

FEDERAL TRADE COMMISSION PROTECTING AMERICA'S CONSUMERS

For Release

FTC Implements New Protections for Businesses Against Telemarketing Fraud and Affirms Protections Against AIenabled Scam Calls

Final rule extends telemarketing protections to business-to-business calls; Commission also proposes new consumer protections against tech support scams pitched over the phone

March 7, 2024Image: Consumer ProtectionBureau of Consumer ProtectionDo Not CallrobocallsAdvertising and MarketingTelemarketing

The Federal Trade Commission today announced a final rule extending telemarketing fraud protections to businesses and updating the rule's recordkeeping requirements in light of developments in technology and the marketplace. The Commission also announced a proposed ru that would provide the agency with significant new tools to combat tech support scams.

Both actions are part of the Commission's current review of the Telemarketing Sales Rule (TSR), which includes the Do Not Call Registry (DNC) rules and provisions banning nearly all telemarketing robocalls to consumers. Importantly, the FTC also affirms the TSR's prohibitions on robocalls using voice cloning technology.



Find out about **Do Not Call** complaints and registrations

"Today's changes provide important new

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protections for small business and will help ensure that the FTC can take action against deceptive marketers who use AI robocalls and other emerging technology," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "We look forward to comments from the public on the additional proposals that would deter tech support scams and aid the Commission's efforts to put money back into the pockets of defrauded consumers."

The TSR became effective in 1995 and applies to virtually all "telemarketing" activities, both in the United States and international sales calls to consumers in the United States. The rule generally applies only to outbound calls made by telemarketers to consumers, with some exceptions, and protects consumers in a range of ways. For example, the rule requires telemarketers to make certain disclosures and prohibits misrepresentations during sales calls. The TSR also prohibits calls to consumers on the Do Not Call Registry, and it prohibits calls using prerecorded messages regardless of whether the consumer is listed on the Do Not Call Registry.

The Current Regulatory Review

Both the final rulemaking and notice of proposed rulemaking announced today stem from the Commission's regulatory review of the TSR and address public comments received as part of that review. In April 2022, the FTC proposed extending telemarketing protections to businesses and strengthening safeguards against other pernicious telemarking tactics plaguing consumers.

The <u>final rule</u> announced today implements updates that:

- Prohibit deceptive and abusive practices in all business-to-business calls: The original TSR exempted business-to-business calls (other than those selling office and cleaning supplies, which the Commission considered the "most significant business-to-business problem area" at the time). The final rule announced today expands prohibitions against misrepresentations to business-to-business telemarketing
- Updates the TSR's recordkeeping requirements: The final rule will make several modifications to the recordkeeping amendments. The primary substantive modifications relate to new recordkeeping requirements for call detail records and its corresponding safe harbor, records of consent, records of compliance with the DNC Registry, and the provision allowing sellers and telemarketers to allocate responsibility for recordkeeping.

The Tech Support Notice of Proposed Rulemaking

The notice of proposed rulemaking announced today proposes amending the TSR to extend its coverage to inbound telemarketing calls involving technical support services. The TSR applies to certain categories of inbound calls—i.e., calls that consumers make to telemarketers—and the proposed amendment would add calls selling technical support services to that list.

The proposed amendment is needed due to the widespread deception and consumer injury caused by tech support scams, including those in which consumers call supposed tech support operations in response to advertising. The amendment would enable the FTC to obtain stronger relief—including civil penalties and consumer redress—against tech support scams. The Commission also is seeking comments on a proposed definition of tech support scams.

The Commission vote approving publication of the both the final rule and notice of proposed rulemaking in the Federal Register was 3-0.

The staff contact on this matter is Benjamin Davidson in the FTC's Bureau of Consumer Protection.

The Federal Trade Commission works to promote competition and <u>protect and educate consumers</u>. Learn more about consumer topics at <u>consumer.ftc.gov</u>, or report fraud, scams, and bad business practices at <u>ReportFraud.ftc.gov</u>. Follow the <u>FTC on social media</u>, read <u>consumer alerts</u> and the <u>business blog</u>, and <u>sign up to get the latest FTC news and alerts</u>.

Contact Information

Media Contact

Mitchell J. Katz Office of Public Affairs 202-326-2161 🞸 Give Feedback

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