



# Final Transcript

## **FEDERAL TRADE COMMISSION: Press Event**

July 18, 2023/10:30 a.m. CDT

### **SPEAKERS**

Todd

Samuel Levine – Director, Bureau of Consumer Protection, FTC

Arun Rao - Deputy Assistant Attorney General, Consumer Protection Branch of the US DOJ

Loyaan Egal – Chief of the Enforcement Bureau, FCC

Dave Yost – Attorney General, State of Ohio

Kwame Raoul – Attorney General, State of Illinois

[Call is already in progress]

### **PRESENTATION**

Moderator                      Ladies and gentlemen, we do thank you for your patience. Please continue to hold the line. The conference should be underway shortly. Thank you.

[Audio silence]

Todd                                [Audio disruption] hearing from a series of speakers this morning about a cooperative effort involving federal and state law enforcement partners aimed at cracking down on illegal telemarketing calls. And after we hear

from all five speakers, we will take questions, first from those of you in the room, and then from those on the conference line. Please keep your questions focused on the topic of today's press conference only.

And to kick things off this morning, I'd like to introduce Samuel Levine, who's the Director of the Federal Trade Commission's Bureau of Consumer Protection.

Samuel

Thank you, Todd. Good morning and welcome, everyone. I am Sam Levine, Director of the Federal Trade Commission's Bureau of Consumer Protection. I'm pleased to be joined this morning by Arun Rao, Deputy Assistant Attorney General for the Consumer Protection Branch of the US Department of Justice; Loyaan Egal, Chief of the Enforcement Bureau of the Federal Communications Commission; and Attorney General Dave Yost from the state of Ohio; and Attorney General Kwame Raoul.

I'm proud to stand with all these partners in announcing "Operation Stop Scam Calls," a coordinated and bipartisan effort to help stop the scourge of illegal telemarketing calls. One hundred and two participants, including multiple federal agencies, all 50 states and the District of Columbia have amassed more than 180 actions as part of this effort, as well as collaborating in a large educational effort. As part of Operation Stop Scam

Calls, the FTC is today announcing five new enforcement actions against illegal robocalls and telemarketing fraud. I hope you'll look at the details of each case, as they tell a compelling story.

Today though, I'd like to talk about two areas of focus for this effort. The first are consent farms. Consent farms are not the kind of farms that harvest crops and raise animals. Rather, they turbocharge the scourge of unwanted calls in this country by luring consumers with offers for jobs or rewards, tricking them into turning over their personal information and claiming consumers have been consented to be robocalled. Of course, this consent is not real. In our experience as law enforcers and as human beings, we don't know many people out there who enjoy getting spam calls.

But nevertheless, these consent farms sell consumers' personal information, also known as leads, to telemarketers, who then believe they have free rein to blast consumers with spam calls. It is hard to overstate the role that these consent farms play in our country's epidemic of spam calls. By obtaining phony consent from millions of consumers and then selling these leads to unscrupulous telemarketers, they are fueling fraud and opening the door to billions of robocalls. But with the actions being

announced today, the FTC and our partners are looking to shut that door and lock it.

Let me start by describing one of our most significant actions, which demonstrates how we're moving upstream to target not only telemarketers, but also the consent farms that fuel their fraud. One of the largest consent farms out there is called Fluent, a publicly traded firm based in New York. As detailed in our lawsuit, Fluent and its affiliates use online ads to promise a job interview or a free gift card to lure people to its website. Once there, consumers would fill in their information to try to get what they've been promised: a job or a reward. But in fact, Fluent was tricking people into consenting to get robocalls and other marketing solicitations from dozens, or even hundreds of marketers.

You can see in these images how Fluent did that. They buried the consent in fine print above the confirmation boxes. That is how in under two years Fluent collected and sold more than 620 million telemarketing leads. The FTC's complaint and consent order with Fluent broadly bans the company from any future involvement with robocalls, and as part of the settlement fluid will pay a \$2.5 million civil penalty.

