

# THE ROBOCALL REPORT

Bi-Annual Insights
For 2020



# 2020 HAS CHANGED THE WAY SPAMMERS MAKE ROBOCALLS

Typically, when spammers work harder, consumers receive more spam calls.

In 2019, Americans received



That's a 28% increase from 2018.

During the first part of 2020 though, that trend reversed – and spam call numbers dropped drastically. If government regulations and cell phone carriers can barely slow spam down, then what changed in 2020? COVID-19. COVID-19 and the subsequent quarantine orders stopped spammers from making their usual calls.

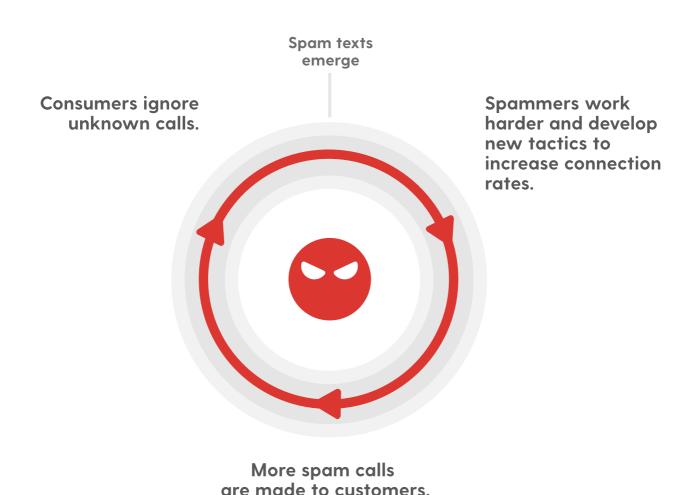
From January through June of 2020, Americans received more than 19 billion spam calls. Robocalls started dropping significantly in March, and April alone saw 1.5 billion fewer spam calls than the previous year. However, as shelter in place orders began to lift in May, calls began to increase again by about 9%. We anticipate that numbers will continue to rise as countries reopen.

In this report, we will cover why spam calls are becoming more of a risk for Americans, the reason spam calls feel inescapable, and what consumers think should be done to stop spam calls.

# IS IT POSSIBLE TO ESCAPE THE SPAM CYCLE?

The spike in spam calls has led consumers to be wary of unknown phone numbers, so most of those calls go unanswered. Spammers then work harder to place more calls with the hopes of reaching more vulnerable targets. They've even expanded their scamming efforts to SMS (text messages).

The spam cycle could be put to a stop, but only if spammers stop profiting from spam calls. How could that happen? They would have to be prevented from reaching and scamming people on the phone. We plan to be part of that solution.



"They are just annoying and waste my time. Now when my phone rings I usually don't rush to answer it as 80% of the time it is a scam call."

#### IT ONLY TOOK A PANDEMIC

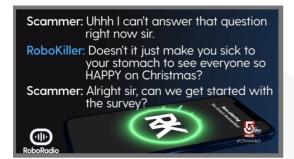
Consumers received an average of 4.6 billion spam calls a month at the start of 2020, which is slightly lower than 2019's 5 billion spam calls per month. However, this began to change as the COVID-19 pandemic took place – as seen in RoboKiller's COVID-19 Scam Report.

The average United States consumer saw an over **30%** decrease in total spam call volume as countries shut down as quarantine orders took place. These quarantine orders caused a massive disruption in robocall scam operations, changing the way spammers place phone calls.

Spammers acted quickly and shifted their tactics to be savvier and capitalize on consumers' fears of the virus, favoring perceived effectiveness over volume.









