December 4, 2020

ATTORNEY GENERAL RAOUL ANNOUNCES \$210 MILLION SETTLEMENT WITH DISH NETWORK FOR ILLEGAL ROBOCALLS

Settlement Includes More Than \$13 Million for Illinois

Chicago — Attorney General Kwame Raoul today announced a \$210 million settlement with Dish Network (Dish) over calls made to people on the Do Not Call Registry. Illinois will receive more than \$13 million as part of the settlement.

"Robocalls are more than a nuisance; these calls cost people time and money," Raoul said. "Today's settlement holds Dish accountable for placing millions of illegal calls and violating the privacy of consumers. It should also serve as a warning to other bad actors who attempt to profit off this illegal and invasive practice. I will continue to use the resources of my office to hold these businesses accountable and protect Illinois residents from these calls."

The Attorney General's office, along with the U.S. Department of Justice, the Federal Trade Commission (FTC), and the attorneys general of California, North Carolina, and Ohio filed a lawsuit against Dish Network in 2009. In the lawsuit, the coalition alleged that Dish violated federal telemarketing laws by calling individuals listed on the national Do Not Call Registry and by using a prerecorded voice to place calls to residential phone lines without first obtaining the party's express consent. The complaint also alleged Dish and its order-entry retailers placed tens of millions of illegal calls to consumers through the campaign, and hundreds of Illinois residents complained about receiving unwanted telemarketing calls from Dish or Dish's authorized dealers.

Following a five-week trial, in 2017 the U.S. District Court for the Central District of Illinois found that Dish was liable for more than 97 million violations of federal and state law. Dish appealed this decision to the U.S. Court of Appeals for the 7th Circuit, which in March 2020 upheld the district court findings that Dish is responsible for the illegal calls placed by its retailers because they were Dish's agents. In June 2020, the 7th Circuit denied Dish's petition for rehearing.

Attorney General Raoul has been a consistent advocate for protections against illegal robocalls. In August 2019, Raoul joined a coalition of attorneys general from all 50 states and Washington D.C. in partnering with 12 phone companies to create a set of principles for telecom companies to fight robocalls. In June 2019, Raoul, in cooperation with the FTC, announced a major crackdown on robocalls that included 94 actions targeting operations around the country that were responsible for more than 1 billion calls. As part of that crackdown, Raoul filed a lawsuit against Glamour Services, LLC; Awe Struck, Inc.; and Matthew Glamkowski, the manager of Glamour Services and president of Awe Struck for allegedly using robocalling and telemarking to solicit home cleaning services. In May 2019, Raoul submitted comments to the Federal Communications Commission urging the adoption of its proposed rules on enforcement against caller ID spoofing.

Consumers who wish to file a complaint concerning robocalls they have received can do so on the Attorney General's website. Information about how consumers can add their number to the Do Not Call Registry is also available on the Attorney General's website.

Bureau Chief Elizabeth Blackston and Assistant Attorney General Philip Heimlich handled the case for Raoul's Consumer Fraud Bureau, and Supervising Attorney Evan Siegel handled the matter for Raoul's Civil Appeals Division.

Friday, 04 December, 2020 10:45:41 AM Clerk, U.S. District Court, ILCD

IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF ILLINOIS **SPRINGFIELD DIVISION**

UNITED STATES OF AMERICA and the STATES OF CALIFORNIA, ILLINOIS, NORTH CAROLINA, and OHIO,

Plaintiffs,

v.

DISH NETWORK L.L.C.,

Defendant.

Case No. 3:09-cv-03073-SEM-TSH

STIPULATED ORDER FOR **MONETARY JUDGMENT**

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission ("FTC" or the "Commission"), and Plaintiffs the States of California, Illinois, North Carolina, and Ohio ("State Co-Plaintiffs") filed their initial Complaint in 2009 and the Third Amended Complaint (the "Complaint") in 2015. The United States' claims were brought pursuant to the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), 56(a) and 57b; the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6105; and the Telemarketing Sales Rule, 16 C.F.R. Part 310. The State Co-Plaintiffs' claims were brought pursuant to the Telephone Consumer Protection Act ("TCPA"), 47 U.S.C. § 227 and its related rules, 47 C.F.R. § 64.1200, California Business and Professions Codes Sections 17592 and 17200, Illinois Automatic Telephone Dialers Act 815 ILCS 305/1 et seq., North Carolina General Statutes Sections 75-101, 75-102 and 75-104, and Ohio Consumer Sales Practices Act, Revised Code Section 1345.01 et seg.