But Fluent is hardly alone. Two more FTC cases announced today are against Viceroy Media Solutions, another consent farm that gathers and sells leads, and Yodel Technologies, a telemarketing company that distributed more than 1.4 billion—with a B—calls over about three years. Most of those calls use soundboard technology to play pre-recorded audio clips that sound like an actual conversation. Going forward, both companies will be banned from having any further involvement with robocalls.

Now let's spend a moment on another key vector of illegal calls, VoIP or voice over internet protocol. VoIP is how many foreign callers can get access to the US telecom system and it's been a real focus of FTC enforcement efforts for years. In Hello, hello, Miami, another of the FTC cases being announced today, we, along with the Department of Justice, have charged the company with transmitting tens of millions of robocalls from foreign telemarketers. These callers illegally impersonated Amazon, saying your account had been compromised or that your Amazon Prime account was about to be renewed. Of course, neither claim was true.

Let me finally describe a case we're bringing jointly with the United States Department of Justice and the Arizona Attorney General's Office against a

seller of residential solar panels and its lead generator for illegally placing tens of millions of calls to telephone numbers on the National Do Not Call Registry. Over 150,000 consumers were called at least 50 times each, and over 12,000 consumers were called at least 100 times each. To make matters worse, these calls [indiscernible] solar panels by falsely claiming an affiliation with the government or the call recipient's utility company. We are grateful to the Department of Justice and the Arizona Attorney General for working closely with us to hold these defendants accountable.

These FTC cases bring up some lessons that I want to underline. First, tricking consumers into agreeing to robocalls is not clever, it is not innovative. It is illegal. Third party lead generation for robocalls is prohibited by the FTC's Telemarketing Sales Rule. The TSR requires that the robocaller itself must get consent directly from the consumer it's calling. That's a one to one proposition, not a batch of purchased leads with phony consents. I know this is not what lead generators and robocallers want to hear, but this is—and it has been—the law.

Second, soundboard technology is a robocall and FTC enforcement will treat it that way.

Finally, this is a lesson for point of entry VoIP service providers, those providers that help route overseas calls into the US. Take steps to keep illegal calls out of the country or the next call you get might be from the FTC.

These lawsuits should send a strong message to robocallers and their enablers. But we also have a message for the American public. When it comes to stopping the scourge of illegal telemarketing, the FTC is on your side. Over the last few years, we've secured judgments of more than \$2 billion against telemarketing scammers and their enablers. We've taken bad actors to court and secured permanent bans on their telemarketing schemes. We've armed the public with educational resources at [ftc.gov/calls](https://ftc.gov/calls), where consumers can find free, actionable advice on how to block and report unwanted calls. And we've returned millions of dollars to consumers affected by these practices.

I'm pleased to say that these efforts are not in vain. In fact, the number of robocall complaints to the FTC fell by almost half between 2021 and 2022. And we're not done yet. A single unwanted call is one too many and we will continue to partner with enforcers across the country to crack down on illegal telemarketing. This progress would not be possible

without the extraordinary FTC case and investigatory teams who have worked up today's cases. And I particularly want to thank Bill Hoder [ph] and Valerie Verduce [ph], who have coordinated Operation Stop Scam Calls for the FTC.

And with that, I am pleased to welcome to the podium Arun Rao, Deputy Assistant Attorney General for the Consumer Protection Branch of the US DOJ, which has been such an outstanding partner of the FTC in our war on illegal robocalls. Arun?

Arun

Good morning, everybody. And thank you so much, Sam. First of all, it's great to be back in Chicago, the city that warmly welcomed my parents as immigrants from India many years ago.

I'm grateful for the opportunity to join the US Department of Justice's many partners from across government and across the country to discuss our collective efforts to stop scam calls. And I'm pleased to share the stage today not only with the FTC, but also with the FCC, as well as distinguished representatives of States Attorney Generals' Offices, including Ohio Attorney General Dave Yost and Illinois Attorney General Kwame Raoul.



