

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

v.

JON KAHEN, a/k/a JON KAEN, GLOBAL  
VOICECOM, INC., GLOBAL  
TELECOMMUNICATION SERVICES INC.,  
and KAT TELECOM, INC.,

Defendants.

Civil Action No.

2:20-CV-00474 (BMC)

~~PROPOSED~~ **CONSENT DECREE AND FINAL JUDGMENT AS TO  
DEFENDANT KAT TELECOM, INC.**

WHEREAS the UNITED STATES OF AMERICA commenced this action against defendants Jon Kahen, a/k/a Jon Kaen, Global Voicecom, Inc., Global Telecommunication Services Inc., and KAT Telecom, Inc. (collectively, “Defendants”) by filing a Complaint in this Court on January 28, 2020 (Dkt. # 1);

WHEREAS, the Complaint alleges claims for relief under the Fraud Injunction Statute, 18 U.S.C. § 1345;

WHEREAS, on January 28, 2020, this Court issued an *ex parte* Temporary Restraining Order and Order To Show Cause (the “TRO”) upon a finding that (1) there was probable cause to believe that Defendants were violating and were about to violate 18 U.S.C. §§ 1343 and 1349, and that (2) the statutory conditions for granting injunctive relief under 18 U.S.C. § 1345 had therefore been met (Dkt. # 7);

WHEREAS, Defendants Jon Kahen, a/k/a Jon Kaen (“Kahen”), Global Voicecom, Inc., and Global Telecommunication Services Inc. (collectively, the “Kahen Defendants”) consented

*U.S. v. Kahen, et al.*, 2:20-CV-00474 (BMC)  
Consent Decree and Final Judgment as to Defendant  
KAT Telecom, Inc.

to extend the TRO against them, and on February 9, 2020, the Court extended the TRO against all Defendants pending the Court's ruling on the United States' application for a preliminary injunction (Dkt. # 15);

WHEREAS, defendant KAT Telecom, Inc. and the United States jointly requested that the Court extend the TRO against KAT Telecom, Inc. (Dkt. # 16), and on March 2, 2020, the Court extended the TRO against KAT Telecom, Inc.;

WHEREAS, defendant KAT Telecom, Inc. consents to entry of this Consent Decree and Final Judgment without any admission or finding of liability or wrongdoing;

WHEREAS, the United States and KAT Telecom, Inc. wish to settle this action upon the following terms without further litigation, and KAT Telecom, Inc. agrees that this Court may enter and enforce this Consent Decree and Final Judgment against it;

THEREFORE, pursuant to 18 U.S.C. § 1345 and the inherent power of this Court, IT IS HEREBY ORDERED, ADJUDGED and DECREED that:

- A. KAT Telecom, Inc., its agents, officers, employees, successors, affiliates, and all other persons and entities in active concert or participation with it, are permanently enjoined from:
- i. committing or conspiring to commit wire fraud, as defined by 18 U.S.C. §§ 1343 and 1349;
  - ii. doing any business whatsoever with any of the Kahen Defendants or any of their agents, officers, employees, successors, affiliates, or any other person or entity in active concert and participation with any of the Kahen Defendants;
  - iii. using the U.S. telephone system, causing others to use the U.S. telephone system, or aiding others in their use of the U.S. telephone system, to convey fraudulent

*U.S. v. Kahen, et al.*, 2:20-CV-00474 (BMC)  
Consent Decree and Final Judgment as to Defendant  
KAT Telecom, Inc.

- telephone calls, fraudulent recordings, telephone calls that “spoof” (or impersonate) the telephone numbers of any government agencies, and telephone calls that “spoof” (or impersonate) the telephone numbers of any other legitimate domestic or foreign institution without obtaining authorization from such institution for such spoofing;
- iv. providing, causing others to provide, or aiding others in providing call termination services for calls terminating in the United States, or carrying any voice-over-internet-protocol calls terminating in the United States, for fraudulent telephone calls, fraudulent recordings, telephone calls that “spoof” (or impersonate) the telephone numbers of any government agencies, and telephone calls that “spoof” (or impersonate) the telephone numbers of any other legitimate domestic or foreign institution without obtaining authorization from such institution for such spoofing;
- v. providing direct-inward-dial or toll-free telephone services for calls originating in the United States, including providing direct-inward-dial or toll-free phone numbers to other individuals or entities, in connection with fraudulent telephone calls, fraudulent recordings, telephone calls that “spoof” (or impersonate) the telephone numbers of any government agencies, and telephone calls that “spoof” (or impersonate) the telephone numbers of any other legitimate domestic or foreign institution without obtaining authorization from such institution for such spoofing;

*U.S. v. Kahen, et al.*, 2:20-CV-00474 (BMC)  
Consent Decree and Final Judgment as to Defendant  
KAT Telecom, Inc.

