aug. 25, 2022, 5:28 AM), <https://www.techdirt.com/2022/08/25/fcc-state-action-nets-an-amazing-80-reduction-in-auto-warranty-scam-robocalls/>.

¹¹⁰ *Car Warranty Robocalls Plummeted in Late 2022: Here's Why*, *Robokiller*, (Nov. 16, 2022), <https://www.robokiller.com/blog/2022-car-warranty-call-trends> ("The steep decline in car warranty robocalls can be traced back to July 7, 2022. That day, the Federal Communications Commission (FCC) announced a series of actions designed to mitigate these scams.").

¹¹¹ A complete spreadsheet identifying each apparently unlawful call placed to a consumer was provided to each party identified in this Notice. A copy of this spread sheet is available in the Commission's electronic file at EB-21-00031913. (Call Detail Records).

¹¹² See Interactive Marketing Solutions, EasyID, <https://www.ims-dm.com/mvc/page/easyid/> (last visited May 5, 2022). EasyID is Interactive Marketing Solutions' software that allows clients to eliminate wireless numbers from

approximately 5,187,677,000 calls to 550,138,650 wireless and residential phones from January to March 2021, using 1,051,461 unique caller ID numbers. The Bureau then reviewed a sample of 33,333 calls and determined that 4,363 calls from that sample were placed to landlines and 28,972 were placed to wireless numbers. The Bureau then compared this sample to numbers on the National Do Not Call Registry and found that 11,982 calls, or approximately 36 percent, were placed to numbers on the National Do Not Call Registry.¹¹³

35. *The Robocalling Scheme.* Cox/Jones Enterprise apparently placed approximately 5,187,677,000 calls to 550,138,650 wireless and residential phones from January to March 2021, using 1,051,461 unique caller ID numbers.¹¹⁴ The robocalls marketed auto warranties to consumers throughout the United States.

36. The Cox/Jones Enterprise contracted with vehicle service warranty providers to make robocalls on behalf of the vehicle service warranty providers and generate leads. The robocalls used a variety of prerecorded voice messages, each of which encouraged call recipients to follow prompts to speak with a “warranty specialist” about extending or reinstating their car’s warranty. At the end of the message the recording provided a call back number. The messages that the Bureau analyzed did not identify the caller or the company on whose behalf the call was made.¹¹⁵ If the consumer pressed “1” to speak with a “warranty specialist,” the consumer would hear a ten second pause before being connected to a live operator, who would confirm that the call recipient wanted to purchase an auto warranty and ask questions about the call recipient’s vehicle.¹¹⁶ The operator would then transfer the call to a sales agent, who would attempt to sell the consumer a vehicle service contract.¹¹⁷ Some of the calls contained the following message:

“We’ve been trying to reach you concerning your car’s extended warranty. You should have received something in the mail about your car’s extended warranty. Since we have not gotten a response, we are giving you a final courtesy call before we close out your file. Press 2 to be removed and put on our Do-Not-Call list. Press 1 to speak with someone about extending or reinstating your car’s warranty. Again, press 1 to speak with a warranty specialist. (Pause) Or call our 800 number at {{ [REDACTED] }}.”¹¹⁸

37. Variations of this message stated that the caller’s name was “Susie” calling from the “vehicle service department.”¹¹⁹ If a consumer followed the prompt, he or she would be connected to a

calling lists. Id. Interactive Marketing Solutions, Inc. is a member of the Direct Marketing Association and bills itself as “the country’s largest single-source supplier” of data identifying telephone numbers that have been assigned or ported to wireless devices, “to help businesses comply with state and federal legislation.” Interactive Marketing Solutions – Do Not Contact List Solutions, <https://www.ims-dm.com/mvc/index.php> (last visited May 5, 2022).

¹¹³ *Id.*

¹¹⁴ Call Detail Records (on file at EB-TCD-21-00031913).

¹¹⁵ See Recording on file at EB-TCD-21-00031913 (from traceback conducted Feb. 16, 2021).

¹¹⁶ See Affidavit of {{ [REDACTED] }} at 1 (Apr. 30, 2021) (on file at EB-TCD-21-00031913) {{ [REDACTED] }}. Material set off by double brackets {{ [REDACTED] }} is confidential and is redacted from the public version of this document.

¹¹⁷ See {{ [REDACTED] }} Aff. at 1.

¹¹⁸ See Recording on file at EB-TCD-21-00031913

¹¹⁹ See FCC Complaint #4556779 (“‘Susie’ from ‘Vehicle Service Department’ calls with a recorded message on occasion.”); FCC Complaint #4673299 (“Susie from ‘service center’ time to renew extended car Warranty. Call from {{ [REDACTED] }}. Unsolicited. Requested to be removed from their call list many times.”); FCC Complaint #4469369 (“I have told many of the companies that call me over the years to stop calling but they keep calling. And I keep getting my number on lists. I want my number scratched off lists and no more calls or passing on to other

live operator, then to an agent.¹²⁰ Some consumers reported being disconnected when they asked the identity of the agent or the name of the company that called.¹²¹

38. Consumers who called back the number on the caller ID reported hearing a recorded voice message like the one that they heard initially, and then additional questions about the consumer's car:

Hi, this is Diana calling from Vehicle Service Department. We're doing your scheduled warranty checkup. Our system indicates you have yet to extend factory warranty. Have you received any of the final notifications sent out to you? Could you please verify the year, make and model of your vehicle so I can look up your file? Okay, approximately how many miles are on your vehicle? Okay, now I'm going to bring a licensed representative online to go over all the information with you.¹²²

39. *Unified Calling Campaign.* The evidence indicates that the telemarketing calls were part of a single, unified scheme. For example, many of the consumer complaints referenced the same phone numbers, such as the one mentioned in the pre-recorded message.¹²³

40. The Cox/Jones Enterprise was able to generate large volumes of calls by using Session Initiation Protocol (SIP) Trunking.¹²⁴ The Cox/Jones Enterprise connected at least 2,000 phones to a cloud-based service provider that transmits calls to VoIP service providers.¹²⁵ The VoIP providers also

companies. Number was on my caller ID. This company calls regularly. Please help! Message left. I heard the end and then it repeated twice "Hi, this is Susie, calling with the vehicle service department, we are calling about your vehicles manufacturer warranty. We sent you several notices in the mail that you have yet to extend your warranty passed the factory cutoff. And this is a courtesy call to renew your warranty before we close the file. If you are interested in renewing your auto warranty now please press 5 now, or press 9 to be removed from our list." I pressed 9 many times the previous time they called and it has not helped. This is NOT the dealer, and our warranty is not passed factory, and we have not received any mail.").

¹²⁰ Compare FCC Complaint #4515248 (Jan. 26, 2021) ("I repeatedly (>1/week) get calls from different numbers stating 'speak with a warranty specialist about extending your warranty', 'we have not gotten a response and are giving you a final courtesy call', etc. They call themselves 'Dealer Services' when I press the number to be connected, and when I ask additional questions, they hang up on me.") with {} Aff. at 1 and accompanying FCC Complaint #4547338 (Feb. 9, 2021) (consumer spoke with Omega Auto Care sales agents, appeared to be interested in the product, and obtained copies of contracts and the name of the obligor on the contract, Palmer Administrative Services.).

¹²¹ See Call from investigator at the Ohio Attorney General's Office to one of the Cox/Jones Enterprise's purchased DIDs, phone number {} (Mar. 11, 2021) (OAG Recording) (on file at EB-21-00031913) (sales agent hangs up when asked the company he works for).

¹²² See {} Aff. at 1; see also OAG Recording.

¹²³ See FCC Complaint #4547338 (Feb. 9, 2021) (a consumer who spoke to a live agent reported that the agent "insisted on selling 'Omega Auto Care' policies on behalf of 'Affordable Automotive Solutions.'"); see also Combined Bank Records (showing payments on January 8, 2021, and February 8, 2021, from Affordable Automotive Holdings LLC to Davis Telecom.).

¹²⁴ See SIP Trunking Explained (With Real-World Examples), Nextiva Blog, [Gaetano Dinardi](https://www.nextiva.com/blog/what-is-sip-trunking.html) ("SIP, short for Session Initiation Protocol, is an application layer protocol that lets you run your phone system over an internet connection instead of traditional phone lines. Trunking refers to the backbone of phone lines used by multiple users that connects to a telephone network. SIP Trunks provision Voice over Internet Protocol (VoIP) connectivity between an on-premises phone system and the public switched telephone network, also known as PSTN."), <https://www.nextiva.com/blog/what-is-sip-trunking.html> (last visited Nov. 2, 2021).

¹²⁵ The Cox/Jones Enterprise maintained at least one "bare metal" server with Vultr, a company that provides private servers. This server was connected to 2,000 phone lines. See E-mail from Sumco.panama@gmail.com to Vultr customer service representative (Feb. 27, 2021). According to Vultr, "Bare Metal grants you unrestricted access to

sold blocks of Direct Inward Dialing numbers, which rang through to one of the Cox/Jones Enterprise's phones. The Direct Inward Dialing numbers eliminated the need for separate lines for each phone.¹²⁶ Thus, using myriad Direct Inward Dialing numbers, the Cox/Jones Enterprise could generate substantial amounts of robocalls with relatively few phone lines. The Cox/Jones Enterprise's robocall displayed assigned telephone numbers; however, some consumers who tried to call back the number displayed in the caller ID reported receiving a message that the number had been disconnected.¹²⁷

41. The Cox/Jones Enterprise transmitted robocall traffic through at least eight providers that offered an array of services that could be helpful to a robocalling campaign. For example, Great Choice Telecom and Avid Telecom offered Direct Inward Dialing number rotation, which permits the caller to change the caller ID after each call. This feature would render consumers' call blocking futile. Mash Telecom, Avid Telecom, and Great Choice Telecom offered SIP Trunking, designed to accommodate call bursts,¹²⁸ as well as predictive dialers and software with the ability to “[deliver a] message to hundreds of thousands of businesses or households per hour” and “call an unlimited amount of individuals per day.”¹²⁹

the underlying physical servers making these servers suitable for even the most resource intensive workloads.” Vultr FAQ, Vultr Bare Metal Servers, <https://www.vultr.com/pt/docs/bare-metal> (last visited Nov. 2, 2021).

¹²⁶ “Direct Inward Dialing (DID) is a telephone service that allows a phone number to ring through directly to a specific phone at a business instead of going to a menu or a queue and needing to dial an extension. A phone number that is used like this is often called a ‘DID’ (and multiple numbers are called ‘DIDs’).” Twilio Docs, Direct Inward Dialing (DID), <https://www.twilio.com/docs/glossary/what-direct-inward-dialing-did> (last visited Nov. 1, 2021); see also Complaint at 15, *United States v. Kahen*, 2:20-cv-00474-BMC, (E.D.N.Y. 2020) (Jan. 28, 2020) (“As applicable to the fraud schemes, direct-inward-dial numbers are phone numbers with U.S. area codes that are routed to fraudulent call centers in foreign countries through VoIP technology.”); AT&T Services, Inc. *Call Blocking NPRM and NOI* Comments, CG Docket No.17-59, at 6 (Sept. 24, 2018) (“In AT&T’s experience, many high-volume illegal robocallers purchase direct inward dialing (“DID”) service from one provider (typically a competitive local exchange carrier) and rely on and a separate provider (typically a small VoIP provider) for outbound dialing service. These robocallers typically then spoof the DIDs supplied by the inbound service provider and, using SIP trunks supplied by the outbound service provider, place tens of thousands (sometimes millions) of illegal calls in a brief period of time. This practice helps the fraudsters avoid detection.”).

¹²⁷ See FCC Complaint #4666865 (Mar. 26, 2021) (“I receive several calls per week about extending my vehicle warranty. I receive one today from phone #{{ }}, which has been “disconnected”). BNA subpoena results show that providers assigned numbers to the Cox/Jones Enterprise for a year.

¹²⁸ See XBP a broadband voice company, Terms of Service <http://www.xbp.io/terms-of-service.html> (“Call Burst [sic] is the ability to make and receive calls above the subscribed capacity for Call Paths and SIP Trunks. This feature is active by default and billed at the rate of \$0.029 per minute. This feature may be deactivated upon request.”).

¹²⁹ See Mash Telecom, Contact Center Services, (“Wholesale SIP Trunking — Accommodate call bursts for voice traffic quickly and easily while increasing connectivity.”), <https://www.mashtelecom.com/contact-center-service> (last visited Nov. 4, 2021); see also Avid Telecom, DIDs, (“Numbers can be ordered one-off or in bulk. Increase your sales with local callbacks for every state you dial and toll-free IVR for compliance. We can offer you fresh numbers on a regular rotation or port in your existing inventory.”), <https://avidtelecom.net/dids.html> (last visited Nov. 4, 2021); see also Avid Telecom, Dialing Software (“Avid Telecom’s dialing software includes a Predictive Dialer, Voice Broadcasting, List Management and Agent Management. Simply load your data, provided by us or externally sourced, and start delivering your message to hundreds of thousands of businesses or households per hour.”), https://avidtelecom.net/dialing_software.html (last visited Nov. 4, 2021); Great Choice Telecom, Home Page, (“Each DID is unique, they have never been used or issued to anyone before . . . this helps your caller IDs stay away from ‘scam likely’ so you have not only a higher reach of your customers to answer your calls but also a higher conversation rate in sales.”), <https://greatchoicetelecom.com/> (last visited Nov. 4, 2021); *id.* (“Built in automatic DID rotator that will provide you a hands free system for caller ID’s [sic] to change after every call made, engineered to help have more connected calls as well as stay away from scam likely.”); *id.* (“We offer top of the line voice broadcast software allowing you to call an unlimited amount of individuals per day using a standard message with an opt in/opt out and not interested response.”).

G4 Telecom assisted with the purchase of 500,000 numbers from others providers and told Mobi Telecom that it had “unlimited capacity” to handle the volume of traffic being generated.¹³⁰ Mash Telecom also provided Direct Inward Dialing numbers. In addition to these providers, Dawz Telecom and Teleinx transmitted traffic for 71 robocall campaigns, each representing millions of calls to consumers, during the relevant period.¹³¹

III. DISCUSSION

42. We find that the Cox/Jones Enterprise apparently willfully and repeatedly violated multiple provisions of the TCPA and our implementing rules by placing more than five billion prerecorded voice message telemarketing calls without the requisite consent of the called party. The evidence shows that the Cox/Jones Enterprise improperly relied on invalid consent capture pages from vehicle service contract sellers for the calls.¹³² Its clients consistently provided the Enterprise and the ITG with websites that provided little or no disclosure language as proof of consent to make the calls. Thus it never obtained prior express written consent before dialing telemarketing calls to wireless phones.¹³³ It also did not obtain prior express consent before dialing telemarketing calls to residential phones.¹³⁴ In addition to not having consent, Virtual Telecom, Mobi Telecom, and Sumco Panama generated calls with messages that did not meet the TCPA’s standards.¹³⁵ The Cox/Jones Enterprise also apparently violated the Truth In Caller ID Act and our implementing rules¹³⁶ by transmitting foreign robocall traffic with U.S. numbers that matched the area codes of the call recipients.¹³⁷

A. The Cox/Jones Enterprise Apparently Placed More Than Five Billion Robocalls In Violation of the TCPA.

43. *The Cox/Jones Enterprise Generated Billions of Calls.* The Cox/Jones Enterprise apparently placed more than five billion prerecorded voice messages between January and March 2021. The evidence shows that Virtual Telecom and Sumco Panama apparently generated the robocall traffic and Mobi Telecom apparently transmitted the robocall traffic. Specifically, six IP addresses associated with Sumco Panama’s cloud hosting account matched Mobi Telecom’s and Virtual Telecom’s call traffic transmitted through Talkie Communications’s, Avid Telecom’s, and Teleinx’s networks.¹³⁸ Incoming

¹³⁰ See G4 Telecom Subpoena Response, Skype Conversations (Nov. 10, 2020) (G4 Telecom: “we are implementing the 404 block system for your calls to disconnected DIDs. . . . Mobi Telecom: Ok great . . . G4 Telecom: yes really great news as it will coincide [sic] with the 500K block of new DIDs and the traffic increase as well.”).