After a six-week bench trial in 2016, in June 2017, this Court issued a final judgment finding DISH Network L.L.C. liable for millions of telemarketing call violations, imposing injunctive relief in the form of compliance and reporting measures, and awarding the Plaintiffs a total of \$280 million: \$168,000,000 for the United States, \$53,256,000 for the State of California, \$17,388,000 for the State of Illinois, \$18,648,000 for the State of North Carolina, and \$22,708,000 million for the State of Ohio. *United States v. Dish Network LLC*, 3:09-cv-03073-SEM-TSH, at Dkt. No. 797 (C.D. Ill. Jun. 5, 2017), reported at 256 F. Supp. 3d 810 (C.D. Ill. 2017). DISH Network L.L.C. appealed the judgment to the United States Court of Appeals for the Seventh Circuit, which vacated the \$280 million award and remanded back to this Court "for further proceedings consistent with this opinion" that the analysis for the monetary award should "start from harm rather than wealth." *United States v. Dish Network LLC*, 954 F.3d 970, 980 (7th Cir. 2020).

The parties now seek to settle only the monetary relief portion of this case. The injunctive relief ordered by this Court remains in place and unaffected by this settlement. The Plaintiffs and DISH Network L.L.C. therefore stipulate to the entry of this Stipulated Order for Monetary Judgment ("Order") to resolve all disputes regarding the monetary relief to be awarded to Plaintiffs in this case.

THEREFORE, it is **ORDERED** as follows:

I. FINDINGS

- A. This Court has jurisdiction over this matter.
- B. The Complaint alleges that Defendant participated in acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, the Telemarketing Sales Rule, the

TCPA and its related rules, and various state laws by making telemarketing calls to numbers on the National Do Not Call Registry, abandoning calls, using automated voice telemarketing, and assisting others in these violations.

- C. Defendant waives any claim that it may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order. Each party agrees to bear its own costs and attorneys' fees.
- D. The parties waive all rights to appeal or otherwise challenge or contest the validity of this Order.
 - E. Entry of this Order is in the public interest.

II. MONETARY JUDGMENT

- A. Judgment in the amount of \$126 million (\$126,000,000.00) is entered in favor of Plaintiff the United States against DISH Network L.L.C. as a civil penalty pursuant to the FTC Act.
- B. Judgment in the amount of \$39,942,000.00 is entered in favor of Plaintiff the State of California against DISH Network L.L.C. as a payment in accordance with the TCPA. This entire amount shall be deposited in the Public Rights Law Enforcement Special Fund established by Section 12530 of the California Government Code and used in accordance with that section to support the investigation and prosecution of matters within the authority of the Department of Justice's Public Rights Division.
- C. Judgment in the amount of \$13,041,000.00 is entered in favor of Plaintiff the State of Illinois against DISH Network L.L.C. as a payment in accordance with the TCPA.

- D. Judgment in the amount of \$13,986,000.00 is entered in favor of Plaintiff the State of North Carolina against DISH Network L.L.C. as a payment in accordance with the TCPA.
- E. Judgment in the amount of \$17,031,000.00 is entered in favor of Plaintiff the State of Ohio Office of the Attorney General against DISH Network L.L.C. as a payment in accordance with the TCPA.
- F. Such payment must be made within 30 days of entry of this Order in accordance with instructions previously provided by Plaintiffs' representatives:
 - 1. Make the following payment to the United States:
 - a. A payment of \$126,000,000.00 in the form of a wire transfer to the Treasurer of the United States; and
 - b. The written confirmation of the wire transfer shall be delivered via email to: Lisa K. Hsiao, Assistant Director,
 Consumer Protection Branch, U.S. Department of Justice,
 450 5th Street, N.W. Suite 6400-South, Washington, DC 20530, Lisa.K.Hsiao@usdoj.gov. The wire transfer transmittal shall include the title of this litigation and a reference to DJ #102-3417.
 - 2. Make the following payment to the State of California:
 - A payment of \$39,942,000.00 payable by wire transfer to the California Attorney General's Office pursuant to instructions provided by the California Attorney General's Office. DISH Network is responsible for any bank charges

it may incur for processing wire transfers. This payment shall be deposited in the Public Rights Law Enforcement Special Fund.

- 3. Make the following payment to the State of Illinois:
 - A payment of \$6,520,500.00 in the form of a wire transfer or certified or cashier's check made payable to or deposited into the "Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund" for subsequent expenditure as authorized by the Attorney General; and
 - b. A payment of \$6,520,500.00 in the form of a wire transfer or certified cashier's check made payable to or deposited into the "Attorney General's State Projects and Court Ordered Distribution Fund" for subsequent expenditure as authorized by the Attorney General; and
 - c. The check or written confirmation of the wire transfer shall be provided via email to:

Elizabeth Blackston Chief, Consumer Fraud Bureau Office of the Attorney General eblackston@atg.state.il.us

- 4. Make the following payment to the State of North Carolina:
 - A payment of \$13,986,000.00 by wire transfer to the North
 Carolina Department of Justice; and
 - Written confirmation of the wire transfer shall be provided
 vial email to:

Kevin Anderson Senior Deputy Attorney General Consumer Protection Division N.C. Department of Justice kander@ncdoj.gov