We are all aware of the significant problems posed, and immense frustration caused by scam calls. Like many of you, scam calls have rudely interrupted moments that I've been spending with friends and family. And we've all heard illegal messages delivered by fraud calls, including some that cause the listeners to experience fear, such as when a fraudster impersonates a financial institution reporting a purported problem, or pretends to be a government agency purportedly on the verge of arresting the listener. Scam calls can cause financial devastation, and the full impact of frauds and scams can extend even beyond monetary loss suffered by the victim. Nearly two-thirds of fraud victims report experiencing stress, anxiety, difficulty sleeping and depression.

Stopping these pernicious calls requires taking a comprehensive approach to the problem. We are seeking to bring scam callers to justice through both civil actions, including monetary penalties and injunctive relief, and criminal prosecutions, meaning prison time. Additionally, government enforcement agencies recognize that scam call operations require the support of a broad array of actors, including those who assist fraudsters in reaching vulnerable consumers by providing lead lists or transmitting scam calls using VoIP technology, as Sam discussed a moment ago. Scam call operations would not succeed in enriching fraudsters without the

participation of those who facilitate the movement of money from victims' bank accounts to fraudsters.

That same comprehensive approach requires that we work across agencies and use all the tools available to us, as the enforcement actions discussed today illustrate. The US Department of Justice's Consumer Protection Branch works closely with the FTC on efforts to stop scam calls. In May of this year we sued XCast Labs, which according to the complaint, allegedly facilitated billions of illegal robocalls, including calls that falsely claimed an affiliation with the Social Security Administration or pretended to be a utility and threatened to cut off service unless the victim made an immediate payment. Our close coordination with the FTC also recently resulted in a civil resolution with Nexway, a payment processing company which allegedly processed payments for technical support scams, including some that use deceptive pop up notifications warning that the victim's computer had been infected with a virus, and did so to induce the victims to pay money.

The ramifications of making fraud calls are serious and can include criminal prosecution. And I want to share a few examples with you. First, in a case brought by the Consumer Protection Branch, a defendant was

sentenced in March to 65 months in prison for his role in conspiring with Peruvian based call centers that defrauded Spanish-speaking US residents by falsely threatening them with arrest, deportation and other legal consequences. The defendant sentencing followed sentencings for seven other call center owner-operators, all of whom had been extradited from Peru, and four distribution center operators who processed payments and facilitated the fraud in the United States.

Next, in a case brought by the US Attorney's Office for the District of Minnesota, eight defendants in the past year have pleaded guilty in connection with their participation in a \$300 million scheme involving fraudulent magazine sales. And additionally, in a recent criminal prosecution that followed an FTC civil action, the US Attorney's Office for the Southern District of New York secured a 78-month sentence for a defendant who used telemarketers to target consumers with credit card debt. Thousands of customers of the defendant complained about fraud and the use of deceptive tactics.

Facilitators of scam calls also face substantial prison time. For example, last year the US Attorney's Office for the District of Arizona secured a 160-month prison term for an individual who distributed lead lists

containing the personal information of thousands of older adults to fraudsters, enabling those fraudsters to target the older adults as part of a lottery scam. And in a case brought by the Consumer Protection Branch in the US Attorney's Office for the Southern District of California, a defendant was sentenced to 108 months in prison for facilitating a grandparent scam, in which fraudsters contacted elderly Americans and impersonated a grandchild, other close relative or friend of the victim. The fraudsters falsely convinced the victims that their relatives or friends were in legal trouble and needed money to pay for bail for medical expenses for car accident victims, or to prevent additional charges from being filed. The defendant in this case was responsible for directing a network of individuals who received and forwarded victim funds and personally picked up cash from victims.

Finally, a key part of our comprehensive strategy is consumer awareness and education. Everyone should learn the science of scam calls and how to stop them. Most importantly, please report scam calls to law enforcement. None of the cases we've discussed today could have been brought without members of the public sharing their experiences with law enforcement.

Thank you, again, to the FTC for coordinating this event and for hosting us this morning and to all of the agencies participating in this week for your partnership in this effort. I look forward to continuing to work with all of you as part of our collective efforts to combat scam calls. Thank you.

