

## FCC Proposes \$225M Fine for Spoofed Robocalls and State AGs Follow Suit

Article By:

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Continuing its campaign against illegal robocalls, particularly the spoofed variety, the Federal Communications Commission (FCC) on June 9, 2020, proposed a \$225 million fine – the “largest in the FCC’s 86-year history” – against Texas-based health insurance telemarketers for apparently making [approximately 1 billion illegally spoofed robocalls](#).

The FCC accuses “John C. Spiller and Jakob A. Mears, who used business names including Rising Eagle and JSquared Telecom” in connection with Rising Eagle making “approximately 1 billion spoofed robocalls across the country during the first four-and-a-half months of 2019 on behalf of clients that sell short-term, limited-duration health insurance plans.”

In its lengthy and detailed [Notice of Proposed Liability For Forfeiture \(NALF\)](#) the agency outlines how the “The robocalls falsely claimed to offer health insurance plans from well-known health insurance companies such as Aetna, Blue Cross Blue Shield, Cigna, and UnitedHealth Group”. According to the FCC’s investigation, which was assisted by the USTelecom Industry Traceback Group, a consumer who indicated an interest in speaking with a representative of one of those companies was “transferred to a call center with no affiliation to the named companies, where call center representatives then would attempt to convince the consumer to purchase an insurance product sold by one of Rising Eagle’s clients.”

Further, as a result of the spoofing, which the NALF asserts violated the Truth In Caller ID Act component of the Telephone Consumer Protection Act (TCPA), the FCC found that the calls “targeted millions of Do Not Call list participants, and were received on many wireless phones without prior consumer consent.” Moreover, “the scam also caused the companies whose caller IDs were spoofed to become overwhelmed with angry call-backs from aggrieved consumers. At least one company was hit with several lawsuits because its number was spoofed, and another was so overwhelmed with calls that its telephone network became unusable.”

The accused parties have 30 days to respond to the NALF with the FCC.

As a double down on the alleged violators, the State Attorneys General (AG) of seven states (Arkansas, Indiana, Michigan, Missouri, North Carolina, Ohio and Texas), on the same day, [brought a parallel lawsuit](#) under the Telephone Consumer Protection Act and relevant state consumer

protection statutes in Federal District Court in Houston, Texas. That lawsuit raises various TCPA violations, including caller ID spoofing, along with counts for violating state consumer protection statutes addressing, among other conduct, “false and deceptive acts.” The State AGs seek injunctive relief and \$1500 per call for TCPA violations and costs. The plaintiffs also seek damages under their individual state statutes.

The collective actions further demonstrate the focus of both the FCC and state authorities on combatting illegal robocallers, particularly when caller ID spoofing is involved.

TCPAWorld will stay tuned.

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