



United States of America
FEDERAL TRADE COMMISSION
East Central Region

1111 Superior Avenue, Suite 200
Cleveland, Ohio 44114
(216) 263-3455

Jon Miller Steiger
Director

November 27, 2023

CEASE AND DESIST DEMAND

VIA EMAIL TO:
none@USAC.org

Telco Connection
David Singer, CEO
370 Ne Camano Drive, Suite 5-40
Camano Island, WA 98282
c/o National Registered Agents, Registered Agent

We have determined that Telco Connection is apparently routing and transmitting illegal robocall traffic, directly or indirectly, for entities involved in the following campaigns:

- Amazon-AuthorizeOrder-P3
- AutoWarrantyExtend
- AutoWarranty-Extend2
- AutoWarranty-NationalDealerSvcs-P1
- BrandImpers-Order
- CBP-GovtImpers
- CCIRR-VisaAlert
- CreditCard-DebtElimination
- Debt-Elimination
- Debt-Elimination-P1
- LegalDept-Action-P1
- SSA-Suspended
- SSA-P2-Arrest
- StudentLoan-Forgiveness/Relief-Center
- StudentLoan-ProcessingCenter
- Utility-30MinDisconnect

More specifically, our investigation revealed that Telco Connection apparently routed and transmitted illegal robocalls as set forth in Attachment A.

The Federal Trade Commission (FTC) works closely with USTelecom’s Industry Traceback Group (ITG), which is the registered industry consortium selected pursuant to the TRACED Act to conduct tracebacks.¹ Between March 24, 2021, and October 4, 2023, ITG investigated 32 prerecorded voice message calls that law enforcement, voice service providers using honeypots (i.e., unassigned numbers held by providers to detect illegal robocalls), and customers of YouMail had flagged as illegal robocalls made without consent of the called party.² ITG conducted tracebacks and determined that Telco Connection routed and transmitted the calls. ITG previously notified you of these calls and provided you access to supporting data identifying each call—including a recording and/or a description of the illegal robocall—as indicated in Attachment A. Further, the numerous traceback notices directed to Telco Connection indicate that you are apparently routing and transmitting illegal robocall traffic knowingly. **IF YOU ARE ENGAGED IN THESE ACTIVITIES, THEN YOU MUST IMMEDIATELY CEASE AND DESIST FROM ENGAGING IN THEM.**

The FTC, the nation’s consumer protection agency, enforces the Federal Trade Commission Act (FTC Act), 15 U.S.C. § 45 et seq., which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces the Telemarketing Sales Rule (TSR), 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing practices. Section 310.3(b) of the TSR prohibits “assisting and facilitating” certain specified conduct.³ Under that provision, it is unlawful for any person or entity to “provide substantial assistance or support to any seller or telemarketer when that person knows or consciously avoids knowing that the seller or telemarketer is engaged in any act or practice that violates Sections 310.3(a), (c), or (d), or Section 310.4 of this Rule.” These Sections prohibit, among others, the following conduct:

- Making a false or misleading statement to induce any person to pay for goods or services or to induce a charitable contribution (16 C.F.R. § 310.3(a)(4));
- Misrepresenting a seller or telemarketer’s affiliation with any government entity (16 C.F.R. § 310.3(a)(2)(vii));
- Transmitting false or deceptive caller ID numbers (16 C.F.R. § 310.4(a)(8));
- Initiating or causing the initiation of calls that deliver prerecorded messages,⁴ unless the person called provided the seller express written permission to call (16 C.F.R. § 310.4(b)(1)(v)); and
- Initiating or causing the initiation of telemarketing calls to numbers listed on the National Do Not Call Registry, unless the person called provided express written permission to receive calls from the seller or the seller had an existing business relationship with the person called (16 C.F.R. § 310.4(b)(1)(iii)(B)).

The FTC can obtain civil penalties for TSR violations. Each illegal call is subject to a maximum civil penalty of \$50,120. *See* 16 C.F.R. § 1.98. In addition, a violation of the TSR is a violation of Section 5 of the FTC Act. *See* 15 U.S.C. §§ 6102(c), 57a(d)(3), 45(a). Accordingly,

¹ *See* Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act, Pub. L. No. 116-105, 133 Stat. 3274, Sec. 13(d) (2019) (TRACED Act).

² *See* 16 C.F.R. § 310.4(b)(1)(v).

³ A copy of the TSR is attached as Attachment B.

⁴ These calls are often referred to as “robocalls.”

the FTC has authority to seek both preliminary and permanent injunctive relief to address TSR violations. *See* 15 U.S.C. § 53(b). The FTC may also seek the refund of money or payment of damages to address TSR violations. *See* 15 U.S.C. § 57b(b).

Combatting illegal telemarketing is a top priority for the FTC, with a special emphasis on halting illegal robocalls.⁵ We want you to be aware that the FTC has, for example, brought assisting and facilitating claims against technology companies that knowingly provided software and servers used by illegal robocallers, even though these technology companies did not contract directly with the illegal robocallers. *See FTC v. James B. Christiano*, Case No. 8:18-cv-00936 (C.D. Cal. May 31, 2018).

