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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO.: 970882-TI**

**WITNESS: DIRECT TESTIMONY OF J. ALAN TAYLOR,  
APPEARING ON BEHALF OF STAFF**

**DATE FILED: DECEMBER 17, 1997**

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**FPSC-RECORDS/REPORTING**



DIRECT TESTIMONY OF J. ALAN TAYLOR

1 Q. Would you please state your name and business address.

2 A. My name is J. Alan Taylor: 2540 Shumard Oak Boulevard, Tallahassee,  
3 Florida, 32399-0850.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by the Florida Public Service Commission as Chief of the  
6 Bureau of Service Evaluation, Division of Communications.

7 Q. Please give a brief description of your educational background and  
8 professional experience.

9 A. I have not completed course work for a college degree; however, I have  
10 more than thirty-eight years telecommunications experience, including 21-years  
11 with the Commission's Division of Communications. I have been directly  
12 involved with every one of the Commission's rule dockets related to slamming  
13 and with virtually every slamming show cause docket. Staff recommendations  
14 were prepared by me or under my supervision. I have also investigated a  
15 number of complaints involving "cramming" and pay-per-call information and  
16 entertainment services. I believe this experience qualifies me to be an  
17 expert witness in this case.

18 Q. What are your present responsibilities with the Commission?

19 A. As Chief of the Bureau of Service Evaluation, I am responsible for the  
20 Bureau's recommendations to the Commission and the day to day operations of  
21 the Certification & Compliance Section and the Service Evaluation Section  
22 within the Division of Communications. The Bureau is responsible for the  
23 certification of all telecommunications providers, initiating consumer  
24 protection rules, enforcing these rules and for measuring and reporting to the  
25



1 Commission the quality of service provided by Florida's telecommunications  
2 industry. The Bureau also handles telecommunications complaints of a  
3 technical nature.

4 Q. What is the purpose of your testimony?

5 A. The purpose of my testimony is to support the rule amendments proposed by  
6 the Commission. In developing my testimony, I considered whether each change  
7 recommended is pro-competition and pro-consumer. I believe all are. I also  
8 want to explain why simply enforcing the Commission's current rules with  
9 increasing penalties will not stop slamming.

10 Q. What factors did you use in considering whether each recommended change  
11 is pro-competitive and pro-consumer?

12 A. What I have done is to, in my judgement, balance the benefits of a  
13 competitive market with the needs of consumers to have control over their  
14 telephone service. Subscribers should have information and assistance with  
15 which to be able to exert and retain control over their service in order to  
16 take advantage of the full benefits of competitive offerings.

17 Q. Please take us through the substantive changes proposed by the Commission.

18 A. Several new requirements are proposed for Rule 25-4.110 Customer Billing  
19 for Local Exchange Telecommunications Companies. New paragraph (10) requires  
20 bills to display for each service included on the bill, the name of the  
21 certificated company, its certificate number and its toll-free customer  
22 service number. In addition, subscribers must be notified on their first bill  
23 and annually thereafter that a PIC-Freeze is available, so that their provider  
24 may not be changed without specific authorization. The subscriber must also  
25 be given notice on the first or second page of his bill when his provider is



1 | changed.

2 | Q. Why do you believe these changes are appropriate?

3 | A. These requirements will serve to alert subscribers to the fact that they  
4 | may have three providers, one for local, one for local-toll and one for toll.  
5 | Subscribers will be able to tell from a review of their bill which provider  
6 | is providing each service for which they are billed. Subscribers have made  
7 | it clear to us through complaints that they need additional and timely  
8 | information and they need the telephone number of each company to call for  
9 | assistance. Subscribers also deserve to be informed that they have a PIC-  
10 | Freeze option and clearly subscribers should have effective notice when their  
11 | provider is changed. These requirements protect consumers by giving them  
12 | information and provides a safeguard against slamming.

13 | Q. Should the FPSC establish any standards for the customer service numbers  
14 | required by the Commission to be established by the industry?

15 | A. Yes. I believe the Commission should establish a standard for the industry  
16 | to respond to slamming complaints that is similar to what is incorporated into  
17 | the Commission's proposed prepaid debit card rules and from existing LEC  
18 | service standards.

19 | Q. Are there other reasons to require the name and certificate number of the  
20 | carrier claiming the subscriber on the bill.

21 | A. Yes. I believe that because underlying carriers facilitate many slams  
22 | through their resale programs, this requirement will help ensure that  
23 | underlying carriers do not provide their services to companies that are not  
24 | certificated because the certificate number would have to be known before a  
25 | bill could be rendered by the underlying provider.



1       Currently Rule 25-24.4701 Provision of Regulated Telecommunications  
2 Service to Uncertificated Resellers Prohibited requires that certificated long  
3 distance companies include in their tariffs language that states that  
4 customers reselling or rebilling regulated services must have a certificate  
5 from the Commission. However, this has not kept underlying carriers from  
6 changing subscribers' PICs at the direction of downstream resellers who have  
7 no certificate. Thus, in many cases, the reseller may not be aware of the  
8 Commission's PIC change requirements through the normal certification process.  
9 Exhibit JAT-1 contains an example.

10       Historically the industry has claimed it is helpless to keep  
11 unauthorized providers from operating in Florida. However, if the underlying  
12 carrier is also billing for the downstream reseller and it must have the  
13 certificate number to do so, I believe requiring the certificate number to be  
14 on the bill will help reduce consumer confusion, encourage the industry to  
15 help us weed out uncertificated providers and reduce the number of slams  
16 facilitated by carriers at a third-party's request. Moreover, it will assist  
17 the Commission in identifying the carrier when we receive consumer bills.  
18 Without the certificated name of the carrier on the bill, staff also has  
19 difficulty in determining the provider responsible for the charges involved.

20 Q. Do you believe underlying carriers can and should assist in this way to  
21 reduce slamming?

22 A. Yes. With respect to enforcement of Commission requirements, it must be  
23 remembered that in many cases the only entity in the market capable of  
24 stopping the slam of a reseller before it happens is the underlying carrier.  
25 While these carriers are generally reluctant to assist in enforcing consumer



1 protection requirements and argue that they risk legal action to recover  
2 damages if they don't provide services pursuant to their federal tariffs. I  
3 believe the Commission can and should require their help. First, I cannot  
4 imagine that the FCC requires the industry to provide regulated services to  
5 resellers in Florida who are not authorized to operate. Therefore, the  
6 industry should be free to, if required, verify that each reseller has a  
7 certificate for each state in which phone subscribers are billed. Secondly,  
8 I believe that if the Commission orders the industry to ensure underlying  
9 carrier services are not resold to uncertificated entities and to ensure that  
10 PIC changes they implement on behalf of others are legitimate, the industry  
11 has a legal defense to claims of anti-competitive behavior. Underlying  
12 providers may claim that their conduct is mandated by state requirements and  
13 that it is therefore immune from antitrust liability because of the state  
14 action doctrine, even if those requirements are anti-competitive (Exhibit JAT-  
15 2, Parker v Brown, 317 US 3441 (1943). However, I would hasten to add that  
16 I believe rules to eliminate slamming are pro-competitive in that they foster  
17 appropriate competition as opposed to allowing the unbridled theft of  
18 subscribers as we are addressing in this proceeding. Q. Is there any Florida  
19 precedent for telecommunications providers to enforce the compliance of other  
20 providers with FPSC requirements?

21 A. Yes, local telephone companies currently refuse to connect pay telephones  
22 and shared tenant service providers to the local network unless a certificate  
23 number is provided. A similar requirement should apply to IXC's with respect  
24 to their resale customers. However, instead of helping to prevent slams by  
25 uncertificated companies by ensuring that each reseller has a certificate the



1 | long distance industry sometimes argues that regulators should simply raise  
2 | the penalties applicable to violators.

3 | Q. Do you believe increasing penalties alone will lead to an acceptable  
4 | reduction in slamming?

5 | A. No, this approach has its deficiencies. First, since the underlying  
6 | provider is frequently the first and only one who knows, or can know, when PIC  
7 | changes are being implemented, slams still happen. Slamming is not stopped,  
8 | instead we are in a reactive mode, often a month or two after the fact because  
9 | of billing lag. Even if we impose significant fines or even cancel the  
10 | offender's certificate, by the time the regulatory process reacts,  
11 | representatives of the offending company have often accrued substantial sums  
12 | of money and have already left the market. Exhibit JAT-13 is a news clip about  
13 | eight companies, all run by the same individual and all apparently involved  
14 | in the practice of slamming. So new offenders enter the market almost as  
15 | fast, if not faster, than violators can be prosecuted and may, with the help  
16 | of underlying carriers, facilitate more slams. Furthermore, the Florida  
17 | Public Service Commission has already penalized the industry more often than  
18 | other regulators and with increasing fines. However, our increased  
19 | enforcement activity has not caused slamming to diminish to acceptable levels.

20 | Q. Are there still other reasons to require the name and certificate number  
21 | of the provider claiming the subscriber on each bill?

22 | A. Yes. Requiring the name and certificate number of the company claiming the  
23 | subscriber is also necessary because consumers are confused when the  
24 | underlying carrier is identified on their bill rather than the carrier they  
25 | have selected. Exhibit JAT-3 is a Sprint letter explaining how this occurred



1 | in their system. Other providers have had similar problems.

2 | Q. Has this been a problem in other jurisdictions?

3 | A. Yes, the FCC tried to address this problem in Order FCC 95-225, issued  
4 | June 14, 1995, when it urged LECs to develop pseudo carrier identification  
5 | codes (CIC) for resellers. However, since pseudo CICs are not yet always  
6 | operational, the only way to avoid continuing confusion for consumers is to  
7 | list the name and certificate number of the carrier claiming them on their  
8 | bill. This is only fair to the consumer. After all, no one should feel  
9 | obligated to pay a bill from someone with whom they do not have an account.

10 | Q. What other substantive changes are recommended in Rule 25-4.110?

11 | A. The other changes to Rule 25-4.110 are in paragraph (11). These changes  
12 | are meant to address "cramming," the unauthorized addition of service fees on  
13 | LEC bills, and pay per call issues. Specifically the changes are designed to  
14 | expand the scope of Rule 25-4.110 to include all unregulated charges from  
15 | third parties that appear on local exchange company bills. A new requirement  
16 | is added in paragraph (11)(a)(3) to require LECs to make available a free  
17 | billing block option to their subscribers.

18 | Q. How would the billing block option work?

19 | A. While I am not a design engineer, as envisioned, this option would allow  
20 | subscribers to block charges to their account from unknown third-parties,  
21 | unless the electronic billing record from the provider conveying the charge  
22 | to the LEC for billing includes the LEC authorized personal identification  
23 | number (PIN) of the subscriber associated with the telephone number. Without  
24 | the correct PIN, the charges to a subscriber with a billing block would be  
25 | automatically rejected by the telephone company and would not appear on a



1 subscriber's telephone bill. Charges on the LEC bill from the subscriber's  
2 PIC provider(s) would not be blocked. The billing block option may not be for  
3 everyone and it might serve to limit access to certain services.

4 Q. Why do subscribers need the billing block option?

5 A. Some subscribers need this capability to protect themselves because the  
6 LEC billing system is very open to fraud. Through agreements with bill  
7 clearinghouses and service bureaus, virtually anyone may initiate charges to  
8 specific telephone accounts, with or without authorization and whether calls  
9 are involved or not.

10 Q. Isn't this a problem for the Federal Communications Commission and/or the  
11 Federal Trade Commission?

12 A. Yes, they also have regulatory authority; however, these agencies have not  
13 yet acted to address this Commission's concerns. Exhibit JAT-6 includes  
14 copies of the FPSC's Petition to the FCC in December 1995 to adopt additional  
15 safeguards. Attached to the Petition are examples of complaints from  
16 consumers about unauthorized charges. JAT-7 is a copy of the FPSC's comments  
17 to the Federal Trade Commission (FTC) in May 1997 urging the FTC to adopt  
18 additional safeguards. Attached to the comments are additional examples of  
19 billing abuses. It is now more than two years since the FPSC petitioned the  
20 FCC to consider adopting additional safeguards. While staff participated in  
21 FCC and FTC workshops in June 1997, the FTC has not adopted any changes to its  
22 rules as requested by the FPSC, nor has the FCC. The FCC did, however, issue  
23 a Consumer Information Brochure December 15, 1997, concerning invalid or  
24 unclear charges on local telephone bills, exhibit JAT-4. The brochure makes  
25 reference to three separate petitions for declaratory rulings or rules on



1 various issues associated with charges by other companies. I believe  
2 Florida's Petition to Adopt Additional Safeguards is one of the referenced  
3 petitions. While the information brochure is helpful, I believe it to be too  
4 little too late; moreover, the brochure provides no clue as to when, if ever,  
5 the FCC might act on any of the petitions, at least one of which is over two-  
6 years old.

7 Q. Has the Commission provided specific examples of apparent fraud to the  
8 attention of enforcement agencies?

9 A. Yes. Exhibit JAT-5 includes a staff memo to AG staff about apparent fraud  
10 by Pilgrim Telephone Company. Through our investigation we were able to  
11 determine that the 900 number call billed to a subscriber by Pilgrim through  
12 BellSouth never happened. The exhibit documents that the BellSouth subscriber  
13 had 900 blocking in place. However, BellSouth's 900 number blocking service  
14 does not include stopping the bills for 900 calls, so the subscriber was  
15 billed for a call which technically could not be dialed from his line. The  
16 file also documents that MCI, the underlying carrier for the 900 number  
17 involved, did not carry the call. Again, the fact that the call doesn't exist  
18 did not stop a bill from Pilgrim direct to a subscriber who took every action  
19 possible to avoid such a bill. A copy of the file was also provided to FCC  
20 enforcement staff.

