



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

May 10, 2022
Via Federal Express

Inteliquent, Inc.
c/o Clifton Larson Allen LLP, Registered Agent
1025 Vermont Avenue, N.W.
Suite 1130
Washington, DC 20005

Warning Regarding Assisting and Facilitating Illegal Robocalls

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

- Social Security Administration imposter
- AT&T/DirecTV imposter
- Hilton Hotels imposter
- Utility disconnection, rebate, rate reduction
- Auto warranty
- Credit card interest rate reduction
- Student loan repayment

More specifically, our investigation revealed that Inteliquent, Inc. 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 January 13, 2021 and January 26, 2022, ITG investigated 45 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 Inteliquent, Inc. 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 of the illegal robocall—as indicated in Attachment A. Further,

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).

the numerous traceback notices directed to Inteliquent, Inc. indicate that you are apparently routing and transmitting illegal robocall traffic knowingly.

Inteliquent, Inc.'s activities described above may subject Inteliquent, Inc. to legal liability. This letter is to provide you with information about laws and regulations enforced by the FTC that may bear upon your business activities as a Voice over Internet Protocol (VoIP) service provider, including the activities described above.

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 \$46,517. *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, 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

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

⁴ These calls are often referred to as "robocalls."

⁵ In fiscal year 2021, the FTC received more than 5 million complaints about unwanted calls, including more than 3.42 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*

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. 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

<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>.

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

conveying telephone calls into the U.S. telephone system.¹¹ State cases have had similar impacts.¹²

We hope you will review this letter and the attached materials in detail. Please direct any inquiries regarding this letter to FTC attorney Fil Maria de Banate by email at fdebanate@ftc.gov or by telephone at 216.263.3413.

Sincerely,

/s/ Jon Miller Steiger

JONATHA

N STEIGER

Jon Miller Steiger

Director

Digitally signed by
JONATHAN STEIGER

Date: 2022.05.09
14:16:58 -04'00'

Enclosures:

Attachment A (Chart of illegal robocalls)

Attachment B (TSR)

Attachment C (*Educare* Amended Complaint)

Attachment D (*Alcazar* Complaint)

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/2021/04/28/attorney-general-donovan-announces-settlement-with-scam-robocall-carrier/>; https://www.michigan.gov/documents/ag/Assurance_of_Voluntary_Compliance_-_All_Access_Telecom_FINAL_9-11-20_702047_7.pdf, and <https://www.michigan.gov/ag/0,4534,7-359--536108--s,00.html>.

ATTACHMENT A

Date of ITG Notification	Date of Call	Caller ID	Description of Robocall Campaign	Link to Robocall Recording	Potential Violation
Jan 26, 2022	Jan 25, 2022	4195472113	Utility Rebate	https://portal.tracebacks.org/api/public/attachments/649854	16 C.F.R. § 310.4(b)(1)(v)
Jan 26, 2022	Jan 24, 2022	5715377731	Utility Rebate	https://portal.tracebacks.org/api/public/attachments/649846	16 C.F.R. § 310.4(b)(1)(v)
Jan 12, 2022	Jan 11, 2022	8327713957	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/632024	16 C.F.R. § 310.4(b)(1)(v)
Jan 12, 2022	Jan 11, 2022	5163167769	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/632022	16 C.F.R. § 310.4(b)(1)(v)
Jan 10, 2022	Jan 06, 2022	6072986492	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/628180	16 C.F.R. § 310.4(b)(1)(v)
Dec 21, 2021	Dec 20, 2021	4754415352	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/609713	16 C.F.R. § 310.4(b)(1)(v)
Nov 10, 2021	Nov 08, 2021	8335028864	AT&T/DirecTV Imposter	https://portal.tracebacks.org/api/public/attachments/554989	16 C.F.R. § 310.4(b)(1)(v)
Nov 10, 2021	Nov 09, 2021	8553669742	AT&T/DirecTV Imposter	https://portal.tracebacks.org/api/public/attachments/554982	16 C.F.R. § 310.4(b)(1)(v)
Nov 08, 2021	Nov 03, 2021	7659975968	Student Loan Repayment	https://portal.tracebacks.org/api/public/attachments/552249	16 C.F.R. § 310.4(b)(1)(v)
Jan 06, 2021	Jan 06, 2021	3179227256	Credit Card Interest Rate Reduction	https://portal.tracebacks.org/api/public/attachments/27572	16 C.F.R. § 310.4(b)(1)(v)
Nov 03, 2021	Nov 02, 2021	8668777195	AT&T/DirecTV Imposter	https://portal.tracebacks.org/api/public/attachments/547611	16 C.F.R. § 310.4(b)(1)(v)
Nov 03, 2021	Nov 02, 2021	8443949412	AT&T/DirecTV Imposter	https://portal.tracebacks.org/api/public/attachments/547607	16 C.F.R. § 310.4(b)(1)(v)
Nov 03, 2021	Nov 02, 2021	8775596231	AT&T/DirecTV Imposter	https://portal.tracebacks.org/api/public/attachments/547597	16 C.F.R. § 310.4(b)(1)(v)
Nov 03, 2021	Nov 02, 2021	8557108904	AT&T/DirecTV Imposter	https://portal.tracebacks.org/api/public/attachments/547592	16 C.F.R. § 310.4(b)(1)(v)
Nov 03, 2021	Nov 02, 2021	8886296871	AT&T/DirecTV Imposter	https://portal.tracebacks.org/api/public/attachments/547586	16 C.F.R. § 310.4(b)(1)(v)

