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May 9, 2019

Chairman and committee members, thank you for holding a public hearing on 2019 Assembly Bill 147 relating to caller ID spoofing, granting rule-making authority, and providing a penalty.

Citizens across Wisconsin have reported experiencing a high and increasing number of telemarketing calls on a regular basis. Receiving these telemarketing calls is often irritating, as evidenced by unsolicited telemarketing being the number-one consumer complaint received annually by the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP), with 4,860 complaints registered in 2018 alone. More than simply being a nuisance, these calls are often used in furtherance of scams, fraud, and identity theft. In order to conceal or misrepresent their identity, telemarketers have increasingly relied on manipulations to their caller ID listings through blocking caller ID from displaying their number or engaging in a practice known as “spoofing,” through which the caller relies on technology to display an inaccurate number on caller ID.

2019 Assembly Bill 147 incorporates federal law into state statute by prohibiting the intentional falsification of information that is transmitted to a caller ID display if done with the intent to defraud, cause harm, or wrongfully obtain anything of value. Critically, this portion of the legislation will help to address scam phone calls that use spoofing to disguise their numbers to look like they are coming from a local number or from a trusted entity.

Under the bill, a telecommunications provider may block calls so that they do not reach the called party if: the originating number is not valid, is not allocated to a provider, or is confirmed by the provider to be unused; or if the person who owns the phone number has asked that outgoing calls claiming to be from that number be blocked.

2019 Assembly Bill 147 also includes a provision that prohibits telephone solicitors from spoofing for any purpose. There are many valid reasons for telephone number spoofing by consumers, and, as long as there is no intent by the consumer to defraud, cause harm, or wrongfully obtain anything of value, this bill does not impact those existing use cases.

The bill also addresses caller ID blocking, which is different from spoofing. Federal law prohibits telephone solicitors from blocking caller ID information.

Thank you for your time. I would be happy to answer any questions.



DALE KOOYENGA
STATE SENATOR · 5TH DISTRICT

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May 9, 2019

TO: Members of the Assembly Committee on Consumer Protection

FROM: Senator Dale Kooyenga

RE: Support for AB 147 – relating to caller ID spoofing

Thank you for holding a hearing on Assembly Bill 147. This bill prohibits caller ID spoofing. Citizens across Wisconsin have reported experiencing a high and increasing number of telemarketing calls on a regular basis. Receiving these telemarketing calls is often irritating, as evidenced by unsolicited telemarketing being the number-one consumer complaint received annually by the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP), with 4,860 complaints registered in 2018 alone. More than simply being a nuisance, these calls are often used in furtherance of scams, fraud, and identity theft. In order to conceal or misrepresent their identity, telemarketers have increasingly relied on manipulations to their caller ID listings through blocking caller ID from displaying their number or engaging in a practice known as “spoofing,” through which the caller relies on technology to display an inaccurate number on caller ID.

Under this bill, a telecommunications provider may block calls so that they do not reach the called party if: the originating number is not valid, is not allocated to a provider, or is confirmed by the provider to be unused; or if the person who owns the phone number has asked that outgoing calls claiming to be from that number be blocked.

The bill also provides that a telecommunications provider may block calls so that they do not reach the called party if the originating number is not valid; is not allocated to a provider; or is confirmed by the provider to be unused.

Thank you for hearing this bill. I respectfully ask for your support.



State of Wisconsin
Governor Tony Evers

Department of Agriculture, Trade and Consumer Protection
Bradley M. Pfaff, Secretary

Assembly Committee on Consumer Protection
Assembly Bill 147

Lara Sutherlin, Administrator, Division of Trade and Consumer Protection
Department of Agriculture, Trade and Consumer Protection
May 9, 2019

Chair Pronschinske and members of the Consumer Protection Committee, thank you for the opportunity to testify on Assembly Bill 147: caller ID spoofing, granting rulemaking authority, and providing a penalty. While the agency supports efforts to protect consumers and provides these comments for information only, it has some concerns about the bill related to enforcement.

Current Situation

- Per the federal Truth in Caller ID Act, caller ID spoofing is generally illegal in the United States. Earlier this year, the Federal Communications Commission announced plans to expand its rules to cover communications originating from outside the United States, as well as expanding the scope of covered communications services to include text messages and additional voice services.
- Telemarketing is the number one consumer complaint to the Wisconsin Bureau of Consumer Protection. In 2018, we received 4,860 written complaints, many of these relate to robocall scams rather than true telephone solicitations to purchase goods or services.
- The vast majority of complaints are not regarding legitimate telemarketers but are instead callers who hide behind spoofed and blocked numbers to steal money and personal information.
- Recently, the Milwaukee County Sheriff's Office issued a press release that reported a spoofing effort where scammers used telephone numbers that mimicked the Sheriff's Office to threaten citizens with claims that felony charges had been drafted against them. Given that these calls are not solicitations but calls to prey on individuals for money and personal information, they may not be covered by this bill.

Current Wisconsin Law and Proposed Federal Bill

- Wisconsin Administrative Code, ATCP 127.14 (16), as written, currently regulates spoofing of telephone numbers by telemarketers.
- Wisconsin Administrative Code, ATCP 127.83(2)(e), as written, currently regulates the use of caller-ID blocking when making a telephone solicitation by telemarketers.
- The TRACED Act on Federal level could impact Wis. Stat. § 100.52 and this proposed legislation in the future. DATCP continues to monitor the bill's progress.

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Concerns about Potential Changes to Law Based on Bill

- The proposed changes to Wis. Stat. § 100.52 (2) and (3) only cover *telephone solicitations*, defined as a solicitation for the purpose of encouraging the recipient to “purchase property, goods or services.” If that is indeed the case, we believe the proposed change may not cover scam calls such as the “IRS Scam” and the “Social Security Scam” because while they are from imposters, posing as government entities, they do not encourage the “purchase of property, goods or services.” The calls serve to simply steal money and information, with no goods or services exchanged. Therefore, the new law may not address the specific problem it seeks to solve.
- The proposed creation of Wis. Stat. § 100.523 (4) (a) (1) and (2), Call Blocking, does not include text messages-- just voice communications.

Impact on DATCP

- As pointed out in our fiscal estimate, “While the department does not anticipate additional complaints, the department would have new areas of law to investigate and therefore anticipates an increased workload resulting in increased costs for DATCP, but it believes these can be absorbed into existing operations and funding.”
- We also may need to undergo rulemaking to align ATCP 127 with any other statutory changes the bill may mandate. Rulemaking usually takes 18-21 months.