¹³¹ A significant percentage of the Call Detail Records that the Bureau analyzed came from Dawz Telecom. See “with ITG Response to Subpoena, Traceback Report Summary (on file at EB-TCD-21-00031913).

¹³² Our rules require the seller to obtain written consent. The vehicle service contact sellers allegedly obtained written consent agreements for all calls in the form of websites requesting consumer information. However, the disclosure language was not sufficiently clear in notifying the consumer that he or she was providing consent for telemarketing calls from the seller. Thus the written consent agreements were non-compliant our rules. See 47 CFR § 64.1200(f)(9).

¹³³ See 47 U.S.C. § 227(b)(1)(A)(iii); 47 CFR § 64.1200(a)(2).

¹³⁴ See 47 U.S.C. § 227(b)(1)(B); 47 CFR 64.1200(a)(3).

¹³⁵ See 47 U.S.C. § 227(d)(3)(A).

¹³⁶ 47 U.S.C. § 227(e); 47 CFR § 64.1604.

¹³⁷ See 47 CFR § 64.1601(e).

¹³⁸ The IP addresses associated with Sumco’s cloud hosting account with Vultr matched the IP addresses on the Talkie account through which Mobi transmitted calls from April to July 2020, and the IP addresses from a “Virtual Telecom kft/Mobi Telecom” account with Avid Telecom. On September 16, 2020, Mobi opened a wholesale telecommunications account with Teleinx. Two signaling IP addresses for the account also matched those assigned to Sumco’s cloud hosting account.

calls to those numbers were routed to a voice prompted software platform.¹³⁹ In April 2020, the Cox/Jones Enterprise created an account with Talkie Communications under the name “virtualt Sumco,”¹⁴⁰ which later became Mobi Telecom’s account.¹⁴¹ Mobi Telecom continued to transmit calls through Talkie Communications into 2021.¹⁴² The caller ID transmitted with those calls matched Direct Inward Dialing numbers that Migdaris Cedeno purchased on behalf of Mobi Telecom in late 2020 under the name “Geist Telecom.”¹⁴³ Providers such as G4 Telecom allowed the Cox/Jones Enterprise to generate more than 15,000 calls at once.¹⁴⁴ The Enterprise’s cloud hosting account used a server that was connected to 2,000 phone lines.¹⁴⁵ Using these tools the Cox/Jones Enterprise generated billions of telemarketing robocalls.

44. *The Cox/Jones Enterprise apparently were engaged in telemarketing.* The calls marketed auto warranties to consumers.¹⁴⁶ The Cox/Jones Enterprise’s clients were vehicle service contractors that paid the Cox/Jones Enterprise for “billable leads.” The Bureau matched complaints and Call Detail Records to several vehicle service contract administrators including Pelican Holdings, a company in which the Enterprise Principals had an ownership stake. Furthermore, the Bureau matched calling numbers from tracebacks with auto warranty messages to the Direct Inward Dialing numbers that the Cox/Jones Enterprise purchased.¹⁴⁷

45. *The called parties apparently did not consent to the calls.* The evidence shows that the Cox/Jones Enterprise apparently lacked prior express written consent for its telemarketing robocalls, in violation of the TCPA and Commission rules. To have prior express written consent, a seller must obtain a written agreement from the consumer that clearly authorizes the seller to make autodialed or prerecorded advertising or telemarketing calls.¹⁴⁸ In obtaining that written agreement, the seller must provide the consumer with clear and conspicuous notice that he or she is agreeing to receive telemarketing calls.¹⁴⁹ The Commission has noted that “it is well-settled that ‘[c]allers contending that they have the prior express consent to make prerecorded voice or autodialed calls to cell phones or other

¹³⁹ See Declaration of {{ }} at 1 (July 2, 2021) (on file at EB-21-00031913) (stating the payments from Tech Direct paid balances of an account owned by Mike Jones, who purchased the “bot” and invested in Vocinity) ({{ }} Declaration).

¹⁴⁰ The “virtualt Sumco” account with Talkie Communications is the same Sumco Panama from tracebacks. Compare ITG, Response to OH AGO Subpoena Docket No. 597858, Traceback #4121 (On Jan. 25, 2021 a point of entry provider stated that traffic came from Sumco Panama and provides contact information including an email address, sumcopanama@protonmail.com) with Email from Talkie Communications to Sumco Panama (Apr. 27, 2020) (Email from sales@talkiefiber.com to sumcopanama@protonmail.com welcoming Sumco Panama to Talkie Communications as a new customer).

¹⁴¹ See Talkie Communications invoice for Mobi Telecom (June 22, 2020).

¹⁴² See Talkie Communications invoice for Mobi Telecom (Feb. 5, 2021).

¹⁴³ Compare List of DIDs purchased from G4 Telecom with Call Detail Records (on file at EB-TCD-21-00031913).

¹⁴⁴ See G4 Telecom conversations picture files (Nov. 6, 2020) (statistics which are updated every 15 minutes show 15,663 active calls.).

¹⁴⁵ E-mail from Sumco.panama@gmail.com to Vultr customer service representative (Feb. 27, 2021).

¹⁴⁶ The Cox/Jones Enterprise initiated calls that encouraged the purchase of vehicle service contracts, which is consistent with the definition of “telemarketing” under 47 CFR 64.1200(f)(13).

¹⁴⁷ Compare List of DIDs purchased from G4 Telecom with Traceback Report Summary (on file at EB-TCD-21-00031913).

¹⁴⁸ See 47 CFR § 64.1200(f)(9).

¹⁴⁹ See 47 CFR § 64.1200(f)(9)(i); 47 CFR § 64.1200(f)(3) (“Clear and conspicuous means a notice that would be apparent to the reasonable consumer, separate and distinguishable from the advertising copy or other disclosures.”).

mobile service numbers have the burden of proof to show that they obtained such consent.”¹⁵⁰ The Cox/Jones Enterprise did not have this consent.

46. *First*, the Commission reviewed hundreds of complaints from consumers who stated they had not consented to receiving the calls. Bureau staff reviewed complaints from consumers whose calls we matched to Call Detail Records. The consumers stated that they never gave the Cox/Jones Enterprise or any auto warranty company permission to call them.¹⁵¹ None of the consumers who filed FCC consumer complaints appear to have given prior express written consent to the robocalls.

47. *Second*, the Commission reviewed a sample of 33,333 calls and found that 11,982 calls, or 36 percent, were placed to numbers on the Do Not Call Registry.¹⁵² Consumers reported receiving calls despite being on the National Do Not Call Registry.¹⁵³ This further supports our finding that the Cox/Jones Enterprise apparently intentionally violated, or at least ignored, the TCPA’s consent requirements.

48. *The calls apparently lacked requisite information.* In addition to apparently failing to obtain the requisite consent, the messages apparently violated disclosure requirements. First, the calls apparently violated the TCPA’s requirement that the messages identify the caller at the beginning of the message.¹⁵⁴ Our review of voice mail recordings, which the ITG provided, did not adequately or accurately identify the caller or provide a call back number. The messages at most provided a first name and said the call was from a “vehicle service department.”¹⁵⁵ Second, the messages apparently violated the TCPA requirement that telemarketers provide a call back number that permits consumers to call and opt out of receiving further calls.¹⁵⁶ Although the Cox/Jones Enterprise’s messages included a call-back number, the number was spoken very quickly, and when consumers dialed the call-back number, they were routed to another prerecorded voice message that did not allow consumers to make a Do-Not-Call request.¹⁵⁷ Additionally, the pre-recorded message stated that consumers could opt out of receiving the

¹⁵⁰ *Dialing Services, LLC*, Forfeiture Order, 32 FCC Rcd 6192, 6200, para. 23 (2017) (quoting *Dialing Services, LLC*, Citation and Order, 28 FCC Rcd 1840, 1842-43, para. 7 (2013)); see also *Request of ACA International for Clarification and Declaratory Ruling*, Declaratory Ruling, 23 FCC Rcd 559, 565, para. 10 (2008) (stating that “the burden will be on [the caller] to show it obtained the necessary prior express consent”).

¹⁵¹ See, e.g., FCC Complaint #4466838 (Jan. 4, 2021) (“I frequently am bothered by robocalls offering vehicle warranties. They are almost always from the same area code as my cell number, even though I live on the other side of the country. I do not have a car warranty and do not consent to these calls.”); FCC Complaint #4467180 (Jan. 4, 2021) (“I keep receiving robo calls [sic] about warranty on a car. I did not consent to giving my number to third party providers.”); FCC Complaint #4475666 (Jan. 8, 2021) (“I am on the do not call [sic] registry and receive robo calls that i [sic] have not consented to.”).

¹⁵² Federal Trade Commission, National Do Not Call Registry, <https://www.donotcall.gov/>.

¹⁵³ See FCC Complaint #4471642 (Jan. 6, 2021) (“Continue to get robo calls from { } trying to sell extended car warranties. I have already put my number on the do not call list over 3 years ago. What else can I do to stop these calls?”); FCC Complaint #4471901 (“I have filed previous complaints with FTC and BBB. I am on the do not call registry. I get calls all the time.”).

¹⁵⁴ See 47 U.S.C. § 227(d)(3)(A)(i); 47 CFR § 64.1200(b)(1).

¹⁵⁵ See *supra* para. 34.

¹⁵⁶ See 47 U.S.C. § 227(d)(3)(A)(ii); 47 CFR § 64.1200(b)(2).

¹⁵⁷ See { } Aff. At 1 (“I heard the same recording that I received when the I received the calls.”); see also OAG Recording (on file at 21-00031913) (immediately asking for information about the caller’s car and not providing an opportunity to opt out of the calls.). The Cox/Jones Enterprise routed incoming calls to a “voice-prompted bot.” See { } Declaration at 1 (describing his business as “a complete, contactless, conversational voice software (cognitive agent) platform . . . that delivers conversational and natural interactions with speech recognition at near-human levels” and also stating that “[t]he software was set up to receive inbound calls from SIP trunk internet protocol addresses { }”).

calls by pressing “2.” However, consumer complaints indicate that doing so did not stop the robocalls. Consumers who followed the prompts were connected to sales agents (i.e., clients of the Cox/Jones Enterprise).¹⁵⁸ Moreover, consumers complained that even when they were able to request that the calls stop, the calls continued.¹⁵⁹

49. By calling consumers without their express prior written consent, failing to provide identifying information, and failing to provide a call-back number that a consumer could dial to opt out of calls, the Cox/Jones Enterprise apparently violated the TCPA and Commission rules.

B. The Cox/Jones Enterprise Apparently Violated the TCPA with Intent.

50. The Cox/Jones Enterprise apparently intentionally violated the TCPA when it made the approximately 5,187,677,000 telemarketing robocalls. Under amendments to the TCPA adopted in the TRACED Act, the Commission may impose a greater fine for intentional TCPA violations.¹⁶⁰ The TRACED Act also extended the statute of limitations period for intentional TCPA violations to four years.¹⁶¹

51. The evidence shows that the Cox/Jones Enterprise apparently was aware of telemarketing rules but disregarded them. First, both Cox and Jones were previously sued—prior to the campaigns at issue in this NAL—by the federal government for unlawful calling activities. Cox was the subject of an FTC/DOJ enforcement action that asserted that he was unlawfully transmitting telemarketing robocalls without the requisite consent, that the calls failed to transmit proper caller ID, and that Cox “knew or consciously avoided knowing” that Cox was facilitating abusive telemarketing practices.¹⁶² In three separate cases, the FTC and the state of Texas sued Jones for making illegal prerecorded message calls calling people who were listed in the National Do Not Call Registry, and transmitting inaccurate caller ID information.¹⁶³ Because they were the targets of prior enforcement actions, Cox and Jones had or should

¹⁵⁸ See FCC #4475488 (Jan. 8, 2021) (“The pre-recorded message said to press 2 to stop the calls. I pressed 2 and the call hung up on me.”); see also FCC #4470983 (Jan. 6, 2021) (“At the end of the recording it says I can press ‘2’ to stop the calls and be placed on the Do-Not-Call list. Despite me doing this multiple times now, I still continue to receive the calls.”); FCC #4471104 (Jan. 6, 2021) (“I have pressed the option to opt out of their calls and be removed from their list. . . . They keep calling from different numbers.”).

¹⁵⁹ See FCC Consumer Complaint #4600137 (Mar. 5, 2021) (“On Friday, March 5 at 12:13 PM I received another robocall regarding an auto extended warranty. I have received many of these calls in the past and followed the instructions to be taken off their call list to no avail. The number they provided to call back was {[]} [sic] UST (or P-- not certain) 456. My caller ID showed their number to be {[]}, but that’s probably a spoofed number.”).

¹⁶⁰ Under the TCPA amendments adopted in the TRACED Act, the Commission *may* impose a greater fine for intentional TCPA violations. See TRACED Act, § 3(a)(1), 133 Stat. at 3274 (adding 47 U.S.C. § 227(b)(4)(B)); see also H.R. REP. No. 116-41, at 12 (2019). However, we have chosen not to do so in this case as a larger penalty is not necessary to achieve the goals of punishing the apparently unlawful conduct and deterring such conduct in the future.

¹⁶¹ See TRACED Act § 3(a)(1), 133 Stat. at 3275 (adding 47 U.S.C. § 227(b)(4)(E)(ii)); see also 47 CFR § 1.80(c)(4).

¹⁶² See Dep’t of Justice Compl. at 7-9.

¹⁶³ See Jones 2017 Complaint at 5 (“Defendants knew that their clients’ calls delivered pre-recorded messages, sometimes at a rate of millions of calls per day—a rate and volume of calls that could not be dialed or attended by live operators. Defendants also helped their clients turn off automated features embedded in auto-dialing software that would have prevented calls to numbers on the National Do Not Call Registry. . . .”); Jones 2017 Judgment at 2, para 2 (“The Complaint charges that Defendant Jones participated in acts or practices in violation of [the FTC’s rules] by assisting and facilitating clients of an enterprise who were, among other things: (a) placing telemarketing calls to consumers that delivered prerecorded messages; (b) placing telemarketing calls to consumers whose telephone numbers were on the National Do Not Call (“DNC”) Registry; and (c) transmitting inaccurate caller ID numbers and names with their telemarketing calls.”); see also *FTC v. Pointbreak Media, LLC*, Default Final Order

have had actual knowledge of telemarketing regulations, including the requirements to obtain prior express written consent and provide certain disclosures before calling consumers. Cox and Jones knew or should have known that the messages had to comply with TCPA requirements.¹⁶⁴

52. *Second*, as part of their respective lawsuits, both Cox and Jones are subject to lifetime bans on telemarketing activities. For example, Cox agreed not to conduct telemarketing directly or “through any person, trust, corporation, partnership, limited liability company, subsidiary, division, or other device.”¹⁶⁵ Jones is also enjoined permanently from engaging in telemarketing directly or indirectly.¹⁶⁶ Both agreed not to assist others in telemarketing activities.¹⁶⁷ Cox and Jones were obligated to ensure that they were complying with their settlements and were not directly or indirectly engaging in telemarketing. We therefore find it reasonable to conclude that the TCPA violations were intentional rather than inadvertent.

