First Orion Corp.

Answer to Additional Questions for the Record

The Honorable Robert E. Latta

1. **How many consumers are using your company's robocall-blocking solution? How much does your company charge for your app or service?**

As a preliminary matter, we want to clarify that call labeling, also known in the industry as "call tagging," is not the same as call blocking. As described in more detail in our written testimony First Orion's scam solutions "label" suspected fraudulent calls as "Scam Likely," and potentially unwanted, abusive, or harassing calls as "Nuisance Likely," "Telemarketer," "Survey," or other categories as appropriate. Consumers can choose to block individual calling numbers or to block whole categories of calls, such as "Scam Likely" or "Survey."

We also want to mention that we look at all calls, not just robocalls, to identify scams. Some legitimate robocalls are wanted by consumers, such as a reminder about an appointment, and some scam calls are not robocalls. We label scam calls based on many factors as described below and in our written testimony.

We have well over 15 million active users of our various mobile applications which offer a number of services described in our written testimony and in our answer to question 2 below. In addition to actual call blocking, consumers use the applications for reverse number look up and for filing complaints many of which we send onto the FTC.

Scam Likely call labeling is free, and these other services range in price from $.99 to $1.99 per month.

For T-Mobile, we label all calls we believe to be fraudulent calls "Scam Likely." This service is provided to over 55 million consumers nationwide. Less than 5% of these T-Mobile consumers have chosen to have the calls labeled Scam Likely blocked. These services are free of charge to the T-Mobile subscribers.

2. Please explain how does your robocall-blocking solution work?

We label calls through sophisticated algorithms, machine learning, and artificial intelligence, which are based on call characteristics (for example, a sudden burst of incoming calls from a previously unknown number, a high failure to ring through rate, very short duration after the call is answered), complaints and feedback from consumers about calls, research and verification processes, and dozens of other sources of data and intelligence. At some point in the future, the "attestation" status of numbers facilitated by the implementation of STIR/SHAKEN will become yet another data point in this process. No one piece or source of data ever causes a call to be labeled "Scam Likely." It is always a combination of data points. Our approach does not rely solely on using "White Lists" of legitimate callers or "Black Lists" of phone numbers of fraudsters, which scammers could easily circumvent using a variety of evolving methods to trick consumers to answer phone calls. Since spoofing allows the same phone number to be used for both legitimate wanted calls and scam calls, we must constantly refine our solution. Soon we will begin labeling individual phone calls rather than phone numbers. This means identifying anomalies in the call itself—allowing us to differentiation "good" calls from "bad" calls from the same phone number.

3. Typically, when a subscriber downloads your company's robocall-blocking app or service, or is accessed via wireline or wireless provider, what is their general experience in the next few days and weeks? How effective is the app or service in eliminating unwanted calls?

For a new T-Mobile subscriber, they will immediately begin to see the "Scam Likely" label displayed on their handsets any time they receive a call we believe is fraudulent. Our experience is that the average consumer sees Scam Likely on approximately 12% of their inbound calls. Once the choice to block such calls is made, the phone does not ring for these T-Mobile subscribers. For Android users, blocked calls appear in the subscriber's call log, but due to limitations on iOS devices, this is not possible on iPhones today.

For users of the various applications, consumers can immediately choose to block an individual phone number they do not wish to receive calls from. For other features some level of subscriber set up is required to block calls. Subscribers select from options like "Basic," "Enhanced," "Maximum" or "Custom," each with different features, before calls are blocked. Once the selection is made, the service goes into effect immediately.

Our experience is that the service is very effective eliminating the calls the consumer has chosen to eliminate.

In addition to labeling and blocking, First Orion solutions also provide enhanced CallerID information, which includes the number calling, a company name if available, a call category (e.g. Telemarketing, Survey, etc.), our scam and nuisance score, and the ability to easily file a complaint.

4. What is the false positive percentage rate of your robocall-blocking service?

Our false positive rate is well below 1%.