21 Q. Do you believe the Pilgrim incident was an isolated problem?

22 A. No, based on subscriber complaints that I am familiar with, I believe  
23 fraud is common on local exchange company bills. It is a nationwide problem.  
24 Exhibit JAT-8 is an internet copy of an article appearing in the Chicago  
25 Tribune in August last year. Portions of my remarks to panels at the FTC and



1 | FCC on this issue are quoted. Also included in the exhibit is a front page  
2 | report on phone bill fraud that ran in the Ft. Lauderdale Sun-Sentinel in  
3 | November 1997.

4 | Q. If cramming is a problem, why won't the LECs correct it?

5 | A. I don't know but BellSouth and GTE Florida have certainly been aware of  
6 | the problem since Dockets Nos. 940266-TP and 940608-TP were opened in mid  
7 | 1994. Yet problems persist. As a regulator, I am concerned that the same  
8 | technologically advanced companies, who can utilize technology in so many  
9 | innovative ways, seem to be unable to offer a service that subscribers need.  
10 | These same companies offer, for a price, the capability for subscribers to  
11 | block calls from callers who block their Caller ID Numbers (block the blocker)  
12 | and also allow blocking of calls from specific numbers, whether they are  
13 | harassing or not. So, subscribers may control who calls them (for a price)  
14 | but not who bills them on their local bills. It is hard for me to accept that  
15 | nothing can or should be done. Obviously, if MasterCard or Visa operated the  
16 | same way (billing with only the first ten-digits of account numbers and  
17 | publishing most of those account numbers in a phone book) and failed to  
18 | address a similar problem, they would have fewer customers. In my judgement,  
19 | it is only because subscribers have to have local telephone service that each  
20 | subscriber billed for unauthorized charges does not simply cancel their  
21 | account with the LEC. Instead they try, often fruitlessly, to contact  
22 | unresponsive third-parties to clear up unwelcome charges on their local  
23 | telephone company account.

24 | Q. What happened when you referred documentation about Pilgrim to other  
25 | agencies for possible enforcement action?



1 A. To my knowledge no enforcement action has been taken against Pilgrim by  
2 any agency that I reported the apparent violations to.

3 Q. Are you aware of any LECs cancelling billing contracts with  
4 information/entertainment providers because of complaints?

5 A. No. Over the years I have occasionally asked LECs to review their billing  
6 contracts to see if a particular contract should be cancelled. The response  
7 has generally been that the matter is under review. Therefore, I believe very  
8 few, if any, third party providers have been restricted from billing via the  
9 LEC billing system despite literally thousands of complaints nationwide.

10 Q. Do you have other examples of complaints?

11 A. Yes, problems continue. Exhibit JAT-9 is the complaint of Ron Leppek. He  
12 was billed \$45 for a voice card he denies ordering. His experience in  
13 resolving this complaint through GTE Florida, USP&C & New World Telecom is  
14 described in detail in the exhibit. Another example is the recent complaint  
15 of Maida, Galloway & Neal, P.A., a Tallahassee law firm. Exhibit JAT-10 is  
16 a copy of my file, portions of which are, in my judgement, pornographic. This  
17 file is included to demonstrate the types of businesses that have direct  
18 access to telephone accounts. It can also be seen from this document why  
19 parents need the billing block option to screen the telephone entertainment  
20 calls of minors just like the V-Chip option they have to screen television  
21 programming. Moreover, unlike our certification process that attempts to  
22 screen out felons and others convicted of crimes, it would appear from the  
23 complaints I have reviewed that no similar screening takes place before access  
24 is granted by LECs to their billing systems. Exhibit JAT-11 shows how some  
25 Floridians were victimized by telemarketing practices that appear to be



1 criminal in nature. The charges for the scam flowed directly through their  
2 telephone bills. Unfortunately, local telephone companies may not even know  
3 who many of the companies using their system are.

4 Q. What else can be learned from reviewing this file?

5 A. This file also demonstrates that the entertainment provider involved  
6 believes they are legally entitled to pursue collection of charges that were  
7 not authorized by the law firm. It appears the law firm engages a cleaning  
8 service to clean its offices in the early morning hours. Apparently a member  
9 of the cleaning crew may have initiated several calls. The file includes an  
10 ad for the entertainment service that encourages callers to call an 800 number  
11 first. It is noteworthy that the price disclosure is the smallest type on the  
12 page and is in apparent violation of Section 308.3 of the Trade Regulation  
13 Rule Pursuant to the Telephone Disclosure and Dispute Resolution Act (TDDRA).  
14 Callers are subsequently referred to a 900 number but they are also informed  
15 to call an international number if 900 blocking is in place. The ad itself  
16 is apparently directed only to 19 year-olds as it says the service is for  
17 teenagers over 18. The file also includes a transcript of what the callers  
18 to the 800 number initially hear. Callers are informed of ways to get around  
19 900 blocking. This seems to directly encourage circumvention of subscriber  
20 control of their telephone lines and of dialing blocks provided by local  
21 telephone companies. I believe this is a common practice in this industry.  
22 Whether this violates federal law or not is unimportant. If it does, it is  
23 unlikely to be prosecuted and it will continue or the provider will disappear  
24 and reappear with another name. If it doesn't violate the law, perhaps it  
25 should. What it does demonstrate is that the law firm (telephone subscriber)



1 | needs tools to protect itself. Ads like this probably often lead to theft of  
2 | dial tone, like the law firm experienced. I believe the billing block option  
3 | is one tool that Floridians should have to protect against unauthorized use  
4 | of their telephone service. Subscribers who can control access to their  
5 | telephone account by third-parties will, in effect, be able to place a stop  
6 | payment on unauthorized direct drafts against their accounts. This is also  
7 | the closest thing parents and businesses have to a V-chip for their telephone  
8 | service.

9 | Q. Is there any precedent for the FPSC to act unilaterally against interstate  
10 | and international fraud affecting Floridians?

11 | A. Yes there is precedent for this Commission to provide subscribers with  
12 | protection from interstate and international fraud. Rule 25-24.515(16)  
13 | assures that Florida pay phone providers are held harmless on their local  
14 | exchange bills from interstate and international fraudulent charges (Exhibit  
15 | JAT-12). In my view all subscribers need protection from unauthorized  
16 | charges.

17 | Q. What do you believe the FPSC should do?

18 | A. Despite this Commission's efforts to pursue a federal solution, none  
19 | appears on the immediate horizon. Therefore I believe that the FPSC should  
20 | move to ensure that Floridians have the additional safeguard of a billing  
21 | block option. It is clear from the examples described in my exhibits that 900  
22 | number dialing blocks are no longer adequate to control fraud. Very little,  
23 | if any, enforcement action has been taken even though we have documented that  
24 | subscribers are being billed for calls that did not occur and subscribers are  
25 | receiving bills for services they never ordered and for transactions that bear



1 | no resemblance to what actually transpired. I am not aware of any prohibition  
2 | against such a state action in Trade Regulation Rule Pursuant to the (TDDRA)  
3 | administered by the FTC. The complementary requirements of Section 228 {47  
4 | U.S.C. 228} Regulation of Carrier Offering of Pay-Per-Call Services of the  
5 | Communications Act appears to provide states with authority to address PPC  
6 | problems:

7 |           (g)(4) STATE AUTHORITY - Nothing in this section  
8 |           shall preclude any State from enacting and enforcing  
9 |           additional and complementary oversight and regulatory  
10 |          systems or procedures, or both, so long as such  
11 |          systems and procedures govern intrastate services and  
12 |          do not significantly impede the enforcement of this  
13 |          section or other Federal statutes.

14 |          The situation is so bad that even if the Commission does not believe it  
15 |          legally can require the billing block option to be made available, I would  
16 |          recommend that the Commission pursue it anyway to draw attention to this  
17 |          problem.

18 | Q. Is there anything else the FPSC could do if it does not require LECs to  
19 |          provide subscribers with a billing block option?

20 | A. Yes, alternatively the Commission could warn the public of the continuing  
21 |          problems, and implement a do not bill list, similar to the do not call list  
22 |          for telemarketers maintained by the Department of Agriculture. The Commission  
23 |          could also recommend that subscribers with unauthorized charges consider  
24 |          changing to a competitive local exchange provider (if any are available) who,  
25 |          to this point, may not allow open access to their billing systems. Another



1 option is to suggest that the public use cellular and PCS services to avoid  
2 both telemarketing and billing fraud of this nature. As the price  
3 differential between wireline and wireless services becomes smaller, such a  
4 switch may be worth it to some subscribers, in lieu of demands to pay hundreds  
5 of dollars in fraudulent charges.

6 Q. What other substantive amendments are needed to the Commission's rules?

7 A. Rule 25-4.118 Local, Local Toll, or Toll Provider Selection is being  
8 amended to expand the scope of the rules and to apply the same slamming  
9 standards to LECs, ALECs and IXC's. Also, in recognition that the Commission's  
10 current verification procedures have failed to reduce slamming to acceptable  
11 levels, the PIC change verification process is tightened up.

12 Q. Why are these changes necessary?

13 A. These changes are necessary because slamming is occurring in the local  
14 market as well as the toll market and consumers need the same protections in  
15 each market. These changes are also necessary to ensure that subscribers have  
16 control over their telephone choices. Again, these changes are based on a  
17 balancing of the benefits of full competition against the abuses that are  
18 occurring in the Florida market. With these changes, consumers can change  
19 their PIC at will; but, it will be more difficult for slamming to occur.  
20 Protections are built into these rules for both industry and consumers.  
21 Providers who adhere to these requirements will have fewer costs associated  
22 with complaints while consumers will be protected through the availability of  
23 more specific, descriptive information that is less subject to the deception  
24 seen in many complaints to this agency.

25 Q. Will providers have options as to which verification process they use?



1 A. Yes, providers may still consider the expense and reliability of each  
2 method and select the best one as the verification method they use.

3 Q. What are the providers' options?

4 A. The first option is to obtain a letter of agency (LOA) from the customer.  
5 The LOA must include the billing name and number to be changed, a statement  
6 identifying the certificated name of the provider claiming the subscriber, and  
7 the service to be changed, i.e., local, local toll and/or toll. The LOA must  
8 also contain a statement that the person requesting the change is authorized  
9 to do so and a statement that the change will apply only to the number on the  
10 request form and that there can only be one provider for each service, local,  
11 local toll and toll. In addition, the form must contain a statement that the  
12 LEC may charge a fee for each change and must include the subscriber's  
13 signature or endorsement on the form. LOAs used for this purpose must conform  
14 to the following requirements, the fee statement must be legible and at least  
15 as large type size as any other text on the page and must be directly above  
16 the signature line. Likewise the soliciting company's provider change  
17 statement must be legible and be located directly below the signature line.  
18 The LOA shall not be combined with inducements of any kind on the same  
19 document.

20 The next option providers have to verify a PIC change request is to  
21 receive a customer-initiated call from the number to be changed in which the  
22 customer's consent is obtained to audibly record the requested change,  
23 including the billing name and each number to be changed.

24 A third option is for third-party verification using an independent,  
25 unaffiliated firm to obtain the customer's consent to record the change and



1 | an audio recording of the customer's billing name and each number to be  
2 | changed; a statement clearly identifying the certificated name of the provider  
3 | claiming the subscriber and the service to which the customer is subscribing,  
4 | i.e., local, local toll or toll, whether or not the provider uses facilities  
5 | of another company; a statement that the person requesting the change is  
6 | authorized to do so; a statement that the request will apply only to the  
7 | number on the request and that the customer may presubscribe to only one  
8 | local, local toll or toll provider; and finally, that the LEC may charge a fee  
9 | for the change.

10 |       The final option is for the provider to receive a change request from  
11 | the subscriber to which the provider has responded by mailing an  
12 | informational package that includes a notice that the information is being  
13 | sent to confirm that a telemarketer obtained a request to change the  
14 | subscriber's telecommunications provider; a description of any terms,  
15 | conditions and charges that apply; the name, address, and telephone number of  
16 | both the subscriber and the soliciting company; a postcard which the  
17 | subscriber may use to confirm a change request; a clear statement that the  
18 | customer's provider will be changed to the soliciting company only if the  
19 | customer signs and returns the postcard confirming the change; and, finally,  
20 | a notice that the subscriber may contact the Commission's Division of Consumer  
21 | Affairs for consumer complaints. The soliciting company may not submit the  
22 | change request unless and until the post card notification is returned as  
23 | described above.

24 | Q. Why must the post card be returned?

25 | A. Exhibit JAT-14 is two examples of "welcome letters." In each case the



1 | correspondence essentially appears to be junk mail, making it very likely that  
2 | the addressee/subscriber will not review the materials sufficiently to even  
3 | see the post card form, much less, realize that something has to be done to  
4 | prevent his provider from being changed.

5 | Q. Have you reviewed the amendments to Rule 25-4.118 and do you believe that  
6 | they are necessary?

7 | A. Yes, based on my experience and review of complaints reaching the  
8 | Commission, I believe the proposed changes to Rule 25-4.118 are necessary to  
9 | provide consumers with the tools to control their telephone service provider  
10 | selection.

11 | Q. Do you support each of the rule changes proposed?

12 | A. Yes, for all the reasons set forth in my testimony, including my exhibits.

13 | Q. Does this conclude your direct testimony?

14 | A. Yes.

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June 21, 1996



Florida Public Service Commission  
Consumer Complaint Department  
Capital Circle Office Center Blvd.  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

To Whom It May Concern:

Killearn Brokers Realty, Inc. would like to enter a complaint against the following two companies:

Combined Companies, Inc.  
7061 W. Commercial Blvd.  
Suite 5K  
Tamarac, FL 33319  
1-800-245-1826

AT&T  
P. O. Box 27-680  
Kansas City, MO 64180-0680

We have a 1-800 number that we use for our business (1-800-527-6661), which we obtained through AT&T. We have always believed that our service was with AT&T. At some point and apparently without our knowledge, our service was switched to Combined Companies, Inc. which AT&T personnel say are their customer. They called CCI a reseller or an aggregator. AT&T further said that they had contracted with CCI to do their billing. We had no idea that our service was with someone other than AT&T, as all of our bills have come to us on AT&T billing forms with AT&T logo. No where on the invoice does it denote the company Combined Companies, Inc. (See attached billing form.)