53. *Third*, the Cox/Jones Enterprise appears to have routinely called consumers listed on the Do Not Call Registry.¹⁶⁸ In January 2021, G4 Telecom forwarded to Virtual Telecom three subpoenas related to Do Not Call Registry violations.¹⁶⁹ Commission staff identified complaints from consumers afterwards whose numbers were listed on the Do Not Call Registry.¹⁷⁰ The Cox/Jones Enterprise thus continued to call consumers on the Do Not Call Registry after it had been alerted, in another legal action, that it was violating the Do Not Call requirements. Thus, the evidence supports our finding that the

of Permanent Injunction and Monetary Judgment as to Defendants Aaron Michael Jones et al. at 8 (0:18-cv-61017-CMA) (enjoining and restraining Jones from telemarketing after Jones was found to have participated in illegal telemarketing.); Stipulated Order for Permanent Injunction and Monetary Judgment at 8, para 3.3, *State of Texas v. Scm Media et al.* (2011) (1:09-cv-00387-SS) (*Scm Media et al.* Judgment) (ordering Jones, when operating within the state of Texas or when marketing to consumers in the State of Texas, to comply with federal and Texas telemarketing statutes and not to initiate calls to consumers who request that Defendants refrain from calling.)

¹⁶⁴ The DOJ litigation alleged violations of the section 5(a) of the Federal Trade Commission Act and the Federal Trade Commission’s Telemarketing Sales Rule (TSR), rather than violations of the TCPA, but many of those requirements are almost identical to TCPA requirements. For example, the TSR prohibits telemarketing calls to anyone listed on the National Do Not Call Registry unless the telemarketer has the express written consent that the called party is willing to receive the calls. 16 CFR § 310.4(b)(1)(v)(A). The TSR requires telemarketers to transmit the telemarketer’s telephone number and other identifying information. 16 CFR §310.4(a)(8). Thus, even if the Cox/Jones Enterprise was not aware that the TCPA imposed such restrictions and disclosures, it was aware that making telemarketing calls without prior consent and without disclosing the identity of the caller violated federal law and regulations.

¹⁶⁵ See Cox 2013 Judgment at 4; see also Jones 2017 Judgment at 4.

¹⁶⁶ See Jones 2017 Judgment at 4; see also *Scm Media et al.* Judgment at 8, para 3.1 (ordering Jones not to sell or assist any other in selling “any Motor Vehicle Service Contract to any person in the State of Texas or from any location within the State of Texas.”).

¹⁶⁷ See Cox 2013 Judgment at 5; see also Jones 2017 Judgment at 4.

¹⁶⁸ Companies may not contact consumers that are listed in the Do Not Call Registry. See Federal Trade Commission, National Do Not Call Registry www.consumer.ftc.gov/articles/national-do-not-call-registry-faqs, Federal Trade Commission, National Do Not Call Registry/www.donotcall.gov/.

¹⁶⁹ See G4 Telecom Skype Conversations (Jan. 18, 2021) (“G4 Telecom: I have three subpoenas from Mississippi. . . which company shall I refer the subpoenas to please. . . they were complaining about calls to DND [sic] numbers. . . they want to know who originated the call[.]”).

¹⁷⁰ See, e.g., FCC Complaint #4679316 (Mar. 31, 2021) (“Reported multiple unwanted call [sic] and I am on national Do-Not-Call list[.]”); FCC Complaint #4556516 (Feb. 13, 2021) (“I keep getting auto warranty calls from different numbers both local area codes and out of state. These companies appear to be buying up numbers and circumventing the National Do Not Call Registry They never provide company name to report or to tell if it is the same company or scammers.”).

Cox/Jones Enterprise apparently intentionally violated the TCPA's consent requirements. These facts persuade us that the Cox/Jones Enterprise apparently intentionally violated the TCPA.

C. The Cox/Jones Enterprise Apparently Violated the Truth in Caller ID Act.

54. The Cox/Jones Enterprise apparently violated the Truth in Caller ID Act by causing a call identification service to “knowingly transmit misleading or inaccurate caller identification information with the intent to defraud, cause harm, or wrongfully obtain anything of value.”¹⁷¹ Our investigation determined that the Cox/Jones Enterprise apparently placed more than 5.1 billion calls to wireless and residential phones, collectively displaying more than 1 million telephone numbers that could not easily be linked to the Cox/Jones Enterprise, and that it did so with unlawful intent.

1. The Cox/Jones Enterprise Apparently Knowingly Caused the Display of Misleading Caller ID Information.

55. The Truth in Caller ID Act prohibits a caller from knowingly transmitting misleading or inaccurate caller ID information with the intent to defraud, cause harm, or to wrongfully obtain anything of value. The Commission has determined that the word “knowingly” modifies the action of the person or entity engaged in caller ID spoofing with intent to defraud, cause harm, or wrongfully obtain anything of value.¹⁷²

56. *The large quantity of unique phone numbers indicates an apparent intent to present misleading caller ID.* The Cox/Jones Enterprise obtained access to more than one million unique telephone numbers, from 297 area codes.¹⁷³ The Cox/Jones Enterprise could readily display a different number in the caller ID to prevent consumers, voice service providers, and law enforcement, from being able to identify the call as an auto warranty telemarketing call, put the phone number on call blocking list, or effectively place a return call to the number. In fact, consumer complaints noted with frustration their inability to block the sales calls because of the ever-changing originating phone numbers.¹⁷⁴ The Commission has held that caller ID may be misleading even if the phone numbers were assigned to the calling party.¹⁷⁵ The Cox/Jones Enterprise's decision to use over one million numbers indicates an apparent intent to mislead and thwart efforts to stop the apparently illegal robocalls. In fact, there is no other plausible reason that the Enterprise would have wanted to use so many distinct caller IDs. Evidence shows that the Enterprise had 2,000 phones.¹⁷⁶ We find it reasonable to conclude that it amassed one

¹⁷¹ 47 U.S.C. § 227(e)(1); *see also* 47 CFR § 64.1604(a). There are exceptions for investigative, protective, or intelligence activities, but those exceptions do not apply here.

¹⁷² *See Kenneth Moser dba Marketing Support Sys.*, Forfeiture Order, 35 FCC Rcd 13415, 13421, para. 12 (2020) (*Moser Forfeiture Order*) (citing *Truth in Caller ID Order*, 26 FCC Rcd at 9120, para. 17).

¹⁷³ The Cox/Jones Enterprise obtained phone numbers in several batches. It obtained almost 500,000 numbers in November 2020, as well as a substantial volume of numbers, from Mash Telecom, a month earlier.

¹⁷⁴ *See, e.g.*, FCC Complaint #4475510 (Jan. 8, 2021) (“I have had *dozens of calls from various numbers* for auto warranty renewal. I have blocked the number, tried to opt out and nothing changes. I have also talked to a person who just hangs up on me”); FCC Complaint #4483308 (Jan. 12, 2021) (“I receive car warrantee calls almost daily. I usually call back the number after hanging up and get a recording that it isn't a working number. Today I got a call from { [redacted] } which had a answering machine and I left a message saying I was going to report them. Seriously these car warrantee calls come in 2-3 times a week for the past year or two. Can't something be done? I list them with nomorobo but *each number is different*”); FCC Complaint #4641753 (Mar. 22, 2021) (“For more than half a year, I have been receiving *calls from numbers that vary all the time*, but they are always about someone who claims that my car warranty has expired”) (emphases added).

¹⁷⁵ *See Affordable Enterprises of Arizona Forfeiture Order*, 35 FCC Rcd at 12158, para. 42 (finding that caller ID could be misleading under certain circumstances even if the numbers displayed had been assigned to the calling party).

¹⁷⁶ *See supra* note 92.

million phone numbers to have the ability to mislead called parties, and not for any legitimate business purpose.¹⁷⁷ In one instance, the Cox/Jones Enterprise apparently disconnected one of the numbers after using it to make the telemarketing calls. Other consumers reported being hung up on when they called back the number on the caller ID.¹⁷⁸ The Commission has held that displaying a phone number that does not provide an effective means to reach the caller, such as discontinuing use of the number, may constitute misleading caller ID.¹⁷⁹

57. *Cox/Jones Enterprise apparently selected caller IDs in a manner designed to mislead consumers.* First, Geist, Virtual Telecom, and Davis Telecom selected the volume of numbers, and the area codes, it wanted to use to make the calls. A service provider, G4 Telecom, facilitated the Cox/Jones Enterprise's purchase of the numbers from Blitz Telecom and Teli Communications.¹⁸⁰ Migdaris Cedeno, a manager at Virtual Telecom, was able to specify the numbers the Enterprise wanted.¹⁸¹

58. *Second*, the calling entities in the Enterprise were based overseas and yet selected numbers that would appear to originate from the vicinity of the called party's location.¹⁸² The Bureau determined that approximately 75 percent of FCC complaints that listed caller ID presented numbers that matched the consumer's area code, belonged to area codes adjacent to the consumer's area code, or belonged to an area code in the same state. This correlation is consistent with specifications the Cox/Jones Enterprise made during the purchase of the Direct Inward Dialing numbers.¹⁸³ The custom number orders, designed to indicate, falsely, that the calls were coming from nearby, supports a finding of deliberately transmitting misleading caller ID similar to "neighbor spoofing."¹⁸⁴ The Enterprise selected numbers to ensure that the calling numbers matched the call recipients' area codes. This created a similar

¹⁷⁷ The 500,000 numbers that the Enterprise purchased in late 2020 cost \$26,319.75. Thus from a business perspective, the Enterprise had a disincentive to use more numbers than necessary, absent an illicit purpose.

¹⁷⁸ See, e.g., FCC Complaint #4471642 (Jan. 6, 2021) ("looks like a spoofed phone number as the call back number is disconnected or no longer in service, despite calling it back within minutes of receiving the call."); FCC Complaint #4475488 (Jan. 8, 2021) ("The pre recorded message said to press 2 to stop the calls. I pressed 2 and the call hung up on me."). See also OAG Recording (on file at EB-21-00031913) (Investigator who dialed a number connected to Jones's answering software was transferred to a live agent and then hung up on when he asked what company the agent worked for.).

¹⁷⁹ See *Affordable Enterprises of Arizona Forfeiture Order*, 35 FCC Rcd at 12156, para. 36 (we find that calls which displayed prepaid phone numbers in the caller ID were misleading because they did not represent accurate call-back information and called parties had no way to reliably contact Affordable.).

¹⁸⁰ See G4 Telecom Skype Conversations with Mobi Telecom.

¹⁸¹ See G4 Telecom Skype Conversations with Mobi Telecom (Nov. 3, 2020) ("G4 Telecom: Just indicate what area codes you want and tell them to get as many as they can. Pick 10 and ask for 20 numbers each. Virtual Telecom: but they already sent the 3xx k DID's. I need to check what they sent already and deduct them. . . . I need to verify what was fulfilled. It's not an easy process. You have the list of what we got already. Correct. Virtual Telecom: some area we need more DID than others.").

¹⁸² See Traceback Report Summary (on file at EB-TCD-21-00031913) (showing Virtual Telecom and "Sumco" as the foreign points of departure, and Mobi Telecom as the point of entry for the call traffic.)

¹⁸³ See G4 Telecom Skype Conversations (Nov. 2, 2020) (When Teli Communications experienced a delay with producing the numbers due to the volume, G4 Telecom asked Virtual Telecom, "Are the numbers On. [sic] the list important or can Teli just give us any numbers?" Virtual Telecom replied, "needs to be in the same area code.").

¹⁸⁴ See USTelecom – The Broadband Association, *Numbering Policies for Modern Communications* Comments, WC Docket No. 13-97, at 2 (Oct. 14, 2021) ("Some sophisticated bad actor robocallers already are moving from spoofing fake numbers to using valid numbers in their schemes In addition, with access to local numbers from across the country, they rely on a next-generation version of 'neighbor spoofing,' using those local numbers as the calling number when making calls to the same or neighboring area codes – just using their own allocated or assigned numbers rather than spoofed ones.").

effect to traditional neighbor spoofing in which the caller deliberately alters the caller ID to match the area or central office codes of the call recipient's number. The Bureau reviewed complaints from consumers who had moved from an area code but continued to receive robocalls from Virtual Telecom using the area code where they used to live.¹⁸⁵ By displaying caller IDs that appeared to come from the called party's vicinity, consumers were more likely to answer the calls than they otherwise might have been.¹⁸⁶

59. A key purpose of the Truth in Caller ID Act and our rules is to let consumers know the identity of the caller before they pick up the phone. Indeed, the Commission has said that the purpose of the Truth in Caller ID Act and our rules is to ensure that caller ID information “allows consumers to screen out unwanted calls and to identify companies that they wish to ask not to call again.”¹⁸⁷ By using a huge variety of caller IDs, and selecting caller IDs to suggest, falsely, that the caller was proximate to the called party, the Cox/Jones Enterprise upended the purpose of the Truth in Caller ID Act and apparently intentionally transmitted misleading caller IDs.

60. *The Caller ID was misleading because it did not allow called parties to reach the caller or asked to be placed on a Do Not Call list.* The Cox/Jones Enterprise apparently knowingly displayed telephone numbers that did not permit consumers to identify or reach the telemarketer or ask to be placed on the telemarketer's Do-Not-Call list. Our rules state that “caller identification information must include either [calling party number] or [automatic number identification], and, when available by the telemarketer's carrier, the name of the telemarketer.” Furthermore, “[t]he telephone number so provided must permit any individual to make a do-not-call request during regular business hours.”¹⁸⁸ Some consumers who received calls from the Cox/Jones Enterprise reported calling the displayed number back and hearing the same pre-recorded message as the initial call,¹⁸⁹ or reaching a telemarketer who terminated the call when asked to provide identifying information.¹⁹⁰ Some consumers who called the

¹⁸⁵ See, e.g., FCC Complaint #4475448 (“I have been receiving automatic calls about a 'vehicle warranty' from the state I used to live in for many months. I moved from Colorado to Texas in 2015, but have been getting continuously called about a nonexistent vehicle warranty from numbers that are always different. The numbers that call me are always different, but always from a random location in Colorado, and this has been going on for years. The date, time, and number I provided is only the latest incident.”).

¹⁸⁶ See Affidavit of {[redacted]} (Feb. 2, 2022) (a surgeon who received a call that appeared to be from the emergency room stopped a procedure to respond and instead heard an auto warranty call); see also FCC Complaint #4664358 (Mar. 25, 2021) (“National Dealer Services or some other individual(s) has been placing unsolicited calls to my phone for years. . . . The company ‘masks’ their 1-800 number and now uses a local prefix to prompt you to answer. . . . I am now homeschooling my kiddos with autism and need to answer my phone in case providers or other agencies call from unidentified numbers.”).

