

FCC Imposes \$3 Million in Fines in "Junk Fax" Cases

September 28, 2010

In August, we warned that the [FCC was preparing a series of major enforcement orders for the transmission of unsolicited faxes](#). Today, the FCC released 9 forfeiture orders totaling \$3.1 million in fines against senders of unsolicited faxes (aka "junk faxes"). With the two proposed fines released in early September and a \$77,500 forfeiture ordered two weeks ago, the Commission looks to have completed this round of "junk fax" enforcement.

In a few days, the Commission will list the Forfeiture Orders [here](#). Notably, all but one of the alleged senders failed to respond to the FCC's Notices of Apparent Liability, and the FCC imposed the full forfeiture it had proposed.

As expected, this wave of enforcement orders included some very large fines against repeat offenders. The Hot Lead, Inc. received the largest fine, at [\\$1.5 million](#). SMC, LLC received a fine of [\\$806,500](#), while the remaining entities received fines between \$27,000 and \$250,000.

The only entity to respond to the NAL, Sunstar Travel and Tours, raised a number of defenses that the FCC rejected as unsupported by any evidence. However, the Commission concluded that Sunstar Travel lacked the "ability to pay" -- a statutory forfeiture criterion -- and reduced the proposed forfeiture from \$305,500 to [\\$50,000](#). This amount was between 2 and 7.6 percent of Sunstar Travel's average gross revenues, which the Commission found to be reasonable.

Clean Credit, Inc. received a [\\$139,500 fine](#) today, and an additional [proposed fine of \\$528,000](#) in early September.

With the exception of Clean Credit's \$528,000 proposed forfeiture, each of the forfeitures were calculated using the base forfeiture used in other unsolicited fax cases: \$4,500 per unsolicited fax, with a base forfeiture of \$10,000 if the customer had attempted to opt out of future faxes.