When we obtained our 1-800 number, we believed that we would be charged a monthly service charge of \$20.00, so much per minute for each call received, plus appropriate taxes. At no time did we ever believe that we could be charged any other charges on this bill. This month we were billed an additional "True Up Charge" of \$3,959.03. We have talked with AT&T, who say they are not responsible for placing the charge on the bill and tell us to call Combined Companies, Inc.,



Page 2

and Combined Companies, Inc., who say that AT&T is responsible and advises us to file a complaint with the FCC. (See the two attached faxes from Combined Companies, Inc.).

There is apparently a dispute between AT&T and Combined Companies, Inc. concerning a shortfall on Combined Companies, Inc.'s contract with AT&T. I am appalled that these companies have let their business dealings get so out of hand, and that they are trying to discredit each other and pass on their apparent losses to the consumer.

We would like you to know that we are disputing these charges with the two companies and do not intend to pay the "AT&T Term Plan Periodic True Up Charge." We are paying the amount of \$79.48, which AT&T says is our actual bill this month. We would like for you to look into this matter for us, and advise us what is going on and how we should handle the matter. We are also filing a complaint with the FCC.

We are totally confused as to what is really going on here, and feel that our 1-800 service has been misrepresented to us.. Your earliest response would be greatly appreciated.

Sincerely,



Dianne D. Davis, GRI, CRS  
Broker/Co-Owner

CC: AT&T  
Combined Companies, Inc.

Enclosures: AT&T Readyline Invoice  
AT&T 800 Readyline Summary of Charges  
Letter to Combined Companies, Inc.  
Faxed letter from Combined Companies dated June 17, 1996  
Faxed letter from Combined Companies dated May 23, 1996





June 21, 1996

**AT&T**

**Customer Service Complaint Department/Business Accounts  
P. O. Box 27-680  
Kansas City, MO 64180-0680**

**RE: AT&T 800 Readyline  
Account No. 131 026-1233 633  
Bill date: June 10, 1996**

**To Whom It May Concern:**

**We are hereby disputing the charge of \$3959.03 plus the taxes and charges associated with this charge (total \$4349.12) that has appeared on our bill. We are submitting to AT&T, the amount calculated by Loretta Alpouth, Supervisor, AT&T, to be our current bill which is \$79.48. We are not submitting the "True Up Charge." We would appreciate the True Up Charge and related charges being removed from our bill immediately.**

**Please see the attached letters to Combined Companies, Inc; The FCC; and the Florida Public Service Commission regarding our stand on this matter.**

**Please notified us as soon as possible that these charges have been removed.**

**Sincerely,**

A handwritten signature in cursive script that reads "Dianne D. Davis".

**Dianne D. Davis, GRI, CRS  
Broker/Co-Owner**

**CC: FCC  
Florida Public Service Commission  
Combined Companies, Inc.**

**Enclosures: AT&S 800 Readyline Invoice, AT&T 800 Readyline Summary of Charges,  
Faxed letters from Combined Companies dated June 17, and May 23, 1996, Copies of letters to  
the Florida Public Service Commission and the FCC**



June 20, 1996

Combined Companies, Inc.  
7061 W. Commercial Blvd.  
Suite 5K  
Tamarac, FL 33319

RE: AT&T 800 Readyline  
Account No. 131 026-1223 633  
Bill date: June 10, 1996

**To Whom It May Concern:**

We are hereby disputing the charge of \$3959.03 plus the taxes and charges associated with this charge (total \$4349.12) that has appeared on our bill.

- 1) We were not aware that our service has changed from AT&T to Combined Companies. This is not indicated anywhere on our current AT&T bill.
- 2) The bill is on an AT&T bill, including the AT&T logo, again leading us to believe that we are being billed by AT&T.
- 3) This charge as well as the billing change appears to be fraud and misrepresentation.
- 4) We have contacted AT&T and followed their instructions to call Combined Companies.
- 5) We followed Combined Companies phone instructions and received two faxed letters that are attached as a part of this complaint.
- 6) We frequently receive calls from people that offer good deals and guarantee that we will still be with AT&T, which may have been the case with Combined Companies. We have no way of knowing if these companies are part of the AT&T Corporation, and feel this type of solicitation should be more closely regulated.
- 7) We pay our bills directly to AT&T.



8) We are submitting to AT&T, P. O. Box 27-680, Kansas City, MO 64180-0680, our current bill, which was calculated by Loretta Alpouth, Supervisor, AT&T, to be \$79.48. We are not submitting the "True Up Charge."

9) We would appreciate the "True Up Charge" and related charges to be removed from our bill.

10) We are changing our account to direct billing by AT&T, even though we were never aware of being billed by anyone else.

11) We strongly feel that, because of the phone correspondence we have had with AT&T and the enclosed faxes that we have received from Combined Companies, we are caught in the middle of a battle that should not even concern us, the consumer. Hopefully the public has protection through the FCC and PSC, to eliminate this type of confusion and hassle to the consumer.

12) A copy of this letter is being sent to:

A: FCC

Common Carrier Bureau  
Consumer Complaint  
Mail Stop 1600 A-2  
Washington, DC 20554

B: Florida Public Service Commission

Capitol Circle Office Center Blvd.  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

C: AT&T

P. O. Box 27-680  
Kansas City, MO 64180-0680

Sincerely,



Dianne D. Davis, GRI, CRS  
Broker/Co-Owner

Enclosures:

AT&T 800 Readyline Invoice

AT&T 800 Readyline Summary of Charges

Faxed letter from Combined Companies dated June 17, 1996

Faxed letter from Combined Companies dated May 23, 1996



AT&T 800 READYLINE<sup>2</sup>



Exhibit JAT - 1 (Page 6 of 11)

Invoice

BILLING INQUIRIES  
TO PLACE AN ORDER  
SERVICE PROBLEMS

CALL - 1 800 691-1131  
CALL - 1 800 222-0400  
CALL - 1 800 222-3000

Account Number	Customer 800 Number(s)	Bill Date	Payment Due
131 026-1223 633	800 527-6861	Jun 10, 1988	Jul 4, 1988

Total Amount of Last Bill	111.37	
Payments Applied Through JUN 10	111.37	CREDIT
Balance	0.00	
Current Charges	4,428.60	

AMOUNT DUE

4,428.60

THANK YOU FOR YOUR PROMPT PAYMENT

REMITTANCE SECTION. PLEASE TEAR AT PERFORATION AND MAIL PAYMENT.  
PLEASE MAKE SURE THAT AT&T P.O. BOX ADDRESS IS SHOWING THROUGH THE ENVELOPE WINDOW.

To ensure proper credit, please detach this portion and return with remittance.

Remittance Document

004124 3 FH .780 RS 3000229

KILLEARN BROTHERS  
REALTY  
3646 SHAMROCK W  
TALLAHASSEE FL 32308-2642



Account Number: 131 026-1223 633  
Bill Date: Jun 10, 1988

Address Correction:

☐ (check-box)  
Print new address  
on reverse of form.

Please make checks payable to:



AT&T  
P.O. BOX 27-680  
KANSAS CITY, MO 64188-0680

Amount Due:

4,428.60

Amount Enclosed:



AT&T 800 READYLINE®



Exhibit JAT - 1 (Page 7 of 11)

**Summary of Charges**

BILLING INQUIRIES  
TO PLACE AN ORDER  
SERVICE PROBLEMS

CALL - 1 800 691-1131  
CALL - 1 800 222-0443  
CALL - 1 800 222-5000

Account Number	Customer 800 Number(s)	Bill Date	Payment Due
131 028-1223 833	800 527-8881	Jun 10, 1988	Jul 4, 1988

Charges	Amount	Subtotal
MONTHLY SERVICE - JUN 10 Thru JUL 9 AT&T 800 READYLINE®	20.00	20.00
AT&T TERM PLAN / PRICING PLAN ACTIVITY AT&T 800 READYLINE Domestic 20.00% CSTP II Option B Pricing Plan Applied to 0 66.02	13.21CR	13.21CR
TAXES ON TOTAL CURRENT CHARGES Federal Tax State Tax - FL Local Tax - FL FL GRS RCPT TX SURCH 2.56% FL INTRASTATE GR RCT SURCH	2.25 209.41 1.84 63.84 39.67	396.76
CALLS DIRECTED TO: 904 893-6100		
DOMESTIC USAGE In-state usage In-state Local Toll usage Out-of-state usage	19.90 6.00 40.12	66.02
OTHER CHARGES AND CREDITS		
1. AT&T TERM PLAN PERIODIC TRUE UP CHARGE TOTAL OTHER CHARGES AND CREDITS (EXCL TAX)	3,959.03	3,959.03

AT&T  
K. Taylor  
1-800-245-1826



June 17, 1996

*Combined Companies, Inc.*

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-We have been receiving inquiries from customers about additional charges, called true up charges, appearing on their most recent AT&T bills for 800 services. These charges are being placed on your bills by AT&T directly. We have no control over AT&T's billing procedures and are not at fault for these charges being placed on your bill.

If AT&T has told you we are at fault, they are misleading you. We did attempt to stop AT&T when we informed them, in writing, several weeks ago, that they should not bill for True Up Charges and that doing so was improper.

If you are handling these AT&T invoices for the first time for your company or simply haven't scanned your previous AT&T 800 service billings, please refer to the "Summary of Charges" page of your AT&T invoice. You will note an entry - "CSTP II Option B Pricing Plan." Pursuant to policies adopted by the Federal Communications Commission, Washington D.C., our company administers the plan by which your company receives substantial additional discounts on its 800 charges. AT&T does not want smaller end-users such as your company getting these additional discounts.

We have demonstrated to the satisfaction of the U.S. District Court for New Jersey that AT&T's conduct has violated federal law in regard to our company's efforts to obtain even larger discounts (e.g. 28%) for companies like yours. The U.S. Court of Appeals for the 3rd Circuit has told us to get a ruling from the FCC as well. We are in the process of doing so, but in the meantime, AT&T continues its relentless attack on our continued existence. The billing you have received and AT&T's placing blame for it on us is part of that attack.

AT&T will continue to pressure you in its efforts to have you become angry with us. We have been to the FCC and are working with its staff on the proper procedures to obtain a rapid clarification of the matters that affect what AT&T is doing. So WE WANT YOU TO CONTACT THE FCC. Please tell them how you have been billed by AT&T and what you've been told by AT&T about that billing. ASK THE FCC TO ACT IMMEDIATELY. FAX YOUR LETTER ADDRESSED TO THE FCC TO FAX NUMBER 800-338-0409 and we will collect as many as come in and DELIVER THEM TO THE FCC personnel with whom we are dealing.

WE HAVE BEEN ATTEMPTING SINCE JANUARY, 1995 TO GET YOUR COMPANY THE 28% LARGER DISCOUNT WE BELIEVE ITS ENTITLED TO AND CONTINUE TO MAKE THAT EFFORT. HELP YOURSELF BY DEMANDING ACTION BY THE FCC. SEND YOUR LETTERS TODAY.



**Combined Companies, Inc.**

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May 23, 1996

Ms. Andrea Anton  
AT&T  
4450 Rosewood Drive  
Room 5388  
Pleasanton, CA 94583

Delivered Via Facsimile

Dear Andrea,

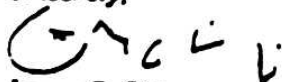
First, thank you for returning my call, and as well, giving me a "heads-up" on what AT&T is planning to do with regard to Combined Companies, Inc.'s (CCI) supposed shortfall on its CSTP II plans(s) (Nos. 2829, and 3124).

As I mentioned to you today, and previously advised you via letter on April 25, 1996 (copy enclosed), CCI was entitled, under its agreements, and the tariffs governing those agreements, to restructure its plans - which it did in a timely and appropriate manner. Therefore, pursuant to AT&T's on tariffs, **THERE IS NO SHORTFALL ASSOCIATED WITH THE PLANS IN QUESTION.** I have, also, addressed this very issue in a letter to Mr. Carl Williams, AT&T District Manager, on May 17, 1996.

Please be advised that CCI views AT&T proposed charge back to CCI, and/or its customers, as a serious mistake; and therefore, if enacted, an intentional and willful breach of AT&T's contractual obligations to CCI. I therefore urge AT&T to investigate this issue further, prior to taking this highly inappropriate unilateral action.

In closing, and as mentioned today, CCI has not received its RVPP Reports for any of its other plans (other than 2829) this month. And therefore respectfully advises AT&T that it has not received anything approaching formal notice of any pending shortfall on plan 3124. Also, I am not sure that CCI will have any "input" in the process of how it wants this invalid shortfall "allocated", since CCI absolutely believes it does not owe it! However, I will advise you if we have a position on that issue by Tuesday, May 28, 1996 - which you agreed was OK.

Sincerely,

  
Larry G. Shipp  
President

LGs

Enclosures





## Invoice

BILLING INQUIRIES  
TO PLACE AN ORDER  
SERVICE PROBLEMS

CALL - 1 800 692-2132  
CALL - 1 800 222-0400  
CALL - 1 800 222-5000

Account Number	Customer 800 Number(s)	Bill Date	Payment Due
131 070-0880 874	800 833-7108	Jun 10, 1988	Jul 4, 1988

Total Amount of Last Bill 59.88  
Payments Applied Through JUN 10 59.88 CREDIT  
Balance 0.00  
Current Charges 3,879.75

AMOUNT DUE

3,879.75

THANK YOU FOR YOUR PROMPT PAYMENT

ATTACHMENT SECTION: PLEASE TEAR AT SEPARATION AND MAIL PAYMENT  
SURE THAT AT&T P.O. BOX ADDRESS IS SHOWING THROUGH THE ENVELOPE WINDOW.

TO ENSURE proper credit, please detach this portion and return with remittance.

