

For Release

FTC, Law Enforcers Nationwide Announce Enforcement Sweep to Stem the Tide of Illegal Telemarketing Calls to U.S. Consumers

New actions target those who distributed or facilitated billions of illegal calls and sold more than 700 million telemarketing leads

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The Federal Trade Commission and more than 100 federal and state law enforcement partners nationwide, including the attorneys general from all 50 states and the District of Columbia, announced a new crackdown on illegal telemarketing calls involving more than 180 actions targeting operations responsible for billions of calls to U.S. consumers.

The joint federal and state initiative, "Operation Stop Scam Calls," is part of the Commission's ongoing efforts to combat the scourge of illegal telemarketing, including robocalls. The initiative not only targets telemarketers and the companies that hire them but also takes action against lead generators who deceptively collect and provide consumers' telephone numbers to robocallers and others, falsely representing that these consumers have consented to receive calls. The effort also targets Voice over Internet Protocol (VoIP) service providers who facilitate illegal robocalls every year, which often originate overseas.

"Today, government agencies at all levels are united in fighting the scourge of illegal telemarketing. We are taking action against those who trick people into phony consent to receive these calls and those who make it easy and cheap to place these calls," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection, who appeared at a news conference in Chicago announcing the initiative. "The FTC and its law enforcement partners will not rest in the fight against illegal telemarketing."

Operation Stop Scam Calls includes five new cases from the FTC against companies and individuals responsible for distributing or assisting the distribution of illegal telemarketing calls to consumers nationwide. Today's actions make clear that third-party lead generation for robocalls is illegal under the Telemarketing Sales Rule (TSR) and that the FTC and its partners are committed to stopping illegal calls by targeting anyone in the telemarketing ecosystem that assists and facilitates these calls, including VoIP service providers.

The FTC has brought a total of 167 cases against illegal robocallers and Do Not Call (DNC) violators, including many lead generators and VoIP service providers. Courts in these cases have ordered the defendants to pay more than \$2

billion dollars, and the FTC has collected more than \$394 million, much of which has been used to provide refunds to defrauded consumers.

In addition to the FTC actions announced today, 48 federal and 54 state agencies have brought more than 180 enforcement actions and other initiatives as part of Operation Stop Scam Calls. Contributing law enforcers include the Department of Justice, which has announced several civil and criminal actions related to this initiative, as well as the Federal Communications Commission, Social Security Administration Office of the Inspector General, and the U.S. Postal Inspection Service.

"Our collective efforts – from this sweep to the Anti-Robocall Litigation Task Force and beyond – help us to expand our playbook, allowing us to outwit and defeat these perpetrators in their own arena," Ohio Attorney General Dave Yost said. "Our secret weapon is consumers – whom we urge to continue reporting illicit robocalls, so we can sever these unwanted illegal robocallers' connection once and for all."

"Unsolicited robocalls violate consumers' privacy and unnecessarily cost them time and money. Companies responsible for these illegal, annoying calls must be held accountable," Illinois Attorney General Kwame Raoul said. "I am proud of my office's role in this robocall sweep with the Federal Trade Commission, law enforcement partners and my fellow attorneys general from across the country. I will continue to work to address this problem in Illinois and protect consumers' rights by fighting against these unlawful and disruptive practices."

The new actions announced by the FTC today, which were approved separately by the Commission on 3-0 votes, include:

Fluent, LLC

In a <u>complaint</u> filed by DOJ, the FTC says Fluent, LLC and several related corporate defendants tricked consumers into consenting to receive marketing solicitations including telemarketing calls in violation of the FTC Act, TSR, and the CAN-SPAM Act, which sets rules for commercial email. The FTC says New York City-based Fluent has operated as a consent farm lead generator, which purports to collect, through a single click of a button or checkbox on their websites, consumers' broad agreement to receive marketing solicitations, including robocalls and other telemarketing calls, from dozens or even hundreds of third parties.

Fluent and its affiliates lure consumers to its websites using deceptive ads that falsely promise employment opportunities or free valuable items, such as a job interview with UPS or a \$1,000 Walmart gift card, according to the complaint. These ads direct consumers to one of Fluent's thousands of websites, which utilize a range of "dark patterns" to trick consumers into providing their personal information and "consenting" to receive robocalls and other marketing solicitations. Instead of the promised job opportunity or reward, these sites sell consumers' information to third-party marketers, including robocallers and other telemarketers. From January 2018 to December 2019, through these practices, Fluent obtained and sold more than 620 million telemarketing leads, the FTC says.

Under a <u>proposed order</u>, Fluent will be required to pay a \$2.5 million civil penalty and be banned from engaging in, assisting, or facilitating robocalls. It also limits lead generation on Fluent's job websites to email marketing and prohibits Fluent from misrepresenting any material facts about rewards, job opportunities, or the collection and sale of consumers' personal information. The order also requires Fluent to establish systems to monitor its own advertising

and that of its affiliates and comply with comprehensive disclosure requirements related to the collection of consumers' consent to the sale of their information. Finally, the order requires Fluent to delete all previously collected consumer information.