5. What help can the equipment manufacturers and the consumer electronics industry lend to combat robocalls and spoofing? Has your company had any conversations about adding a "block robocalls" feature to Google Android or Apple iOS so consumers who want to opt-in could have this service added in their initial settings instead of having to download an app?

While our apps provide effective call labeling and blocking functionality for millions of consumers, we believe the most effective and "future proofed" solutions must be in-network solutions (versus being driving by handsets), as with our T-Mobile services. That said, we constantly confer with industry players about additional approaches to protecting consumers.

6. Does your company share call complaint data and information with the FTC for its call complaint sharing initiative? Does your company also input the FTC's call complaint information that is shared everyday with telecommunications companies into your proprietary systems/solutions? What recommendations do you have to enhance the FTC's call complaint sharing initiative? What percentage of your subscribers have provided fraud related and call complaint information to the FTC in support of their complaint information sharing initiative?

First Orion is one of the very few commercial entities currently providing complaint data (that is information provided by our mobile subscribers via our mobile applications about unwanted and illegal calls they receive) to the FTC for enforcement purposes. We have historically provided as much as 30% of the overall complaint data received by the Consumer Sentinel Complaint Database. We estimate less than 5% of active users contribute complaint data.

We do use the FTC Do Not Call violation data that we contribute to and we also access the FCC complaint file.

We would suggest that the FTC continue to look for additional sources that can provide complaint information. We also believe that consumers should be encouraged to report scams and other illegal practices as soon as they spot them so such intelligence can be quickly included in the systems/solutions of all providers of scam blocking and identification services.

7. How does your company remediate incorrect labeling or tagging of calls and phone numbers?

Although our error rates are very low, we work hard to lower them further still. First Orion collaborates extensively with call originators and consumers to actively engage all groups to improve call labeling accuracy. As described in more detail in our written testimony consumers who use one of our applications can provide feedback about whether calls are mislabeled (either as a false positive or false negative), and we use this information to better train our analytics systems. T-Mobile customers can also provide feedback about First Orion's call labeling service through the T-Mobile website. Additionally, First Orion actively solicits feedback from call originators to reduce false positives and negatives by participating in several call originator organizations and working groups. Any report of a false positive is immediately referred to our research and validation team and any issues are typically resolved within hours if not minutes.

We also recognize that we can and should rectify any potential errors or issues that affect legitimate call originators. We've recently launched www.CallTransparency.com, which provides legitimate call originators with the opportunity to register their number-related information for free. Once both the call originator and their number information are authenticated, legitimate calls from registered numbers will not be labeled "Scam Likely".

In addition, First Orion's Perception Product, currently in beta testing, allows call originators to harness the power of our data analytics to monitor the performance and status of their outbound calling practices. For example, call originators will learn when a scammer is using one of the company's numbers to place illegally spoofed calls or when the call originator is generating significant numbers of consumer complaints. With these offerings, we strive to balance the interests of consumers and call originators alike, with a goal of helping consumers trust and appreciate their phones again.

Finally, First Orion takes other common-sense measures to ensure callers can easily and quickly resolve errors. For example, First Orion buys the ad term "Scam Likely," so consumers and call originators who may have no other context for call labeling and blocking can reach both T-Mobile's feedback page and First Orion with just a few clicks. Consumer feedback is always helpful, so we will continue to investigate ways to maximize the feedback we receive.

8. What are, if any, the privacy issues associated with the audio-fingerprinting of robocalls?

First Orion does not engage in audio fingerprinting and as such has no informed opinion on this question.

The Honorable Michael C. Burgess

1.   a. Can you share the status of this Notice of Proposed Rulemaking? Will a future Rulemaking be retroactive?

Reply Comments were due on the FNPRM on February 22, 2018 with no additional action since. Though we contacted the Commission, it is their policy to not provide informal updates before taking official action.