## Remittance Document

084438 4 FN 1.010 RS 388245

ROAD RUNNER TRAVEL RSRT  
MARILYN REMIX  
5500 ST LUCIE BLVD  
FORT PIERCE FL 34946-9863



Account Number: 131 070-0880 874

Bill Date: Jun 10, 1988

Amount Due:

3,879.75

Amount Enclosed:

Please make checks payable to:

AT&amp;T

P.O. BOX 27-680  
KANSAS CITY, MO 64188-0680

Press Correction:

- (each time)
- Print new address
- on reverse of form.

131070059087424240000003679750000387975000000000003



AT&T 800 READYLINE<sup>®</sup>



Exhibit JAT - 1 (Page 11 of 11)

# Summary of Charges

BILLING INQUIRIES  
TO PLACE AN ORDER  
SERVICE PROBLEMS

CALL - 1 800 692-2121  
CALL - 1 800 222-8400  
CALL - 1 800 222-8000

Account Number	Customer 800 Number(s)	Bill Date	Payment Due
131 070-0590 874	800 833-7108	Jun 10, 1988	Jul 4, 1988

Charges	Amount	Subtotal
MONTHLY SERVICE - JUN 10 Thru JUL 9 AT&T 800 READYLINEs	20.00	20.00
AT&T TERM PLAN / PRICING PLAN ACTIVITY AT&T 800 READYLINE Domestic 20.00% CSTP II Option B Pricing Plan Applied to 0 \$5.33	11.07CR	11.07CR
AT&T 800 READYLINE Canada 20.00% CSTP II Option B Pricing Plan Applied to 0 2.35	0.47CR	0.47CR
TAXES ON TOTAL CURRENT CHARGES Federal Tax State Tax - FL Local Tax - FL 1. GRS RCPT TX SURCH 2.84% 2. INTRASTATE OR RCT SURCH	2.04 255.45 1.05 51.60 58.04	347.16
ALLS DIRECTED TO: 561 464-1216		
DOMESTIC USAGE In-state usage In-state Local Toll usage Out-of-state usage	5.81 0.82 46.70	56.33
INTERNATIONAL USAGE Canada usage	2.35	2.35
OTHER CHARGES AND CREDITS		
AT&T TERM PLAN PERIODIC TRUE UP CHARGE	3,446.45	3,446.45
TOTAL OTHER CHARGES AND CREDITS (EXCL TAX)		



317 U.S. 341 printed in FULL format.

PARNER, DIRECTOR OF AGRICULTURE, ET AL. v. BREW

No. 46

SUPREME COURT OF THE UNITED STATES

317 U.S. 341; 45 S. Ct. 387; 1943 U.S. LEXIS 1245; 57 L. Ed. 315; 1943 Trade Cas. (CCN) P26,230

May 3, 1942, Argued (Nos. 1940, 1941 Terms)

January 4, 1943, Decided

**SLIP OPINION HISTORY:** Reargued October 12, 13, 1942.

**PRIOR HISTORY:** APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF CALIFORNIA.

APPEAL from a decree of a district court of three judges enjoining the enforcement, against the appellee, of a marketing program adopted pursuant to the California Agricultural Prorate Act.

**DISPOSITION:** 39 F.Supp. 825, reversed.

**SYLLABUS:** [\*\*\*1] 1. A suit in a federal court to enjoin enforcement of a state agricultural proration program, in which the validity of the program is challenged as in conflict with federal antitrust law, is a suit "arising under" a "law regulating commerce" and is maintainable without regard to the amount in controversy. 28 U. S. C. § 41 (1), (2). P. 349.

2. A majority of the Court are of opinion that this suit to enjoin enforcement of a marketing plan adopted under the California Agricultural Prorate Act is within the equity jurisdiction of the district court, since the complaint alleges and the evidence shows threatened irreparable injury to the complainant's business and threatened prosecutions by reason of his having marketed his crop under the protection of the district court's injunction. P. 349.

3. A prorate marketing program under the California Agricultural Prorate Act, adopted by the State for regulating the handling, disposition, and prices of raisins produced in California, a large part of which go into interstate and foreign commerce, held not within the intended scope of, and not a violation of, the Sherman Act. P. 350.

4. A program pursuant to the California

Agricultural Prorate Act for marketing the 1940 raisin crop, adopted with the collaboration of officials of the U.S. Department of Agriculture and aided by loans from the Commodity Credit Corporation recommended by the Secretary of Agriculture, held not in conflict with the federal Agricultural Marketing Agreement Act of 1937, where the Secretary had not proposed or promulgated any order under that Act applicable to the marketing of raisins. Pp. 352, 353.

5. The marketing program for the 1940 raisin crop, adopted pursuant to the California Agricultural Prorate Act, the declared purpose of which is to "conserve the agricultural wealth of the State" and to "prevent economic waste in the marketing of agricultural products" of the State, and which operates to eliminate competition among producers in respect of the terms of sale (including the price) of the crop and to impose restrictions on the sale and distribution to buyers who subsequently sell and ship in interstate commerce, held a regulation of state industry of local concern which, in the circumstances detailed in the opinion, is not prohibited by the commerce clause in the absence of Congressional legislation prohibiting or regulating [\*\*\*3] transactions affected by the state program. Pp. 359, 360.

(1) The restrictions which the state program imposes upon the intrastate sale of a commodity by its producer to a processor who contemplates doing, and in fact does, work upon the commodity before packing it and shipping it in interstate commerce, do not violate the Commerce Clause. P. 359.

(2) *Loeb v. Farmers Grain Co.*, 230 U.S. 30, and *Shaffer v. Farmers Grain Co.*, 248 U.S. 109, distinguished. P. 361.

(3) When Congress has not asserted its power under the Commerce Clause, and state regulation of matters



317 U.S. 341, \*; 63 S. Ct. 387, \*\*;  
1943 U.S. LEXIS 1263, \*\*\*; 87 L. Ed. 315

of local concern is so related to interstate commerce that it also operates as a regulation of that commerce, the reconciliation of such power of Congress with that reserved to the State is to be attained by the accommodation of the competing demands of the state and national interests involved. P. 342.

(4) State regulations affecting interstate commerce are to be sustained, not because they are "indirect" rather than "direct," not because they affect rather than command the operations of interstate commerce, but because, upon a consideration of all the relevant facts and circumstances, the matter [\*\*\*] appears an appropriate one for local regulation, for which there may be wide scope without materially obstructing the free flow of commerce. P. 342.

(5) Examination of the evidence in this case and of available data of the raisin industry in California, of which the Court may take judicial notice, leaves no doubt that the evils attending the production and marketing of raisins in that State present a problem local in character and urgently demanding state action for the economic protection of those engaged in one of its important industries. P. 343.

(6) Where the Secretary of Agriculture, who could have adopted a marketing program for raisins under the federal Agricultural Marketing Agreement Act, has instead, as that Act authorizes, cooperated in promoting the state marketing program, the court cannot say that the effect of the state program on interstate commerce is one which the Commerce Clause forbids. And particularly should state regulation of local matters be sustained where its effect on commerce is one which it has been the policy of Congress, by its legislation, to encourage. P. 343.

**COUNSEL:** Messrs. Walter L. Bowers, Deputy Attorney General of California, and Strother P. Walton, with whom Messrs. Earl Warren, Attorney General, and W. R. Augustine, Deputy Attorney General, were on the briefs, for appellants on the reargument. Mr. Walter L. Bowers argued the cause for appellants on the original argument.

Mr. G. Levin Aynsworth, with whom Mr. Christian H. Geiss was on the brief, for appellees.

By special leave of Court, Mr. Robert L. Stern, with whom Solicitor General Feltz, Assistant Attorney General Arnold, and Messrs. Charles E. Weston and Robert H. Shields were on the brief, for the United States, as amicus curiae, asserting that the state program, though not inconsistent with federal agricultural legislation, was invalid under the Sherman

Act and the Commerce Clause.

**JUDGES:** Stone, Roberts, Black, Reed, Frankfurter, Douglas, Murphy, Byrne, Jackson

**OPINIONBY:** STONE

**OPINION:** [\*344] [\*314] MR. CHIEF JUSTICE STONE delivered [\*345] the opinion of the Court.

The questions for our consideration are whether the marketing program adopted for the 1940 raisin crop under the California Agricultural Prorate Act is rendered invalid (1) by the Sherman Act, or (2) by the Agricultural Marketing Agreement Act of 1937, as amended, 7 U. S. C. §§ 601, et seq., or (3) by the Commerce Clause of the Constitution.

At Act of June 5, 1933, ch. 734, Statutes of California of 1933, as amended by chs. 471 and 743, Statutes of 1935; ch. 6, Extra Session, 1935; chs. 325, 345 and 894, Statutes of 1937; and chs. 683, 1150 and 1186, Statutes of 1941. Its constitutionality under both Federal and State Constitutions was sustained by the California Supreme Court in *Agricultural Prorate Commission v. Superior Court*, 5 Cal. 2d 550, 93 P. 2d 495.

Appellee, a producer and packer of raisins in California, brought this suit in the district court to enjoin appellants -- the State Director of Agriculture, Raisin Proration Zone No. 1, the members of the State Agricultural [\*347] Prorate Advisory Commission and of the Program Committee for Zone No. 1, and others charged by the statute with the administration of the Prorate Act -- from enforcing, as to appellee, a program for marketing the 1940 crop of raisins produced in "Raisin Proration Zone No. 1." After a trial upon oral testimony, a stipulation of facts and certain exhibits, the district court held that the 1940 raisin marketing program was an illegal interference with and undue burden upon interstate commerce and gave judgment for appellee granting the injunction prayed for. 39 F.Supp. 895. The case was tried by a district court of three judges [\*348] and came here on appeal under §§ 235 and 236 of the Judicial Code as amended, 28 U. S. C. §§ 309, 315.

As appears from the evidence and from the findings of the district court, almost all the raisins consumed in the United States, and nearly one-half of the world crop, are produced in Raisin Proration Zone No. 1. Between 90 and 95 per cent of the raisins grown in California are ultimately shipped in inter-



317 U.S. 341, \*345; 48 S. Ct. 387, \*\*310;  
1943 U.S. LEXIS 1263, \*\*\*7; 57 L. Ed. 315

state or foreign countries.

The harvesting and marketing of the crop in California follows a uniform procedure. [\*\*311] The grower of raisins picks the [\*\*\*8] bunches of grapes and places them for drying on trays laid between the rows of vines. When the grapes have been sufficiently dried he places them in "sueat boxes" where their moisture content is equalized. At this point the curing process is complete. The growers sell the raisins and deliver them in the "sueat boxes" to handlers or packers whose plants are all located within the Zone. The packers process them at their plants and then ship them in interstate commerce. These raisins which are to be marketed in clusters are sometimes merely packed, unstemmed, in suitable containers, but are more often cleaned, stemmed, and, when necessary, stemmed to make the stems pliable. Most of the raisins are not sold in clusters; such raisins are stemmed before packing, and most packers also clean, grade and sort them. One variety is also seeded before packing.

The packers sell their raisins through agents, brokers, jobbers and other middlemen, principally located in other states or foreign countries. Until he is ready to ship the raisins the packer stores them in the form in which they have been received from producers. The length of time that the raisins remain at the packing plants [\*\*\*9] before processing and shipping varies from a few days up to two years, depending upon the packer's current supply of raisins and the market demand. The packers frequently place orders with producers for fall delivery, before the [\*\*344] crop is harvested, and at the same time enter into contracts for the sale of raisins to their customers. In recent years most packers have had a substantial "carry over" of stored raisins at the end of each crop season, which are usually marketed before the raisins of the next year's crop are marketed.

The California Agricultural Prorate Act authorizes the establishment, through action of state officials, of programs for the marketing of agricultural commodities produced in the state, so as to restrict competition among the growers and maintain prices in the distribution of their commodities to packers. The declared purpose of the Act is to "conserve the agricultural wealth of the State" and to "prevent economic waste in the marketing of agricultural products" of the state. It authorizes (§ 3) the creation of an Agricultural Prorate Advisory Commission of nine members, of which a state official, the Director of Agriculture, is an-officio a [\*\*\*10] member. The other eight members are appointed for terms of four

years by the Governor and confirmed by the Senate, and are required to take an oath of office. § 4.

Upon the petition of ten producers for the establishment of a prorate marketing plan for any commodity within a defined production zone (§ 8), and after a public hearing (§ 9), and after making prescribed economic findings (§ 10) showing that the institution of a program for the proposed zone will prevent agricultural waste and conserve agricultural wealth of the state without permitting unreasonable profits to producers, the Commission is authorized to grant the petition. The Director, with the approval of the Commission, is then required to select a program committee from among nominees chosen by the qualified producers within the zone, to which he may add not more than two handlers or packers who receive the regulated commodity from producers for marketing. §§ 11, 14, 15.

[\*\*347] The program committee is required (§ 15) to formulate a prorate marketing program for the commodity produced in the zone, which the Commission is authorized to approve after a public hearing and a "finding that the program is reasonably [\*\*\*11] calculated to carry out the objectives of the Act." The Commission may, if so advised, modify the program and approve it as modified. If the proposed program, as approved by the Commission, is consented to by 45 per cent in number of producers in the zone owning 51 per cent of the acreage devoted to production of the regulated crop, the Director is required to declare the program instituted. § 16.

Authority to administer the program, subject to the approval of the Director of Agriculture, is conferred on the program committee. §§ 6, 18, 22. Section 22.5 declares that it shall be a misdemeanor, which is punishable by fine and imprisonment (Penal Code § 19), for any producer to sell or any handler to receive or possess without proper authority any commodity for [\*\*312] which a prorate program has been instituted. Like penalty is imposed upon any person who aids or abets in the commission of any of the acts specified in the section, and it is declared that each "infraction shall constitute a separate and distinct offense." Section 23 imposes a civil liability of \$ 500 "for each and every violation" of any provision of a prorate program.

