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## Department of Justice

Office of Public Affairs

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# The Department of Justice Files Actions to Stop Telecom Carriers Who Facilitated Hundreds of Millions of Fraudulent Robocalls to American Consumers

## First of its Kind Enforcement Action by the Justice Department

The Department of Justice filed civil actions for temporary restraining orders today in two landmark cases against five companies and three individuals allegedly responsible for carrying hundreds of millions of fraudulent robocalls to American consumers, the Department of Justice announced. The Department of Justice alleges that the companies were warned numerous times that they were carrying fraudulent robocalls — including government- and business-imposter calls — and yet continued to carry those calls and facilitate foreign-based fraud schemes targeting Americans. The calls, most of which originated in India, led to massive financial losses to elderly and vulnerable victims across the nation.

Assistant Attorney General Jody H. Hunt of the Justice Department's Civil Division, U.S. Attorney Richard P. Donoghue of the Eastern District of New York, Inspector General Gail S. Ennis of the Social Security Administration (SSA) and Chief Postal Inspector Gary Barksdale, made the announcement.

The two cases announced today contain similar allegations. The defendants in one case are Ecommerce National LLC d/b/a TollFreeDeals.com; SIP Retail d/b/a sipretail.com; and their owner/operators, Nicholas Palumbo, 38, and Natasha Palumbo, 33, of Scottsdale, Arizona. The defendants in the other case include Global Voicecom Inc., Global Telecommunication Services Inc., KAT Telecom Inc., aka IP Dish, and their owner/operator, Jon Kahen, 45, of Great Neck, New York. In each case, the Department of Justice sought an order immediately halting the defendants' transmission of unlawful robocall traffic. A federal court has entered a temporary restraining order against the Global Voicecom defendants.

"Robocalls are an annoyance to many Americans, and those that are fraudulent and predatory are a serious problem, often causing devastating financial harm to the elderly and vulnerable members of our society," said Assistant Attorney General Jody Hunt for the Department of Justice's Civil Division. "The Department of Justice will pursue to the fullest extent of the law individuals in the United States who knowingly facilitate imposter fraud calls, using both criminal and civil tools where appropriate. And we look forward to working closely with law enforcement colleagues in India and elsewhere around the world to identify those behind these calls so that we can bring them to justice."

Americans have experienced a deluge of robocalls over the past several years. Many of the robocalls originate abroad. Recently, foreign fraudsters have used robocalls to impersonate government investigators and to provide Americans with alarming messages, such as: the recipient's social security number or other personal information has been compromised or otherwise connected to criminal activity; the recipient faces imminent arrest; their assets are being frozen; their bank and credit accounts have suspect activity; their benefits are being stopped; they face imminent deportation; or combinations of these threats. Each of these claims is a lie, designed to scare the call recipient into paying large sums of money. Social Security imposters, IRS imposters, and tech-support schemes (in which callers impersonate legitimate technology companies) have proliferated in part because of the ease with which robocalls can reach millions of potential victims every hour.

In the cases announced today, the United States alleges that the defendants operated voice over internet protocol (VoIP) carriers, which use an internet connection rather than traditional copper phone lines to carry telephone calls. Numerous foreign-based criminal organizations are alleged to have used the defendants' VoIP carrier services to pass fraudulent government- and business-imposter fraud robocalls to American victims. The complaints filed in the cases specifically allege that defendants served as "gateway carriers," making them the entry point for foreign-initiated calls into the U.S. telecommunications system. The defendants carried astronomical numbers of robocalls. For example, the complaint against the owners/operators of Ecommerce National d/b/a TollFreeDeals.com alleges that the defendants carried 720 million calls during a sample 23-day period, and that more than 425 million of those calls lasted less than one second, indicating that they were robocalls. The complaint further alleges that many of the 720 million calls were fraudulent and used spoofed (*i.e.*, fake) caller ID numbers. The calls facilitated by the defendants falsely threatened victims with a variety of catastrophic government actions, including termination of social security benefits, imminent arrest for alleged tax fraud and deportation for supposed failure to fill out immigration forms correctly.

According to allegations in both complaints, the defendants ignored repeated red flags and warnings about the fraudulent and unlawful nature of the calls they were carrying.

"We are using all available tools and resources to stop foreign call center scammers — and for the first time their U.S.-based enablers — from conning elderly and vulnerable victims in New York and throughout the United States," said U.S. Attorney Richard Donoghue. "Protecting individuals from schemes that result in catastrophic losses to the victims is a priority of this Office and the Department of Justice."

"Today's events are the culmination of months of hard work, and a critical step in holding these and other companies accountable for being the link between overseas scammers and their victims," said SSA Inspector General Gail S. Ennis. "We will continue to pursue those who exploit the U.S. telephone system and allow scammers to deceive consumers using the good name of Social Security. I want to thank the Department of Justice's Transnational Elder Fraud Strike Force and our law enforcement partners for their support throughout this investigation."

"Anyone who engages in deceptive practices like imposter fraud should know, regardless of where they are, they will not go undetected and will be held accountable," said Chief Inspector Gary Barksdale. "We will continue to work alongside the Department of Justice and our other partners to prevent and deter ongoing harm."

Trial Attorneys Ann Entwistle and Bart Dunn of the Civil Division's Consumer Protection Branch and Assistant U.S. Attorneys Bonni Perlin, Evan Lestelle, and Dara Olds of the U.S. Attorney's Office for the Eastern District of New York represent the United States. The SSA's Office of Inspector General, the U.S. Postal Inspection Service, the Office of Inspector General for Tax Administration, U.S. Immigration and Customs Enforcement's Homeland Security Investigation's El Dorado Task Force and U.S. Secret Service provided investigative support. The Federal Trade Commission and the Federal Communications Commission provided pertinent data.

The claims made in the complaint are mere allegations that, if the case were to proceed to trial, the government must prove to receive a determination of liability.

Since President Trump signed the bipartisan Elder Abuse Prevention and Prosecution Act (EAPPA) into law, the Department of Justice has participated in hundreds of enforcement actions in criminal and civil cases that targeted or disproportionately affected seniors. In particular, in March 2019, the department announced the largest elder fraud enforcement action in American history, [charging more than 260 defendants in a nationwide elder fraud sweep](#). The department has likewise conducted hundreds of trainings and outreach sessions across the country since the passage of the Act.

More information about the department's efforts to help American seniors is available at its Elder Justice Initiative [webpage](#). For more information about the Consumer Protection Branch and its enforcement efforts, visit its website at <https://www.justice.gov/civil/consumer-protection-branch>. Elder fraud complaints may be filed with the FTC at [www.ftccomplaintassistant.gov](http://www.ftccomplaintassistant.gov) or at 877-FTC-HELP. The Department of Justice provides a variety of resources relating to elder fraud victimization through its Office for Victims of Crime, which can be reached at <https://www.ovc.gov>.

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**Attachment(s):**

[Download tollfreedeals civil complaint](#)

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**Topic(s):**

Consumer Protection

**Component(s):**

[Civil Division](#)

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