



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

August 23, 2022

CEASE AND DESIST DEMAND

VIA EMAIL TO:
eschmidt@ibasis.net

iBasis, Inc.
c/o Ellen Schmidt
10 Maguire Road, Building 3
Lexington, MA 02421

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

- Amazon imposter – account on hold
- Amazon imposter – authorized order
- Amazon imposter – suspicious charge
- Government imposter – Customs and Border Protection
- Government imposter – Social Security Administration
- Law enforcement or legal action notice

More specifically, our investigation revealed that iBasis, 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 7, 2021, and July 18, 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 iBasis, 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 iBasis, Inc. 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 \$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).

Combating 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

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* <https://public.tableau.com/profile/federal.trade.commission#!/vizhome/DoNotCallComplaints/Maps>.

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

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>.

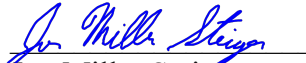
¹⁰ *See* <https://www.justice.gov/opa/pr/department-justice-files-actions-stop-telecom-carriers-who-facilitated-hundreds-millions>.

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>

Within three business days, please send a message to FTC attorney Fil Maria de Banate, via electronic mail at fdebanate@ftc.gov, certifying that iBasis, Inc. 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)

[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	Robocall Campaign Identifier	Link to Robocall Recording	Potential Violation
7/18/2022	7/18/2022	8329017667	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/959873	16 C.F.R. § 310.4(b)(1)(v)
7/18/2022	7/17/2022	8477932120	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/959860	16 C.F.R. § 310.4(b)(1)(v)
7/15/2022	7/13/2022	3178475681	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/956746	16 C.F.R. § 310.4(b)(1)(v)
7/15/2022	7/13/2022	5152292621	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/956744	16 C.F.R. § 310.4(b)(1)(v)
7/15/2022	7/13/2022	4044281803	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/956740	16 C.F.R. § 310.4(b)(1)(v)
7/11/2022	7/10/2022	8016478303	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/951287	16 C.F.R. § 310.4(b)(1)(v)
7/6/2022	7/5/2022	5098443301	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/947222	16 C.F.R. § 310.4(b)(1)(v)
7/6/2022	7/5/2022	2063103454	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/947220	16 C.F.R. § 310.4(b)(1)(v)
5/27/2022	5/25/2022	8086357129	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/875549	16 C.F.R. § 310.4(b)(1)(v)
5/26/2022	5/25/2022	8082563982	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/875546	16 C.F.R. § 310.4(b)(1)(v)
5/26/2022	5/25/2022	8088207066	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/875544	16 C.F.R. § 310.4(b)(1)(v)
5/26/2022	5/25/2022	8082473980	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/875543	16 C.F.R. § 310.4(b)(1)(v)
5/26/2022	5/25/2022	8083293314	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/875540	16 C.F.R. § 310.4(b)(1)(v)
5/26/2022	5/24/2022	8083137786	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/875535	16 C.F.R. § 310.4(b)(1)(v)
5/26/2022	5/24/2022	8084450467	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/875533	16 C.F.R. § 310.4(b)(1)(v)

5/26/2022	5/23/2022	8084605685	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/875531	16 C.F.R. § 310.4(b)(1)(v)
5/25/2022	5/23/2022	3056101655	Amazon-SuspiciousCharge-P1	https://portal.tracebacks.org/api/public/attachments/871389	16 C.F.R. § 310.4(b)(1)(v)
5/4/2022	5/3/2022	8089547174	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/833949	16 C.F.R. § 310.4(b)(1)(v)
5/4/2022	5/2/2022	8175052393	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/833941	16 C.F.R. § 310.4(b)(1)(v)
5/3/2022	5/2/2022	8179789732	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/832634	16 C.F.R. § 310.4(b)(1)(v)
4/5/2022	3/30/2022	4027859568	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/790372	16 C.F.R. § 310.4(b)(1)(v)
3/31/2022	3/30/2022	7025630557	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/790383	16 C.F.R. § 310.4(b)(1)(v)
3/31/2022	3/30/2022	3085960925	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/790369	16 C.F.R. § 310.4(b)(1)(v)
3/31/2022	3/29/2022	5184124904	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/790368	16 C.F.R. § 310.4(b)(1)(v)
3/31/2022	3/30/2022	7702858522	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/790361	16 C.F.R. § 310.4(b)(1)(v)
3/31/2022	3/30/2022	7209357408	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/790359	16 C.F.R. § 310.4(b)(1)(v)
3/31/2022	3/29/2022	7027551259	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/790358	16 C.F.R. § 310.4(b)(1)(v)
3/18/2022	3/15/2022	8087878840	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/761227	16 C.F.R. § 310.4(b)(1)(v)
3/16/2022	3/15/2022	8085798861	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/761231	16 C.F.R. § 310.4(b)(1)(v)
3/16/2022	3/15/2022	8082188841	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/761222	16 C.F.R. § 310.4(b)(1)(v)
3/2/2022	2/28/2022	8083541883	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/723515	16 C.F.R. § 310.4(b)(1)(v)

3/2/2022	2/28/2022	8089748471	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/723513	16 C.F.R. § 310.4(b)(1)(v)
3/2/2022	2/28/2022	8085282077	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/723511	16 C.F.R. § 310.4(b)(1)(v)
2/8/2022	2/7/2022	9706145250	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/675293	16 C.F.R. § 310.4(b)(1)(v)
2/8/2022	2/7/2022	2253155689	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/675288	16 C.F.R. § 310.4(b)(1)(v)
2/8/2022	2/3/2022	8594745075	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/675280	16 C.F.R. § 310.4(b)(1)(v)
1/19/2022	1/17/2022	9036039402	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/639001	16 C.F.R. § 310.4(b)(1)(v)
1/19/2022	1/17/2022	8598843342	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/638981	16 C.F.R. § 310.4(b)(1)(v)
11/16/2021	11/15/2021	2025935192	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/560665	16 C.F.R. § 310.4(b)(1)(v)
11/16/2021	11/15/2021	6786243192	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/560656	16 C.F.R. § 310.4(b)(1)(v)
11/16/2021	11/15/2021	8025870493	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/560647	16 C.F.R. § 310.4(b)(1)(v)
8/23/2021	8/17/2021	5175078458	CBP-GovtImpers	https://portal.tracebacks.org/api/public/attachments/373796	16 C.F.R. § 310.4(b)(1)(v)
7/19/2021	7/15/2021	7057879875	Amazon-Acct On Hold	https://portal.tracebacks.org/api/public/attachments/286373	16 C.F.R. § 310.4(b)(1)(v)
4/23/2021	4/22/2021	5854146396	SSA-P1-BenefitsCanceled (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/110365	16 C.F.R. § 310.4(b)(1)(v)
1/7/2021	1/7/2021	9103824748	TestCall-StaySafeStayHome	https://portal.tracebacks.org/api/public/attachments/27683	16 C.F.R. § 310.4(b)(1)(v)