The seasonal prorate marketing program for [\*\*\*12] raisins, with which we are now concerned, became effective on September 7, 1940. This provided that the program committee should classify raisins as "standard," "substandard," and "inferior"; "inferior" raisins are those which are unfit for human con-



317 U.S. 341, \*247; 45 S. Ct. 387, \*\*312;  
1943 U.S. LEXIS 1263, \*\*\*12; 67 L. Ed. 315

surplus, as defined in the Federal Food, Drug and Cosmetic Act, 21 U. S. C. §§ 301 et seq. The committee is required to establish receiving stations within the zone to which every producer must deliver all raisins which he desires to market. The raisins are graded at these stations. All inferior raisins are to be placed in the [\*248] "inferior raisin pool," to be disposed of by the committee "only for assured by-product and other diversion purposes." All sub-standard raisins, and at least 20 per cent of the total standard and substandard raisins produced, must be placed in a "surplus pool." Raisins in this pool may also be disposed of only for "assured by-product and other diversion purposes," except that under certain circumstances the program committee may transfer standard raisins from the surplus pool to the stabilization pool. Fifty per cent of the crop must be placed in a "stabilization pool."

Under the program the producer [\*249] is permitted to sell the remaining 30 per cent of his standard raisins, designated "free storage," through ordinary commercial channels, subject to the requirement that he obtain a "secondary certificate" authorizing such marketing and pay a certificate fee of \$ 2.50 for each ton covered by the certificate. Certification is stated to be a device for controlling "the time and volume of movement" of free storage into such ordinary commercial channels. Raisins in the stabilization pool are to be disposed of by the committee "in such manner as to obtain stability in the market and to dispose of such raisins," but no raisins (other than those subject to special landing or pooling arrangements of the Federal Government) can be sold by the committee at less than the prevailing market price for raisins of the same variety and grade on the date of sale. Under the program the committee is to make advances to producers of from \$ 25 to \$ 27.50 a ton, depending upon the variety of raisins, for deliveries into the surplus pool, and from \$ 30 to \$ 35 a ton for deliveries into the stabilization pool. The committee is authorized to pledge the raisins held in these pools in order to secure funds to [\*250] finance pool operations and make advances to growers.

Appellee's bill of complaint challenges the validity of the prorate program as in violation of the Commerce [\*251] Clause and the Sherman Act; in support of the decree of the district court he also urges that it conflicts with and is superseded by the Federal Agricultural Marketing Agreement Act of 1937. The complaint alleges that he is engaged within the marketing zone both in producing and in purchasing and packing raisins for sale and shipment interstate; that before the adoption of the program he had entered

into contracts for the sale of 1940 crop raisins; that, unless enjoined, appellee will enforce the program against appellee by criminal prosecutions and will prevent him from marketing his 1940 crop, from fulfilling his sales contracts, and from purchasing for sale and selling in interstate commerce raisins of that crop.

Appellee's allegations of irreparable injury are in general terms, but it appears from the evidence that he had produced 300 tons of 1940 crop raisins; that he had contracted to sell 762 1/2 tons of the 1940 crop; that he had dealt in 2,000 tons of raisins of the 1939 crop, and expected to sell, [\*252] if the challenged program were not in force, 3,000 tons of the 1940 crop at \$ 40 a ton; that the pre-season price to growers of raisins of the 1940 crop, before the program became effective, was \$ 45 per ton, and that immediately afterward it rose to \$ 55 per ton or higher. It also appears that, the district court having awarded the final injunction prayed, appellee has proceeded with the marketing of his 1940 crop and has disposed of all except twelve tons, which remain on hand. Although the district court found that the amount in controversy exceeds \$ 3,000, we are of opinion that as [\*253] the complaint assails the validity of the program under the anti-trust law, 15 U. S. C. §§ 1-35, the suit is one "arising under" a "law regulating commerce"; and allegation and proof of the jurisdictional amount are not required. 20 U. S. C. §§ 41 (1), (3); Payton v. Railway Express Agency, 316 U.S. 300. The majority of the Court is also of opinion that the suit is within the equity jurisdiction of the court, since the complaint [\*254] alleges, and the evidence shows, threatened irreparable injury to respondent's business and threatened prosecutions by reason of his having marketed his crop under the [\*255] protection of the district court's decree.

#### Validity of the Prorate Program under the Sherman Act.

Section 1 of the Sherman Act, 15 U. S. C. § 1, makes unlawful "every contract, combination . . . or conspiracy, in restraint of trade or commerce among the several States." And § 2, 15 U. S. C. § 2, makes it unlawful to "monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States." We may assume for present purposes that the California prorate program would violate the Sherman Act if it were organized and made effective solely by virtue of a contract, combination or conspiracy of private persons, individual or corporate. We may assume also, without deciding, that Congress could, in the exercise of



317 U.S. 341, \*330; 45 S. Ct. 307, \*\*313;  
1943 U.S. LEXIS 1263, \*\*\*14; 67 L. Ed. 313

its commerce power, prohibit a state from maintaining a stabilization program like the present because of its effect on interstate commerce. Occupation of a legislative "field" by Congress in the exercise of a granted power is a familiar example of its constitutional power to suspend state laws. See *Adams Express Co. v. Croninger*, 234 U.S. 491, 505; *Napier v. Atlantic Coast Line*, 272 [\*17] U.S. 685, 697; *Missouri Pacific R. Co. v. Porter*, 273 U.S. 341; *Illinois Gas Co. v. Public Service Co.*, 314 U.S. 498, 510.

But it is plain that the prorate program here was never intended to operate by force of individual agreement or combination. It derived its authority and its efficacy from the legislative command of the state and was not intended to operate or become effective without that command. We find nothing in the language of the Sherman Act or in its history which suggests that its purpose was to restrain a state or its officers or agents from activities directed by its [\*231] legislature. In a dual system of government in which, under the Constitution, the states are sovereign, save only as Congress may constitutionally subtract from their authority, an unexpressed purpose to nullify a state's control over its officers and agents is not lightly to be attributed to Congress.

The Sherman Act makes no mention of the state as such, and gives no hint that it was intended to restrain state action or official action directed by a state. The Act is applicable to "persons" including corporations (§ 7), and it authorizes suits under it by persons and corporations (§ 15). [\*10] A state may maintain a suit for damages under it, *Georgia v. Evans*, 316 U.S. 159, but the United States may not, *United States v. Caesar Corp.*, 312 U.S. 489 -- conclusions derived not from the literal meaning of the words "person" and "corporation" but from the purpose, the subject matter, the context and the legislative history of the statute.

There is no suggestion of a purpose to restrain state action in the Act's legislative history. The sponsor of the bill which was ultimately enacted as the Sherman Act declared that it prevented only "trustlike combinations." 21 Cong. Rec. 2562, 2487; see also at 2489, 2461. That its purpose was to suppress combinations to restrain competition and attempts to monopolize by individuals and corporations, abundantly appears from its legislative history. See *Apex Hosiery Co. v. Leader*, 310 U.S. 449, 492-93 and n. 15; *United States v. Addyston Pipe & Steel Co.*, 35 F. 271, affirmed 173 U.S. 211; *Standard Oil Co. v. United States*, 221 U.S. 1, 54-55.

[\*314] True, a state does not give immunity to those who violate the Sherman Act by authorizing them to violate it, or by declaring that their action is lawful, *Northern Securities Co. v. United States*, [\*19] 193 U.S. 197, 332, 344-47; and we have no question of the state or its municipality becoming a participant in a private agreement or combination [\*232] by others for restraint of trade, cf. *Union Pacific R. Co. v. United States*, 313 U.S. 459. Here the state command to the Commission and to the program committee of the California Prorate Act is not rendered unlawful by the Sherman Act since, in view of the latter's words and history, it must be taken to be a prohibition of individual and not state action. It is the state which has created the machinery for establishing the prorate program. Although the organization of a prorate zone is proposed by producers, and a prorate program, approved by the Commission, must also be approved by referendum of producers, it is the state, acting through the Commission, which adopts the program and which enforces it with penal sanctions, in the execution of a governmental policy. The prerequisite approval of the program upon referendum by a prescribed number of producers is not the imposition by them of their will upon the minority by force of agreement or combination which the Sherman Act prohibits. The state itself exercises its legislative [\*233] authority in making the regulation and in prescribing the conditions of its application. The required vote on the referendum is one of these conditions. Compare *Curran v. Wallace*, 306 U.S. 1, 16; *Hampton & Co. v. United States*, 276 U.S. 394, 407; *Michard v. Filburn*, ante, p. 111.

The state in adopting and enforcing the prorate program made no contract or agreement and entered into no conspiracy in restraint of trade or to establish monopoly but, as sovereign, imposed the restraint as an act of government which the Sherman Act did not undertake to prohibit. *Clean v. Smith*, 193 U.S. 332, 344-45; cf. *Loannstein v. Evans*, 69 F. 908, 910.

Validity of the Program Under the Agricultural Marketing Agreement Act.

The Agricultural Marketing Agreement Act of 1937, 50 Stat. 246, 7 U. S. C. §§ 601 et seq., authorizes the Secretary [\*233] of Agriculture to issue orders limiting the quantity of specified agricultural products, including fruits, which may be marketed "in the current of . . . or so as directly to burden, obstruct, or affect interstate or foreign commerce." Such orders may allot the amounts which handlers may purchase from any producer by means which equalize the amount marketed [\*231] among producers; may provide



317 U.S. 341, \*283; 43 S. Ct. 387, \*\*314;  
1943 U.S. LEXIS 1263, \*\*\*21; 67 L. Ed. 313

for the control and elimination of surpluses and for the establishment of reserve pools of the regulated produce. § 8c (6). The federal statute differs from the California Prorate Act in that its sanction falls upon handlers alone while the state act (§ 22.5 (3)) applies to growers and extends also to handlers so far as they may unlawfully receive or have in their possession within the state any commodity subject to a prorate program.

We may assume that the powers conferred upon the Secretary would extend to the control of surpluses in the raisin industry through a pooling arrangement such as was promulgated under the California Prorate Act in the present case. See *United States v. Rock Royal Co.-op.*, 307 U.S. 325; *Curran v. Wallace*, supra. We may assume also that a stabilization program adopted under the Agricultural Marketing Agreement Act would supersede the state act. But the federal act becomes effective only if a program is ordered by the Secretary. Section 8c (3) provides that whenever the Secretary of Agriculture "has reason to believe" that the issuance of an order will tend to effectuate the declared policy of the Act with respect to [\*\*\*22] any commodity, he shall give due notice of an opportunity for a hearing upon a proposed order, and § 8c (4) provides that after the hearing he shall issue an order if he finds and sets forth in the order that its issuance will tend to effectuate the declared policy of the Act with respect to the commodity [\*\*313] in question. Since the Secretary has not given notice of hearing and has not proposed or promulgated any order regulating raisins, it must be [\*\*354] taken that he has no reason to believe that issuance of an order will tend to effectuate the policy of the Act.

The Secretary, by § 10 (1), is authorized "in order to effectuate the declared policy" of the Act, and "in order to obtain uniformity in the formulation, administration, and enforcement of Federal and State programs relating to the regulation of the handling of agricultural commodities," to confer and cooperate with duly constituted authorities of any state. From this and the whole structure of the Act, it would seem that it contemplates that its policy may be effectuated by a state program either with or without the promulgation of a federal program by order of the Secretary. Cf. *United States v. Rock Royal Co.-op.*, [\*\*\*23] supra. It follows that the adoption of an adequate program by the state may be deemed by the Secretary a sufficient ground for believing that the policies of the federal act will be effectuated without the promulgation of an order.

It is evident, therefore, that the Marketing Act contemplates the existence of state programs at least until such time as the Secretary shall establish a federal marketing program, unless the state program in some way conflicts with the policy of the federal act. The Act contemplates that each sovereign shall operate "in its own sphere but can assert its authority in conformity rather than in conflict with that of the other." U. S. Rep. No. 1241, 74th Cong., 1st Sess. pp. 22-23; S. Rep. 1011, 74th Cong., 1st Sess. p. 15. <sup>12</sup> The only suggested possibility of conflict is between the declared purposes of the two acts. The object of the federal statute is stated to be the establishment, by exercise [\*\*305] of the power conferred on the Secretary, of "orderly marketing conditions for agricultural commodities in interstate commerce" such as will tend to establish "parity prices" for farm products, <sup>13</sup> but with the further purpose that, in the interest of consumers, [\*\*\*24] current consumptive demand is to be considered and that no action shall be taken for the purpose of maintaining prices above the parity level. § 2.

<sup>12</sup> See also 79 Cong. Rec. 9470, 11149-50, 11153; Hearings Before the Senate Committee on Agriculture and Forestry on S. 1837 (March, 1935) 29, 73; Hearings Before the House Committee on Agriculture (Feb.-March, 1935) 53, 170-9. The Agricultural Marketing Agreement Act of 1937 was for the most part a reenactment of certain provisions of the Agricultural Adjustment Act of 1933, 48 Stat. 31, as amended in 1935, 49 Stat. 753. Sec. 10 (1) was first introduced in 1935, and reenacted without change in 1937.

<sup>13</sup> A "parity" price is one which will "give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period." 7 U. S. C. § 602 (1). The parity price is computed by multiplying an index of prices paid by farmers for goods used in farm production, and for family living expenses, together with real estate taxes and interest on farm indebtedness, by the average price during the base period of the commodity in question. See Dept. of Agriculture, Parity Prices, What They Are and How They Are Calculated (1942). The base period for commodities other than tobacco and potatoes is August 1909-July 1914. However, by 7 U. S. C. § 602b the period of August 1910-July 1909 or a part thereof may be used for any commodity as to which the Secretary finds and prescribes that adequate statistics for the 1909-14 period are not



317 U.S. 341, \*355; 43 S. Ct. 387, \*\*315;  
1943 U.S. LEXIS 1263, \*\*\*24; 87 L. Ed. 315

available. By proclamation dated June 26, 1942, the Secretary designated the period 1919-1929 as the base period for raisins. 7 Fed. Reg. 4867.