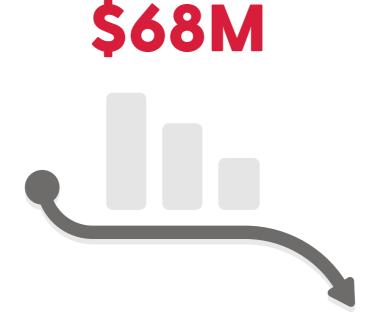
In May, 3.02 billion spam calls were placed to consumers' phones, which is about a 9% increase from April's 2.77 billion spam calls. Consumers are inundated with spam calls monthly, so something needs to give, right?

According to the FTC, they have received over 103,000 reports related to COVID-19 scams. Some of the top reports were related to:



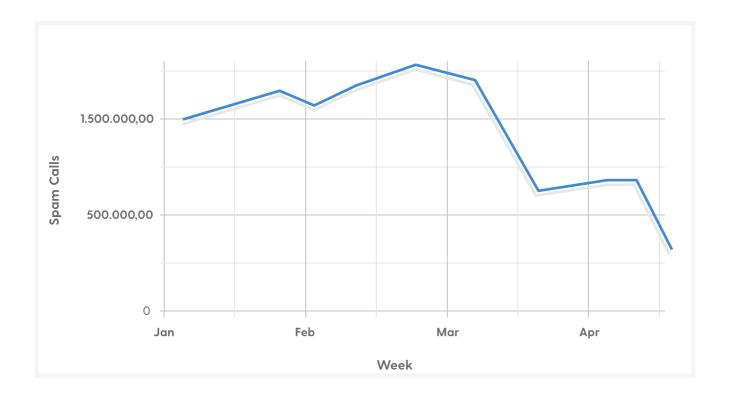
#### The result?

## Catastrophic financial losses totaling over



# 2020 HAS CHANGED SPAM CALLS COMPLETELY

With the 28% increase in spam calls from 2018 to 2019, consumers have reason to keep their phones on silent. Though things shifted in the beginning of 2020, consumers should anticipate spam calls to resume their normal volume for the remainder of the year.



And though consumers are less likely to answer unknown phone calls, they are still receiving an average of 18 unwanted calls per month.

Why? Their phone number could have been impacted in a data breach. They could have overshared their number with the places they shop, dine, or frequent. Maybe they accepted terms and conditions of a service or app without fully reading the fine print. Or maybe they're just unlucky.

Spam calls can be completely random, and there are other reasons, too:

## Spoofing and Phone Number Hijacking have become more prevalent



With spoofing, spammers falsify the information displayed on your Caller ID to disguise their identity and get consumers to answer the phone. They may use a number that looks like it is from your local area code or place of business, which is known as Neighbor Spoofing.



Spoofing can be nearly impossible to track, because most calls are placed from international locations. If you try to call back the phone number that called you, it will most likely be a disconnected number.



With phone number hijacking, a spammer uses your number to make calls, ultimately becoming you and using your phone number to scam people.

#### Auto-dialing makes robocalling cheap and easy

• Many robocalls originate from overseas, and most of those calls can easily be made via the internet – otherwise known as VoIP. The cost for these services averages in the range of a fraction of a penny per minute, and they're often subdivided by parts of minutes, further reducing the cost. They only cost callers if a call is answered. This all means that spammers can make thousands of calls at once, and these calls are incredibly inexpensive to make. With so many VoIP providers, spammers have no shortage of options.