The DOJ filed the complaint and proposed order on the FTC's behalf in the U.S. District Court for the Southern District of Florida against Fluent, LLC; Rewardzone USA, also d/b/a Up Rewards, The Reward Genius, Flash Rewards, and National Consumer Center; Deliver Technology LLC, also d/b/a Flash Rewards; Search Works Media, LLC, also d/b/a FindDreamJobs and StartACareerToday; and Ease Wins, LLC, also d/b/a JobsOnDemand.

The FTC staff attorneys on this matter are Purba Mukerjee and James Davis of the agency's Midwest Region.

Viceroy Media Solutions, LLC

In a <u>complaint</u> the FTC says that California-based Viceroy Media Solutions, LLC, which does business as quick-jobs.com, and Voltron Interactive, and their sole owners Sunil Kanda and Quynh Tran, violated the FTC Act and the TSR by assisting and facilitating millions of illegal robocalls while doing business as a telemarketing lead generator.

The FTC says the defendants owned and operated the lead generation websites, quick-jobs.com and localjobindex.com, that act as consent farms to gather consumers' personal information along with their supposed consent to receive robocalls. In reality, consumers have not consented to receive robocalls, as the defendants claim when selling their leads to telemarketers.

The FTC says that consumers who visited quick-jobs.com and localjobindex.com were tricked into providing their contact information in exchange for receiving local job listings, according to the complaint. The real purpose of the sites, however, was to collect and aggregate "leads" consisting of consumers' personal information and purported consent to receive telemarketing robocalls. In turn, the defendants sold these leads to telemarketing clients, who relied on consumers' purported consent to justify robocalling consumers.

The <u>proposed order</u> settling the charges against the defendants bans them from helping companies place robocalls and imposes a \$913,636 civil penalty, which will be partially suspended based on their inability to pay.

The DOJ filed the complaint and proposed order on the FTC's behalf in the U.S. District Court for the Northern District of California, San Francisco Division. The FTC staff attorney on this matter is Denise Oki in the agency's Western Region San Francisco office.

Yodel Technologies, LLC

The FTC's complaint against telemarking company Yodel Technologies, LLC and its owner Robert Pulsipher alleges they violated the TSR by calling millions of consumers whose numbers are on the DNC Registry and did not consent to be called. Palm Harbor, Florida-based Yodel provides soundboard calling services to clients who use robocalls to sell a range of products and services, including auto insurance, cruises, medical devices, extended auto warranties, and supposed assistance with Social Security benefits. Soundboard technology allows call center agents to play

prerecorded audio clips in response to specific consumer statements or questions, making them sound more authentic than traditional robocalls.

The complaint charges that between January 2018 and May 2021, Yodel initiated more than 1.4 billion calls to U.S. consumers, most of which used soundboard technology. Many of the calls were to phone numbers obtained from lead-generation websites. For instance, Yodel made more than 14 million calls to leads obtained from Viceroy Media, another company sued as part of Operation Stop Scam Calls. More than 500 million of Yodel's calls went to consumers with numbers on the DNC Registry.

Under the <u>proposed order</u> settling the complaint, Yodel and Pulsipher will be banned from participating in telemarketing, either directly or through an intermediary. It also imposes a \$1 million civil penalty against them, which will be partially suspended after they pay \$400,000.

The DOJ filed the complaint and proposed order on the FTC's behalf in the U.S. District Court for the Middle District of Florida. The FTC staff attorneys on this matter are Jason C. Moon and John O'Gorman of the agency's Southwest Region.

Solar Xchange LLC

In a <u>complaint</u> filed with the State of Arizona, the FTC charged that New Jersey-based Vision Solar LLC; Solar Xchange LLC, which also did business as Energy Exchange; and its owner Mark Getts, violated the FTC Act, the TSR, and Arizona's Consumer Fraud Act and Telephone Solicitation Act by making unlawful telemarketing calls on behalf of Vision Solar, a company that sells solar panels. The Commission and Arizona say that Energy Exchange placed tens of millions of calls to consumers whose numbers are listed on the DNC Registry—thousands of whom reported receiving dozens of calls.

Vision Solar's telemarketers at times falsely claimed to be affiliated with a utility company or government agency and misrepresented the amount of money that consumers could expect to save on their energy bills by buying and installing solar panels on their homes, according to the complaint. The FTC also charged that Vision Solar, which has not settled the FTC's complaint, violated the FTC Act by making false, misleading, or unsubstantiated claims during inperson sales presentations to consumers.