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The declared objective of the California Act is to prevent excessive supplies of agricultural commodities from "adversely affecting" the market, and although the statute speaks in terms of "economic stability" and "agricultural waste" rather than of price, the evident purpose and effect of the regulation is to "conserve agricultural wealth of the state" by raising and maintaining prices, but "without permitting unreasonable profits to producers." (\*314 § 10. The only possibility of conflict could seem to be if a state program were to raise prices beyond the parity price prescribed by the federal act, a condition which has not occurred. n4

n4 The parity price for raisins on June 15, 1942, as published by the Department of Agriculture was \$ 100.91 per ton. Preliminary figures show the average price for the 1941-42 crop to be \$ 88.68. Parity Prices, What They Are and How They Are Computed, supra, vii. Parity prices for raisins for previous years are not published. However they may be computed from the base period price of \$ 100.00 and the indices of prices paid by farmers published by the Department of Agriculture in the statistical publications cited infra, note 9. Such computations for 1935 and subsequent years, supplied by the Department of Agriculture, indicate that while the price received by the farmer for the 1940 crop was \$ 57.68 the parity price for 1940 was \$ 88.41 and for 1941 was \$ 85.75. They further indicate that raisin prices have not since 1935 equaled parity and that the field prices for all crops prior to that of 1941 have been from \$ 15 to \$ 40 per ton below parity.

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(\*354) That the Secretary has reason to believe that the state act will tend to effectuate the policies of the federal act so as not to require the issuance of an order under the latter is evidenced by the approval given by the Department of Agriculture to the state program by the loan agreement between the state and the Commodity Credit Corporation. n5 By § 362 of the Agricultural Adjustment Act of 1938, 52 Stat. 43, 7 U. S. C. § 1362 (a), the Commodity Credit

Corporation is authorized "upon the recommendation of the Secretary and with the approval of the President, to make available loans on agricultural commodities . . ." The "amount, terms, and conditions" of such loans are to be "fixed by the Secretary, subject to the approval of the Corporation and the President." Under this authority the Commodity Credit Corporation made loans of \$ 5,146,000 to Zone No. 1, secured by a (\*357) pledge of 109,000 tons of 1940 crop raisins in the surplus and stabilization pools. These loans were ultimately liquidated by sales of 75,000 tons to packers and 35,000 tons to the Federal Surplus Marketing Administration, an agency of the Department of Agriculture, n6 for relief distribution and for (\*\*27) export under the Lend-Lease program. n7 The loans (\*\*317) were conditional upon the adoption by the state of the present seasonal marketing program. We are informed by the Government, which at our request filed a brief amicus curiae, that under the loan agreement prices and sales policies as to the pledged raisins were to be controlled by a committee appointed by the Secretary, and that officials of the Department of Agriculture collaborated in drafting the 1940 state raisin program.

n5 The Commodity Credit Corporation was created by Executive Order No. 6340, October 16, 1933. It has been continued in existence by Acts of Congress, 49 Stat. 4; 50 Stat. 5; 53 Stat. 510. By Reorganization Plan No. 1, 53 Stat. 1420, approved by Act of Congress, 53 Stat. 813, and effective July 1, 1939, the Corporation was transferred to the Department of Agriculture, to be "administered in such department under the general direction and supervision of the Secretary of Agriculture." By Executive Order No. 8219, Aug. 7, 1939, 4 Fed. Reg. 3845, exclusive voting rights in its capital stock were vested in the Secretary.

n6 The Surplus Marketing Administration was created by Reorganization Plan No. 111, 45 Stat. 1232, approved 54 Stat. 231, effective June 30, 1940, as a consolidation of the Division of Marketing and Marketing Agreements of the Agricultural Adjustment Administration, and the Federal Surplus Commodities Corporation. The Surplus Commodities Corporation was incorporated on October 4, 1935, under the name of the Federal Surplus Relief Corporation. Its existence as "an agency of the United States under the direction of the Secretary of Agriculture" was continued by Acts of Congress, 50 Stat. 323; 52 Stat. 38. The members of the Corporation are the Secretary of



317 U.S. 341, \*357; 48 S. Ct. 387, \*317;  
1943 U.S. LEXIS 1243, \*\*27; 87 L. Ed. 313

Agriculture, the Administrator of the Agricultural Adjustment Administration, and the Governor of the Farm Credit Administration.

As successor to the Corporation the Surplus Marketing Administration exercises the authority given by § 32 of the Agricultural Adjustment Act of 1938, 7 U. S. C. § 612a, to use 30% of annual gross customs receipts to encourage the exportation, and the domestic consumption by persons in low income groups, of agricultural commodities, and to reestablish farmers' purchasing power. As successor to the Division of Markets and Marketing Agreements, the Administration is charged with the enforcement of the Agricultural Marketing Agreement Act of 1937.

n7 Report of the President of the Commodity Credit Corporation (1941) 14, 21; Mr. J. Cecil (Zona Agent, Raisin Promotion Zone No. 1), The 1940 Raisin Program, 30 Calif. Dept. of Agriculture Bulletin 44.

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[\*302] Section 302 of the Agricultural Adjustment Act of 1938 requires the Commodity Credit Corporation to make nonrecourse loans to producers of certain agricultural products at specified percentages of the parity price, and authorizes loans on any agricultural commodity. The Government informs us that in making loans under the latter authority, § 302 has been construed by the Department of Agriculture as requiring the loans to be made only in order to effectuate the policy of federal agricultural legislation. n8 Section 2 of the Agricultural Adjustment Act of 1938 declares it to be the policy of Congress to achieve the statutory objectives through loans. The Agricultural Adjustment Act of 1938 and the Agricultural Marketing Agreement Act of 1937 were both derived from the Agricultural Adjustment Act of 1933, 48 Stat. 31, and are coordinate parts of a single plan for raising farm prices to parity levels. The conditions imposed by the Secretary of Agriculture in the loan agreement with the State of California, and the collaboration of federal officials in the drafting of the program, must be taken as an expression of opinion by the Department of Agriculture that the state [\*303] program thus aided by the loan is consistent with the policies of the Agricultural Adjustment and Agricultural Marketing Agreement Acts. We find no conflict between the two acts and no such occupation of the legislative field by the mere adoption of the Agricultural Marketing Agreement Act, without the issuance of any order by

the Secretary putting it into effect, as would preclude the effective operation of the state act.

n8 See also Report of the President of the Commodity Credit Corporation (1940) 4, 6.

We have no occasion to decide whether the same conclusion would follow if the state program had not been adopted with the collaboration of officials of the Department of Agriculture and aided by loans from the Commodity [\*304] Credit Corporation recommended by the Secretary of Agriculture.

Validity of the Program under the Commerce Clause.

The court below found that approximately 95 per cent of the California raisin crop finds its way into interstate or foreign commerce. It is not denied that the promotion program is so devised as to compel the delivery by each producer, including appellants, of over two-thirds of his 1940 raisin crop to the program committee, and [\*305] to subject it to the marketing control of the committee. The program, adopted through the exercise of the legislative power delegated to state officials, has the force of law. It clothes the committee with power and imposes on it the duty to control marketing of the crop so as to enhance the price or at least to maintain prices by restraints on competition of producers in the sale of their crop. The program operates to eliminate competition of the producers in the terms of sale of the crop, including price. And since 95 per cent of the crop is marketed in interstate commerce, the program may be taken to have a substantial effect on the commerce, in placing restrictions on the sale and marketing of a product to buyers who eventually sell and ship it in interstate commerce.

The question is thus presented whether in the absence of Congressional legislation prohibiting or regulating the transactions effected by the state program, the restrictions which it imposes upon the sale within the state of a commodity by its producer to a processor who contemplates doing, and in fact does, work upon the commodity before packing and shipping it in interstate commerce, violate the Commerce Clause. [\*31]

The governments of the states are sovereign within their territory save [\*312] only as they are subject to the prohibitions of the Constitution or as their action in some measure conflicts with powers delegated to the National Government, [\*313] or with Congressional legislation enacted in the exercise of



317 U.S. 341, \*349; 45 S. Ct. 387, \*\*318;  
1943 U.S. LEXIS 1263, \*\*\*31; 67 L. Ed. 315

these powers. This Court has repeatedly held that the grant of power to Congress by the Commerce Clause did not wholly withdraw from the states the authority to regulate the commerce with respect to matters of local concern, on which Congress has not spoken. *Minnesota Rice Cases*, 238 U.S. 382, 399-400; *South Carolina Highway Dept. v. Barnwell Bros.*, 305 U.S. 177, 187, et seq.; *California v. Thompson*, 313 U.S. 109, 113-14 and cases cited; *Bushworth v. Arkansas*, 314 U.S. 308. A fortiori there are many subjects and transactions of local concern not themselves interstate commerce or a part of its operations which are within the regulatory and taxing power of the states, so long as state action serves local ends and does not discriminate against the commerce, even though the exercise of these powers may materially affect it. Whether we resort to the mechanical test sometimes applied (\*\*22) by this Court in determining when interstate commerce begins with respect to a commodity grown or manufactured within a state and then sold and shipped out of it -- or whether we consider only the power of the state in the absence of Congressional action to regulate matters of local concern, even though the regulation affects or in some measure restricts the commerce -- we think the present regulation is within state power.

In applying the mechanical test to determine when interstate commerce begins and ends (see *Federal Commerce Co. v. Nelson*, 291 U.S. 17, 21 and cases cited; *Minnesota v. Blaisdell*, 295 U.S. 1 and cases cited) this Court has frequently held that for purposes of local taxation or regulation "manufacture" is not interstate commerce even though the manufacturing process is of slight extent. *Crescent Oil Co. v. Mississippi*, 257 U.S. 139; *Oliver Iron Co. v. Lord*, 242 U.S. 172; *Utah Power & Light Co. v. Pfaet*, 236 U.S. 145; *Hops Geo. Co. v. Hall*, 274 U.S. 294; *Reisler v. Thomas Colliery Co.*, 260 U.S. 245; *Champion Refining (The) Co. v. Commission*, 266 U.S. 216; *Seydels Fish Co. v. Gentry*, 297 U.S. (\*\*33) 422. And such regulations of manufacture have been sustained where, aimed at matters of local concern, they had the effect of preventing commerce in the regulated article. *Kidd v. Pearson*, 128 U.S. 1; *Champion Refining Co. v. Commission*, *supra*; *Sligh v. Kirkwood*, 237 U.S. 32; see *Capital City Dairy Co. v. Ohio*, 145 U.S. 233, 245; *Thompson v. Consolidated Gas Co.*, 300 U.S. 55, 77; cf. *Seydels Fish Co. v. Gentry*, *supra*. A state is also free to license and tax interstate buyers where the purchaser expects in the usual course of business to resell in interstate commerce. *Chasenciel v. Greenwood*, 291 U.S. 264. And no case has gone so far as to hold that

a state could not license or otherwise regulate the sale of articles within the state because the buyer, after processing and packing them, will, in the normal course of business, sell and ship them in interstate commerce.

All of these cases proceed on the ground that the taxation or regulation involved, however drastically it may affect interstate commerce, is nevertheless not prohibited by the Commerce Clause where the regulation is imposed before any operation of interstate commerce (\*\*34) occurs. Applying that test, the regulation here controls the disposition, including the sale and purchase, of raisins before they are processed and packed preparatory to interstate sale and shipment. The regulation is thus applied to transactions wholly intrastate before the raisins are ready for shipment in interstate commerce.

(\*\*319) It is for this reason that the present case is to be distinguished from *Leche v. Farmers Grain Co.*, 235 U.S. 59, and *Shaffer v. Farmers Grain Co.*, 235 U.S. 109, on which appellee relies. There the state regulation held invalid was of the business of those who purchased grain within the state for immediate shipment out of it. The Court was of opinion that the purchase of the wheat for shipment out of the state without resale or processing was a (\*\*342) part of the interstate commerce. Compare *Chasenciel v. Greenwood*, *supra*.

This distinction between local regulation of those who are not engaged in commerce, although the commodity which they produce and sell to local buyers is ultimately destined for interstate commerce, and the regulation of those who engage in the commerce by selling the product interstate, has in general served, (\*\*33) and serves here, as a ready means of distinguishing those local activities which, under the Commerce Clause, are the appropriate subject of state regulation despite their effect on interstate commerce. But courts are not confined to so mechanical a test. When Congress has not exerted its power under the Commerce Clause, and state regulation of matters of local concern is so related to interstate commerce that it also operates as a regulation of that commerce, the reconciliation of the power thus granted with that reserved to the state is to be attained by the accommodation of the competing demands of the state and national interests involved. See *El Santo v. Pennsylvania*, 273 U.S. 34, 44 (with which compare *California v. Thompson*, *supra*); *South Carolina Highway Dept. v. Barnwell Bros.*, *supra*; *Milk Control Board v. Eisenberg Co.*, 306 U.S. 346; *Illinois Gas Co. v. Public Service Co.*, 314 U.S.



317 U.S. 341, \*282; 48 S. Ct. 307, \*\*310;  
1943 U.S. LEXIS 1265, \*\*\*25; 57 L. Ed. 315

440, 304-5.

Such regulations by the state are to be sustained, not because they are "indirect" rather than "direct," see *Di Santo v. Pennsylvania*, supra; cf. *Michard v. Filburn*, supra, not because they control interstate activities [\*282] in such a manner as only to effect the commerce rather than to control its operations. But they are to be upheld because upon a consideration of all the relevant facts and circumstances it appears that the matter is one which may appropriately be regulated in the interest of the safety, health and well-being of local communities, and which, because of its local character, and the practical difficulties involved, may never be adequately dealt with [\*283] by Congress. Because of its local character also there may be wide scope for local regulation without substantially impairing the national interest in the regulation of commerce by a single authority and without materially obstructing the free flow of commerce, which were the principal objects sought to be secured by the Commerce Clause. See *Minnesota Rate Cases*, supra, 230-412; *California v. Thompson*, supra, 113. There may also be, as in the present case, local regulations whose effect upon the national commerce is such as not to conflict but to coincide with a policy which Congress has established with respect to it.