- vi. receiving or sending payment or causing others to receive or send payment in connection with fraudulent telephone calls, including but not limited to payment from any victim or other individual targeted by a fraudulent telephone call;
  - vii. acting as an employee, agent, or consultant for any person or entity engaged in any of the conduct described in paragraphs A(i)–(vi) above;
  - viii. destroying, deleting, removing, or transferring any and all business, financial, accounting, and other records concerning Defendants’ operations and the operations of any other corporate entity owned or controlled, in whole or in part, by Defendants.
- B. KAT Telecom, Inc. and its agents, officers, employees, successors, affiliates, and all other persons and entities in active concert or participation with it, shall:
- i. implement anti-fraud monitoring, fraud mitigation, and know-your-customer processes and procedures for telephone traffic to, from, and within the United States, which shall include but are not limited to (a) best practices as USTelecom recommends, and (b) participation in USTelecom’s Industry Traceback Group (“ITG”);
  - ii. include in contracts with vendors and customers a requirement to participate in the USTelecom ITG; and
  - iii. if and when KAT Telecom, Inc., and any of its agents, officers, employees, successors, affiliates, and all other persons and entities in active concert or participation with it, shall resume operation as a VoIP carrier, such person or entity shall advise Plaintiff’s counsel and the Court in writing what procedures it has adopted to implement the requirements of this Paragraph.

*U.S. v. Kahen, et al.*, 2:20-CV-00474 (BMC)  
Consent Decree and Final Judgment as to Defendant  
KAT Telecom, Inc.

- C. Within five (5) business days after the entry of this Consent Decree and Final Judgment, KAT Telecom, Inc. shall provide copies of this Consent Decree and Final Judgment to all of its customers for whom it provided at any time since 2016 (1) United States call termination services, (2) United States direct-inward-dial services, or (3) United States toll-free call origination services; and to all entities (a) with whom KAT Telecom, Inc. has or has had a contractual relationship for automated or least-cost call routing at any time since 2016, and (b) from whom KAT Telecom, Inc. acquired direct-inward-dial numbers or toll-free numbers at any time since 2016. Within seven (7) business days after entry of the Consent Decree and Final Judgment, KAT Telecom, Inc. shall provide proof of such notice to the Court and the United States, including the name and addresses of the entities and individuals to whom the notice was sent, how the notice was sent, and when the notice was sent.
- D. Within five (5) business days after the entry of this Consent Decree and Final Judgment, KAT Telecom, Inc. is ordered to submit to the United States' counsel of record in this action a written acknowledgment of receipt of this Consent Decree and Final Judgment sworn under penalty of perjury.
- E. This Consent Decree and Final Judgment shall not be modified except in writing by Plaintiff and KAT Telecom, Inc. and so-ordered by the Court.
- F. Plaintiff and KAT Telecom, Inc. agree to bear their own costs and attorney's fees in this action.
- G. The Temporary Restraining Order entered on January 28, 2020 and extended by the Court on February 9, 2020, is superseded by this Consent Decree and Final Judgment, and is hereby vacated and dissolved as against defendant KAT Telecom, Inc.

U.S. v. Kahen, et al., 2:20-CV-00474 (BMC)  
Consent Decree and Final Judgment as to Defendant  
KAT Telecom, Inc.

- H. The undersigned parties and counsel each represent that he, she, or it is fully authorized to enter into the terms and conditions of this Consent Decree and Final Judgment and to execute and legally bind to this document the Party which he, she, or it represents.
- I. KAT Telecom, Inc. understands and acknowledges that it may be subject to civil and criminal liability (including for contempt) upon a finding by a Court that it has violated either (1) this Consent Decree and Final Judgment, or (2) the Temporary Restraining Order entered by the Court against, *inter alia*, the KAT Telecom, Inc., dated January 28, 2020 (Dkt. # 7).
- J. KAT Telecom, Inc. hereby agrees to waive, release, and remit any and all claims, either directly or indirectly against the United States and its agencies, employees, representatives, and agents, including but not limited to the Department of Justice, the Social Security Administration's Office of Inspector General, the United States Postal Inspection Service, and the employees and staff of any of the foregoing agencies, with respect to this action.
- K. This Consent Decree and Final Judgment may be signed by the parties in counterparts, each of which constitutes an original and all of which constitute one of the same Consent Decree and Final Judgment. Signatures delivered by facsimile transmission, or as .pdf attachments to emails, shall constitute acceptable, binding signatures for purposes of this Consent Decree and Final Judgment.
- L. This Consent Decree and Final Judgment shall constitute a final judgment and order in this action as to KAT Telecom, Inc. only.

*U.S. v. Kahen, et al.*, 2:20-CV-00474 (BMC)  
Consent Decree and Final Judgment as to Defendant  
KAT Telecom, Inc.

M. This Court retains jurisdiction of this action for the purpose of enforcing or modifying this Consent Decree and Final Judgment and for the purpose of granting such additional relief as may be necessary and appropriate.

SO ORDERED this 23<sup>RD</sup> day of March 2020.

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HONORABLE BRIAN M. COGAN  
UNITED STATES DISTRICT JUDGE

**IT IS HEREBY AGREED:**

**THE UNITED STATES OF AMERICA**

March 23, 2020

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Eastern District of New York

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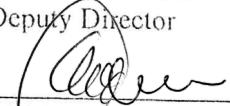
U.S. v. Kahen, et al., 2:20-CV-00474 (BMC)  
Consent Decree and Final Judgment as to Defendant  
KAT Telecom, Inc.

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**DEFENDANT**

March 23, 2020

KAT TELECOM, INC.

By:   
JOSEPH PIRRECA  
Owner and CEO



*U.S. v. Kahen, et al.*, 2:20-CV-00474 (BMC)  
Consent Decree and Final Judgment as to Defendant  
KAT Telecom, Inc.

March 27, 2020

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