Samuel

Thank you, Arun. And let me now turn things over to Loyaan Egal, Chief of the Enforcement Bureau at the Federal Communications Commission.

Loyaan

Thanks, Sam. Good morning, everyone. Again, I'm Loyaan Egal, chief of enforcement at the FCC. I want to thank Director Levine and the Chicago and Atlanta field offices from the FTC for putting together and coordinating this event. I'd like to thank our partners at the US Department of Justice, Deputy Assistant Attorney General Rao, Attorney General Yost from Ohio and Attorney General Raoul from Illinois. Thank you very much.

We, too, are very pleased to participate in this event today with our partners. The FCC has the primary regulatory role with regards to implementing the rules coming out of the STIR/SHAKEN statute. And as a result of that, we provide the rules and regulations dealing with call

blocking and other obligations that voice service providers have to follow to police their networks for illegal robocalls. This includes working with the private sector in selecting the organization that handles the efforts to trace back the origin of successive suspected illegal calls.

We've employed two primary enforcement methods in combating these illegal robocalls. First, the FCC has employed its injunctive authorities looking at requiring originating and gateway providers who are facilitating calls to block or effectively mitigate suspected illegal calls after they've been notified that they are transmitting this illegal traffic. We've issued nearly 20 cease and desist letters between 2022 and 2023 against bad actors that are carrying unlawful traffic. Our letters are swift, and have been very effective, in that if the companies have failed to respond to those letters, we then have taken steps to order other providers to block those calls.

An example of that is an effort that we did in coordination with our partners at the Ohio Attorney General's Office involving a company and related companies named Sumco Panama that had been responsible for placing over 5 billion unlawful calls related to auto warranties. And in July of 2022, last year, we sent cease and desist letters to multiple entities

within that enterprise, and then authorized downstream providers to block that traffic when those entities failed to mitigate those unlawful calls. This resulted in a 99% drop in auto warranty robocalls.

We also applied the same effort and approach with regards to illegal calls related to student loans. We identified a company named Urth Access that was responsible for originating millions of illegal robocall campaigns related to student loan debt relief. And after we took our action, we saw that there was a result in an 89% drop in illegal calls related to student loan robocalls.

We've also told the industry that it needs to employ and implement Know Your Customer principles, meaning providers need to know whose traffic they're carrying and whether or not that traffic is facilitating illegal robocalls. In addition, we've also taken actions to remove companies from the robocall mitigation database. The FCC requires that all providers of telecom services certify in the robocall mitigation database that they have the mechanisms in place to prevent originating illegal robocalls. And if they do not, we've taken action to remove them from that database.

We've also brought some of the largest fines in the FTC's history against robocall facilitators, including the aforementioned company I mentioned, Sumco Panama, where we brought approximately \$300 million proposed fines against them for placing over, again, 5 billion unlawful robocalls related to auto warranties.

In addition to taking those enforcement actions and approaches, we've worked really hard and successfully to enter into approximately 45 memorandums of understanding with our partners at the state level. We have also had a long-standing cooperation agreement with our partners at the FTC and worked very closely with them in bringing enforcement actions in the space. And we've worked with our partners at the Department of Justice to see what other enforcement actions we can bring in a coordinated fashion.

Lastly, looking forward, we are looking at the FCC to expand our investigations to identify and expose the financial networks and businesses that are supporting and benefiting from this illegal conduct. We're also working with mobile phone device makers and software operating system companies to better understand issues and develop effective approaches for dealing with text messages, as we're seeing an influx move from



robocalls to text. And we're continuing to build our partnerships with our law enforcement partners at the federal, state and international level to deal with this on a coordinated enforcement effort. Thank you.

Samuel

It's now my honor to introduce Ohio Attorney General Dave Yost.

Dave

Thank you, Sam. The Attorney General of Ohio gets robocalls. It really is a universal plague. And I'm pleased to be here with so many colleagues, partners in this fight. The fight is for all of you who are tired of having your phones used as a way to hijack your time and your attention, to hound and harass you, people in Ohio, that we know their names, these aren't statistics, Peter in Norwood, Ohio who endured at least 44 separate deceptive calls from a telemarketer trying to sell him an extended warranty for his car; or Jake Bass [ph] in Springfield, Ohio, who was hit with 39 unwanted calls; Lisa in Canal Winchester 25 calls. This is for everybody who's tired of having your phone number sold to people you don't know and without your permission.

