

Dept. of Justice, Dept. of Agriculture, Trade and Consumer Protection, AG Kaul: Announce settlement of enforcement action against extended vehicle warranty telemarketer

Posted on Tuesday, Nov 22, 2022

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MADISON, Wis. – The Wisconsin Department of Justice (DOJ) has entered into a settlement with N.C.W. C., Inc., resolving the State’s claims against the company for violations of Wisconsin telemarketing laws in marketing extended vehicle service plans to automobile owners in Wisconsin. [Wisconsin DOJ sued N.C.W.C. in April 2022](#) upon referral from the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP).

“With this resolution, the unwanted, prohibited vehicle warranty telemarketing calls from N.C.W.C. and its third-party agents should stop,” said Attorney General Kaul. “Wisconsin DOJ, along with our partners at DATCP, will continue working to ensure that telemarketing companies are held accountable when they fail to follow Wisconsin law.”

“Wisconsin consumers should not be subjected to illegal solicitations by telemarketers that do not comply with our state’s consumer protection laws,” said DATCP Secretary Randy Romanski. “Thanks to the partnership of our teams at DATCP and DOJ, this resolution holds N.C.W.C. accountable and provides significant relief to ensure compliance going forward.”

As alleged in the complaint, N.C.W.C. markets extended vehicle service plans to automobile owners throughout the country. In 2017-2018, N.C.W.C. made

thousands of telemarketing calls to Wisconsin numbers without being registered as a telephone solicitor as required by state law. In addition, several thousand of the calls N.C.W.C. made to Wisconsin consumers were to numbers listed on the Do-Not-Call registry, which also violated Wisconsin law.

N.C.W.C. broadened its reach into the market for extended vehicle service plans by entering into sales representation agreements with as many as 42 other companies under which those companies sold service plans to consumers on behalf of N.C.W.C. These companies have made large numbers of telemarketing calls to Wisconsin numbers without being registered as telephone solicitors. Even just two of these companies are known to have made several hundred thousand telemarketing calls to Wisconsin numbers listed on the Do-Not-Call registry.

The settlement takes the form of a consent judgment including a permanent injunction, civil forfeitures, and reimbursement of the state's costs of investigation and prosecution. The permanent injunction requires N.C.W.C. to immediately cease all unregistered telemarketing activities to Wisconsin and requires the company to take immediate steps to stop its third-party agents from conducting unregistered telemarketing activities to Wisconsin, as well. Those steps include making compliance with Wisconsin telemarketing rules a material condition of all N.C.W.C.'s vendor contracts going forward and requiring N.C.W.C. to monitor its vendor's compliance with Wisconsin regulatory requirements. The injunction includes a three-year monitoring period during which time N.C.W.C. will be required to make annual reports to the state.

The consent judgment also includes a judgment for civil forfeiture and assessments of \$350,000. N.C.W.C. must pay \$200,000 of that amount over five months following entry of the consent judgment. The remaining \$150,000 will be stayed during the three-year monitoring period. If N.C.W.C. is shown to have violated any provision of the injunction during the three-year period, then the judgment provides that the additional \$150,000 becomes immediately due.

N.C.W.C. will separately pay \$11,225.05 to reimburse Wisconsin DOJ and DATCP's costs and attorney's fees.

Find this press release and judgment [here](#).