¹⁸⁷ 2003 TCPA Order, 18 FCC Rcd at 14121, para. 179; *Best Insurance Contracts, Inc., and Philip Roesel, dba Wilmington Insurance Quotes*, Forfeiture Order, 33 FCC Rcd 9204, 9215, para. 30 (2018) (*Roesel Forfeiture Order*).

¹⁸⁸ 47 CFR § 64.1601(e); see also *Truth in Caller ID Order*, 26 FCC Rcd 9128, para. 36.

¹⁸⁹ See {[redacted]} Aff. At 1 (consumer reported hearing the same message as the one he heard when the Cox/Jones Enterprise picked up); FCC Complaint #4515248 (Jan. 26, 2021) (“They call themselves ‘Dealer Services’ when I press the number to be connected, and when I ask additional questions, they hang up on me.”); OAG Recording (on file at EB-21-00031913) (Software initially responding to the call before transferring to a live agent who hung up when the investigator asked what company he worked for.).

¹⁹⁰ See, e.g., FCC Complaint #4470373 (Jan. 6, 2021) (“they continue to harrass [sic] me trying to provoke me into buying a warranty. I talk to a rep and ask them to take me off their list and they hang Up! Then call again tomorrow. Please help[.]”); FCC Complaint #4475632 (“Several calls everyday. Ask them to stop calling and they hang up or say they will take you name off the list-yet they continue to call.”); FCC Complaint #4475721 (“Every time I ask [the sales agents] for the company name they hang up the phone, and when I call the numbers back I get automated answers that keep me in a loop, and won’t let me talk to anyone.”); see also {[redacted]} Aff. At 1 (consumer reported hearing the same message as the one he heard when the Cox/Jones Enterprise picked up); FCC Complaint #4515248

number displayed in the caller ID reported hearing that the number was disconnected, minutes after receiving the call.¹⁹¹ The Commission has found that failing to provide a meaningful opportunity to contact the telemarketer by calling the number displayed in the caller ID constitutes misleading caller ID.¹⁹² The Commission has also found that caller ID may be misleading when the calling party takes steps to conceal its identity, even if the phone numbers are assigned to the calling party.¹⁹³

2. The Cox/Jones Enterprise Apparently Intended to Defraud, Cause Harm, and Wrongfully Obtain Something of Value.

a. The Cox/Jones Enterprise Apparently Intended To Defraud Consumers.

61. The Truth in Caller ID Act and the Commission’s rules prohibit knowingly displaying misleading or inaccurate caller ID information with the intent to defraud.¹⁹⁴ The Commission has defined a fraudulent scheme as “a plan to deceive persons as to the substantial identity of the things they are to receive in exchange.”¹⁹⁵ The Commission has used the common law definition of fraud when assessing an intent to defraud.¹⁹⁶ Common law fraud requires:

(1) a false representation (2) in reference to a material fact (3) made with knowledge of its falsity (4) and with the intent to deceive. . . .’ The wrongdoer must know that the representation was false or have asserted the representation without knowledge of its truth. The factual false representation is material ‘if it would likely affect the conduct of a reasonable person concerning the transaction.’ Intent can be inferred from the totality of the circumstances rather than direct evidence. Although common law fraud also requires actual and justified reliance by the victim, the Truth in Caller ID Act requires only a showing of *intent* to defraud rather than actual reliance and harm.¹⁹⁷

62. In short, “[o]ne who acts with a reckless indifference to whether a representation is true or false is chargeable with knowledge of its falsity.”¹⁹⁸

(“They call themselves ‘Dealer Services’ when I press the number to be connected, and when I ask additional questions, they hang up on me.”) (Jan. 26, 2021); Audio recording: Call from investigator at the Ohio Attorney General’s Office to one of the Cox/Jones Enterprise’s purchased DIDs, phone number { } (Mar. 11, 2021) (on file at EB-21-00031913) (Software initially responding to the call before transferring to a live agent who hung up when Investigator asked what company he worked for.).

¹⁹¹ See FCC Complaint #4471642 (Jan. 6, 2021) (“looks like a spoofed phone number as the call back number is disconnected or no longer in service, despite calling it back within minutes of receiving the call.”).

¹⁹² See *Affordable Enterprises of Arizona Forfeiture Order*, 35 FCC Rcd at 12155, para 33 (finding that even if the caller ID did, in some instances, reflect phone numbers associated with the telemarketer, because the telemarketer “either did not answer those phones or, if it did answer, it did not respond to callers in a meaningful way” – for example, the telemarketer hung up on the caller – the caller ID was misleading).

¹⁹³ See *Affordable Enterprises of Arizona Forfeiture Order*, 35 FCC Rcd at 12152, para 25-26 (finding that by taking steps calculated to obscure its identity, evade detection, and prevent consumers from opting out of future calls, the calling party knowingly displayed misleading caller ID).

¹⁹⁴ 47 U.S.C. § 227(e)(1); 47 CFR § 64.1604(a).

¹⁹⁵ *Rising Eagle Forfeiture Order*, 36 FCC Rcd at 6234, para. 20.

¹⁹⁶ See *id.*

¹⁹⁷ *Id.* at 6234-35, para. 20 (internal citations omitted) (emphasis in original).

¹⁹⁸ *Rising Eagle Forfeiture Order*, 36 FCC Rcd at 6236, para. 23 (quoting *United States v. Beecroft*, 608 F.2d 753, 757 (9th Cir. 1979)); see also *United States v. Ramsey*, 785 F.2d 184 (7th Cir. 1986) (considering whether the

63. The Cox/Jones Enterprise apparently intended to defraud consumers by making material, false statements to induce consumers to purchase auto warranties. Some of the spoofed pre-recorded messages represented that the caller had a file containing the consumer’s auto warranty information—information that a reasonable consumer would expect that only a trusted company or entity with an existing business relationship would have. The Cox/Jones Enterprise’s misleading caller ID accompanied pre-recorded messages that falsely stated that the caller had already sent “something in the mail,” and had a customer file, suggesting that the caller had an address for and an existing relationship with the called party. If a consumer called the number provided in the pre-recorded message, the misinformation was compounded by a statement that the caller had reached the “vehicle service department” and that the calling party was aware of the consumer’s existing warranty.¹⁹⁹ The message falsely suggests that the consumer is contacting his or her own auto dealer, or at least a company with which the consumer has an existing business relationship. The misleading information in the pre-recorded message, combined with the misleading caller ID, demonstrates an apparent intent to defraud consumers.²⁰⁰

b. The Cox/Jones Enterprise Apparently Intended to Cause Harm to Consumers, Numbering Resources, and Service Providers.

64. The Truth in Caller ID Act and the Commission’s rules prohibit knowingly displaying misleading or inaccurate caller ID information with the intent to cause harm.²⁰¹ The Commission has held that the element of “harm” in the Truth in Caller ID Act is broad and “encompasses financial, physical, and emotional harm.”²⁰² Moreover, the Commission has established that an intent to harm under the Truth in Caller ID Act can be demonstrated when the harms are “consequences which are desired” or “substantially certain.”²⁰³ Courts have recognized that it is reasonable and often necessary to look at a party’s actions to determine the party’s intent regarding a wrongful action.²⁰⁴ The Truth in

wrongdoer avoided knowledge of the scheme); *United States v. Themy*, 624 F.2d 963, 965 (10th Cir. 1980) (“One will not be heard to say that he did not intend the natural consequences of his conduct.”).

¹⁹⁹ See FCC Complaint #4556779 (Feb. 13, 2021) (“‘Susie’ from ‘Vehicle Service Department’ calls with a recorded message on occasion.”); FCC Complaint #4673299 (Mar. 29, 2021) (“Susie from ‘service center’ time to renew extended car Warranty. Call from { [redacted] }. Unsolicited. Requested to be removed from their call list many times.”); FCC Complaint #4469369 (Jan. 5, 2021) (“I have told many of the companies that call me over the years to stop calling but they keep calling. And I keep getting my number on lists. I want my number scratched off lists and no more calls or passing on to other companies. Number was on my caller ID. This company calls regularly. Please help! Message left: (?) I heard the end and then it repeated twice “Hi, this is Susie, calling with the vehicle service department, we are calling about your vehicles manufacturer warranty. We sent you several notices in the mail that you have yet to extend your warranty passed the factory cutoff. And this is a courtesy call to renew your warranty before we close the file. If you are interested in renewing your auto warranty now please press 5 now, or press 9 to be removed from our list.” I pressed 9 many times the previous time they called and it has not helped. This is NOT the dealer, and our warranty is not passed factory, and we have not received any mail.”); see also OAGs Recording (on file at EB-21-00031913) (dialing a Texas number that appeared on the caller ID will connect the consumer to an interactive voice response software that identifies as “Diana from vehicle service department” and states that the company is performing a “scheduled warranty checkup”).

²⁰⁰ See FCC Complaint #4669075 (Mar. 26, 2021) (“I think I got scammed...So I got a call today Friday March 26th, from a local number... I just bought a car a month ago, and they offered me a warranty for 100,000 miles.. and I was reluctant at first because of the price, then afterwards she gave me a cheaper price, so I was sold.. my card was charged 150\$ [sic] I didn’t receive a receipt..”).

²⁰¹ 47 U.S.C. § 227(e)(1); 47 CFR § 64.1604(a).

²⁰² See *Truth in Caller ID Order*, 26 FCC Rcd at 9122, para. 22.

²⁰³ See *Rising Eagle Forfeiture Order*, 36 FCC Rcd at 6237, para. 25 (citing *Affordable Enterprises of Arizona, LLC*, Notice of Apparent Liability for Forfeiture, 33 FCC Rcd 9233, 9242-43, para. 26 & n.70 (2018)).

²⁰⁴ See *United States v. Davis*, 490 F.3d 541, 549 (6th Cir. 2007); *Tusa v. Omaha Auto Auction Inc.*, 712 F.2d 1248, 1253 (8th Cir. 1983) (“[I]ntent to defraud is ordinarily proved by circumstantial evidence.”); see also *United States*

Caller ID Act does not require a showing of actual harm. We find that the Cox/Jones Enterprise apparently intended to cause harm to: (1) consumers, (2) numbering resources, and (3) voice service providers.

65. *Intent to Harm Consumers.* The Enterprise apparently intended to cause harm to consumers. *First*, the Cox/Jones Enterprise called incessantly—over five billion times in three months. Sumco Panama, Mobi Telecom, and Virtual Telecom apparently made or transmitted an average of more than 57 million calls a day.²⁰⁵ Both Congress and the Commission have long recognized that the placement of illegal robocalls causes consumers significant harm, including that such calls are a nuisance and invasion of privacy.²⁰⁶ It was substantially certain that transmitting the volume of calls at issue here would cause harm, and we thus find that the Enterprise apparently intended to cause this substantially certain outcome. In addition, consumers could not avoid the harmful calls, because the Enterprise used apparently misleading caller ID and did not allow consumers to opt out of the calls.²⁰⁷ Consumers could not easily use a third-party blocking service, because the Enterprise used an ever-shifting supply of phone numbers as caller ID.²⁰⁸ As a result of these calls, consumers have reported that they no longer answer

v. Sullivan, 522 F.3d 967, 974 (9th Cir. 2008) (“[T]he scheme itself may be probative circumstantial evidence of an intent to defraud.”); *United States v. Rogers*, 321 F.3d 1226, 1230 (9th Cir. 2003) (“It is settled law that intent to defraud may be established by circumstantial evidence.”); *General Analytics Corp. v. CNA Ins. Cos.*, 86 F.3d 51, 54 (4th Cir. 1996) (“[B]ecause it is abstract and private, intent is revealed only by its connection with words and conduct.”); *FDIC v. St. Paul Fire & Marine Ins. Co.*, 942 F.2d 1032, 1035 (6th Cir. 1991) (“intent . . . is thought to refer to a subjective phenomenon that takes place inside people’s heads [The law is concerned only with] the external behavior ordinarily thought to manifest internal mental states”) (citations omitted)).

²⁰⁵ The total number of calls divided by 90 days equals 57,840,967. *See, e.g.*, FCC Complaint #4505190 (Jan. 21, 2021) (“Two telephone calls were received yesterday from {{ }}); FCC Complaint #4576413 (Feb. 23, 2021) (“I receive multiple calls a week, sometimes multiple per day.”); FCC Complaint #4593882 (Mar. 3, 2021) (“I receive this call every day, from different numbers.”); FCC Complaint #4515248 (“I repeatedly (>1/week) get calls from different numbers stating ‘speak with a warranty specialist about extending your warranty’[.]”).

²⁰⁶ *See* S. Rep. No. 102-178, at 2 (1991); Pub. L. No. 102-243, § 2(10), 105 Stat. 2394, 2394 (1991); *Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991*, Report and Order, 7 FCC Rcd 8752, 8753, para. 2 (1992); *see also* *Roesel Forfeiture Order*, 33 FCC Rcd at 9218, para 40; *Mims v. Arrow Fin. Servs., LLC*, 565 U.S. 368, 372 (2012) (recognizing Congress’ finding that robocalls are an invasion of privacy). Courts have recognized that preserving the sanctity of the home is an important value, *see Frisby v. Schultz*, 487 U.S. 474, 484 (1988), and have found that invasion of privacy confers Article III standing in TCPA cases. *See, e.g., Van Patten v. Vertical Fitness Enter., LLC*, 847 F.3d 1037, 1043 (9th Cir. 2017); *LaVigne v. First Community Bancshares, Inc.*, 215 F. Supp.3d 1138, 1146-47 (D.N.M. 2016).

²⁰⁷ *See* FCC Complaint #4475660 (Jan. 8, 2021) (“I keep receiving calls from Auto Warranty services from {{ }}. I have contacted them multiple times and asked to stop being called, and have supposedly opted out in their system, but I keep receiving their calls. I have even blocked many of the calling numbers that they use, but they keep calling. I want them to stop calling me.”); FCC Complaint #4475510 (Jan. 8, 2021) (“I have had dozens of calls from various numbers for auto warranty renewal. I have blocked the number, tried to opt out and nothing changes. I have also talked to a person who just hangs up on me.”)

²⁰⁸ Consumers may ask providers to block specific phone numbers, a process called “blacklisting.” By using many different spoofed numbers, the Cox/Jones Enterprise made blacklisting ineffective. *See, e.g.*, FCC Complaint #4475492 (Jan. 8, 2021) (“I have been receiving many calls over the past few months regarding a ‘vehicle warranty renewal’. I have been blocking the numbers, but the automated calls change the source number often.”); FCC Complaint #4483308 (Jan. 12, 2021) (“I receive car warrantee calls almost daily. I usually call back the number after hanging up and get a recording that it isn’t a working number. Today I got a call from {{ }} which had a answering machine and I left a message saying I was going to report them. Seriously these car warrantee calls come in 2-3 times a week for the past year or two. Can’t something be done? I list them with nomorobo but each number is different.”); FCC Complaint #4466560 (Jan. 4, 2021) (“Auto Warranty Services continues to call my cell phone from different numbers all day. I am on the Do Not Call registry. I have opted out and they still continue. I want them to stop.”).

calls from caller IDs that they do not recognize.²⁰⁹ Consumers reported feeling like they were being harassed.²¹⁰ Some reported receiving auto warranty sales calls daily.²¹¹ Some consumers also reported having received the calls for months.²¹²

66. In addition to direct harm to consumers, the calls also posed a threat to public safety by disturbing healthcare workers and hospitals. One consumer who received the calls reported that upon dialing the caller ID number back the consumer reached a local hospital.²¹³ Another consumer, a surgeon, reported receiving the calls while he was in the operating room or providing care to patients.²¹⁴ This consumer reported receiving calls that match the caller ID of the hospital at which the consumer works.