Your phone should be a convenience, not a curse; a tool, not a tribulation. And yet, we have more than 30 million illegal robocalls in America every day. About \$30 billion are ripped off by these scammers each year. Listen,

robocallers are like a plague of locusts using modern day technology to swarm through the international telecommunications landscape, deceiving, scamming, defrauding thousands of our constituents every single day. They strike like locusts in overwhelming numbers, cross borders and jurisdictions with impunity, they pillage and they consume everything they can and then vanish into the digital frontier. This invasion is too big for any single jurisdiction. You've heard the word "partner" a lot today and people saying thank you to our partners, I concur with those thanks. And you won't hear a Republican state official say this too often, but I'm grateful for our federal partners in banding together to fight against this bipartisan, universal pestilence.

We're also excited about, in particular, the use of enforcement powers against the VoIPs. They are the bottlenecks by which these international predators are getting into America. We may not be able to track down the flat in Serbia where they're running the computer with the automated dialer, but we can track down how they're getting into the American telecom system. We're going to continue this effort until everyone knows, don't try it in America. Thank you very much.

Samuel Thank you, General Yost. And it's now my honor to introduce General Kwame Raoul from the state of Illinois.

Kwame Thank you. Good morning, and you're going to hear the word partner one more time, because I truly value the partnership with the FTC, the DOJ and FCC and my friend and colleague, General Yost, who has been a leader in gathering us for efforts to try to combat the annoyance of robocalls and the extent to which they prey on consumers within our respective states and every geographic area of our respective states. And just like General Yost, it includes me as well. And I'm more than annoyed. And so that's why it's a great pleasure to be able to collaborate on this effort with this nationwide sweep, because addressing robocalls and holding bad actors accountable demands a collaborative approach.

As it's been said, robocall scammers are difficult to track down because they use technology to hide their identities and evade detection. A single call could travel through dozens of carriers before reaching your phone. But this can also provide opportunities for legitimate providers in the network to stop suspicious call traffic. Telephone providers that initiate or pass through calls have a responsibility to use available technology and tools to detect illegal robocall traffic and cut it off.

As AGs under General Yost's leadership, we're part of a bipartisan robocall technologies working group that came together with a group of telecom providers to develop a set of principles to do just that: identify and stop call traffic that appears to be illegal telemarketing traffic. Our goal is that telecom providers commit to, as has been said, knowing your customer, knowing the traffic, participating in highly technical call authentication efforts, cooperating with law enforcement by participating in trace back efforts and providing free call blocking. Our working group is tackling illegal telemarketing calls by participating in a rule making process by offering comment to the FTC.

Just as we are partnering with the FTC today for Operation Stop Scam Calls, my office was proud to join the FTC in Operation Call it Quits in 2019. I and my office, we are collectively committed to continuing to work with law enforcement partners at the state and federal level, which will help us chip away at the illegal telemarketing calls and get this annoyance out the way for every constituent we have in all of our respective states. Thank you.

Todd

Thanks to all of our speakers. We really appreciate you all being here today. We'll now take questions from those of you in the room. And just a

reminder to please keep your questions focused on today's topic. And we will only be taking questions from members of the press, so please identify yourself and your organization when posing a question,

Jason I'm Jason Knowles from ABC 7 in Chicago. If you can kind of sum up the overall initiative, like how many settlements, how many lawsuits and what exactly is being done for the crackdown?

Samuel Certainly. This is a really comprehensive effort. This involves more than 102 participants, more than 180 enforcement actions and we're securing all kinds of relief against telemarketers and their enablers, depending on the conduct. You heard from Arun Rao on how we've secured criminal penalties against some of these actors. We've secured civil penalties against some of these actors. We've secured permanent injunctions barring them from the robocall business, and more. So you can look at our website, see the whole host of actions that we're announcing today. But this is really a comprehensive crackdown, as I said, not only on telemarketers, but those like VoIP providers and consent farms who make their fraud possible.

