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BLOG

FTC Permanently Bans Telemarketers for Violating the Telemarketing Sales Rule

FEBRUARY 25, 2013

The Federal Trade Commission has permanently banned Roy M. Cox, Jr. and several telemarketing operations he managed from future telemarketing for several violations of the Telemarketing Sales Rule. According to the FTC, the companies made pre-recorded calls to consumers to offer credit card interest rate reduction plans, extended car warranties, and home security systems. In December 2011, the FTC charged Cox and the corporate telemarketers with the following TSR violations: (1) making outbound calls to phone numbers that they knew or consciously disregarded knowing were on the National Do Not Call Registry; (2) misidentifying themselves on caller IDs (the caller ID would say "CARD SERVICES," "CREDIT SERVICES," or "PRIVATE OFFICE"); and (3) placing calls with prerecorded messages to induce the purchase of goods or services without express written authorization from the person called to receive such calls. The ban is part of a settlement reached recently with the FTC and includes a $1.1 million civil penalty, which is suspended due to Cox's inability to pay.

TIP: The federal government continues to wield its arsenal to stop illegal robo-calling operations, whether through enforcement actions like this one, creating a new rule to combat the calls, or offering a cash prize for technological solutions to the challenge of stopping robocallers.

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