67. *Second*, the fact that the spoofed caller ID was transmitted in conjunction with an apparently unlawful robocalling campaign also demonstrates an apparent attempt to cause harm. In *Roesel* and *Rising Eagle*, the Commission found that misrepresenting the origin of a call, when employed to further an unlawful robocalling campaign, indicates an intent to cause harm.²¹⁵ The Cox/Jones Enterprise demonstrated an intent to harm to consumers by perpetuating a massive calling operation with spoofed robocalls.

68. *Intent to Harm Numbering Resources.* The Commission has found in multiple prior cases that spoofing may indicate an intent to harm numbering resources. Phone numbers are a finite and valuable resource.²¹⁶ Large spoofing campaigns can cause harm by straining the supply of numbers

²⁰⁹ See FCC Complaint #4557991 (Feb. 15, 2021) (“Every Single day multiple times a day sometimes, I receive phone calls from this vehicle warranty Company. They have made it so that I cannot even answer my phone.”); see also FCC Complaint #4473402 (Jan. 7, 2021) (“Continued harrassment [sic] about car extended warranty. . . . I am now not wanting to answer my phone because I get these at least weekly for over two months.”).

²¹⁰ See FCC Complaint #4475632 (Jan. 8, 2021) (“Getting more and more of these damn calls. They waste my time, air time, and are flat out harassment at this point.”); FCC Complaint #4642230 (Mar. 22, 2021) (“I’m being hounded by car auto warranty calls. I’ve no idea how to make them stop.”).

²¹¹ See FCC Complaint #4475854 (Jan. 8, 2021) (“I am still receiving several robo calls/robo calls/spam/fraud/etc... calls and texts EVERY single day.”); FCC Complaint #4643735 (Mar. 23, 2021) (“auto warrantee calls several times each day, I have completed this form several times, but the calls continue.”); FCC Complaint #4470395 (Jan. 6, 2021) (“I received daily calls and sometimes multiple calls during the day from a telemarketer stating that my auto warranty has expired.”).

²¹² See FCC Complaint #4641753 (Mar. 22, 2021) (“For more than half a year, I have been receiving calls from numbers that vary all the time, but they are always about someone who claims that my car warranty has expired.”); FCC Complaints #4473402 (Jan. 27, 2021) (“Continued harrassment [sic] about car extended warranty [. . . .] I am now not wanting to answer my phone because I get these at least weekly for over two months.”).

²¹³ See FCC Complaint #4680700 (Mar. 31, 2021).

²¹⁴ See FCC Complaint #4475308 (Jan. 8, 2021).

²¹⁵ See *Roesel Forfeiture Order*, 33 FCC Rcd at 9218-19, para. 40; *Rising Eagle Forfeiture Order* 36 FCC Rcd at 6238, para. 27 (“we reiterate that spoofing in conjunction with such an unlawful robocalling campaign is an indicator of intent to harm.”).

²¹⁶ See October 2022 North American Numbering Plan (NANP) Exhaust Analysis, https://nationalnpana.com/reports/October_2022_NANP_Exhaust_Analysis_Final.pdf (“Using an average gross [central office] code demand rate of 6,561 codes assigned per year, the projected NANP exhaust date is 2054, assuming the quantity of [numbering plan area codes] remains at 677.”). See, e.g., *Affordable Enterprises LLC Forfeiture Order*, 35 FCC Rcd at 12145, para. 6 & n. 21 (“Telephone numbers are a finite resource. The Commission has taken numerous actions to promote the efficient use of telephone numbers.”); (internal citation omitted); *Numbering Resource Optimization*, CC Docket Nos. 99-200 and 92-237, Order, 33 FCC Rcd 6866, 6866, para. 1 (2018) (“Telephone numbers are a valuable resource for the American public, and the effective, efficient management of this resource is essential to facilitating communications and maintaining a modern telecommunications network.”). See also FCC, Wireline Competition Bureau, Numbering, <https://www.fcc.gov/general/numbering-resources> (“[objectives of the Bureau include] [e]xtending the life of the 10-

available for assignment.²¹⁷ Moreover, once a phone number has been tainted by association with a robocall campaign, it can have a long lasting, negative impact on that number.²¹⁸ The Enterprise should have been aware of those cases. Evidence in the record indicates that the Enterprise repeatedly ordered myriad numbers, which providers struggled to fulfill.²¹⁹ Thus we find that the Enterprise apparently intended to harm this limited resource.

69. *Intent to Harm Voice Service Providers.* The Cox/Jones Enterprise's large-scale caller ID spoofing apparently intended to harm voice service providers. Large-scale illegal robocalling campaigns harm the service providers that have to transmit the calls by placing undue burdens on network resources.²²⁰ In this case, Sumco Panama, Virtual Telecom, and Mobi Telecom generated large amounts of call traffic in three months' time. Such a large volume can overwhelm a network's capacity, and using misleading caller ID makes it harder for carriers to detect those calls and take remedial action.²²¹ Over time, service providers are required to spend money building additional capacity into their networks to handle large amounts of calls.²²² This drives up the cost of providing service, and those increased costs are in turn passed along to consumers.²²³ In addition, the Commission has stated that these massive robocalling schemes enrage consumers, who complain to their service providers; handling those complaints is another cost that service providers must bear.²²⁴ Because these harms were apparent—and the Commission has in fact noted these harms in other enforcement actions involving mass spoofing—we find that the Cox/Jones Enterprise apparently intended these harms.

digit number system, known as the North American Numbering Plan, through thousands-block number pooling and other measures [and] Preventing premature exhaustion of numbers in an area code.) (last visited Oct. 23, 2022).

²¹⁷ See *Rising Eagle, Notice of Apparent Liability*, 35 FCC Rcd 5948, 5959-6060, para. 28 (2020) (citing *Best Insurance Contracts, Inc., and Philip Roesel, dba Wilmington Insurance Quotes, Notice of Apparent Liability for Forfeiture*, 32 FCC Rcd 6403, 6411, para. 16 (2017)) (“misuse of unassigned numbers . . . causes harm by (1) constricting the supply of quality numbers for assignment, and (2) causing blocking apps potentially to over-block in an effort to give users relief from unwanted calls.”). Although those cases involved the use of numbers that were not assigned to the calling party, the harm to numbering resources is the same, and in fact, the Cox/Jones Enterprise's abuse of numbers was significantly greater than in those earlier cases.

²¹⁸ See *Rhodes Forfeiture Order*, 36 FCC Rcd 705, 723, para 44 (“spoofing can cause caller identification services to flag the number as untrustworthy. Any service provider that allocates the previously unassigned phone number to a subscriber in the future risks saddling that subscriber with a toxic phone number.”).

²¹⁹ See *G4 Telecom Skype Conversations* (Nov. 2, 2020) (“G4 Telecom: it does take a bit [to complete the order for DID] because of quantity and having to use bulk processing procedure.”); see also *id.* (“G4 Telecom: why is traffic so low? Mobi Telecom: DID's. Trying not to burn. The DID's. G4 Telecom: Ok. I'll get the rest np.”).

²²⁰ See *Abramovich Forfeiture Order*, 33 FCC Rcd at 4668, para. 17.

²²¹ See *id.* at 4671, para. 27. See also *Call Blocking Tools Available to Consumers: Second Report on Call Blocking*, CG Docket No. 17-59, at 24-25 paras. 69, 72, and 73 (June 2020) (In 2020 Verizon made “enhancements” to its network to block more calls; during the pandemic it noticed a wave of COVID-19-related fraudulent calls and made numerous referrals to the ITG; it is aware of robocallers' “new tactics, such as using large pools of non-spoofed numbers apparently assigned to them.”). See *id.* at 13 para. 29 (AT&T uses a “team of fraud investigators” that investigate numbers before they are blocked including by dialing the suspect number.).

²²² See *Rising Eagle Forfeiture Order*, 36 FCC Rcd at 6242, para. 35 (“In *Abramovich*, the Commission determined that spoofing in conjunction with a large-scale illegal robocalling campaign harms the providers that handle the calls by (1) burdening the providers' networks with illegal calls, and (2) inducing enraged recipients of the illegal robocalls to complain to the providers, thereby adding to the workload of customer service agents, decreasing the perceived value of the service, and increasing providers' costs.”).

²²³ See *id.*

²²⁴ See *Abramovich Notice Of Apparent Liability*, 32 FCC Rcd 5418, 5424 para 19, *forfeiture issued*, *Abramovich Forfeiture Order*, 33 FCC Rcd 4663; *Roesel Notice Of Apparent Liability*, 32 FCC Rcd 6403,6411, para 22, *forfeiture issued*, *Roesel Forfeiture Order*, 33 FCC Rcd 9204.

c. The Cox/Jones Enterprise Apparently Intended to Wrongfully Obtain Something of Value.

70. We find that the Cox/Jones Enterprise apparently intended make a large number of spoofed phone calls to wrongfully obtain something of value in the form of (1) payments and (2) evasion of liability. *First*, the Cox/Jones Enterprise apparently received compensation for generating sales leads to vehicle service warranty provider. Leads were “billable” if a consumer listened to the message and pressed 1 to be transferred to “a warranty specialist.”²²⁵ Because the calls were made pursuant to an apparently unlawful robocalling scheme, in violation of the TCPA and Commission rules, we find that the Cox/Jones Enterprise apparently knowingly used misleading caller ID to wrongfully obtain financial compensation.²²⁶

71. *Second*, the Cox/Jones Enterprise apparently sought to use misleading caller ID to avoid liability from consumer lawsuits and regulatory enforcement. The Commission has held that evading, or at least delaying, liability constitutes a thing of value under the Truth in Caller ID Act.²²⁷ In this case, an attempt to evade TCPA liability and avoidance of culpability has a specific, ascertainable dollar value—namely, up to \$22,021 per unlawful robocall in a forfeiture action brought by the FCC for violation of section 227(b).²²⁸ Additionally, in a private action, the potential liability is up to \$1,500 per illegal robocall.²²⁹ The Cox/Jones Enterprise apparently placed calls with misleading caller ID with the intent to prevent them from being easily traced back to the originator, and to make it more difficult for consumers to name the Cox/Jones Enterprise in complaints to regulatory enforcement. This enabled the Cox/Jones Enterprise to avoid or defer liability for its apparently illegal robocalling campaign. In addition, Cox and Jones appear to have made the phone calls in violation of their legal obligations (via settlement and court order, respectively) to refrain from any type of telemarketing, in order to wrongfully (a) obtain financial benefit and (b) avoid potential prosecution for violating those obligations. Thus, we find that the Cox/Jones Enterprise apparently used misleading caller ID to wrongfully obtain things of value.

IV. PROPOSED FORFEITURE

72. We propose a forfeiture in the amount of \$299,997,000. We calculate the proposed forfeiture by assessing a base forfeiture of \$4,500 per each of the 33,333 apparently unlawful robocalls that we verified were made without prior express written consent, and without the requisite disclosures, in apparent violation of the TCPA. Additional factors also warranted an upward adjustment. Many of the verified calls apparently were made in violation of the Do Not Call Registry requirements.²³⁰ We also find that the Enterprise apparently violated the Truth in Caller ID Act. Our base forfeiture for the 33,333 verified calls is \$149,998,500. We also propose a 100% upward adjustment to the base penalty yielding the total forfeiture amount of \$299,997,000.

73. Section 503(b) of the Communications Act of 1934, as amended (Act) authorizes the Commission to impose a forfeiture against any entity that “willfully or repeatedly fail[s] to comply with

²²⁵ See Vendor Services Agreement, Affordable Automotive Services-Davis Telecom (Oct. 19, 2020) (Davis Telecom Inc. contracted with a Florida-based company, Affordable Automotive Solutions, to generate “vehicle service coverage calls” in which a call with an interested call recipient (“Billable Lead”) lasts past the buffer time.).

²²⁶ See *Rising Eagle Forfeiture Order*, 36 FCC Rcd at 6243, para. 37.

²²⁷ See *Rising Eagle Forfeiture Order*, 3636 FCC Rcd at 6243, para 38 (“The Commission has recognized that “[a]voidance of culpability is a benefit that qualifies as a thing of value.”); see also *Roesel Notice of Apparent Liability*, 32 FCC Rcd at 6413, para. 27; *Roesel Forfeiture Order*, 33 FCC Rcd at 9212, para. 22.

²²⁸ See 47 CFR § 1.80(b)(9); see also *Amendment of Section 1.80(b) of the Commission’s Rules, Adjustment of Civil Monetary Penalties to Reflect Inflation*, Order, DA 21-1631 (EB Dec. 22, 2021) (adjusting amounts for inflation).

²²⁹ See 47 U.S.C. § 227(b)(3).

²³⁰ See *supra* para. 27.

any of the provisions of [the Act] or of any rule, regulation, or order issued by the Commission.”²³¹ Section 227(b) and Section 1.80 of the Commission’s rules further authorize the Commission to impose a forfeiture against any person that violates the Act or the Commission’s Rules regarding calls made using an automatic telephone dialing system or an artificial or prerecorded voice.²³² Section 503(b)(2)(D) authorizes the Commission to assess a forfeiture of up to \$22,021 for each violation.²³³ For each intentional violation of section 227(b), the Act and the Commission’s rules authorize an additional penalty not to exceed \$10,748.²³⁴

74. Additionally, Section 227(e) of the Act, which empowers the FCC “to proceed expeditiously . . . without first issuing a citation[.]”²³⁵ and section 1.80 of the Commission’s rules authorize us to impose a forfeiture against any person that engages in unlawful spoofing.²³⁶ The Act and the Commission’s rules authorize a forfeiture of up to \$12,646 for each spoofing violation, or three times such amount for each day of a continuing violation, up to a statutory maximum of \$1,264,622 for any single act or failure to act.²³⁷ Although the Cox/Jones Enterprise apparently violated both 227(b) and 227(e), we have elected to calculate the base forfeiture from apparent violations of 227(b) and consider the apparent 227(e) violations in determining the amount of the upward adjustment.

75. In exercising our forfeiture authority, we must consider the “nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.”²³⁸ In addition, the Commission has established forfeiture guidelines; they establish base penalties for certain violations and identify upward and downward adjustment criteria that we consider when determining the appropriate penalty in any given case.²³⁹

A. We Propose a Base Penalty of \$4,500 Per Each Apparently Unlawful Robocall.

76. In calculating the forfeiture in this case, we first apply a \$4,500 base forfeiture for each apparently unlawful robocall. The Commission has adopted a base forfeiture of \$4,500 per unlawful robocall in previous enforcement actions involving section 227(b) on the basis that the aggregate forfeiture would serve the dual goals of punishment and deterrence, and that higher amounts would be unlikely to achieve a more effective result.²⁴⁰ We thus propose a base forfeiture amount of \$4,500 per violation.

²³¹ 47 U.S.C. § 503(b)(1)(B).

²³² See 47 U.S.C. § 227(b)(4); 47 CFR § 1.80(a)(4).