W Yes, [indiscernible]. I would like to know if these expand the investigation to track also text messages?

Samuel That's an excellent question. This announcement is focused on robocalls, but there's no question that there's been a whole scourge of robotext messages that are often deceptive. I want to be very clear, under the FTC act it is illegal to deceive people through text messages. And we're prepared to hold those actors accountable. Moreover, what we often see in texting is people trying to impersonate the government, people trying to impersonate companies like Amazon and UPS, and we've actually proposed a nationwide ban on impersonation fraud that would apply to the dissemination of these text messages and allow us to get stiffer penalties against those who engage in these practices. So we're very much focused on robotext messages as well. This action is focused on robocalls.

Loyaan, do you want to add anything to that from the FCC perspective?

Loyaan Yes, just really quick. I think for us, as I mentioned, we are working with the phone device makers, the Apples, the Googles, to better understand the technology so that we could focus our enforcement authorities, which right now are limited with regards to text messages. But we're focusing on

very specific areas that we can do the success that we've had with robocalls and apply it to robotexts.

Todd Other questions from those in the room? Okay. Operator, are there questions from reporters on the conference line?

Moderator [Operator instructions]. Our first question is from Kathleen Murphy with FTC Watch. Please go ahead.

Kathleen Hello, it's Kathleen Murphy with FTC Watch. Thanks very much for this conversation and for taking my question today.

I'm interested especially in hearing from Attorney General Yost, and thank you for answering. You described the robocalls as a plague, and your fellow Republicans in the House Appropriations Committee just voted last week to decrease Federal Trade Commission funding, it's about \$53.5 million below last year's levels, and Democrats were saying during the markup that it's not our place to sell out our seniors and consumers related to robocalls. Do you have a comment on what the Congress is doing with the FTC spending?

Dave                               Well, I'm not, thankfully, a member of Congress. And candidly, this is the first I've heard about that debate. I would not be supportive of that. And I think this is a bipartisan issue that Democrats and Republicans should want to see our laws at the state and federal law enforced by people who are, candidly, victimizing the least able to protect themselves. So I suppose that there are always budget for priorities, and that's what Congress gets paid to do, but speaking for this Attorney General, I don't support a budget cut that's going to impact our ability to enforce the law.

Kathleen                        Thank you.

Todd                               Operator, are there other questions on the line?

Moderator                    Yes, we will go to a question from Misty Stiver from WOIO TV. Please go ahead.

Misty                            Hello, good morning. I'm with 19 News in Cleveland, Ohio. My question is really for anybody, I guess, that might be best with the answer. Are these companies going to be able to pay these multimillion dollar fines that have been issued? And then once they are, if they are, where would that money go?



Samuel

I can answer that. The question was, are these companies going to be able to pay the penalties that have been issued? This is Sam Levine from the FTC. So the answer is mixed. As I mentioned, there are more than 180 cases involved in this announcement; some of the defendants are able to pay, some of them are not. And what we've done is we've gotten what are called suspended judgments, meaning that if we discover those defendants do have the ability to pay, we're going to collect that money. And some of the defendants are paying in full. And I'll give you a few examples, Fluent, a publicly traded company is going to be paying \$2.5 million. Yodel Technologies is going to be paying \$400,000 and is also subject to a \$1 million civil penalty.

So it's mixed. But our real goal is to hold these companies accountable and send a strong message to others in this space, that if they engage in similar practices, they're going to have to pay a penalty too.

You also asked where this money is going. For the cases that settled today, at least by the FTC, these are civil penalties that go to the US Treasury. For the cases that are in litigation, often litigated by the DOJ, we are seeking both, in many of them, civil penalties and redress for consumers.

Misty Thank you very much.

Moderator Next, we go to Sabrina Franza with CBS Chicago. Please go ahead.

