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Court Halts Operations of VoIP Service Provider after the FTC and Ohio Alleged that It Helped Promote Credit Card Interest Reduction Scheme

First FTC case against a VoIP service provider under the Telemarketing Sales Rule

At the request of the Federal Trade Commission and the State of Ohio, a federal court has halted the operations of Voice over Internet Protocol (VoIP) service provider Globex Telecom Inc., which allegedly played a key role in robocalling consumers to promote a credit card interest reduction scheme that bilked consumers out of millions of dollars.

The federal court in El Paso, Texas issued a temporary restraining order against Globex and its Canadian counterpart, 9506276 Canada, Inc., that appoints a temporary receiver and freezes the defendants' assets.

Globex allegedly provided Educare Centre Services—a company that the FTC and Ohio sued in July 2019—with the means to make calls to U.S. consumers, including illegal robocalls, to market Educare's phony credit card interest rate reduction services. The FTC and Ohio amended their complaint in the case, adding Globex and 9506276 Canada as defendants and alleging that Educare transferred more than \$1.6 million to Globex.

"The FTC is determined to stop illegal robocallers, including by holding their service providers accountable," said Andrew Smith, Director of the FTC's Bureau of Consumer Protection. "It is unlawful for VoIP service providers to knowingly provide substantial assistance to illegal robocallers, and we will not hesitate to take action against these companies."

The FTC and Ohio allege that Globex's president and CEO, Mohammad Souheil, controlled or directly participated in Educare's scheme, and that Globex and Souheil knew—or consciously avoided knowing—about misrepresentations and other illegal practices alleged in the complaint against Educare.

How to stop unwanted calls if you use VOIP - Look into internet-based services. Your carrier might be able to help. Some services are free, but others charge a monthly fee. Not sure if your home phone uses the internet (VoIP)? Check with your carrier. With blocking services, calls might be stopped, ring silently, or go straight to voicemail. Report unwanted calls at ftc.gov/complaint. Federal Trade Commission - ftc.gov/calls

The Commission vote authorizing the staff to file the amended complaint was 5-0. The amended complaint was filed in the U.S. District Court for the Western District of Texas.

NOTE: The Commission files a complaint when it has “reason to believe” that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. The case will be decided by the court.

The Federal Trade Commission works to promote competition, and protect and educate consumers. You can learn more about consumer topics and file a consumer complaint online or by calling 1-877-FTC-HELP (382-4357). Like the FTC on Facebook, follow us on Twitter, read our blogs, and subscribe to press releases for the latest FTC news and resources.

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