²³³ See 47 U.S.C. § 503(b)(2)(D) (specifying a forfeiture amount of up to \$10,000, which, adjusted for inflation, currently permits a forfeiture of up to \$22,021 per violation); 47 CFR § 1.80(b)(11); see also *Amendment of Section 1.80(b) of the Commission’s Rules, Adjustment of Civil Monetary Penalties to Reflect Inflation*, Order, DA 21-1631 (EB Dec. 22, 2021) (adjusting amounts for inflation).

²³⁴ See 47 U.S.C. § 227(b)(4)(B); 47 CFR § 1.80(b)(5). Section 227(b) contains a one-year statute of limitations for general violations and a four-year statute of limitations for violations with intent. See 47 U.S.C. § 227(b)(4)(E).

²³⁵ *Truth in Caller ID Order*, 26 FCC Rcd at 9132, para. 47.

²³⁶ See 47 U.S.C. § 227(e)(5)(A); 47 CFR § 1.80(b)(4).

²³⁷ See 47 U.S.C. § 227(e)(5)(A); 47 CFR § 1.80(b)(4).

²³⁸ 47 U.S.C. § 503(b)(2)(E). The Commission stated that it would employ the statutory factors set forth in section 503(b)(2)(E) to determine the amount of a forfeiture penalty for violation of section 227(e). See *Truth in Caller ID Order*, 26 FCC Rcd at 9132, para. 46.

²³⁹ 47 CFR § 1.80(b)(10), Note 2.

²⁴⁰ Table 1 to section 1.80(b)(10) of the Commission’s rules sets forth base forfeiture amounts for a wide variety of apparent violations that are subject to Section 503 of the Act. See 47 CFR § 1.80(b)(10), Table 1. The base forfeitures in Table 1 range from \$1,000 (failure to provide station identification, for example) to the statutory

77. The Commission has on multiple occasions used a base forfeiture of \$4,500 for violations involving section 227(b).²⁴¹ We find those cases analogous and propose to follow that same approach here. In robocall cases that involve large-scale calling campaigns – thousands, millions, or billions of calls – we have based the proposed fine on a subset of calls that Commission staff verified.²⁴² We find that verifying a sample of calls is appropriate for large-scale TCPA violations.²⁴³ First, there may be practical limitations to the Commission’s ability to fully evaluate each call when the call volume is in the tens of thousands or higher. Second, we find that there is often diminishing value in verifying each violation in a large-scale robocalling operation, in terms of imposing a penalty and establishing a deterrent against future violations.²⁴⁴ We find that this approach properly balances precedent with pragmatic factors.

B. The Cox/Jones Enterprise’s Conduct Warrants a Significant Upward Adjustment to the Base Penalty.

78. In addition to the base forfeiture above, we apply the statutory factors in section 503 of the Act and our guidelines for assessing forfeitures in section 1.80 of the Commission’s rules.²⁴⁵ Under these guidelines, we may adjust a base forfeiture upward for violations that meet one or more of seven upward adjustment criteria, including egregious misconduct, intentional violation, repeated or continuous

maximum (misrepresentation/lack of candor) but none involve violation of section 227(b). However, on numerous occasions, including most recently in *Interstate Brokers of America Notice of Apparent Liability*, we have found that a base forfeiture amount of \$4,500 for violation of section 227(b) was reasonable. See *Notice of Apparent Liability*, FCC 22-16, at 11-12, paras. 33-34, 2022 FCC Lexis 687 at *30; see also *John M. Burkman, Jacob Alexander Wohl, J.M. Burkman & Assocs. LLC*, Notice of Apparent Liability for Forfeiture, 36 FCC Rcd 12979, 12983, 2021 FCC LEXIS 3209, *12 (F.C.C. August 24, 2021).

²⁴¹ See, e.g., *Interstate Brokers of America Notice of Apparent Liability*, FCC 22-16, at 11-12, paras. 33-34, 2022 FCC Lexis 687 at *30 (proposing a base amount of \$4,500 per call for 10,000 verified unlawful calls); *John M. Burkman, Jacob Alexander Wohl, J.M. Burkman & Assocs. LLC*, Notice of Apparent Liability for Forfeiture, 36 FCC Rcd 12979, 12983-84, paras. 14-15 (2021) (*Burkman Notice of Apparent Liability*) (proposing a proposing a *Warrior Custom Golf, Inc.*, Notice of Apparent Liability for Forfeiture, 19 FCC Rcd. base amount of \$4,500 per call for 1,141 unlawful robocalls); *Travel Club Marketing, Inc.*, Notice of Apparent Liability for Forfeiture, 26 FCC Rcd 15831, 15835-37, paras. 11-1515 (2011)) (recognizing a \$4,500 base amount per violation but proposing an upward adjustment to impose the (then) statutory maximum of \$16,000 per unlawful call due to egregious circumstances, for a total forfeiture of \$2,960,000), *forfeiture issued*, *Travel Club Marketing, Inc.*, Forfeiture Order, 30 FCC Rcd 8861 (2015) (imposing proposed forfeiture); *Security First of Alabama*, Notice of Apparent Liability for Forfeiture, 26 FCC Rcd 6490, 6492-93, paras. 7-8 (2011) (proposing a base amount of \$4,500 per unlawful call for 16 calls and a higher amount of \$10,000 per call for 27 egregious violations, for a total of \$342,000 for a total of 43 unlawful calls), *forfeiture issued*, *Security First of Alabama*, Forfeiture Order, 30 FCC Rcd 2377 (2015) (imposing proposed forfeiture); *1 Home Lending Corp.*, Notice of Apparent Liability for Forfeiture, 21 FCC Rcd 11852, 11856, para. 10 (2006) (proposing a forfeiture of \$18,000 for four apparent violations of the TCPA (\$4,500 per call), *forfeiture issued*, *1 Home Lending Corp.*, Forfeiture Order, 24 FCC Rcd 2888 (2009) (imposing proposed forfeiture); 23648, 23652, para. 10 (2004) (proposing a base amount of \$4,500 per call for three unlawful calls and a higher amount of \$10,000 for one robocall that was sent after an express request to stop further calls); *Warrior Custom Golf, Inc.*, Adopting Order, 21 FCC Rcd 6461 (2006) (company paid proposed forfeiture).

²⁴² See, e.g., *Interstate Brokers of America Notice of Apparent Liability*, at 11-12, para. 33, 2022 FCC LEXIS 687, *17; *Moser Forfeiture Order*, 35 FCC Rcd at 13433, para. 39.

²⁴³ See *Interstate Brokers of America Notice of Apparent Liability*, at 11-12, para. 33.

²⁴⁴ In this case, the potential forfeiture would be more than \$2.3 billion if we proposed to include every apparently unlawful robocall.

²⁴⁵ 47 U.S.C. 503(b)(2)(E); 47 CFR 1.80(b)(10), Note 2; *Truth in Caller ID Order*, 26 FCC Rcd at 9132, para. 46.

violation, substantial harm, or substantial economic gain for the violator.²⁴⁶ In this case, we propose finding that four of the upward adjustment criteria are applicable: The scale and scope of the apparently unlawful campaign (i.e., repeated violations), the substantial harm that these calls caused to consumers, service providers and others, the egregious misconduct involved (particularly in light of the permanent telemarketing bans imposed on Cox and Jones), and the fact that the robocalls were made in conjunction with apparently intentional illegal spoofing activity. These findings leads us to conclude that an upward adjustment of 100% is warranted in this case.

79. The scale of the Cox/Jones Enterprise robocalling campaign was massive. In three months, the Cox/Jones Enterprise made billions of apparently unlawful calls to consumers.²⁴⁷ This figure represents enough calls to dial every person in the United States fifteen times.²⁴⁸ Some consumers reported receiving multiple calls and sometimes several a day.²⁴⁹ Consumers called them “incessant” and complained that the ceaseless calls felt like “harassment.” In addition to harming individual consumers, the calls also posed a threat to public safety at large because the calls reached health care workers and apparently spoofed hospitals’ numbers, causing them to receive angry callbacks in error; these calls disrupted operations and placed undue burdens on workers already dealing with a historic pandemic public health crisis.²⁵⁰ And the scope and scale of the calling campaign put huge pressure on voice service providers and strained numbering resources beyond the harm typically associated with an unlawful robocalling campaign.

80. In addition, both Roy Melvin Cox Jr. and Aaron Michael Jones are subject to permanent bans on telemarketing.²⁵¹ The decision to violate those bans and engage in the massive telemarketing campaign at issue here provides further evidence of egregious misconduct.

81. After considering the scale and scope of the unlawful spoofing campaign, Cox and Jones’s history of violations, and the substantial harm that these calls caused, we determine that an upward adjustment of 100% to the base forfeiture is warranted. Applying this 100% upward adjustment yields a total forfeiture of \$299,997,000.²⁵²

²⁴⁶ 47 CFR § 1.80(b)(10), Table 3. Our guidelines also include four downward adjustment criteria: (1) minor violation; (2) good faith or voluntary disclosure; (3) history of overall compliance; and (4) inability to pay. *See id.* We propose finding that none of these downward adjustment criteria are applicable in this case.

²⁴⁷ *See* Call Detail Records (on file at EB-TCD-21-00031913).

²⁴⁸ *See* U.S. Census Bureau, Population Clock, <https://www.census.gov/topics/population.html> (showing “USA population” count at 333,276,824.).

²⁴⁹ *See, e.g.*, FCC Complaint #4470373 (“Getting warranty calls every day and they will not stop.”) (Jan. 6, 2021).

²⁵⁰ *See* Heather Kelly, The nonstop scam economy is costing us more than just money, *The Washington Post*, (July 13, 2022) <https://www.washingtonpost.com/technology/2022/07/13/scam-fraud-fatigue/>. *See also* Hospital Robocall Protection Enterprise, HRPGE Best Practices Recommendations at 5 (Dec. 14, 2020) (Hospital Robocall Protection Enterprise Advisory Committee releases best practices during the pandemic to help hospitals fight denial of service attacks and spoofed robocalls that impact “public health and safety to patients and the community due to the possible disruption of patient care services.”).

²⁵¹ *See* Jones 2017 Judgment at 4. *See* Cox 2013 Judgment at 4.

²⁵² With the 100% upward adjustment, the proposed forfeiture amount per verified unlawful call is \$9,000, which is in line with past forfeiture amounts where the Commission has found multiple upward adjustment criteria applicable, including egregious misconduct. *See, e.g., Travel Club Marketing, Inc.*, Notice of Apparent Liability for Forfeiture, 26 FCC Rcd 15831, 15835-37, paras. 11-15 (2011) (proposing the (then) statutory maximum of \$16,000 per unlawful call based on repeated, intentional violations and egregious misconduct), *forfeiture issued, Travel Club Marketing, Inc.*, Forfeiture Order, 30 FCC Rcd 8861 (2015); *Security First of Alabama*, Notice of Apparent Liability for Forfeiture, 26 FCC Rcd 6490, 6492-93, para. 8 (2011) (proposing a forfeiture amount of \$10,000 per call for 27 calls that evidenced repeated, intentional violations and egregious misconduct), *forfeiture issued, Security First of Alabama*, Forfeiture Order, 30 FCC Rcd 2377 (2015); *Warrior Custom Golf, Inc.*, Notice of Apparent

V. ENTERPRISE AND INDIVIDUAL ENTITY LIABILITY

A. We Propose to Hold Each Corporate Entity Identified in This Notice Liable Under The Enterprise Liability Doctrine and Individually Liable.

82. The robocalling scheme was unprecedentedly expansive and complex; it involved billions of calls, millions of unique DIDs, and at least four dialing entities. The specific participants and their roles shifted over the course of the period at issue in the NAL. We therefore propose to hold the following jointly and severally liable – Sumco Panama SA, Sumco Panama USA, Virtual Telecom kft, Virtual Telecom Inc., Davis Telecom Inc., Geist Telecom, Fugle Telecom, Tech Direct LLC, Mobi Telecom LLC, and Posting Express Inc., – under the enterprise liability doctrine. In cases where the enforcement action is targeted at conduct which is orchestrated by a common enterprise, each corporate entity within that enterprise may be held liable for the actions of the enterprise.²⁵³ We also propose to hold each entity individually liable for the calls that it made or caused to be made.

83. The courts have established tests to determine whether a common enterprise is present. Factors include whether the companies: (1) maintain officers and employees in common, (2) operate under common control, (3) share offices, (4) commingle funds, and (5) share advertising and marketing.²⁵⁴ Courts may also consider additional factors, such as “whether ‘corporate formalities are observed’” and “whether companies conduct business at arm's length.”²⁵⁵

84. The Cox/Jones Enterprise satisfies nearly every element of this test, clearly identifying it as a single enterprise. First, the Enterprise had several officers and employees in common. The same network of corporate employees served different roles at multiple entities. Specifically, the same individuals held titles at multiple companies within the enterprise. For example, Maria Alejandra Gonzalez is listed interchangeably as President and CEO or Vice President on corporate records of at least two different companies, Virtual Telecom Inc. and Tech Direct LLC. Similarly, Livia Szuromi is listed as the President of Davis Telecom and the Director or Treasurer of Sumco Panama USA in different corporate records. Second, the Cox/Jones Enterprise operated under common control. As discussed *supra*, the same group of Principals orchestrated a massive apparently illegal robocalling operation with interchangeable shell companies and employees. Third, the Enterprise commingled funds. The Cox/Jones Enterprise used shell entities and employees who had signatory authority for bank accounts of the various companies in order to funnel money to the enterprise principles. Fourth, the Enterprise shared advertising and marketing. The entities in the Cox/Jones Enterprise used some of the same recordings to sell their auto warranty policies. While the Bureau was able to identify several variations of the recorded voice messages left by the calls, each message shared common attributes which linked them to the Cox/Jones Enterprise. Additionally, each call placed by the network was an offer for an extended auto warranty. Fifth, and as discussed *infra*, the Enterprise failed to follow corporate formalities. Finally, it is apparent by the complexity of ever-changing shell entities that the entities of the Cox/Jones Enterprise did not conduct business at arm's length and instead collaborated toward a common goal.

Liability for Forfeiture, 19 FCC Rcd. 23648, 23652, para. 10 (2004) (proposing a forfeiture amount of \$10,000 for one robocall that was sent after an express request to stop all further calls); *Warrior Custom Golf, Inc.*, Adopting Order, 21 FCC Rcd 6461 (2006) (company paid proposed forfeiture).

²⁵³ See *Gen. Tel. Co. of the S.W. v. United States*, 449 F.2d 846, 855 (5th Cir. 1971) (“Where the statutory purpose could . . . be easily frustrated through the use of separate corporate entities, the Commission is entitled to look through corporate form and treat the separate entities as one and the same for purposes of regulation.”); see also *Capital Tel. Co., Inc. v. FCC*, 498 F.2d 734, 737-39 (D.C. Cir. 1974) (Commission correctly treated individual and company he controlled as the same entity and granted only one license);

²⁵⁴ See *FTC v. E.M.A. Nationwide, Inc.*, 767 F.3d 611, 637 (6th Cir. 2014); *FTC v. Nudge, LLC*, No. 2:19-CV-867-DBB-DAO, 2022 WL 2132695 (D. Utah June 14, 2022); *CFTC v. Trade Exchange Network, Ltd.*, 117 F.Supp.3d 29, 38-39 (D.D.C. 2015).