Under a <u>proposed order</u> settling the charges, Solar Xchange and Getts will be prohibited from: misrepresenting that they are affiliated with any utility or government agency; making unsubstantiated claims regarding the cost of installing solar panels; and engaging in abusive telemarketing practices. It also imposes a partially suspended civil penalty of \$13.8 million.

The DOJ filed the complaint and proposed order on the FTC's behalf in the U.S District Court for the District of Arizona. The FTC staff attorneys on this matter are Alan Bakowski and Robin Rock from the agency's Southeast Region.

Hello Hello Miami, LLC

The <u>FTC's complaint</u> against Miami, Florida-based Hello Hello Miami (HHM) and Luis E. Leon Amaris alleges that the defendants assisted and facilitated the transmission of approximately 37.8 million illegal robocalls by providing VoIP services to more than 11 foreign telemarketers. HHM and Amaris operate a "point of entry" or "gateway" VoIP service provider—the entry point for foreign calls into the United States.

According to the complaint, the overseas robocallers used HHM's VoIP services to bombard consumers with tens of millions of illegal calls using pre-recorded messages impersonating Amazon.com. In its complaint, the FTC is seeking to permanently bar HHM and Amaris from assisting and facilitating illegal telemarketing robocallers and monetary relief for defrauded consumers, as well as civil penalties.

The DOJ filed the complaint on the FTC's behalf in the U.S. District Court for the Southern District of Florida. The FTC staff attorneys on this matter are Sophia Siddiqui and Christine Todaro of the agency's Bureau of Consumer Protection.

Related Operation Stop Scam Calls Actions

Earlier this year, the FTC announced actions against companies involved in placing or assisting in the placement of unlawful telemarketing calls. In February 2023, the FTC sued Ontario, Canada-based Stratics Networks, Inc. over charges its outbound calling service enabled its clients to route and transmit millions of illegal VoIP and ringless voicemail (RVM) robocalls. In May 2023, the FTC sued to stop a VoIP service provider, Los Angeles, California-based MCast Labs, Inc., that continued to funnel hundreds of millions of illegal robocalls through its network, even after receiving multiple warnings. The DOJ filed the complaint on the FTC's behalf.

In addition to targeting individual companies, the FTC in April 2023 announced Project Point of No Entry, an ongoing law enforcement initiative targeting "point of entry" or "gateway" VoIP service providers to stop overseas calls and warning them they must work to keep illegal robocalls out of the country.

Through the FTC's enforcement efforts and collaboration with partners, the project has uncovered the activity of 24 target point of entry service providers responsible for routing and transmitting illegal robocalls between 2021 and 2023, in connection with approximately 307 telemarketing campaigns, including government and business imposters, COVID-19 relief payment scams, and student loan debt relief schemes. The FTC is making available to the public recordings of the robocalls that the targets have allowed into the country at <u>Project Point of No Entry Letters</u>.

Information for Consumers

The FTC offers a one-stop shop for consumers looking for information about robocalls, how to stop unwanted calls, and how to avoid phone scams – all at ftc.gov/calls and in Spanish at ftc.gov/llamadas. The FTC also has a new educational webpage at ftc.gov/RobocallScams with examples of real illegal robocalls using familiar names, as well as steps people can take to avoid robocall scams.

The FTC would like to thank its partners nationwide for providing consumer education outreach and support for Operation Stop Scam Calls, as well as USTelecom's Industry Traceback Group for its invaluable assistance.

NOTE: The Commission files a complaint when it has "reason to believe" that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. The case will be decided by the court. Stipulated final orders have the force of law when approved and signed by the district court judge.

The Commission refers a complaint for civil penalties to the DOJ for filing when it has "reason to believe" that the named defendants are violating or are about to violate the law and that a proceeding is in the public interest. Consent judgments have the force of law when approved and signed by the district court judge.

The Federal Trade Commission works to promote competition and <u>protect and educate consumers</u>. Learn more about consumer topics at <u>consumer.ftc.gov</u>, or report fraud, scams, and bad business practices at <u>ReportFraud.ftc.gov</u>. Follow the <u>FTC on social media</u>, read <u>consumer alerts</u> and the <u>business blog</u>, and <u>sign up to get the latest FTC news and alerts</u>.

Press Release Reference

FTC Ramps Up Fight to Close the Door on Illegal Robocalls Originating from Overseas Scammers and Imposters

FTC and Federal and State Partners to Announce Nationwide Robocall and Telemarketing Enforcement Sweep in Chicago on July 18

Contact Information

Contact for Consumers

Consumer Response Center 877-382-4357 https://reportfraud.ftc.gov/

Media Contact

Mitchell J. Katz
Office of Public Affairs
202-326-2161

Sweep Coordinators

William J. Hodor FTC's Midwest Region 312-960-5634

Valerie Verduce FTC's Southeast Region 404-656-1355