We also bring to your attention that the FTC has sued VoIP service providers for allegedly violating the TSR. In *FTC v. Educare*, the FTC alleged that defendant Globex Telecom, Inc. assisted and facilitated telemarketers it knew, or consciously avoided knowing, were violating the TSR's prohibitions on calls delivering prerecorded messages. *See FTC v. Educare Centre Services, Inc.*, No. 3:19-cv-00196-KC (W.D. Tex. Dec. 3, 2019).⁶ In September, 2020, Globex Telecom and its associates agreed to pay \$2.1 million to settle the FTC lawsuit, and Globex Telecom's former CEO and President was banned from telemarketing to the U.S. and was subject to a permanent court order.⁷ Similarly, in *FTC v. Alcazar Networks, Inc.*, the FTC alleged that Alcazar Networks, Inc. and its founder and sole owner assisted and facilitated telemarketers responsible for tens of millions of illegal telemarketing calls, including robocalls and spoofed calls that displayed "911" as the caller ID. *See FTC v. Alcazar Networks Inc., et al.*, No. 6:20-cv-2200 (M.D. Fla. Dec. 3, 2020).⁸ As part of their settlement with the FTC in January 2021, the defendants agreed to a permanent injunction that prohibits similar misconduct in the future and requires them to screen and monitor their customers, as well as imposing a monetary penalty.⁹

The FTC has business educational materials that can assist you in complying with the TSR. *See* <https://www.ftc.gov/tips-advice/business-center/guidance/complying-telemarketing-sales-rule>.

In addition to FTC regulations and the FTC's actions against providers of VoIP services, you should also be aware that the United States Department of Justice (DOJ), state attorneys general, and other agencies have brought civil actions against VoIP companies and their owners.

⁵ In 2022, the FTC received more than 2.7 million complaints about unwanted calls, including more than 1.61 million robocall complaints. The FTC maintains an interactive Tableau Public web page that publishes details about do not call complaints on a quarterly basis. *See* <https://public.tableau.com/profile/federal.trade.commission#!/vizhome/DoNotCallComplaints/Maps>.

⁶ A copy of the FTC's Amended Complaint is attached as Attachment C.

⁷ *See* <https://www.ftc.gov/news-events/press-releases/2020/09/globex-telecom-associates-will-pay-21-million-settling-ftcs-first>.

⁸ A copy of the FTC's Complaint is attached as Attachment D.

⁹ *See* <https://www.ftc.gov/news-events/press-releases/2020/12/ftc-takes-action-against-second-voip-service-provider>.

In two cases, DOJ alleged that the defendants were committing and conspiring to commit wire fraud by knowingly transmitting robocalls that impersonated federal government agencies.¹⁰ In August 2020, a federal district court entered a permanent court order barring the defendants from conveying telephone calls into the U.S. telephone system.¹¹ State cases have had similar impacts.¹²

Within three business days, please send a message to FTC attorney Fil Maria de Banate via electronic mail at fdebanate@ftc.gov, certifying that Telco Connection has ceased engaging in the activities described above that may subject it to liability under the TSR or the FTC Act. Please direct any inquiries regarding this letter to Mr. de Banate by email or by telephone at 216.263.3413.

Sincerely,



Jon Miller Steiger
Director

Enclosures:

- Attachment A (Chart of illegal robocalls)
- Attachment B (TSR)
- Attachment C (*Educare* Amended Complaint)
- Attachment D (*Alcazar* Complaint)

¹⁰ See <https://www.justice.gov/opa/pr/department-justice-files-actions-stop-telecom-carriers-who-facilitated-hundreds-millions>.

¹¹ See <https://www.justice.gov/opa/pr/district-court-enters-permanent-injunction-shutting-down-telecom-carriers-who-facilitated>.

¹² For example, the Vermont and Michigan Attorneys General have brought successful actions against VoIP providers who route scam robocall traffic. See <https://ago.vermont.gov/blog/2022/08/02/vermont-joins-nationwide-anti-robocall-task-force>; <https://www.michigan.gov/ag/news/press-releases/2020/08/07/ag-nessel-announces-settlement-eliminating-telecom-carrier-responsible-for-illegal-robocalls>; https://www.michigan.gov/documents/ag/Assurance_of_Voluntary_Compliance_-_All_Access_Telecom_FINAL_9-11-20_702047_7.pdf.

