



FEDERAL TRADE COMMISSION  
PROTECTING AMERICA'S CONSUMERS

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For Release

# FTC Sues to Stop VoIP Service Provider That Assisted and Facilitated Telemarketers in Sending Hundreds of Millions of Illegal Robocalls to Consumers Nationwide

XCast Labs, Inc. was warned multiple times about likely illegal conduct

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**Tags:** [Consumer Protection](#) | [Bureau of Consumer Protection](#) | [Do Not Call](#) | [robocalls](#) | [Telemarketing](#)

The Federal Trade Commission sued to stop a Voice over Internet Protocol (VoIP) provider, XCast Labs, Inc., that continued to funnel hundreds of millions of illegal robocalls through its network, even after receiving multiple warnings. The Department of Justice filed the complaint in the Central District of California on the FTC's behalf.

"XCast Labs played a key role in helping telemarketers flood homes with unlawful robocalls, including robocalls impersonating the Social Security Administration," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "VoIP providers like XCast Labs that bury their heads in the sand when their customers use their services to break the law can expect to hear from the FTC."

XCast Labs, headquartered in Los Angeles, California, is a nationwide provider of VoIP technology, providing services that allow its customers to send and receive phone calls, including robocalls (calls that play a prerecorded message), over the Internet. Telemarketers who blast illegal robocalls typically use VoIP service providers like XCast Labs to transmit their calls.

[According to the complaint](#) , in January 2020, the FTC sent letters to a number of VoIP providers,

including XCast Labs, warning them that assisting and facilitating illegal telemarketing or robocalling was against the law. The complaint also alleges that XCast Labs received dozens of “traceback” inquiries from US Telecom’s Industry Traceback Group regarding suspected illegal calls that originated on XCast Labs’ network, as well as inquiries from law enforcement agencies about transmission of suspected illegal traffic on the XCast Labs network. Even after receiving these direct warnings, the FTC alleges that XCast Labs transmitted illegal robocalls to consumers.

In addition, the FTC discovered that many of these suspect robocalls were part of organized campaigns designed to generate telemarketing leads by, for example, impersonating federal officials from the Social Security Administration. Lead generators sell the information they gather to telemarketers, who then use consumers’ information to pester them with even more unwanted, illegal calls.

The Commission vote authorizing the staff to refer the complaint to the Department of Justice for filing was 4-0, and was taken before Commissioner Christine S. Wilson left the FTC. The DOJ filed the complaint in the U.S. District Court for the Central District of California. Thomas Biesty and Frances Kern of the Bureau of Consumer Protection were the primary FTC staff on this matter.

**NOTE:** The Commission refers a complaint for civil penalties to the DOJ for filing when it has “reason to believe” that the named defendants are violating or are about to violate the law and 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](#). Learn more about consumer topics at [consumer.ftc.gov](#), or report fraud, scams, and bad business practices at [ReportFraud.ftc.gov](#). Follow the [FTC on social media](#), read [consumer alerts](#) and the [business blog](#), and [sign up to get the latest FTC news and alerts](#).

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