Nov 03, 2021	Nov 02, 2021	8003130879	AT&T/DirecTV Imposter	https://portal.tracebacks.org/api/public/attachments/547582	16 C.F.R. § 310.4(b)(1)(v)
Oct 27, 2021	Oct 26, 2021	2077059941	Legal Notice	https://portal.tracebacks.org/api/public/attachments/539392	16 C.F.R. § 310.4(b)(1)(v)
Oct 25, 2021	Oct 22, 2021	9046058353	Credit Card Interest Rate Reduction	https://portal.tracebacks.org/api/public/attachments/535204	16 C.F.R. § 310.4(b)(1)(v)
Oct 07, 2021	Oct 05, 2021	4053856283	Credit Card Interest Rate Reduction	https://portal.tracebacks.org/api/public/attachments/497278	16 C.F.R. § 310.4(b)(1)(v)
Sep 22, 2021	Sep 21, 2021	8776718636	AT&T/DirecTV Imposter	https://portal.tracebacks.org/api/public/attachments/465596	16 C.F.R. § 310.4(b)(1)(v)
Jul 12, 2021	Jul 09, 2021	3092206530	Hilton Hotels Imposter	https://portal.tracebacks.org/api/public/attachments/269242	16 C.F.R. § 310.4(b)(1)(v)
Jun 25, 2021	Jun 23, 2021	2176282375	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/241125	16 C.F.R. § 310.4(b)(1)(v)
Jun 23, 2021	Jun 22, 2021	4104546337	Utility Rate Reduction	https://portal.tracebacks.org/api/public/attachments/240204	16 C.F.R. § 310.4(b)(1)(v)
Jun 23, 2021	Jun 22, 2021	4104645217	Utility Rate Reduction	https://portal.tracebacks.org/api/public/attachments/240203	16 C.F.R. § 310.4(b)(1)(v)
Jun 04, 2021	Jun 03, 2021	4145674412	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/179182	16 C.F.R. § 310.4(b)(1)(v)
Jun 04, 2021	Jun 03, 2021	9543148943	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/179172	16 C.F.R. § 310.4(b)(1)(v)
Jun 02, 2021	Jun 01, 2021	5042758559	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/173847	16 C.F.R. § 310.4(b)(1)(v)
Jun 01, 2021	May 31, 2021	8044745687	Travel	https://portal.tracebacks.org/api/public/attachments/170111	16 C.F.R. § 310.4(b)(1)(v)
Apr 21, 2021	Apr 19, 2021	9202456657	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/102407	16 C.F.R. § 310.4(b)(1)(v)
Mar 12, 2021	Mar 11, 2021	7323079036	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/66142	16 C.F.R. § 310.4(b)(1)(v)
Mar 04, 2021	Mar 03, 2021	4699055128	Credit Card Interest Rate Reduction	https://portal.tracebacks.org/api/public/attachments/63707	16 C.F.R. § 310.4(b)(1)(v)

Mar 02, 2021	Mar 01, 2021	2058786059	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/63047	16 C.F.R. § 310.4(b)(1)(v)
Jan 12, 2021	Jan 11, 2021	9708760558	Credit Card Interest Rate Reduction	https://portal.tracebacks.org/api/public/attachments/27991	16 C.F.R. § 310.4(b)(1)(v)
Feb 22, 2021	Feb 21, 2021	8137473132	Utility Disconnection	https://portal.tracebacks.org/api/public/attachments/59615	16 C.F.R. § 310.4(b)(1)(v)
Feb 18, 2021	Feb 17, 2021	2672724534	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/58339	16 C.F.R. § 310.4(b)(1)(v)
Feb 18, 2021	Feb 17, 2021	2568615109	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/58335	16 C.F.R. § 310.4(b)(1)(v)
Jan 12, 2021	Jan 12, 2021	3056026945	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/28010	16 C.F.R. § 310.4(b)(1)(v)
Feb 17, 2021	Feb 16, 2021	6019086292	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/57706	16 C.F.R. § 310.4(b)(1)(v)
Feb 11, 2021	Feb 10, 2021	2083285290	Credit Card Interest Rate Reduction	https://portal.tracebacks.org/api/public/attachments/55573	16 C.F.R. § 310.4(b)(1)(v)
Feb 10, 2021	Feb 09, 2021	4127907119	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/55024	16 C.F.R. § 310.4(b)(1)(v)
Feb 09, 2021	Feb 08, 2021	6052255192	Credit Card Interest Rate Reduction	https://portal.tracebacks.org/api/public/attachments/54484	16 C.F.R. § 310.4(b)(1)(v)
Feb 04, 2021	Feb 03, 2021	6204409797	Stay Safe Stay Home	https://portal.tracebacks.org/api/public/attachments/42657	16 C.F.R. § 310.4(b)(1)(v)
Jan 28, 2021	Jan 28, 2021	7044139763	Auto Warranty	https://portal.tracebacks.org/api/public/attachments/29211	16 C.F.R. § 310.4(b)(1)(v)
Jan 22, 2021	Jan 21, 2021	9856022013	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/28647	16 C.F.R. § 310.4(b)(1)(v)
Jan 13, 2021	Jan 11, 2021	3605581348	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/28089	16 C.F.R. § 310.4(b)(1)(v)