ATTACHMENT A

Date of ITG Notification	Date of Call	Caller ID	Robocall Campaign Identifier	Link to Robocall Recording	Potential Violation
10/6/2023	10/4/2023	19547321969	BrandImpers-Order	https://portal.tracebacks.org/api/public/attachments/1385446	16 C.F.R. § 310.4(b)(1)(v)
6/15/2023	6/12/2023	19206146770	Debt-Elimination-P1	https://portal.tracebacks.org/api/public/attachments/1330536	16 C.F.R. § 310.4(b)(1)(v)
6/1/2023	5/31/2023	13462568550	Debt-Elimination-P1	https://portal.tracebacks.org/api/public/attachments/1326566	16 C.F.R. § 310.4(b)(1)(v)
3/28/2023	3/24/2023	5099753349	Amazon-AuthorizeOrder-P3	https://portal.tracebacks.org/api/public/attachments/1263048	16 C.F.R. § 310.4(b)(1)(v)
3/28/2023	3/24/2023	2293032330	CreditCard-DebtElimination	https://portal.tracebacks.org/api/public/attachments/1263033	16 C.F.R. § 310.4(b)(1)(v)
2/14/2023	2/10/2023	2313853406	CreditCard-DebtElimination	https://portal.tracebacks.org/api/public/attachments/1236940	16 C.F.R. § 310.4(b)(1)(v)
1/12/2023	1/10/2023	9362370726	Debt-Elimination	https://portal.tracebacks.org/api/public/attachments/1204362	16 C.F.R. § 310.4(b)(1)(v)
12/15/2022	12/13/2022	2108502730	Utility-30MinDisconnect	https://portal.tracebacks.org/api/public/attachments/1175830	16 C.F.R. § 310.4(b)(1)(v)
11/16/2022	11/15/2022	3155177692	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134652	16 C.F.R. § 310.4(b)(1)(v)
11/16/2022	11/15/2022	8164509950	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134649	16 C.F.R. § 310.4(b)(1)(v)
11/16/2022	11/15/2022	7255670052	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134647	16 C.F.R. § 310.4(b)(1)(v)
11/16/2022	11/15/2022	7138326651	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134643	16 C.F.R. § 310.4(b)(1)(v)
11/16/2022	11/15/2022	3613212934	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134641	16 C.F.R. § 310.4(b)(1)(v)
11/16/2022	11/16/2022	4697263930	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134639	16 C.F.R. § 310.4(b)(1)(v)
11/16/2022	11/15/2022	2056086875	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134635	16 C.F.R. § 310.4(b)(1)(v)
11/16/2022	11/15/2022	6317015838	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134633	16 C.F.R. § 310.4(b)(1)(v)
11/16/2022	11/15/2022	4809084233	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134630	16 C.F.R. § 310.4(b)(1)(v)
11/16/2022	11/15/2022	8086465180	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134626	16 C.F.R. § 310.4(b)(1)(v)

11/16/2022	11/15/2022	4133775175	StudentLoan-ProcessingCenter	https://portal.tracebacks.org/api/public/attachments/1134624	16 C.F.R. § 310.4(b)(1)(v)
3/23/2022	3/21/2022	6206307315	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/776712	16 C.F.R. § 310.4(b)(1)(v)
2/25/2022	2/23/2022	7078020506	AutoWarranty-NationalDealerSvcs-P	https://portal.tracebacks.org/api/public/attachments/713550	16 C.F.R. § 310.4(b)(1)(v)
11/9/2021	11/4/2021	5028065757	CreditCard-DebtElimination	https://portal.tracebacks.org/api/public/attachments/552425	16 C.F.R. § 310.4(b)(1)(v)
11/8/2021	11/4/2021	8175062754	AutoWarrantyExtend	https://portal.tracebacks.org/api/public/attachments/552282	16 C.F.R. § 310.4(b)(1)(v)
10/22/2021	10/20/2021	5024808797	AutoWarranty-Extend2	https://portal.tracebacks.org/api/public/attachments/532475	16 C.F.R. § 310.4(b)(1)(v)
10/15/2021	10/14/2021	6203500559	CCIRR-VisaAlert	https://portal.tracebacks.org/api/public/attachments/520141	16 C.F.R. § 310.4(b)(1)(v)
9/24/2021	9/23/2021	7073812404	CCIRR-VisaAlert	https://portal.tracebacks.org/api/public/attachments/471281	16 C.F.R. § 310.4(b)(1)(v)
9/16/2021	9/15/2021	3604957077	CBP-GovtImpers	https://portal.tracebacks.org/api/public/attachments/453402	16 C.F.R. § 310.4(b)(1)(v)
9/7/2021	9/1/2021	3172334205	SSA-P2-Arrest		16 C.F.R. § 310.4(b)(1)(v)
4/22/2021	4/19/2021	3862046641	AutoWarrantyExtend		16 C.F.R. § 310.4(b)(1)(v)
4/8/2021	4/7/2021	2812984824	SSA-Suspended	https://portal.tracebacks.org/api/public/attachments/93967	16 C.F.R. § 310.4(b)(1)(v)
4/8/2021	4/6/2021	9853143945	StudentLoan-Forgiveness/Relief-Cente	https://portal.tracebacks.org/api/public/attachments/90417	16 C.F.R. § 310.4(b)(1)(v)
3/30/2021	3/24/2021	4087332204	SSA-Suspended	https://portal.tracebacks.org/api/public/attachments/75919	16 C.F.R. § 310.4(b)(1)(v)