#### Vulnerability of data privacy has increased

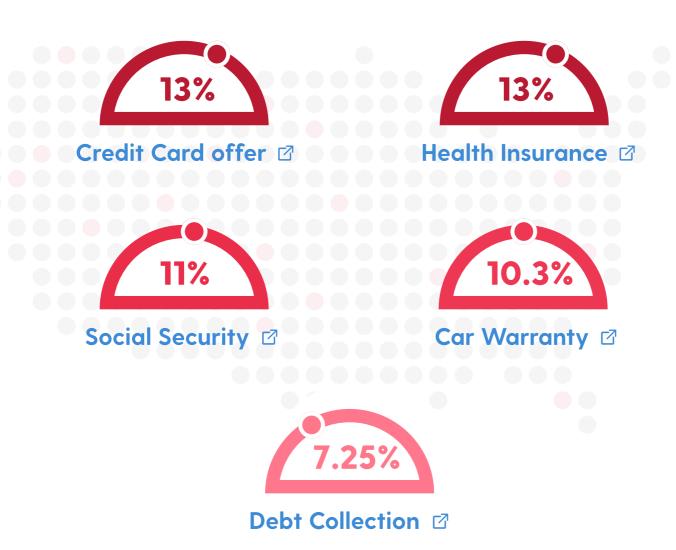
 Data breaches in the <u>US in 2019 were up 33%</u>, which led to consumers' information being stolen and more readily accessible. This is especially exploitable in the United States, where American consumers are more likely than their international counterparts to give their personal information more freely. European nations, on the other hand, tend to have stricter data sharing regulations.

"Number spoofing. The majority of calls I receive are from numbers with the first 6 digits of my number. I've also been called by individuals in the area who have received calls from my own number, which had been spoofed."

# WHAT DOES THIS MEAN FOR AMERICANS

Spam calls interrupt our days, distract us from our work, invade our privacy, and erode our trust. As a result, consumers are wary of unknown calls and are choosing to leave them unanswered.

## The top 5 scams to target consumer phones in 2019:



## Here's when consumers field the most spam calls:

67%

of respondents are most bothered by robocalls on weekdays. 24%

are most bothered in the afternoon.

19%

are bothered in the late morning.

## This is how consumers say that calls affect them:

87%

of Americans are not answering the call

57%

said it has made them angry or upset

48%

of Americans said a spam call has interrupted time with family

46%

of Americans said a spam call has woken them up from sleep 27.5%

say that avoiding spam has caused them to miss important calls

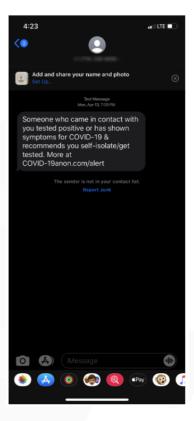
"They have affected my ability to receive expected calls. They also make me want to change my number, although I know that will not make a difference."

## COVID-19 PANDEMIC CHANGED THE WAY SPAMMERS MADE ROBOCALLS

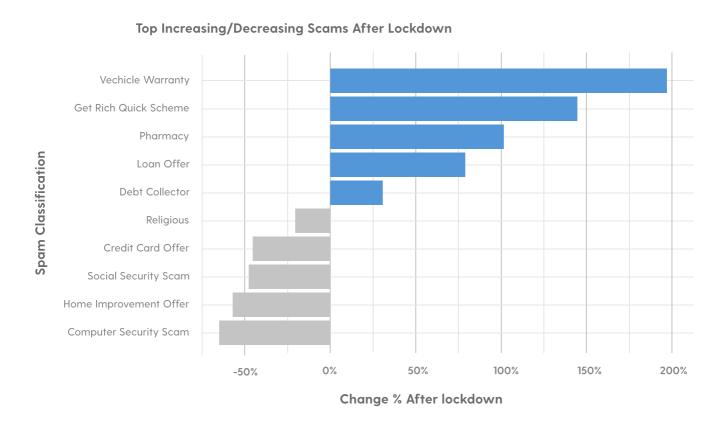
During COVID-19, spammers updated their tactics to reach consumer phones by focusing on scams related to the virus. Specifically asking if consumers were prepared, offering PPE masks and supplies, and access to contact tracing.



RoboKiller identified spam texts warning consumers of possible COVID-19 exposure. These text scams are among the many attempting to steal financial or personal information from consumers.