Examination of the evidence in this case and of available data of the raisin industry in California, [\*287] of which we may take judicial notice, leaves no doubt that the evils attending the production and marketing of raisins in that state present a problem local in character and urgently demanding state action for the economic protection of those engaged in one of its important industries. n9 Between 1914 and 1920 [\*288] there was a spectacular rise in price of all types of California grapes, including raisin grapes. The price of raisins reached its peak, \$ 255 per ton, in 1921, and was followed by large increases in acreage with accompanying reduction in price. The price of raisins in most [\*289] years since 1922 has ranged from \$ 40 to \$ 60 per ton but acreage continued to increase until 1926 and production reached its peak, 1,435,000 tons of raisin grapes and 390,000 tons of raisins, in 1926. Since 1926 there has been a substantial carry over of 30 to 200 of each year's crop. The result has been that at least since 1926 the industry, with a large increase in acreage and the attendant fall in price, has been unable to market its product and has been compelled to sell at less than parity prices and in some years at prices regarded by students of the industry as less than the cost of [\*290] production. n10

n9 The principal statistical sources are U.S. Tariff Commission, *Grapes, Raisins and Vines*, Report No. 134, Second Series, issued pursuant to 19 U. S. C. § 1282, and the following publications of the U.S. Department of Agriculture: *Yearbook of Agriculture* (published annually until 1926); *Agricultural Statistics* (published annually since 1926); *Grape and Raisins* (published quarterly); *Season Average Prices and Value of Production, Principal Crops, 1940 and 1941* (Dec. 10, 1941). For general discussions of the economic status of the raisin industry, see *Grapes, Raisins and Vines*, supra; *Shaw and Gould, Economic Status of the Grape Industry*, University of California, Agricultural Experiment Station Bulletin No. 439 (1927); *Shaw and Hume, Factors Affecting California Raisin Sales and Prices, 1922-29*, Glendon Foundation of Agricultural Economics, Paper No. 20 (1931).

n10 Studies made under the auspices of the University of California indicate that the cost of production of Thompson Seedless raisins, including the growers' labor, a management charge, depreciation, and interest on investment, is \$ 49.30 per ton on a farm yielding two tons per acre, and \$ 72.07 per ton on a farm yielding one ton per acre. A two-ton yield is described as "good"; a one-ton yield as "usual." Adams, *Farm Management Crop Manual*, University of California Extension Series No. 275 (1941) 143-5. Another student has computed the cost of production at \$ 53.96 for a two-ton per acre yield, about \$ 65 for a 1.5 ton yield, and \$ 90 for a one-ton yield. Shultz, *Standards of Production, Labor, Material and other Costs for Selected Crops and Livestock Enterprises*, University of California Extension Service (1932) 13. Field prices for Thompson Seedless raisins were below \$ 49.30 in 1923, 1925, 1926, and 1928; since 1922 they have been at \$ 65.00 or higher in only 5 years, and have only once been as high as \$ 72.00. *Grapes, Raisins and Vines*, supra, 149.

For parity prices for raisins, see supra, note 4.

[\*290]

The history of the industry, at least since 1920, is a record of a continuous search for expedients which would stabilize the marketing of the raisin crop and maintain a price standard which would bring fair return to the producers. n11 It is significant of the



317 U.S. 341, \*344; 48 S. Ct. 387, \*\*389;  
1943 U.S. LEXIS 1265, \*\*\*39; 67 L. Ed. 315

relation of the local interest in maintaining this program to the national interest in interstate commerce, that throughout the period from 1939 until the adoption of the prorate program for (1939) the 1940 raisin crop, the national government has contributed to these efforts either by its establishment of marketing programs pursuant to Act of Congress or by aiding programs sponsored by the state. Local co-operative market stabilization programs for raisins in 1939 and 1940 were approved by the Federal Farm Board which supported them with large loans. n12 In 1934 a marketing agreement for California raisins was put into effect under § 2 (2) of the Agricultural Adjustment Act of 1933, as amended, 48 Stat. 322, which authorized the Secretary of Agriculture, in order to effectuate the Act's declared policy of achieving parity (1934) prices, to enter into marketing agreements with processors, producers and others engaged in handling (1934) agricultural commodities "in the current of or in competition with, or so as to burden, obstruct, or in any way affect, interstate or foreign commerce." n13

n11 For discussion of private efforts within the industry prior to 1939 to regulate the marketing of raisins, see *Grapes, Raisins and Wines*, supra, 153-5.

n12 See Annual Report of the Federal Farm Board (1939) 10, 73; id. (1940) 59-61, 91; *Grapes, Raisins and Wines*, supra, 62-64; S. U. Shear, The California Grape Control Plan, Glanville Foundation of Agricultural Economics, Paper No. 22 (1941); Stohdyk and West, The Farm Board (1939) 135-9. Loans of \$ 4,500,000 in 1939 and \$ 6,750,000 in 1940 were made by the Federal Farm Board. Shear, supra, states that the 1939 program, which provided for the formation of a single marketing agency, and the destruction or diversion to by-products use of surplus raisins, "was designed by the Federal Farm Board."

The Federal Farm Board was created by § 2 of the Agricultural Marketing Act of 1929, 46 Stat. 11, which authorized the Board to make loans to cooperative associations to aid in "the effective merchandising of agricultural commodities . . ." (§ 7) so as to achieve the statutory objective of placing agriculture on a "basis of economic equality with other industries" (§ 1).

n13 See U.S. Dept. of Agriculture, Agricultural Adjustment in 1934, 322. The marketing program adopted is published by the Agricultural Adjustment Administration,

Department of Agriculture, as Marketing Agreement Series -- Agreement No. 44, License Series -- License No. 35. It was in effect from May 20, 1934 to Sept. 14, 1935. The agreement provided for the creation of a control board on which representatives of packers and growers should have an equal voice. Subject to the approval of the Secretary of Agriculture the control board could fix minimum prices to be paid growers and require a percentage of the crop to be delivered to the control board. 15% of the 1934 crop was required to be delivered to the board, and prices for that crop were fixed at \$ 40, \$ 45 and \$ 70 per ton for Muscat, Sultan, and Thompson Seedless raisins respectively.

(1934)

(1934) Raisin Proration Zone No. 1 was organized in the latter part of 1937. No proration program was adopted for the 1937 crop, but loans of \$ 1,344,000 were made on raisins of that crop by the Commodity Credit Corporation. n14 In aid of a proration program adopted under the California Act for the 1938 crop, a substantial part of that crop was pledged to the Commodity Credit Corporation as security for a loan of \$ 2,000,000, and was ultimately sold to the Federal Surplus Commodities Corporation for relief distribution. n15 Substantial purchases of raisins of the 1939 crop were also made by Federal Surplus Commodities Corporation, although no proration program was adopted for that year n16. In aid of the 1940 program, as we have already noted, the Commodity Credit Corporation made loans in excess of \$ 3,000,000, and 30,000 tons of the raisins pledged to it were sold to the Federal Surplus Marketing Administration. n17

n14 Report of the President of the Commodity Credit Corporation (1940) 14. These raisins were ultimately sold to the Federal Surplus Commodities Corporation for relief distribution. Ibid.; Report of the Federal Surplus Commodities Corporation (1938) 14.

n15 Report of the President of the Commodity Credit Corporation (1940) 14; Report of the Associate Administrator of the Agricultural Adjustment Administration in Charge of the Division of Marketing and Marketing Agreements, and the President of the Federal Surplus Commodities Corporation (1939) 52. The federal loan was conditioned upon the adoption of a state proration program by which 25% of the crop was



317 U.S. 341, \*244; 45 S. Ct. 307, \*221;  
1943 U.S. LEXIS 1248, \*\*41; 47 L. Ed. 315

delivered into a stabilization pool.

n16 Cecil, The 1940 Raisin Proration Program, supra, 48; Report of the Federal Surplus Commodity Corporation (1940) 6.

n17 The Commodity Credit Corporation similarly made loans on the 1937, 1938, and 1940 crops of dried prunes, the loans on the 1938 and 1940 crops being in aid of proration programs which were very similar to those adopted for raisins. Report of the President of the Commodity Credit Corporation (1940) 19, 21; id. (1941) 13-14, 21; Report of the Surplus Marketing Administration (1941) 23-4.

[\*\*42]

(\*247) This history shows clearly enough that the adoption of legislative measures to prevent the demoralization of the industry by stabilizing the marketing of the raisin crop is a matter of state as well as national concern and, in the absence of inconsistent Congressional action, is a problem whose solution is peculiarly within the province of the state. In the exercise of its power the state has adopted a measure appropriate to the end sought. The program was not aimed at nor did it discriminate against interstate commerce, although it undoubtedly affected the commerce by increasing the interstate price of raisins and curtailing interstate shipments to some undetermined extent. The effect on the commerce is not greater, and in some instances was far less, than that which this Court has held not to afford a basis for denying to the states the right to pursue a legitimate state end. Cf. *Kidd v. Pearson*, supra; *Sligh v. Kirkwood*, supra; *Chaplin Refining Co. v. Commission*, supra; *South Carolina Highway Dept. v. Serruelli Bros.*, supra, and cases cited at p. 189 and notes 4 and 5; *California v. Thompson*, supra, 113-15, and cases cited.

In comparing the relative weights of [\*42] the conflicting local and national interests involved, it is significant that Congress, by its agricultural legislation, has recognized the distressed condition of much of the agricultural production of the United States, and has authorized marketing procedures, substantially like the California prorate program, for stabilizing the marketing of agricultural products. Acting under this legislation the Secretary of Agriculture has established a large number of market stabilization programs for agricultural commodities moving in interstate commerce in vari-

ous parts of the country, including seven affecting California crops. n18 All involved attempts [\*248] in one way or another to prevent over-production of agricultural products and excessive competition in marketing them, with price stabilization as the ultimate objective. Most if not all had a like effect in restricting shipments and raising or maintaining prices of agricultural commodities moving in interstate commerce.

n19 Twenty-eight such programs affecting silk, and nineteen affecting other agricultural commodities, were in effect during the fiscal year ending June 30, 1941. Report of the Surplus Marketing Administration (1941) pp. 7, 12. For discussions of the nature and purpose of these programs, see the annual reports of the Agricultural Adjustment Administration; Bureau, Marketing Agreements under the A. A. A. (1938).

[\*\*44]

It thus appears that whatever effect the operation of the California program may have on interstate commerce, it is one which it has been the policy of Congress to aid and encourage through federal agencies in conformity to the Agricultural Marketing Agreement Act, and § 302 of the Agricultural Adjustment Act. Nor is the effect on the commerce greater than or substantially different in kind from that contemplated by the stabilization program authorized by federal statutes. As we have seen, the Agricultural Marketing Agreement Act is applicable to raisins only on the direction of the Secretary of Agriculture who, instead of establishing a federal program has, as the statute authorizes, cooperated in promoting the state program and aided it by substantial federal loans. Hence we cannot say that the effect of the state program on interstate commerce is one which conflicts with Congressional policy or is such as to preclude the state from this exercise of its reserved power to regulate domestic agricultural production.

We conclude that the California prorate program for the 1940 raisin crop is a regulation of state industry of local concern which, in all the circumstances of this [\*44] case which we have detailed, does not impair national commerce over the commerce in a manner or to a degree forbidden by the Constitution.

Reversed.





Geoffrey B. Grigory  
Group Manager

Regulatory Affairs/West  
1818 Gateway Dr., 7th Fl.  
San Diego, CA 94104-3467  
Telephone (619) 515-2732  
Fax (619) 515-3737

**VIA FACSIMILE AND FEDERAL EXPRESS**

**October 24, 1996**

**Mr. Fred Patterson  
Investigator - CPUC Safety & Enforcement  
505 Van Ness Avenue  
San Francisco, CA 94102-3206**

**Re: October 11, 1996 Letter on Unauthorized PIC Changes**

**Dear Mr. Patterson:**

I have received your letter dated October 11, 1996 regarding the sudden increase in unauthorized Primary Interexchange Carrier (PIC) changes attributable to Sprint's Carrier Identification Code (CIC). Sprint, too, is concerned over the increase and gladly responds to your questions.

- 1. What is the cause for the sudden increase in allegations of unlawful activity made against Sprint?**

Sprint's operations have not changed and this is one of the reasons that Sprint has such a low number of unauthorized PIC changes attributable directly to Sprint. As an example, only .7% of all lines PIC'd to Sprint nationally in September 1996 were classified as "unauthorized".

Sprint's network provides services to many switchless resellers across the country. These are companies that do not have their own private networks or do not have the capability to PIC customers directly to themselves. While these unauthorized PIC changes may appear to be Sprint customers, they are actually customers of another company. Sprint feels certain that the sudden increase in unauthorized PIC changes is due directly to this relationship with its reseller customer, Jentidntown.

In July of 1996 Sprint accepted over 800,000 Automated Number Identification (ANI) changes nationally from just one customer, Jentidntown. At that time, Sprint explained to its customer that this was an abnormally large number of changes and explained that all of Sprint's



standard procedures would apply (e.g. unauthorized PIC changes would be billed back) to these orders. Sprint was informed that the company stood behind its ANI changes. Although Sprint does not require this information, Jentintown informed Sprint that Phone Calls Incorporated (also doing business as Charity Long Distance) had actually made these sales, not Jentintown.

**2. What is Sprint doing to investigate the cause of the increase?**

In July 1986, when Sprint began to notice the dramatic increase in customer complaints (referred by local exchange carriers) for accounts which belonged to its reseller Jentintown, Sprint immediately contacted Jentintown. Sprint met with Jentintown either in person or via conference call on each of the following dates:

July 18, 1986  
July 19, 1986  
July 22, 1986  
July 23, 1986  
July 24, 1986  
July 25, 1986  
July 28, 1986

After July 28 the number of complaints dropped off substantially which Sprint believes was due primarily to a change in customer service procedures at either Jentintown and/or Phone Calls Incorporated.

