

IP Relay Fraud Resolution

WHEREAS, IP relay service is an Internet-based Telecommunications Relay Service (TRS) mandated by federal law to assist the deaf and hard of hearing to use the telecommunications network, and thereby to participate in society more effectively; *and*

WHEREAS, Due to the fact that a caller utilizing IP relay accesses the relay system via a computer and the Internet, rather than a dedicated TTY and a telephone, and the calling party and the communications assistant (CA) communicate only by text, the CA presently receives no identifying information, thus obscuring the identity of the caller; *and*

WHEREAS, Due to the fact that a caller using IP relay cannot be traced by telephone number or other identifying information, IP relay affords users a degree of anonymity that is generally not possible with PSTN-based relay calls; *and*

WHEREAS, The IP relay service is being used by individuals within and outside of the United States to commit fraud by contacting a business to effect a deceptive purchase using a dishonest method of payment, such as stolen, fake, or otherwise invalid credit cards; *and*

WHEREAS, Each call made using IP relay service is reimbursable from the federal TRS fund, mandated by the Federal Communications Commission (FCC); *and*

WHEREAS, Each reimbursed fraudulent call also is in essence both a drain on the federal TRS fund, and an inappropriate use of federal ratepayer dollars set aside to fund TRS for the deaf and hard-of-hearing; *and*

WHEREAS, In each type of fraudulent IP relay call, the CA who serves as the intermediary between the calling and called party is privy to the contents of the calls including theft and fraud; *and*

WHEREAS, Each CA is prohibited by federal law and State contract, for those States providing their own TRS, from disclosing the content of any relay communication to which the CA is privy; *and*

WHEREAS, IP relay providers have taken steps to reduce the incidence of fraud, either through training of CAs, the creation of supervisory policies legally allowing the TRS provider to warn called-voice parties that the call may be fraudulent or through blocking of certain numbers; *and*

WHEREAS, These efforts of IP relay providers have met with mixed results because the perpetrators of the fraudulent activity have developed the means to compensate for or to circumvent increased security measures; *and*

WHEREAS, Efforts by the FCC to work with IP Relay providers on ways to eliminate or minimize fraudulent calls have not significantly diminished the frequency of such calls; *and*

WHEREAS, The FCC issued an Notice of Proposed Rulemaking (NPRM) in May 2006 requesting comment on ways to curtail the abuse of the Internet-based forms of TRS; *and*

WHEREAS, FCC Alerts to the business community to take precautionary steps to ensure that the credit card information received through IP Relay is legitimate have been inadequate to educate the business community; *and*

WHEREAS, The business community is for the most part unable to distinguish fraudulent from legitimate calls; *and*

WHEREAS, The continuance of such fraud and misuse of IP Relay is harmful to the merchants who are victimized, to the legitimate IP Relay users who may no longer be able to convince merchants to accept their orders for merchandise, and to the customers of interstate telecommunications carriers that pay into the fund; *now, therefore, be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened in its July 2007 Summer Meetings in New York, New York, urges the FCC to act immediately and aggressively, in conjunction with State commissions and other appropriate governmental entities, to educate the business community, especially small businesses, about ways to identify and deal with fraudulent IP Relay callers in a manner that ensures legitimate IP Relay users will not be denied the benefits of this technology; *and be it further*

RESOLVED, That NARUC instructs the General Counsel to relay the intent of this resolution to the Federal Communications Commission either via comments to be filed in an open docket, or via an ex parte communication.

*Sponsored by the Committees on Telecommunications and Consumer Affairs
Adopted by the NARUC Board of Directors July 18, 2007*