²⁵⁵ *CFTC v. Trade Exchange*, 117 F.Supp.3d at 39.

85. The Commission has turned to enterprise liability doctrine before,²⁵⁶ as have other regulatory agencies.²⁵⁷ The Commission has identified factors that it will consider when determining whether affiliated companies should be treated as an integrated enterprise for purpose of enforcing regulatory goals.²⁵⁸ In such cases, the Commission will look to factors such as whether: (i) members of the alleged enterprise act for or on behalf of one another in furtherance of a common regulatory or business goal; (ii) different members hold different assets and provide different services, each of which is necessary to or helpful in achieving the unified goal; (iii) the parent company directs or coordinates the interrelationship between or the operation of the subsidiaries to facilitate the unified regulatory or business goal; and (iv) the alleged enterprise presents itself to the Commission and the public as a unified entity. Applying these factors here supports a finding that the Entities operated as a single, coordinated entity to facilitate the apparently illegal robocalling operation.²⁵⁹

86. Each corporate entity in the Cox/Jones Enterprise acted for or on behalf of others in furtherance of a common business goal in the robocalling scheme. As describes supra, Roy Cox recruited other individuals to serve as corporate directors and bank signatories. These accounts were later used to serve the business goals of the Cox/Jones Enterprise. Participants also held different assets and provided different services for the Cox/Jones Enterprise. While some were responsible for generating calls, others contracted with auto warranty policy providers, and others funneled money to the Enterprise Principals. Each entity operated in concert with others to facilitate the robocalling campaign. Finally, the Principals directed and coordinated the interrelationship between the subsidiaries to facilitate the unified business goals of the Cox/Jones Enterprise. The Commission examined corporate bank records, traceback reports generated by the ITG, and service provider account records showing IP addresses; these data link the Entities to each other and to the Enterprise Principals.

87. Through the assistance of the ITG, the Commission identified Sumco Panama, Virtual Telcom, and Mobi Telecom, as the entities primarily responsible for generating and transmitting the calls.²⁶⁰ Virtual Telecom and Sumco Panama appeared in 67 tracebacks during the months of January and March 2021. In each case, they failed to respond to the ITG's inquiries.²⁶¹ Mobi Telecom appeared

²⁵⁶ See 73 *Applicants for Rural Digital Opportunity Fund in Default*, Notice of Apparent Liability for Forfeiture, FCC 22-59, at 3 n.18 (July 22, 2022) (“As we have previously held, enterprise liability may exist where members of an enterprise act or on behalf of one another—as bidding consortiums/groups and its assignees apparently did—to achieve a unified goal (in this case, participating in Auction 904), and they may be considered a single enterprise for purposes of regulatory compliance (in this case, requiring payment of default penalties).”); *Improving Public Safety Communications in the 800 MHz Band*, Declaratory Ruling, 25 FCC Rcd 13874, 13887-90, paras. 33-3636 (2010) (*Improving Public Safety Declaratory Ruling*).

²⁵⁷ See *Zale Corp. & Corrigan-Republic, Inc v. FTC*, 473 F.2d 1317, 1321 (5th Cir. 1973) (upholding FTC finding that “the integrated operation[,] interlocking directorate and unified advertising strongly militate for finding the Enterprise to be the appropriate subject for the Commission’s order and for application of the exceptions to recognition of separate corporate entities where to do so frustrates a statutory policy”); *Transcontinental Gas Pipeline Corp. v. FERC*, 998 F.2d 1313, 1320-2121 (5th Cir. 1993) (upholding Federal Energy Regulatory Commission decision finding parent and affiliate liability under the National Gas Act based on a determination that the companies operated as a single entity); *Radio & Television Broad. Techs. Local Union 1264 v. Broadcast Serv. Of Mobile*, 380 U.S. 255, 256 (1965) (finding that National Labor Relations Board may consider gross receipts of affiliates under integrated enterprise theory).

²⁵⁸ *Improving Public Safety Declaratory Ruling*, 25 FCC Rcd at 13889-90, para. 35.

²⁵⁹ While enterprise liability is separate and distinct from the piercing the corporate veil theory of liability, which is also applied in this Notice, factors that support piercing the corporate veil can also be relevant to the question of whether enterprise liability exists. See *id.* at 13889, para. 34.

²⁶⁰ ITG Response to Subpoena, Traceback Report Summary (on file at EB-TCD-21-00031913).

²⁶¹ ITG Response to Subpoena, Traceback Report Summary (on file at EB-TCD-21-00031913).

on another six tracebacks and also failed to respond to ITG's inquiries.²⁶² Through the traceback reports, the Commission identified Virtual Telecom as the entity that generated most of the calls identified in this Notice.²⁶³

88. The Commission determined that Davis Telecom, Virtual Telecom, Geist Telecom, and Tech Direct, were the entities within the Cox/Jones Enterprise that contracted with auto warranty providers and procured other services that were necessary to conduct a robocall campaign. For example, Virtual Telecom entered into service contracts with Affordable Automotive Solutions, one of the largest providers of extended auto warranty policies.²⁶⁴ Tech Direct also entered into these agreements in 2020 and also purchased software needed to respond to incoming calls.²⁶⁵ Stacey Yim paid for these services.²⁶⁶ Six IP addresses associated with Sumco Panama USA's Vultr account²⁶⁷ matched calls routed to the automated voice recognition software, which Tech Direct purchased.²⁶⁸ The software was designed to answer consumers' callbacks.

89. Some of the Entities existed solely to funnel money between entities and ultimately into the personal bank accounts of the Enterprise Principals. The Commission issued subpoenas to several financial institutions, which responded with comprehensive corporate bank records. Using these bank records, the Commission was able to determine that Posting Express, Texas Outdoor Adventures, Inc., 7 Sundays, Inc., Tech Direct LLC, and Davis Telecom along with Livia Szuromi, June Batista, and Julie Kathryn Bridge, were the entities and individuals that transferred funds within and out of the organization.²⁶⁹ Corporate bank records demonstrated a pattern of transactions between each of these named entities, which ultimately resulted in funds transferred into the Enterprise Principals' personal bank accounts.²⁷⁰

90. *Virtual Telecom*: Virtual Telecom Inc. is a Wyoming corporation formed in 2016 with a Hungarian counterpart, Virtual Telecom kft.²⁷¹ It is an interconnected VOIP provider whose registration is no longer active as of March 31, 2019.²⁷² During the relevant period, Virtual Telecom generated robocall traffic and entered into sales lead contracts with auto warranty sellers.²⁷³ Its corporate officers include Maria Alejandra Gonzalez as an authorized signatory, and Andrea Horvath as the

²⁶² See Call Detail Records (on file at EB-TCD-21-00031913); see also, *Frontier Comm. Of Am., Inc. et al v. Mobi Telecom, LLC et al.*, (naming both Mobi Telecom LLC and Davinder Singh as defendants in a civil suit brought by Frontier Communications of America alleging violations of the TCPA).

²⁶³ Call Detail Records (on file at EB-TCD-21-00031913).

²⁶⁴ Virtual Telecom service contract (on file at EB-TCD-21-00031913).

²⁶⁵ Tech Direct service contract (on file at EB-TCD-21-00031913).

²⁶⁶ See Bank of America records for Posting Express (on file at EB-TCD-21-00031913).

²⁶⁷ Vultr is an online cloud hosting service.

²⁶⁸ Stratton Declaration at 1 (July 2, 2021) (on file at EB-21-00031913) (Stating the payments from Tech Direct paid balances of an account owned by Mike Jones, who purchased the "bot" and invested in Vocinity).

²⁶⁹ See Wells Fargo Subpoena Response

²⁷⁰ See Bank of America records for Posting Express (on file at EB-TCD-21-00031913).

²⁷¹ See 499 Filer Information Virtual Telecom (2020) (showing headquarters located in Utica Damjanich, Budapest Hungary).

²⁷² See FCC 499 Virtual Telecom.

²⁷³ See Vendor Services Agreement, Affordable Automotive Solutions-Virtual Telecom (Jan. 1, 2020) (Virtual Telecom signed a one-year contract to provide "billable leads."). Auto Contracts: signed 2020 contract with Affordable Auto Services to generate sales leads for one year. Also signed a 2018 contract with A&E Services to generate sales leads.

registered agent.²⁷⁴ In April 2020, Virtual Telecom created an account with Talkie Communications under the name “virtualt Sumco.”²⁷⁵ Tracebacks show that Virtual Telecom generated robocalls during the relevant period along with Sumco Panama. It transmitted calls primarily through Mobi Telecom but also through Mash Telecom.

91. *Mobi Telecom*: Mobi Telecom is a Wyoming headquartered company.²⁷⁶ According to its FCC 499 registration form, Davinder Singh is its CEO.²⁷⁷ Tracebacks show that it transmitted nearly all of the traffic from Sumco Panama, Fugle Telecom, and Virtual Telecom.²⁷⁸ Mobi Telecom responded to tracebacks from ITG and is registered in the robocall mitigation database where it certified that it has robocall mitigation measures in place. In June 2020, Mobi Telecom paid virtualt Sumco’s²⁷⁹ invoice through its Talkie Communications account.²⁸⁰ Thereafter the username virtualt Sumco began placing its Talkie Communications calls using the Mobi Telecom account.²⁸¹ In November and December 2020, Mobi Telecom purchased Direct Inward Dialing numbers from G4 Telecom under Geist Telecom’s name. Mobi Telecom used the Direct Inward Dialing numbers to make the calls that the Bureau analyzed.

92. *Tech Direct LLC*: Tech Direct LLC is a Wyoming company. It purchased goods and services for the Enterprise. Its bank accounts fund the Cox/Jones Enterprise’s operations, and it appeared on contracts with vehicle service providers. June Batista is Tech Direct’s signatory and controlling owner of its bank account,²⁸² and Maria Alejandra Gonzalez is an authorized signatory for contracts with vehicle service contract providers.²⁸³ On January 1, 2020, Maria Alejandra Gonzalez signed a “Vendor Services Agreement” on behalf of Tech Direct with a company called Affordable Automotive Solutions to generate “Billable Leads.”²⁸⁴ In 2019, Tech Direct apparently invested in an “automated voice prompted software” to answer consumer callbacks.²⁸⁵ The IP address associated with this software belonged to

²⁷⁴ See Vendor Services Agreement, Affordable Automotive Solutions-Tech Direct (Jan. 1, 2020) (showing Maria Alejandra Gonzalez as the signatory on the contract); see also Virtual Telecom Profit Corporation Annual Report, Wyoming Secretary of State, (Jul. 1, 2019) (Andrea Horvath signing as the secretary and treasurer of Virtual Telecom).

²⁷⁵ The virtualt Sumco account with Talkie Communications is the same Sumco Panama from tracebacks. Compare ITG, Response to OH AGO Subpoena Docket No. 597858, Traceback #4121 (On Jan. 25, 2021 a point of entry provider stated that traffic came from Sumco Panama and provides contact information including an email address, sumcopanama@protonmail.com), with Email from Talkie Communications to Sumco Panama (Apr. 27, 2020) (Email from sales@talkiefiber.com to sumcopanama@protonmail.com welcoming Sumco Panama to Talkie Communications as a new customer).

²⁷⁶ See Mobi Telecom, FCC Form 499 Filer Database, Detailed Information (shows headquarters located in Sheridan, Wyoming).

²⁷⁷ See Mobi Telecom, FCC Form 499 Filer Database, Detailed Information.

²⁷⁸ See “Sumco and Affiliates Traceback Report” spreadsheet.

²⁷⁹ “virtualt Sumco” was an account name utilized by Sumco Panama on its Talkie Communication’s account.

²⁸⁰ See Talkie Communications invoice for Mobi Telecom (June 22, 2020) (“Sumco VT” is an account name utilized by Sumco Panama).

²⁸¹ See Wells Fargo Bank Records for Virtual Telecom (showing that on November 4, 2020, Virtual Telecom transferred \$12,000 to Talkie Communications. On that day Talkie Communications emailed Mobi Telecom notifying it that its payment of \$12,000 had been applied to its account. See Email from Talkie Communications to Mobi Telecom LLC (Nov. 4, 2020).

²⁸² See Wells Fargo Business Application Account, Signature_Cards_Doc_ID_5953017, (Mar. 26, 2019).

²⁸³ See Vendor Services Agreement, Affordable Automotive Solutions-Tech Direct (Jan. 1, 2020).

²⁸⁴ See Vendor Services Agreement, Affordable Automotive Solutions-Tech Direct (Jan. 1, 2020) (Maria Alejandra Gonzalez signed this agreement on behalf of Tech Direct using a Virtual Telecom email address.).

²⁸⁵ See {{ }} Declaration at 1.

Sumco Panama's Vultr account. An investigator for the OAG recorded a call to a number which routed to the software. The message he heard is similar to outgoing messages from tracebacks. Bank records show that in June 2019, Tech Direct began paying Sumco Panama's and Virtual Telecom's expenses to service providers.²⁸⁶

93. *Geist Telecom LLC* (Geist): Geist is a dissolved a Wyoming company formed on October 30, 2020.²⁸⁷ It dissolved a little over a year later in December 2021. Individuals linked to other companies in the enterprise used an email address with geisttelecom.net as the domain.²⁸⁸ Geist also purchased the phone numbers used to make many of the calls at issue in this Notice. Further, service provider G4 Telecom referred to Mobi Telecom and Geist interchangeably.²⁸⁹

94. *Davis Telecom Inc.* (Davis Telecom): Davis Telecom is a dissolved Wyoming company.²⁹⁰ During the relevant period the Cox/Jones Enterprise used a Davis Telecom bank account to transfer and receive funds from clients. In 2020, Davis Telecom generated robocall traffic and entered into sales lead contracts which were in effect during the relevant period.²⁹¹ Its corporate officers include Maria Alejandra Gonzalez as the Vice President and General Manager,²⁹² and Livia Szuromi as the President.²⁹³ Davis Telecom also purchased approximately 500,000 numbers which the Cox/Jones Enterprise used to make many of the calls at issue in this Notice.²⁹⁴ Davis Telecom dissolved in April 2021.²⁹⁵

²⁸⁶ In 2020, Tech Direct paid for services Talkie Communications provided to Sumco Panama, Virtual Telecom, and Mobi Telecom. Tech Direct's bank records show the following transfers to Talkie Communications: \$3,000 (Apr. 27, 2020), \$14,000 (May 8, 2020), \$5,000 (June 4, 2020), and \$7,000 (July 3, 2020). These transfers correspond to emails from billing@talkiefiber.com to sumcopanama@protonmail.com on the respective dates in April, June, and July 2020, and Email from billing@talkiefiber.com to sumcopanama@protonmail.com thanking Mobi Telecom, for its payment for the respective amount in July 2020.

²⁸⁷ Wyoming Secretary of State, Limited Liability Company Articles of Organization for Geist Telecom, (Oct. 30, 2020).

²⁸⁸ See PayPal Account Information for {[]} (showing cc statement name "Fugle Telecom" along with three email addresses: fugletelecom@protonmail.com, info@geisttelecom.net, and mobitelecom@protonmail.com).

²⁸⁹ See G4 Telecom Skype Conversations.

²⁹⁰ See Wyoming Secretary of State, Profit Corporation Articles of Incorporation for Davis Telecom, (June 28, 2018); see also FCC 499 Filer Information (2019) (listing address for Davis Telecom headquarters in Panama City, Panama).

