



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

Global Net Holdings, Inc.
c/o National Registered Agents, Inc.
1090 Vermont Avenue, N.W.
Suite 910
Washington, DC 20005

Warning Regarding Assisting and Facilitating Illegal Robocalls

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

- Social Security Administration imposter
- U.S. Customs and Border Protection imposter
- Amazon imposter
- Utility disconnection
- Credit card interest rate reduction

More specifically, our investigation revealed that Global Net Holdings, 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 22, 2021, and February 22, 2022, ITG investigated 46 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 Global Net Holdings, 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

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).

A. Further, the numerous traceback notices directed to Global Net Holdings, Inc. indicate that you are apparently routing and transmitting illegal robocall traffic knowingly.

Global Net Holdings, Inc.'s activities described above may subject Global Net Holdings, 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

JONATHAN
STEIGER

Digitally signed by
JONATHAN STEIGER
Date: 2022.05.09
14:05:31 -04'00'

Jon Miller Steiger
Director

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
Feb 22, 2022	Feb 21, 2022	8434894162	Amazon Imposter	https://portal.tracebacks.org/api/public/attachments/707415	16 C.F.R. § 310.4(b)(1)(v)
Feb 22, 2022	Feb 17, 2022	8023552679	Amazon Imposter	https://portal.tracebacks.org/api/public/attachments/707383	16 C.F.R. § 310.4(b)(1)(v)
Feb 17, 2022	Feb 16, 2022	6104014612	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/701118	16 C.F.R. § 310.4(b)(1)(v)
Feb 17, 2022	Feb 16, 2022	3109778376	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/701117	16 C.F.R. § 310.4(b)(1)(v)
Feb 17, 2022	Feb 15, 2022	6104018719	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/701113	16 C.F.R. § 310.4(b)(1)(v)
Feb 17, 2022	Feb 16, 2022	5203096744	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/701110	16 C.F.R. § 310.4(b)(1)(v)
Feb 17, 2022	Feb 16, 2022	2052393361	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/701109	16 C.F.R. § 310.4(b)(1)(v)
Feb 17, 2022	Feb 16, 2022	6622792733	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/701106	16 C.F.R. § 310.4(b)(1)(v)
Feb 17, 2022	Feb 16, 2022	6019189654	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/701104	16 C.F.R. § 310.4(b)(1)(v)
Feb 17, 2022	Feb 16, 2022	6626036303	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/701103	16 C.F.R. § 310.4(b)(1)(v)
Feb 10, 2022	Feb 09, 2022	4192580824	Amazon Imposter	https://portal.tracebacks.org/api/public/attachments/683946	16 C.F.R. § 310.4(b)(1)(v)
Jan 25, 2022	Jan 24, 2022	5042702800	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/648030	16 C.F.R. § 310.4(b)(1)(v)
Jan 25, 2022	Jan 24, 2022	7315145221	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/648019	16 C.F.R. § 310.4(b)(1)(v)
Dec 16, 2021	Dec 13, 2021	8025587790	Law Enforcement Agency Imposter	https://portal.tracebacks.org/api/public/attachments/601883	16 C.F.R. § 310.4(b)(1)(v)
Dec 08, 2021	Dec 06, 2021	5129921339	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/584759	16 C.F.R. § 310.4(b)(1)(v)

Dec 08, 2021	Dec 07, 2021	5129922595	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/584754	16 C.F.R. § 310.4(b)(1)(v)
Oct 26, 2021	Oct 25, 2021	2029007303	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/537336	16 C.F.R. § 310.4(b)(1)(v)
Oct 28, 2021	Oct 22, 2021	8603609099	Credit Card Interest Rate Reduction	https://portal.tracebacks.org/api/public/attachments/535287	16 C.F.R. § 310.4(b)(1)(v)
Oct 25, 2021	Oct 22, 2021	2518889306	Credit Card Interest Rate Reduction	https://portal.tracebacks.org/api/public/attachments/535208	16 C.F.R. § 310.4(b)(1)(v)
Oct 22, 2021	Oct 21, 2021	9165214366	Utility Disconnection	https://portal.tracebacks.org/api/public/attachments/532461	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3179273838	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530085	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3175941323	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530083	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3178147133	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530081	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3173394249	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530079	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3175481557	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530077	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3172749474	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530075	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3170215144	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530070	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3173570234	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530069	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3178595506	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530068	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3178190540	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530067	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3171925432	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530066	16 C.F.R. § 310.4(b)(1)(v)

Oct 21, 2021	Oct 20, 2021	3179750399	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530062	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3174883562	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530061	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 20, 2021	3175421397	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/530057	16 C.F.R. § 310.4(b)(1)(v)
Oct 15, 2021	Oct 14, 2021	7325783603	Utility Disconnection	https://portal.tracebacks.org/api/public/attachments/520025	16 C.F.R. § 310.4(b)(1)(v)
Oct 15, 2021	Oct 14, 2021	3023263505	Utility Disconnection	https://portal.tracebacks.org/api/public/attachments/520018	16 C.F.R. § 310.4(b)(1)(v)
Oct 21, 2021	Oct 13, 2021	6198664612	Utility Disconnection	https://portal.tracebacks.org/api/public/attachments/520013	16 C.F.R. § 310.4(b)(1)(v)
Oct 09, 2021	Oct 07, 2021	4433858118	Utility Disconnection	https://portal.tracebacks.org/api/public/attachments/500579	16 C.F.R. § 310.4(b)(1)(v)
Oct 05, 2021	Oct 01, 2021	2143001230	U.S. Customs and Border Protection Imposter	https://portal.tracebacks.org/api/public/attachments/488973	16 C.F.R. § 310.4(b)(1)(v)
Oct 04, 2021	Oct 01, 2021	9107915850	U.S. Customs and Border Protection Imposter	https://portal.tracebacks.org/api/public/attachments/488972	16 C.F.R. § 310.4(b)(1)(v)
Oct 04, 2021	Oct 01, 2021	7039663881	U.S. Customs and Border Protection Imposter	https://portal.tracebacks.org/api/public/attachments/488970	16 C.F.R. § 310.4(b)(1)(v)
Sep 21, 2021	Sep 20, 2021	6096708567	Law Enforcement Agency Imposter	https://portal.tracebacks.org/api/public/attachments/463266	16 C.F.R. § 310.4(b)(1)(v)
Sep 21, 2021	Sep 20, 2021	7878819520	Law Enforcement Agency Imposter	https://portal.tracebacks.org/api/public/attachments/463262	16 C.F.R. § 310.4(b)(1)(v)
Mar 31, 2021	Mar 30, 2021	4125598685	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/83447	16 C.F.R. § 310.4(b)(1)(v)
Mar 30, 2021	Mar 29, 2021	6265122232	Social Security Administration Imposter	https://portal.tracebacks.org/api/public/attachments/81991	16 C.F.R. § 310.4(b)(1)(v)
Jan 22, 2021	Jan 22, 2021	2105216704	Stay Safe Stay Home	https://portal.tracebacks.org/api/public/attachments/28716	16 C.F.R. § 310.4(b)(1)(v)