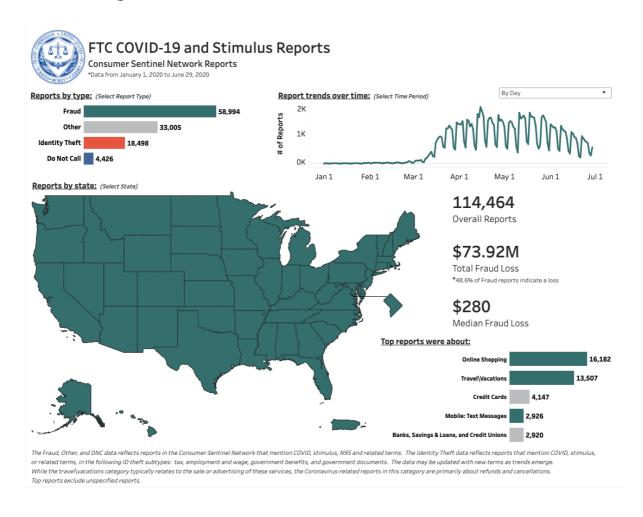
The most common phone scams like Social Security, IRS, and Credit Card Offers decreased by over 30% as spammers were impacted by shelter in place orders.



Other phone scams like **Get Rich Quick**, **Pharmacy**, **and Home Security** spike as scammers intentionally capitalized on consumers' fears surrounding the virus. These scams ranged from offering protection against the virus, to offering masks, to spikes in testing. Scamming based on fear is not uncommon in times of crisis.

# IN 2020, THE FTC ISSUED A WARNING TO VOIP PROVIDERS TO STOP COVID-19 SPAM CALLS.

According to the FTC, over 114,000 Americans filed complaints with the Federal Trade Commission over fraud related to COVID-19, with reported losses totaling over \$73 million as of June 29.



In April 2020, things shifted as the Federal Trade Commission issued a major warning to three major gateway providers to stop spam calls related to COVID-19 scams from reaching consumer phones. The warning caused a significant drop in spam calls related to the pandemic from VoIP providers.

# IS ANYBODY TRYING TO SOLVE THE PROBLEM?

On average, Americans who are a victim of a phone scam estimate they have lost between \$200 - \$560. What's being done to stop these scams?

The Pallone-Thune TRACED Act was signed into law by the American government in 2019, and it's goal is to help protect consumers from spam calls.



of Americans are unfamiliar with this law.



Americans do not believe it will reduce unwanted calls.

74%

Feel the government should be responsible for spam calls.



"I get spam calls so obviously they aren't doing a good job. What requires an explanation about that? I hold the government more responsible because I believe there should be regulations against it that carry heavy penalties. Provider's job is just to provide service."

## What about service providers?



of respondents feel their service provider should be responsible for protecting them.

Service providers are implementing **STIR/SHAKEN** Anti-Spoofing Framework and other technologies to combat spam calls (especially those using Spoofed Caller ID).

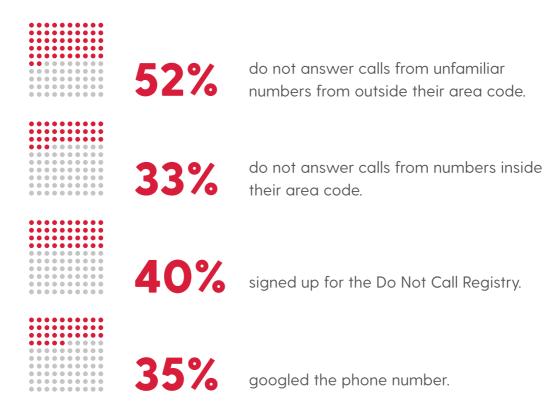


Consumers are unfamiliar with this technology and those who are aware are skeptical this tool will help.

"They do nothing. I'm at the point that I don't even want a phone anymore. The only reason I have one is for family/school."

## PEOPLE ARE TAKING ACTION

While the government took action and made significant steps to protect consumers from COVID-19 related scams, consumers are still frustrated. They are trying to take the matter into their own hands by signing up for the Do Not Call Registry, letting unknown calls go to voicemail, and reporting suspicious calls to the FCC. Even with these precautions, though, spam calls will continue.



