



Senate Finance Committee
SB 144 Proponent Testimony

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Good afternoon Chair Dolan, Vice Chair Gavarone, Ranking Member Sykes and members of the Senate Finance Committee. Thank you for allowing me to provide testimony on Senate Bill 144, the Consumer Protection Call Center Act, which aims to protect Ohio consumers and call center workers. This bill would not only bar state aid from companies that have relocated customer service call center jobs to a foreign country, but it would help ensure that these jobs stay in Ohio.

The importance of having reliable, competent and local support for goods and services that are required by Ohioans to live their daily lives should be of the utmost importance to leaders and policymakers.

The Consumer Protection Call Center Act, introduced in this General Assembly, would help revitalize the call center and customer service industry in Ohio. This 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 that help build strong communities – these call centers are an important economic lifeline for many cities and towns in our state and across the country.

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

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 in recent years, while expanding its overseas call center operations in countries ranging from Costa Rica to the Philippines. Just this year, Plus One Communications, a call center that handles customer service for other companies, filed a notice to the Ohio Department of Job and Family Services to announce the facility is closing. According to the filing, 155 jobs will be eliminated as of May 1. AT&T closed call centers in Cleveland and Columbus in the last number of years. Frontier Communications closed a center in Marion that employed around 250 people in 2016..

When companies offshore U.S. jobs, it puts more pressure on American workers to accept lower wages and benefits and declining 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 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 Ohio consumers lose.

Not long ago, a 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 enabling such security problems and scams.

Unfortunately, call center offshoring is also 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.

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.

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 SB 144, the Consumer Protection Call Center Act. Enacting this legislation would be good for Ohio's workers and communities, as well as for the safety of all of our sensitive consumer information. Bills similar to this one have already been enacted in Louisiana, Maine, Colorado and Alabama. Ohio should be at the forefront of this issue along with these states.

I want to thank the sponsors and cosponsors of this important bipartisan bill for similarly standing up and fighting for working families. I urge every member of this committee to support SB 144, the Consumer Protection Call Center 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 you may have.