



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:
alex.valencia@lingo.com

Matrix Telecom, LLC
c/o Alex Valencia, Vice President
400 East Las Colinas Boulevard, Suite 500
Irving, TX 75039

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

- Amazon imposter – authorized order
- Amazon imposter – suspicious charge
- Apple imposter – iCloud account breached
- DirecTV imposter – discount
- Government imposter – Customs and Border Protection
- Government imposter – Social Security Administration
- Law enforcement or legal action notice
- Utility provider imposter – disconnection

More specifically, our investigation revealed that Matrix Telecom, LLC 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 February 4, 2021 and July 19, 2022, ITG investigated 49 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 Matrix Telecom, LLC routed and transmitted the

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).

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, the numerous traceback notices directed to Matrix Telecom, LLC 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).

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

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

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	Robocall Campaign Identifier	Link to Robocall Recording	Potential Violation
7/19/2022	7/18/2022	8004213270	Discount-DirecTV50	https://portal.tracebacks.org/api/public/attachments/961432	16 C.F.R. § 310.4(b)(1)(v)
6/17/2022	6/15/2022	7059579284	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/917070	16 C.F.R. § 310.4(b)(1)(v)
5/25/2022	5/23/2022	8442324133	Discount-DirecTV50	https://portal.tracebacks.org/api/public/attachments/872738	16 C.F.R. § 310.4(b)(1)(v)
5/4/2022	5/2/2022	7137204408	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/833937	16 C.F.R. § 310.4(b)(1)(v)
5/3/2022	5/2/2022	8607431064	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/832644	16 C.F.R. § 310.4(b)(1)(v)
5/3/2022	5/2/2022	8703506854	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/832638	16 C.F.R. § 310.4(b)(1)(v)
4/28/2022	4/26/2022	4104802099	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/826868	16 C.F.R. § 310.4(b)(1)(v)
4/27/2022	4/25/2022	8176625506	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/825247	16 C.F.R. § 310.4(b)(1)(v)
4/14/2022	4/13/2022	4703432270	SSA-Suspended	https://portal.tracebacks.org/api/public/attachments/810049	16 C.F.R. § 310.4(b)(1)(v)
4/14/2022	4/13/2022	4026391845	SSA-Suspended	https://portal.tracebacks.org/api/public/attachments/810047	16 C.F.R. § 310.4(b)(1)(v)
3/30/2022	3/29/2022	8457415478	Amazon-SuspiciousCharge-P1	https://portal.tracebacks.org/api/public/attachments/788977	16 C.F.R. § 310.4(b)(1)(v)
3/29/2022	3/25/2022	2392743123	SSA-Suspended	https://portal.tracebacks.org/api/public/attachments/787210	16 C.F.R. § 310.4(b)(1)(v)
3/29/2022	3/28/2022	5133245221	SSA-Suspended	https://portal.tracebacks.org/api/public/attachments/787206	16 C.F.R. § 310.4(b)(1)(v)
3/29/2022	3/25/2022	8086853429	SSA-Suspended	https://portal.tracebacks.org/api/public/attachments/787202	16 C.F.R. § 310.4(b)(1)(v)
3/24/2022	3/23/2022	9547346818	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/779106	16 C.F.R. § 310.4(b)(1)(v)

3/24/2022	3/23/2022	7203646484	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/779104	16 C.F.R. § 310.4(b)(1)(v)
3/24/2022	3/23/2022	4197874173	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/779088	16 C.F.R. § 310.4(b)(1)(v)
3/7/2022	3/6/2022	3366720203	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/735428	16 C.F.R. § 310.4(b)(1)(v)
2/24/2022	2/15/2022	8089962844	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/701101	16 C.F.R. § 310.4(b)(1)(v)
2/18/2022	2/16/2022	9188132599	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/702997	16 C.F.R. § 310.4(b)(1)(v)
2/17/2022	2/14/2022	9088928164	Amazon-SuspiciousCharge	https://portal.tracebacks.org/api/public/attachments/701181	16 C.F.R. § 310.4(b)(1)(v)
2/17/2022	2/11/2022	6026479410	Amazon-SuspiciousCharge	https://portal.tracebacks.org/api/public/attachments/701172	16 C.F.R. § 310.4(b)(1)(v)
2/17/2022	2/16/2022	9728952449	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/701116	16 C.F.R. § 310.4(b)(1)(v)
2/17/2022	2/16/2022	9149006595	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/701115	16 C.F.R. § 310.4(b)(1)(v)
2/16/2022	2/14/2022	8552754145	Amazon-SuspiciousCharge-P1	https://portal.tracebacks.org/api/public/attachments/698022	16 C.F.R. § 310.4(b)(1)(v)
2/16/2022	2/11/2022	3107330806	SSA-KindlyPressOne	https://portal.tracebacks.org/api/public/attachments/694449	16 C.F.R. § 310.4(b)(1)(v)
2/15/2022	2/14/2022	6187568728	SSA-KindlyPressOne	https://portal.tracebacks.org/api/public/attachments/694463	16 C.F.R. § 310.4(b)(1)(v)
2/15/2022	2/14/2022	8477117167	SSA-KindlyPressOne	https://portal.tracebacks.org/api/public/attachments/694462	16 C.F.R. § 310.4(b)(1)(v)
2/15/2022	2/14/2022	6187664367	SSA-KindlyPressOne	https://portal.tracebacks.org/api/public/attachments/694459	16 C.F.R. § 310.4(b)(1)(v)
2/15/2022	2/11/2022	3107580018	SSA-KindlyPressOne	https://portal.tracebacks.org/api/public/attachments/694448	16 C.F.R. § 310.4(b)(1)(v)
2/8/2022	2/7/2022	7154242957	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/675291	16 C.F.R. § 310.4(b)(1)(v)