Sabrina Good morning. My question is in regards to how much more advanced this could get in the next coming years and months. I know we're seeing AI introduced in a lot of scams. I haven't heard you speak about that today in regards to robocalls. But in the way that things will likely advance as robocalls, robotexts get even more deceptive, what is the plan to make sure that we're adjusting for that new technology as we start seeing it and as we start seeing these calls and texts being even more realistic?

Samuel And the question is, how are we grappling with the emergence of AI and in particular, I suspect the caller is asking about voice cloning technology? I want to be very clear, if bad actors are using voice cloning technology to deceive the American public, it is illegal under the FTC act and we will hold them accountable, just as we're holding the accountable the entities announced today. If they're using voice cloning to make calls, we'll hold them accountable under the telemarketing sales rule. If they're using other technologies to deceive people, we'll hold them accountable under the

FTC act. I recognize that this is new technology, but the same old laws apply and we're prepared to use them.

Do any others want to jump in?

Moderator Are you ready for the next question?

Todd Yes, we are.

Moderator We will move to John Bedell from WHIO TV. Please go ahead.

John Hi, there. My question is for Mr. Egal with the FCC. Earlier this year, the FCC released a public notice ordering phone carriers to block calls from MV Realty, that's a company that AG Yost and several others are actively suing. The allegation from the SEC was that MV placed substantial amounts of apparently unlawful phone calls to numbers on the Do Not Call Registry. What's the expectation from the phone carriers when you issue those, and what's the response from these phone carriers in regards to MV Realty with this public notice?

Loyaan

Thank you. This is Loyaan Egal from the FCC. You're correct. We brought, using again, as I mentioned earlier, our injunctive authorities against the companies that were carrying MV Realty's traffic. Those companies were PhoneBurner, which was the intermediary platform that MV Realty was using to transmit these calls, and then Twilio, whose network PhoneBurner was using to disseminate those calls. We issued a cease and desist letter to Twilio, and we also issued what we call our N5 authority with regards to PhoneBurner. After issuing those notices, those calls ceased. And so at this at this juncture, we are not aware of any further calls involving MV Realty. But we are watching those and monitoring it closely, and we're also looking at our partners as they're bringing their state enforcement actions against MV Realty. Thank you.

Moderator

And next we go back to Christopher Brooks with CBS News. Please go ahead.

Christopher

Good afternoon, gentlemen. Thanks for putting this together. I'm going to make an assumption with my question, and please correct me if I'm wrong. But these consent forms that we're cracking down on right now, I'm assuming they existed before today, probably before this year, so my question is, is this the first time you guys have done these legal actions

specifically targeting these consent farms? Or have we done these before?

Is this a new approach just looking at these consent forms and their existence? Because I don't know how long they've been around and how long you guys have actually looked at targeting them, other than what you're talking about today.

Samuel

Sure. This is Sam Levine from the FTC. And the question was about consent forms and whether this is a new approach. Now, I want to be clear, it has long been the law under the Telemarketing Sales Rule that the practices of these consent farms, that is third parties tricking people into turning over their personal information and tricking people into consenting to robocalls, is not legal. It has long been the law under the Telemarketing Sales Rule, as I said, that robocallers need to get direct consent from the consumers whom they wish to call.

That said, today's action is shining a bright spotlight on the existence of this problem. Candidly, the fact that publicly traded companies like Fluent, as well as some of the other companies engaged in the sweep, suggest to us that this remains a very big problem in spite of this having been the law for many years. So we are sending a strong message to other consent farms out there, your practices are against the law and you will

face similar consequences to what Fluent faced if you continue to engage in the illegal deployment of consent farms to facilitate robocalls.

Moderator And we have no other phone line questions. You may continue.

Todd Okay, thanks so much. We appreciate all of you for joining us, both in person and on the telephone. If you have other questions, we will be available after the press conference. Our press officer, Mitch Katz, is also available. His email address is [mkatz@ftc.gov](mailto:mkatz@ftc.gov). Thank you very much for joining us.

Moderator Ladies and gentlemen, that does conclude your conference for today. Thank you for your participation. You may now disconnect.