

Good Morning, my name is David Kowalski and I am representing the Communications Workers of America. First I want to thank the sponsors and co-sponsors of HB 245 "The Consumer Protection Call Center Act" as well as the chair and the committee for giving me this opportunity.

There's been a lot of recent discussion from elected officials about the importance of once again putting American workers first

Well, here in Ohio, we have proposed an important, bipartisan, and common sense piece of legislation that will separate those who are just talking about standing up for American workers from those who are ready to do something about it

The Consumer Call Center Protection Act, recently introduced in both houses of the state legislature, would help revitalize the call center and customer service industry in Ohio.

The bill would create a list of Ohio companies that offshore call center and customer service jobs to overseas locations and would deny these companies access to taxpayer dollars in any form.

The bill also would require that all customer service and call center work done on behalf of the state of Ohio is done within the state.

Thousands of Ohio workers are employed in the call center and customer service industry

As the Ohio manufacturing workforce declined in recent decades, many communities across Ohio and the rest of America committed millions in taxpayer dollars to fund incentives for companies to open call centers

These are good jobs and are good for local communities – these call centers became an important economic lifeline for many communities in our state and across the country

However, many of these jobs have been offshored over the past decade

While America has been losing call center jobs, the number of offshore call center jobs servicing the U.S. has climbed sharply.

For example, Cincinnati-based Convergys announced hundreds of layoffs at American call centers over the past year, while expanding its overseas call center operations in countries ranging from Costa Rica to the Philippines.

When companies offshore U.S. jobs, it puts more pressure on American workers to accept lower wages and benefits and worse working conditions.

Ohio workers should not be forced to compete with overseas operations paying one dollar an hour that force their employees to work 15-hour days

This new bipartisan legislation would stand up against offshoring and would be good for Ohio workers, communities, and consumers

As U.S. companies off-shore and outsource call center jobs, workers, communities, and American consumers lose.

Recently, the security breach at the credit reporting agency Equifax exposed more than 140 million Americans' sensitive financial and personal information to hackers

The Equifax scandal was a major public reminder that we should do everything in our power to crack down, instead of enable, such security problems and scams

Unfortunately, call center offshoring is a contributor to data security scams targeting Americans

A recent report from the Communications Workers of America is filled with examples of scams and security breaches emanating from overseas call centers and targeting Americans' personal information. I'm just going to highlight a few of these examples:

In October 2016, the U.S. Department of Justice highlighted a massive scam operating out of an Indian call center that conned more than 15,000 Americans out of hundreds of millions of dollars, according to DOJ's indictment

The Washington Post reported after that scam was broken up, Indian call centers have a major security problem – in fact, the Indian state of Uttar Pradesh has set up two police stations that “will handle cases of call center and online fraud exclusively” according to the Post

Other examples in the report included

In April 2015, the Federal Communications Commission issued a \$25 million fine against AT&T for consumer identity theft emanating from AT&T's off-shored call centers in Mexico, Colombia, and the Philippines – affecting 280,000 Americans.

Consumer Reports highlighted in a series of 2015 articles that an ongoing “lottery and sweepstakes” scam operating out of Jamaica and targeting elderly Americans traced back to the off-shoring of American and Canadian call centers in the 1990s.

Scams targeting Americans from Costa Rican call centers had netted more than \$20 million from Americans per a 2015 analysis highlighted in the CWA report

And a Filipino call center employee collected details of Australian Citibank customers and sold them to criminals in Sydney, Australia on the black market

Of course, scams operate in America as well, but there are legal mechanisms and other sources of accountability that simply does not exist in many off-shored locations

We need to get behind efforts such as the Consumer Protection Call Center Act.

Passing this legislation would be good for Ohio's workers and communities, as well as for the safety of all of our sensitive consumer information

I do want to thank the sponsors and co-sponsors of this important bipartisan call center bill for similarly standing up and fighting for working families

I urge every member of this committee to support the “Consumer Call Center and Protection Act”.

I’d like to again thank the chair and the committee for their time today and would be happy to try and answer any questions.