- Make the following payment to the State of Ohio Office of theAttorney General:
 - a. A payment of \$17,031,000.00 in the form of a wire transfer payable to the State of Ohio Office of the Attorney

 General. Said payment shall be used for reimbursement of attorney fees and other costs of investigation; distribution or application to any applicable consumer protection enforcement funds, including future consumer protection enforcement, consumer education, litigation or local consumer aid, or revolving funds; defraying the costs of the inquiry leading hereto; or any other lawful purpose, at the sole discretion of the Ohio Attorney General.
 - b. The written confirmation of the wire transfer shall be delivered via email to:

Erin B. Leahy
Senior Assistant Attorney General
Consumer Protection Section
Ohio Attorney General's Office
30 East Broad St., 14th Floor
Columbus, OH 43215
Erin.Leahy@OhioAttorneyGeneral.gov

III. ADDITIONAL PROVISIONS

IT IS FURTHER ORDERED that:

- A. Defendant relinquishes dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.
- B. In any subsequent civil litigation by or on behalf of any Plaintiff to enforce its rights to any payment or monetary judgment pursuant to this Order, Defendant will not contest the factual and liability findings in this Court's opinion set forth in *United States v. Dish Network LLC*, 3:09-cv-03073-SEM-TSH, at Dkt. No. 797 (C.D. Ill. Jun. 5, 2017), *reported at* 256 F. Supp. 3d 810 (C.D. Ill. 2017), and those findings will be taken as true, without further proof.
- C. Defendant acknowledges that its Taxpayer Identification Number, which Defendant must submit to Plaintiffs, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.
- D. DISH Network and the State Co-Plaintiffs agree that the entirety of the monetary judgment paid by DISH Network to the State Co-Plaintiffs constitutes a payment in accordance with the TCPA, as well as that it represents a compromise between DISH Network and the State Co-Plaintiffs that is based on the Court's original monetary awards to the State Co-Plaintiffs, and does not include a multiplier or constitute common-law punitive damages.

IV. DEFAULT PROVISIONS

IT IS FURTHER ORDERED that, in the event of default on the payments required to be made by this Order, the entire unpaid civil penalty and/or other judgment

payments, together with interest computed under 28 U.S.C. § 1961 – accrued from the date of default until the date of payment – shall be immediately due and payable. DISH Network shall cooperate fully with Plaintiffs and their agents in all attempts to collect the amount due pursuant to this Paragraph if DISH Network fails to pay fully the amount due at the time specified herein.

V. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification and enforcement of this Order.

SO ORDERED this 4th day of December, 2020.

s/ Sue E. Myerscough

Hon. Sue E. Myerscough United States District Judge

SO STIPULATED AND AGREED:

PLAINTIFFS:

OF COUNSEL:

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RUSSELL DEITCH

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Room 288

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s/ Kevin Anderson

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s/ Elyse D. Echtman
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Do Not Call Registry

Telemarketing calls are often an unwelcome annoyance. To reduce the amount of unwanted telemarketing calls you receive, you can register your home and cellular phone numbers on the nationwide Do Not Call Registry. The Attorney General's Office enforces the rules of the Do Not Call Registry to make sure that businesses follow the law and consumers do not become victims of fraud.

To register, visit https://donotcall.gov/register/reg.aspx or call 1-888-382-1222 (TTY: 1-866-290-4236).

Easy on-line registration

Step 1 Enter up to three phone numbers and your email address

Step 2 Check that the information is correct

Step 3 Receive an email from verify@donotcall.gov within a few minutes. It will tell you if your number was previously registered or if the new registration is complete.

This service is free to consumers and doesn't require repeated enrollment—once you sign up, your registration will not expire.

However, it's important to know that, under federal and state law, a number of businesses or organizations still can call numbers on the registry, including:

- calls from organizations with which you have established a business relationship;
- calls for which you have given prior written consent;
- calls which are not commercial or do not include unsolicited advertisements;
- calls by or on behalf of tax-exempt non-profit organizations.
- calls that are political
- calls about charities
- calls about debt collection

The Do Not Call Registry stops **sales** calls from real companies. The Registry is a list that tells telemarketers what numbers not to call. The FCC does not and cannot block calls and the Registry can't stop calls from scammers who ignore the Registry. To get fewer unwanted calls, look into <u>blocking unwanted calls</u>. There are different call-blocking options for mobile phones, traditional landlines, and landlines that use the internet (VoIP). More information on call blocking can be found on the FCC website <u>www.donotcall.gov</u>.

For more information, please contact us.

Chicago Consumer Hotline 1-800-386-5438 1-800-964-3013 TTY Springfield Consumer Hotline 1-800-243-0618 1-877-844-5461 TTY Carbondale Consumer Hotline 1-800-243-5377 1-877-964-3013 TTY