²⁹¹ Compare Vendor Services Agreement, Affordable Automotive Solutions-Davis Telecom (Oct. 19, 2020) (Davis Telecom Inc. contracted with a Florida-based company, Affordable Automotive Solutions, to generate "Billable Leads" for its business.), with Affordable Automotive Solutions, Vendor Services Agreement with Virtual Telecom (Jan. 1, 2020) (Virtual Telecom signed a one-year contract to provide "billable leads."). Note that the contracts appear to be identical except the Davis Telecom contract was missing pages with information about the duration of the contract.

²⁹² Davis Telecom, Talkie Communications Annual Universal Service Fund Exemption Certification, at 2 (not dated, 2020) (listing Maria Andrea Gonzalez as the Vice President and General Manager at Davis Telecom's address in Panama).

²⁹³ Wyoming Secretary of State, Articles of Dissolution by Incorporators or Initial Directors for Davis Telecom, (Apr. 27, 2021).

²⁹⁴ See Davis Telecom made four payments to G4 Telecom for DID's in November and December 2020.

²⁹⁵ Wyoming Secretary of State, Profit Corporation Articles of Dissolution by Incorporators or Initial Directors for Davis Telecom Inc., (Apr. 9, 2021).

95. *Fugle Telecom LLC* (Fugle): Fugle is a Wyoming company formed in January 2021.²⁹⁶ According to the ITG, Fugle Telecom first appeared in tracebacks on April 26, 2021, and became the dominant entity identified in those tracebacks soon after.²⁹⁷

96. Although these are the primary roles played by each entity, they were by no means static. For example, Davis Telecom was at one point one of the larger call generators, but its role transitioned to one of facilitating contracts and moving funds. Several of the entities also paid each other's obligations and generally coordinated. Specifically, when Virtual Telecom and Mobi Telecom entered into a business contract with a dialing platform, the dialing platform was paid by Tech Direct LLC, Davis Telecom, or Virtual Telecom.²⁹⁸ The entities also often use their names interchangeably. Tech Direct sent a total of \$133,500.00 to its dialing platform to pay for an account under the name "Virtual Telecom Kft/Mobi Telecom."²⁹⁹ Tech Direct LLC sent a total of \$205,000.00 to its dialing platform for payment towards the account they had under the name Mobi Telecom.³⁰⁰ In each of these situations each entity is acting as a mere cog in the robocalling machine that the Enterprise Principals used to facilitate a unified business goal. After examining the nature of the relationships among the entities at issue, the Commission finds considerable evidence to support a conclusion that they should be considered a single enterprise for enforcement purposes.

VI. ORDERING CLAUSES

97. Accordingly, **IT IS ORDERED** that, pursuant to section 503(b) of the Act³⁰¹ and section 1.80 of the Commission's rules,³⁰² Sumco Panama SA, Sumco Panama USA, Virtual Telecom kft, Virtual Telecom Inc., Davis Telecom Inc., Geist Telecom LLC, Fugle Telecom LLC, Tech Direct LLC, Mobi Telecom LLC, and Posting Express Inc. are hereby **NOTIFIED** that they are **APPARENTLY JOINTLY AND SEVERALLY LIABLE FOR A FORFEITURE** in the amount of two hundred ninety-nine million nine hundred ninety-seven thousand dollars (\$299,997,000) for willful and repeated violations of section 227(b) of the Act and³⁰³ sections 64.1200(a)(2) and 64.1200(a)(3) of the rules with an upward adjustment for apparent violations of section 227(e) of the Act and section 64.1604(a) of the rules.³⁰⁴

98. **IT IS FURTHER ORDERED** that, pursuant to section 1.80 of the Commission's rules,³⁰⁵ within thirty (30) calendar days of the release date of this Notice of Apparent Liability for Forfeiture, that Sumco Panama SA, Sumco Panama USA, Virtual Telecom Kft, Virtual Telecom Inc., Davis Telecom Inc., Geist Telecom LLC, Fugle Telecom LLC, Tech Direct LLC, Mobi Telecom LLC, and Posting Express Inc. **SHALL PAY** the full amount of the proposed forfeiture or **SHALL FILE** a written statement seeking reduction or cancellation of the proposed forfeiture consistent with paragraphs 102 and 103.

²⁹⁶ See Wyoming Secretary of State, Limited Liability Company Articles of Incorporation for Fugle Telecom LLC, (Jan. 26, 2021).

²⁹⁷ Thompson Aff. at 1.

²⁹⁸ See JP Morgan Chase records for Tech Direct LLC (on file at EB-TCD-21-00031913).

²⁹⁹ *Id.*

³⁰⁰ *Id.*

³⁰¹ 47 U.S.C. § 503(b).

³⁰² 47 CFR § 1.80.

³⁰³ 47 U.S.C. 227(b), (e).

³⁰⁴ 47 CFR §§ 64.1200 and 64.1604.

³⁰⁵ 47 CFR § 1.80.

99. Sumco Panama SA, Sumco Panama USA, Virtual Telecom kft, Virtual Telecom Inc., Davis Telecom Inc., Fugle Telecom LLC, Tech Direct LLC, Mobi Telecom LLC, Geist Telecom LLC, and Posting Express Inc. shall send electronic notification of payment to Lisa Ford, Enforcement Bureau, Federal Communications Commission, at Lisa.Ford@fcc.gov on the date said payment is made. Payment of the forfeiture must be made by credit card using the Commission's Registration System (CORES) at <https://apps.fcc.gov/cores/userLogin.do>, ACH (Automated Clearing House) debit from a bank account, or by wire transfer from a bank account. The Commission no longer accepts Civil Penalty payments by check or money order. Below are instructions that payors should follow based on the form of payment selected.³⁰⁶

- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. In the OBI field, enter the FRN(s) captioned above and the letters "FORF". In addition, a completed Form 159³⁰⁷ or printed CORES form³⁰⁸ must be faxed to the Federal Communications Commission at 202-418-2843 or e-mailed to RROGWireFaxes@fcc.gov on the same business day the wire transfer is initiated. Failure to provide all required information in Form 159 or CORES may result in payment not being recognized as having been received. When completing FCC Form 159 or CORES, enter the Account Number in block number 23A (call sign/other ID), enter the letters "FORF" in block number 24A (payment type code), and enter in block number 11 the FRN(s) captioned above³⁰⁹ For additional detail and wire transfer instructions, go to <https://www.fcc.gov/licensing-databases/fees/wire-transfer>.
- Payment by credit card must be made by using CORES at <https://apps.fcc.gov/cores/userLogin.do>. To pay by credit card, log-in using the FCC Username associated to the FRN captioned above. If payment must be split across FRNs, complete this process for each FRN. Next, select "Manage Existing FRNs | FRN Financial | Bills & Fees" from the CORES Menu, then select FRN Financial and the view/make payments option next to the FRN. Select the "Open Bills" tab and find the bill number associated with the NAL Acct. No. The bill number is the NAL Acct. No. with the first two digits excluded (e.g., NAL 1912345678 would be associated with FCC Bill Number 12345678). After selecting the bill for payment, choose the "Pay by Credit Card" option. Please note that there is a \$24,999.99 limit on credit card transactions.
- Payment by ACH must be made by using CORES at <https://apps.fcc.gov/cores/userLogin.do>. To pay by ACH, log in using the FCC Username associated to the FRN captioned above. If payment must be split across FRNs, complete this process for each FRN. Next, select "Manage Existing FRNs | FRN Financial | Bills & Fees" on the CORES Menu, then select FRN Financial and the view/make payments option next to the FRN. Select the "Open Bills" tab and find the bill number associated with the NAL Acct. No. The bill number is the NAL Acct. No. with the first two digits excluded (e.g., NAL 1912345678 would be associated with FCC Bill Number 12345678). Finally, choose the "Pay from Bank Account" option. Please contact the appropriate financial institution to confirm the correct Routing Number and the correct account number from which payment will be made and verify with that financial institution that the designated account has authorization to accept ACH transactions.

³⁰⁶ For questions regarding payment procedures, please contact the Financial Operations Group Help Desk by phone at 1-877-480-3201 (option #1).

³⁰⁷ FCC Form 159 is accessible at <https://www.fcc.gov/licensing-databases/fees/fcc-remittance-advice-form-159>.

³⁰⁸ Information completed using the Commission's Registration System (CORES) does not require the submission of an FCC Form 159. CORES is accessible at <https://apps.fcc.gov/cores/userLogin.do>.

³⁰⁹ Instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

100. Any request for making full payment over time under an installment plan should be sent to: Chief Financial Officer—Financial Operations, Federal Communications Commission, 45 L Street, NE, Washington, DC 20554.³¹⁰ Questions regarding payment procedures should be directed to the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e-mail, ARINQUIRIES@fcc.gov.

101. The written statement seeking reduction or cancellation of the proposed forfeiture, if any, must include a detailed factual statement supported by appropriate documentation and affidavits pursuant to sections 1.16 and 1.80(f)(3) of the Commission's rules.³¹¹ The written statement must be mailed to the Office of the Secretary, Federal Communications Commission, 45 L Street NE, Washington, DC 20554, ATTN: Enforcement Bureau –Telecommunications Consumers Division and must include the NAL/Account Number referenced in the caption. The statement must also be e-mailed to Lisa Zaina at Lisa.Zaina@fcc.gov, Jessica Manuel at Jessica.Manuel@fcc.gov, and Raul Rojo at Raul.Rojo@fcc.gov.

102. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices; or (3) some other reliable and objective documentation that accurately reflects the petitioner's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation. Inability to pay, however, is only one of several factors that the Commission will consider in determining the appropriate forfeiture, and we have discretion to not reduce or cancel the forfeiture if other prongs of 47 U.S.C. § 503(b)(2)(E) support that result. Because of the volume of calls, the complete call detail records for each violation will be made available to the named entities upon request.

103. **IT IS FURTHER ORDERED** that a copy of this Notice of Apparent Liability for Forfeiture shall be sent by first class mail and certified mail, return receipt requested, to: Virtual Telecom kft, Sumco Panama SA, Virtual Telecom Inc., and Davis Telecom Inc. at {{
 }}; Sumco Panama USA and Mobi Telecom LLC, c/o Cloud Peak Law Group, {{
 Group, {{
 }}, Geist Telecom and Fugle Telecom at Cloud Peak Law
 }}, and Posting Express Inc. c/o United States Corporation Agents Inc., {{
 }}.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
 Secretary

³¹⁰ See 47 CFR § 1.1914.

³¹¹ 47 CFR §§ 1.16, 1.80(f)(3).

**STATEMENT OF
CHAIRWOMAN JESSICA ROSENWORCEL**

Re: *In the Matter of Sumco Panama SA, Sumco Panama USA, Virtual Telecom kft, Virtual Telecom Inc., Davis Telecom Inc., Geist Telecom LLC, Fugle Telecom LLC, Tech Direct LLC, Mobi Telecom LLC, and Posting Express Inc.*, Notice of Apparent Liability for Forfeiture, File No.: EB-TCD-21-00031913

Maybe it happened to you this last year. You picked up the phone and someone you don't know, who you didn't ask to call, tells you they have been trying to reach you about your car's extended warranty. It's a scam.

The fraudsters responsible for this auto warranty scam flooded phone lines across the country with these junk calls. So we took action. We worked with our counterparts at the Ohio Attorney General's office to uncover the ring behind these calls and boot it off our networks. We started by giving all phone companies permission to cut off this traffic and then followed it up with an order that—for the first time in this agency's history—flat-out directed all phone companies to block it. It made a difference. According to Robokiller, the steps we took reduced the number of auto warranty robocalls by 99 percent.

But we are not stopping here. Because today we take additional steps to hold to responsible those behind this scam. We propose the largest forfeiture in our history—nearly \$300 million—against the perpetrators of this complex scheme, which includes entities based in Hungary and Panama. Next, I want us to move to a forfeiture order and I hope that Congress will give us the authority to go to court and directly collect these fines from these bad actors.

The good news is that the tools we used to get us to this point—straight-up blocking of fraudulent calls—are ones we are already using in other contexts. In fact, earlier this month, we ordered phone companies to block the company responsible for up to 40 percent of scam calls involving student loans. Plus, we now have agreements with 43 State Attorney Generals, the District of Columbia, and Guam to go after illegal robocalls—just like we did here with the Ohio Attorney General. So our message is clear to those who would follow in the footsteps of the auto warranty scammers—we are watching, we are working with our state counterparts, and we will find you, block you and hold you accountable.

Thank you to the Robocall Response Team for their efforts to uncover and stop this scam, including Caitlin Barbas, Loyaan Egal, Lisa Gelb, Jessica Manuel, Raul Rojo, Daniel Stepanicich, Kristi Thompson, Ashley Tyson, and Lisa Zaina from the Enforcement Bureau; Aaron Garza and Karen Schroeder from the Consumer and Governmental Affairs Bureau; Edgardo Cureg, Kenneth Lynch, Alexander Simmons, and Ramesh Vishnubhotla from the Office of Economics and Analytics; Megan Davis, Richard Mallen, Wisam Naoum, William Richardson, Derek Yeo, Chin Yoo from the Office of General Counsel; and Elizabeth Drogula and Edward Krachmer from the Wireline Competition Bureau.

**STATEMENT OF
COMMISSIONER GEOFFREY STARKS**

Re: *In the Matter of Sumco Panama SA, Sumco Panama USA, Virtual Telecom kft, Virtual Telecom Inc., Davis Telecom Inc., Geist Telecom LLC, Fugle Telecom LLC, Tech Direct LLC, Mobi Telecom LLC, and Posting Express Inc.*, Notice of Apparent Liability for Forfeiture, File No.: EB-TCD-21-00031913

We all know and agree that robocalls are a scourge, but they've proven extremely difficult to combat. Under the Chairwoman's leadership, we've started coordinating across the government and the private sector, joining our expertise and resources to bring down illegal robocalling operations together. Today's action is an example of how successful this cooperation can be. The Ohio Attorney General brought this matter to our attention. The Industry Traceback Group provided information key to our identification of the entities primarily responsible for generating and transmitting the illegal calls. Our Enforcement Bureau staff did the hard legwork to build this case. And they did so using the authority Congress recently gave us in the TRACED Act to propose a forfeiture like this one without first issuing a citation.

Without a doubt, these are the kinds of operations we need to be going after. As alleged, the parties in interest in this matter made more than *five billion* robocalls to consumers in *three months*. *Five billion in three months*. It's hard to fathom, except for the fact that we've all been living it. And by taking a major player like this one off the board, we've seen real results: after the one-two punch of Ohio filing its suit and the FCC authorizing and then directing all U.S.-based voice service providers to stop carrying traffic made by or on behalf of the parties here today, the volume of auto-warranty spam calls fell from an estimated five million per day in June 2022 to 1 million per day just a month later – an 80% reduction.³¹² That's a real counter-punch for the American people.

Thanks again to the Chairwoman for her innovation and leadership on this important issue, and to my colleagues in the Enforcement Bureau for their good work on this item. It has my full support.

³¹² Brian Fung, "A Monumental case looks to crack open the world of auto-warranty robocalls," CNN Business (Aug. 18, 2022), <https://www.cnn.com/2022/08/18/tech/auto-warranty-robocalls-case/index.html>.