1/31/2022	1/29/2022	8022791281	Amazon-SuspiciousCharge-P1	https://portal.tracebacks.org/api/public/attachments/658455	16 C.F.R. § 310.4(b)(1)(v)
1/28/2022	1/27/2022	2105912003	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/654679	16 C.F.R. § 310.4(b)(1)(v)
1/28/2022	1/27/2022	8022234122	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/654664	16 C.F.R. § 310.4(b)(1)(v)
1/28/2022	1/27/2022	8022991031	LegalDept-Action-P1	https://portal.tracebacks.org/api/public/attachments/654662	16 C.F.R. § 310.4(b)(1)(v)
1/27/2022	1/26/2022	2702457093	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/651829	16 C.F.R. § 310.4(b)(1)(v)
1/27/2022	1/26/2022	2702453924	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/651826	16 C.F.R. § 310.4(b)(1)(v)
1/21/2022	1/20/2022	8643229532	SSA-KindlyPressOne	https://portal.tracebacks.org/api/public/attachments/643822	16 C.F.R. § 310.4(b)(1)(v)
1/20/2022	1/18/2022	6055538657	Amazon-SuspiciousCharge	https://portal.tracebacks.org/api/public/attachments/642460	16 C.F.R. § 310.4(b)(1)(v)
1/18/2022	1/17/2022	9036039402	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/639001	16 C.F.R. § 310.4(b)(1)(v)
1/18/2022	1/17/2022	9729662383	Amazon-AuthorizeOrder	https://portal.tracebacks.org/api/public/attachments/638997	16 C.F.R. § 310.4(b)(1)(v)
1/18/2022	1/17/2022	9315348127	SSA-Suspended	https://portal.tracebacks.org/api/public/attachments/638878	16 C.F.R. § 310.4(b)(1)(v)
1/7/2022	1/6/2022	9542901944	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/625971	16 C.F.R. § 310.4(b)(1)(v)
11/16/2021	11/10/2021	8023391426	SSA-P1-TexasFraud (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/560646	16 C.F.R. § 310.4(b)(1)(v)
10/14/2021	10/13/2021	5174203380	Legal-Enforcement-Notice	https://portal.tracebacks.org/api/public/attachments/516514	16 C.F.R. § 310.4(b)(1)(v)
9/23/2021	9/22/2021	4153857566	Utility-30MinDisconnect	https://portal.tracebacks.org/api/public/attachments/468416	16 C.F.R. § 310.4(b)(1)(v)
9/21/2021	9/20/2021	2023904589	SSA-KindlyPressOne	https://portal.tracebacks.org/api/public/attachments/463190	16 C.F.R. § 310.4(b)(1)(v)

9/16/2021	9/14/2021	8177359573	CBP-GovtImpers	https://portal.tracebacks.org/api/public/attachments/453391	16 C.F.R. § 310.4(b)(1)(v)
4/5/2021	4/2/2021	9292729625	SSA-Suspended	https://portal.tracebacks.org/api/public/attachments/88357	16 C.F.R. § 310.4(b)(1)(v)
4/1/2021	3/31/2021	2023971980	SSA-P1-BenefitsCanceled (GovtImpers)	https://portal.tracebacks.org/api/public/attachments/84210	16 C.F.R. § 310.4(b)(1)(v)
2/4/2021	2/2/2021	8556328879	Apple-iCloud-AccountBreached	https://portal.tracebacks.org/api/public/attachments/31932	16 C.F.R. § 310.4(b)(1)(v)