<sup>&</sup>quot;They are distractions. I don't answer calls anymore unless I recognize the caller. I have to waste time screening messages, and I assume that I miss some calls that I should answer."

# WHAT CAN CONSUMERS ACTUALLY DO?

Desperate for a reliable solution to stop and prevent spam calls, consumers can't wait for the new government regulations and carrier solutions that have yet to be developed or released. Consumers must take action to protect themselves now. How can they do that when most available solutions use outdated technology and are ineffective at blocking spam?

Consumers should start by downloading RoboKiller. RoboKiller goes beyond just call blocking, by screening and transcribing the call and presenting the text before the call is answered. After it screens a call, it displays the transcribed text from the call, and it helps consumers know exactly who is calling and why.

"I basically never answer my phone anymore. I often forget to look at it for days at a time. I struggle to listen to the voicemail messages once a month. It's just garbage to me. If I didn't need to call rideshares and have the ability to call 911, I'd get rid of my phone."



# HOW CAN YOU PROTECT YOURSELF?



Be wary of calls and texts from unknown phone numbers. Avoid answering suspicious calls and texts when possible.



If you do answer a spam call, do not engage by pressing one, replying STOP, or asking to be removed from the lists. Never give personal information or financial information over the phone.



Register for the Do Not Call list, and always report suspicious scam calls and texts to the FCC or your carrier. This won't stop the spam calls you receive, but can help peace of mind



Download a spam call and text blocker app to prevent future scams, such as RoboKiller.

### **MEET ROBOKILLER**

RoboKiller is the solution best equipped to stop the present state of spam calls today, because it uses machine-learning and audio algorithms to go beyond Caller ID. It identifies who is calling and why before the phone even rings, and it eliminates 99% of unwanted and dangerous calls while allowing wanted calls to ring through. It even assigns a confidence score to each call.

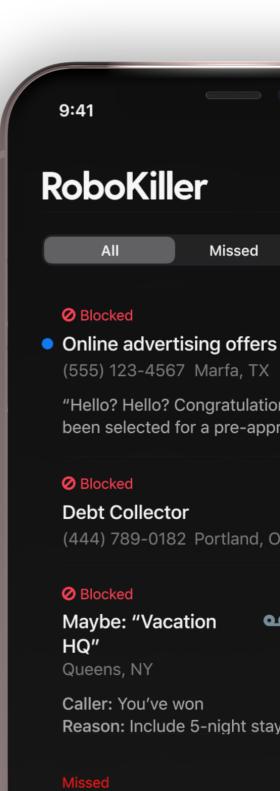
RoboKiller's global database of over 26M unique scammer numbers automatically blocks known scammers for all customers - and adds new emerging scams every minute

In 2019, RoboKiller's Answer Bot task force intercepted

127,738,310 calls

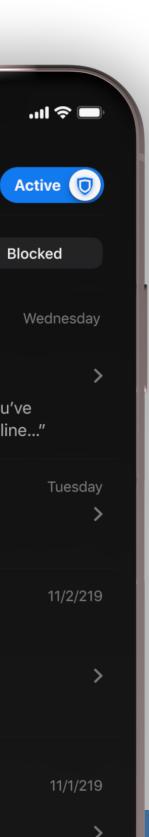
and wasted

93,703,304 minutes of spammers' time.



**Mobile Phone** 

# WHAT HAPPENS TO THE BLOCKED SPAMMERS?





RoboKiller's Answer Bots fight bots with bots.



They intercept calls by making the spammer think they are talking to a human.



While this is happening, RoboKiller creates an audio fingerprint of the call to ensure no other spam calls like it can be placed.



Consumers get the last laugh and help put an end to the problem – while answering their phone calls with confidence.

## RoboKiller Eliminate 99% of spam calls





