

FTC Announces Two Telemarketing Cases

January 19, 2017

On January 13, 2017, the Federal Trade Commission (FTC) [announced](#) that it filed two lawsuits against more than a dozen individual and corporate defendants allegedly coordinated by two individuals. In the complaints, the FTC alleges multiple violations of the FTC's Telemarketing Sales Rule (TSR). Specifically, the complaints allege that over a period several years, the defendants made unauthorized prerecorded calls using auto-dialer software to consumers throughout the U.S. in an attempt to sell or generate leads for goods or services such as extended auto warranties, search engine optimization services, and home security systems. The FTC contends that these actions violated the TSR's prohibition against abusive telemarketing acts or practices and initiating or causing the initiation of unlawful prerecorded messages. The complaints further claim that many of these calls were made to phone numbers on the national Do Not Call Registry, which is a separate TSR violation.

The FTC has asked the court in each case to impose injunctive relief and unspecified monetary relief against the defendants. The FTC's press release announcing the actions notes that several of the named defendants have agreed to settle with the FTC, agreeing to a permanent ban on making autodialed calls and to settlement payments of more than \$10 million (although almost all of the judgment amounts are suspended due to the settling parties' inability to pay).

These actions, coupled with the Federal Communications Commission's [continued focus](#) on enforcing the Telephone Consumer Protection Act, serve as a reminder to companies that engage in telemarketing that compliance with the relevant laws and regulations is key in order to avoid unwanted attention from both state and federal law enforcement and regulatory agencies.