1.   b. Is there currently any way for a legitimate caller to become unblocked? If so, how is a caller evaluated for legitimacy?

Please see the answer to The Honorable Robert E. Latta Question 7.

We use various methods to evaluate legitimacy. We typically do not divulge these techniques in public so we won't help the fraudsters circumvent them. We would be happy to discuss them in more detail in a non-public setting. Finally, our systems which monitor the behavior or callers for labeling purposes also provides a good check if a fraudster should be authenticated incorrectly.

2. **How can companies increase the accessibility of resources to educate these vulnerable populations (including the elderly and those with limited English ability) on potential scams?**

Consumer education is a focus for the FTC, FCC (as well as other independent agencies dealing with specific scam activity such as the IRS) and consumer organizations such as AARP, BBB, Consumers Union and the National Consumer Law Center. Perhaps some benefit could come from a coordinated, national campaign (seat-belt campaigns among others come to mind) with these organizations in the lead.

Otherwise, First Orion has recently learned of one very effective consumer education campaign supported by Utilities United Against Scams (UUAS). UUAS is a consortium of more than 100 U.S. and Canadian electric, water, and natural gas utility companies (and their respective trade associations) dedicated to combating impostor utility scams by providing a forum for utilities and trade associations to share data and best practices and work together to implement initiatives to inform and protect customers. This is an innovative, industry-led initiative arming local utilities North America-wide with resources to educate consumers, and it has further been supported the past two years by U.S. Congressional resolutions recognizing a day in November annually as Utility Scam Awareness Day. The next annual campaign will be the week of November 11-17, 2018. UUAS has worked with the communications industry to shut down over 1,500 scammer-used toll-free numbers since March 2017 and is currently working with federal, state, and local law enforcement partners in an effort to help put an end to utility impostor scams.

3. Given the limitations of current call blocking tools and the substantial harm they can cause to businesses and consumers, do you believe that legitimate businesses need to know if their calls are being blocked?

First Orion believes that legitimate call originators should have a way to know when their calls are being blocked, but not in such a way that we alert the scammers that they have been caught. As described in our written testimony, First Orion launched www.calltransparency.com to offer call originators a way to prevent their calls from being labeled as a scam. In addition, First Orion's "Perception" Product, currently in beta testing, allows call originators to continuously monitor the performance and status of all their outbound calling practices, not just scam labeling and blocking. For example, call originators will learn when a scammer is using one of the company's numbers to place illegally spoofed calls or when the call originator is generating significant numbers of consumer complaints. With these offerings, we strive to balance the interests of consumers and call originators alike, with a goal of helping consumers trust and appreciate their phones again and helping call originators not just know when their lines are being spoofed, but when consumers view their practices as problematic.

The Honorable Gus Bilirakis

1. Are consumers who sign up for a pre-paid mobile option more or less vulnerable to robocalls, spoofing or scams? Are they able to access all of the available tools, free or for fee, if they deemed it worth the price?

Given the changes in the pre-pay demographic over the years it is difficult to say whether pre-pay consumers are more vulnerable to scams. All of our applications are available for pre-pay consumers, and pre-pay T-Mobile subscribers receive the Scam Likely service as well.

2. **Can you discuss First Orion's CallTransparency.com program? As I understand it, your company created the initiative to allow legitimate callers to register and get their call labeled. Can you explain what that means?**

First Orion offers www.calltransparency.com, a free registry for call originators to register their numbers as a legitimate calling party. After an authentication process, the call originators are given a report showing which numbers, if any, are currently being labeled as scams. Once registered, legitimate calls from a registered number will not be labeled as scam by First Orion; individual calls from a registered number will only be labeled as scams in the event we see strong and up-to-date indicia that a scammer has hijacked (spoofed) the number. These services eliminate the requirement for a tone indicating calls are being blocked (which some call originators have asked for) and which alerts the scammers they have been caught as well as the need for call originators to constantly check their numbers to watch for a scam label via an API or a query.