

FCC slaps \$300M fine on “largest illegal robocall operation” it’s ever seen



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The Federal Communications Commission today issued a record fine of \$299,997,000 against a robocall operation that specialized in auto warranty scam calls, the FCC announced, calling it “the largest illegal robocall operation the agency has ever investigated.”

“An international network of companies violated federal statutes and the Commission’s regulations when they executed a

scheme to make more than five billion robocalls to more than 500 million phone numbers during a three-month span in 2021, including violating federal spoofing laws by using more than one million different caller ID numbers in an attempt to disguise the true origin of the robocalls and trick victims into answering the phone,” the FCC said.

The FCC proposed the \$300 million penalty in December 2022. The FCC said it “offered the parties a chance to respond, which they did not do, resulting in today’s unprecedented fine.”

The FCC has generally had little success in collecting fines issued against robocallers. The commission can refer unpaid fines to the Justice Department for enforcement.

Robocallers already had lifetime bans

The FCC said the robocalling scheme was a “multi-national operation” that did business under various names including Sumco Panama, Virtual Telecom, Davis Telecom, Geist Telecom, Fugle Telecom, Tech Direct, Mobi Telecom, and Posting Express.

“Since at least 2018, this enterprise operated a complex scheme designed to facilitate the sale of vehicle service contracts under the false and misleading claim of selling auto warranties,” the FCC said. “Two of the central players of the operation, Roy M. Cox and Aaron Michael Jones, were under lifetime bans against making telemarketing calls following lawsuits by the Federal Trade Commission and State of Texas.”

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The FCC said it took action to block the robocalling scheme last year by directing “all US-based voice service providers to cease carrying traffic associated with certain members of the enterprise. As a result, these illegal auto warranty

robocalls dropped by 99 percent.”

The FCC coordinated last year’s action with the Ohio attorney general’s office, which filed a lawsuit against Jones, Cox, and others involved in the alleged robocalling scheme.

Previous fines were unpaid

Cox was banned from telemarketing in a 2013 settlement with the FTC, which accused him of sending “illegal robocalls offering credit card interest rate reduction programs, extended automobile warranties, and home security systems.” At the time, the FTC said that Cox was issued “a \$1.1 million civil penalty that will be suspended due to his inability to pay.”

In 2017, the FTC obtained a similar telemarketing ban on Jones. He was also fined \$2.7 million, but, as with Cox, the fine was “suspended based on his inability to pay.”

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

Sumco allegedly sent robocall traffic over Avid Telecom, an Arizona-based company that was sued by nearly every US state in May. The states’ lawsuit said that Avid “chose profit over running a business that conforms to state and federal law” by routing billions of illegal robocalls to millions of US residents on the Do Not Call Registry. The lawsuit alleged

that Avid Telecom “had direct knowledge that Sumco was sending them illegal call traffic.”

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