**3. What is Sprint doing to receive the complaints of which it is already aware?**

Once Sprint realized what was happening it refused to take any new orders originated by Phone Calls Incorporated or Charity Long Distance. Sprint also billed all unauthorized PIC charges back to Jentintown. Since Sprint is not directly related to resellers of Jentintown, it is impossible to know how Jentintown dealt with this issue.

**4. What is Sprint doing to ensure that further complaints are not generated?**

Sprint believes that it is precluded by federal regulation to, in effect, regulate reseller customers. In FCC DA 86-2333 at paragraph 15, The FCC concludes, "The Commission's PIC selection orders clearly contemplate that a reseller such as GLD/NICE may be a PIC. In fact, the Commission has emphasized that the carrier that sets the rates for the



and user is that end user's PIC". All resellers should be held to the same standard as interchange carriers and should be regulated by both the state commission's and the FCC. Sprint billed substantial unauthorized PIC change charges back to its customer and Sprint has been assured by Jenkintown that this issue has been resolved with its reseller customer. Again, Sprint has a very low percentage of PIC disputes for the customers it sells to directly.

- 5. Please explain Sprint's procedures for ensuring that its resellers are licensed by the Commission.**

Companies that provide telecommunications services in California have a responsibility to abide by the Commission's licensing requirements as well as all applicable state and federal laws and regulations. Sprint does not ensure that its reseller customers are licensed in this or any other state.

- 6. Please explain Sprint's procedures for ensuring that its resellers operated in the public interest.**

Sprint believes that the CPUC and the FCC are both charged with ensuring that companies operate within the public interest. Sprint does not have the capability of guaranteeing that resellers operate in the public interest. Sprint competes directly with the same reseller customers it sells to. Were Sprint to attempt to regulate its own customers, it is likely that it would be charged with unfair business practices or attempting to stifle competition.

- 7. Please explain Sprint's relationship (whether direct or indirect) with the following companies:**

**A. Phone Calls Incorporated**

This company is not a customer of Sprint's. Sprint understands that Phone Calls Incorporated (also d.b.a. Charity Long Distance) is a customer of Jenkintown but cannot confirm this.

Sprint does not deal directly with this customer.

**B. Jenkintown**

Jenkintown is a customer of Sprint's and is sold bulk services through Sprint's wholesale marketing channel. Sprint began its business relationship with Jenkintown in October of 1986.



**Sprint contact:** Ms. Michele Ambler  
Sprint  
3100 Cumberland Circle  
Cumberland Center II  
Atlanta, GA 30339

(404) 880-8815 voice  
(404) 849-8055 facsimile  
(408)

**C. Atlas**

It is Sprint's understanding that Jentintown also does business under the name of Atlas. Sprint began doing business with Jentintown (dbs Atlas) in October of 1995.

**Sprint contact:** Ms. Michele Ambler  
Sprint  
3100 Cumberland Circle  
Cumberland Center II  
Atlanta, GA 30339

(404) 880-8815 voice  
(404) 849-8055 facsimile

**D. Any other company affiliated with those listed**

Sprint does not know if any of these companies do business under other names nor does it know the nature of additional business relationships among these companies.

If you have additional questions or concerns, please contact me.

Sincerely,

  
Geoffrey D. Grigsby  
Group Manager  
State Regulatory Affairs/West

pc Michele Ambler  
Ed Phelan  
Richard Purkey  
Renée van Dieën



# CONSUMER INFORMATION

Federal Communications Commission, 1919 M Street NW, Washington, DC 20554

## Invalid Or Unclear Charges On Local Telephone Bills

### What Types Of Charges Can Appear On My Local Telephone Bill?

In addition to providing local telephone service, your local telephone company may bill you for services provided by other companies, such as long distance telephone calls or "information services" accessed through 900 numbers, like psychic hotlines. Most of these charges are incurred by consumers by either placing specific calls or authorizing companies to provide specific types of telephone services. For many consumers, having these charges included on their local telephone bill is convenient.

Recently, however, consumers have complained to the FCC about charges on their telephone bills that do not clearly state what service was provided. In many cases, consumers claim they are being billed for services they did not order. These practices are sometimes called "cramming."

The FCC is concerned about the appearance of invalid, unclear or possibly fraudulent charges on consumers' telephone bills. Examples include:

- Charges for calls that were not made by the consumer or that were placed to toll-free numbers;
- Charges for services that are explained only in general terms, such as "voicemail," or "calling plan," or "membership;"
- Charges for "900 number service;" and
- Charges identified as "monthly fee" that appear on a monthly basis.

### How Do Invalid Or Unclear Charges Occur?

Local telephone companies serve as billing agents for many long distance and information service providers. Invalid or unclear charges can occur when a long distance telephone company or an information services provider sends inaccurate billing data - whether through oversight or intentionally - to the local telephone company. The local telephone company, in turn, bills consumers for the calls or services.

Unclear charges also occur when a long distance telephone company or an information services provider legitimately imposes a charge but either insufficiently or improperly describes the service for which the consumer is being billed.

### What Is The FCC Doing About These Types Of Billing Problems?

Recently, the Commission's staff began an inquiry into the causes behind invalid or unclear charges on bills rendered by local telephone companies on behalf of other companies. The Commission is also working jointly with the Federal Trade Commission and other regulatory agencies that may have jurisdiction over companies that are engaged in "cramming." Examples of actions the Commission has taken include:

- In April 1997, Commission staff invited members of the local telephone, information services provider, and long distance telephone industries to separate meetings in order to better identify why invalid or unclear charges appear on consumers' telephone bills, and to find solutions to this problem.
- In June 1997, Commission staff convened a public forum, with regulators from several states participating, to discuss recurring billing problems such as inaccurate or incomplete information on local telephone bills; inaccurate calculation of charges; insufficient explanations for certain charges; and mistaken or false charges.

The forum identified various ways that members of industry, state and federal regulators, and others can reduce this problem. A transcript of the forum is available on the FCC's Web Site at [http://www.fcc.gov/Bureaus/Common\\_Carrier/Other/tcd2497.html](http://www.fcc.gov/Bureaus/Common_Carrier/Other/tcd2497.html)

- As a result of its industry meetings and the public forum, the Commission is considering three separate petitions for declaratory rulings or rules on various issues associated with charges by other companies on local telephone bills.



### Tip For Consumers

- Allow others to use your telephone only for calls and services you authorize.
- Carefully read all forms and promotional materials – including the fine print – before signing up for telephone services.
- Companies compete for your telephone business. Use your buying power wisely and shop around.  
  
If you think that a company's charges are too high or that their services do not meet your needs, contact other companies and try to get a better deal.
- Keep a record of the telephone services you have authorized and used – including calls placed to 900 numbers and other types of information services. These records can be helpful when billing descriptions are unclear.
- Carefully review your telephone bill every month. Look for company names you do not recognize, charges for calls you did not make, and charges for services you did not authorize.  
  
Keep in mind that you may sometimes be billed legitimately for a call you placed or a service you used – but the description for the call or service may be unclear.
- Immediately call the company that charged you for calls you did not make or services you did not authorize. Ask the company to explain the charges and request a billing adjustment for incorrect charges.  
  
The name of the company and the telephone number to call about billing questions should be included with your local telephone bill. This information is often at the top of the pages listing the charges for each company.
- Explain your concerns about unclear or unauthorized charges to your local telephone company. A customer helpline number for your local telephone company is usually included on the front page of your telephone bill.
- If the company responsible for the charges does not sufficiently respond to your concerns, ask your local telephone company what the procedure is for removing incorrect charges from your bill.

### What Can I Do If The Companies Will Not Remove Incorrect Charges From My Telephone Bill?

You can file a complaint with the proper regulatory agency.

You should contact your state regulatory commission for calls placed to a location within your state or telephone services provided within your state. Your local or state consumer office should be able to provide the telephone number and address for your state regulatory commission. This information may also be listed in the government section of your telephone directory.

You may file a complaint with the Federal Trade Commission regarding charges on your telephone bill for non-telephone services (for example, "content" services like psychic hotlines). Consumers can obtain information about the FTC's regulations and how to file a complaint by writing to the Federal Trade Commission, Public Reference Branch, Drop N248, Washington, D.C. 20580 – or by calling the FTC's Consumer Response Center at (202)326-3128.

In addition, you may file a complaint with the FCC regarding interstate or international services and charges. Complaints about telephone-related issues must be filed with the FCC in writing. There is no special form to fill out to file a complaint with the FCC. Simply send a typed or legibly printed letter in your own words to: FCC, Common Carrier Bureau, Consumer Complaints, Mail Stop Code 1600A2, Washington, D.C. 20554. The following information should be included in your complaint letter:

- Your name, company name (where appropriate), address and a daytime telephone number (including the area code).
- A brief description of the complaint; the telephone number(s) involved with the complaint; the date(s) of the incidents involved with the complaint; the names, addresses and telephone numbers for the companies involved with your complaint; the names and telephone numbers of the company employees you called in an effort to resolve the complaint, and the dates you spoke with them; and the action you are requesting, such as a credit or refund for disputed charges.
- Copies of the telephone bill(s) listing the disputed charges and other documents involved with the complaint.



The disputed charges should be circled on the copies of the telephone bill(s).

Further consumer information on telephone-related issues is available by calling the FCC toll-free at 1-888-225-5322, or on the FCC's Web Site at <http://www.fcc.gov/cch/consumer-news/>

[ Text Version | WordPerfect Version ]

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Produced by: The Common Carrier Bureau Enforcement Division December 1997  
Form No. CCB-PS013

[REDACTED]





## OFFICE OF THE ATTORNEY GENERAL

DEPARTMENT OF LEGAL AFFAIRS  
THE CAPITOL  
TALLAHASSEE, FLORIDA 32309-1000

ROBERT A. BUTTERWORTH  
Attorney General  
State of Florida

Please Reply to:  
Office of the Attorney General  
Economic Crimes Division  
110 Tower  
110 S.E. 6th Street  
Ft. Lauderdale, Florida 33301  
(954) 712-4600; FAX (954) 712-4706

April 14, 1997

Alan Taylor, Chief of Services Evaluation  
Division of Communications  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0866

Dear Mr. Taylor:

Our office has reviewed the consumer complaint regarding Pilgrim Telephone and billing for "800 Number" use. We have referred this matter to the Federal Communications Commission for further action. Thank you for bringing this matter to our attention.

Sincerely,

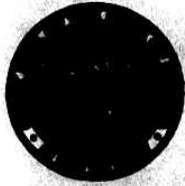
A handwritten signature in cursive script, appearing to read "Todd I. Stone".

Todd I. Stone  
Assistant Attorney General





State of Florida



## Public Service Commission

### -M-E-M-O-R-A-N-D-U-M-

**DATE:** April 8, 1997

**TO:** TODD STONE, OPC OF THE AG, FAX (954) 712-4706

**FROM:** ALAN TAYLOR, DIVISION OF COMMUNICATIONS

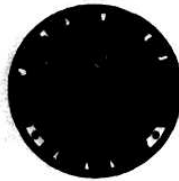
**RE:** PAY PER CALL ABUSES

As discussed, attached is a copy of a bill from Pilgrim Telephone, Inc. for calls to 900 745-3453. Also attached is BellSouth's response to me that the subscriber in question had a working 900 number block in place at the time. In addition, MCI, the transport provider for 900 745-3453 has informed me that they have no record of these calls transiting their network.

In my opinion, this documents that Pilgrim has failed to comply with applicable federal requirements with respect to 900 calls. I believe an investigation would identify thousands of similar instances. I provided this same information to Bob Spangler with the FCC on April 1. Since my ability to act on this information is limited, please feel free to use it in any way you believe appropriate.



## STATE OF FLORIDA



**Commissioners:**  
**JULIA L. JOHNSON, CHAIRMAN**  
**SUEAN F. CLARK**  
**J. TERRY DEASON**  
**JOE GARCIA**  
**DIANE K. KIRKING**

2/24/97

**DIVISION OF COMMUNICATIONS**  
**WALTER D'HARSELIER**  
**DIRECTOR**  
**(904) 413-6600**

**Public Service Commission**

February 10, 1997

**Ms. Nancy H. Sims**  
**BellSouth Telecommunications, Inc.**  
**150 South Monroe Street, Suite 400**  
**Tallahassee, Florida 32301-1536**

**Re: (904) 797-7796, Robert Coe, BellSouth Bill December 4, 1996**

**Dear Ms. Sims:**

The Division of Consumer Affairs has previously contacted BellSouth concerning this matter (158669L). However, in reviewing the file a number of questions come to mind. Accordingly, pursuant to Section 364.27, Florida Statutes, please provide a response to the following by February 24, 1997.

1. With respect to the charges on behalf of Pilgrim Telephone to (900) 745-3453 dated November 17, 18 and 19, was a 900 block in place and properly functioning on Mr. Coe's number? If a 900 block was in place, please explain any failure of BellSouth's blocking service during the time in question.
2. If a 900 block was in place and properly functioning, can BellSouth suggest any way anyone could have completed a call dialed (900) 745-3453 from (904) 797-7796.
3. Does BellSouth's billing system include the capability to block bills for 900 services where subscribers affirmatively block calls to 900 services?
4. If 900 blocking was in place, it would appear that the charges at issue have been masked, perhaps actually originating, if at all, as calls to an 800 number. Please explain why BellSouth will not remove such unauthorized calls from Mr. Coe's bill.
5. If BellSouth is aware of any information concerning this matter that documents that these charges are valid, instead of a complete fraud against Mr. Coe on behalf of the information provider, please provide details. Please also indicate whether BellSouth has initiated any action at any time to address masked or fraudulent bills on behalf of Pilgrim; and if so, describe the outcome and whether additional review is warranted.



Ms. Nancy H. Sims  
Page 2  
February 10, 1997

Meanwhile, please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Alan Taylor", written over a horizontal line.

J. Alan Taylor, Chief  
Bureau of Service Evaluation

Enclosure

cc: Kate Smith (158669L)  
Robert Coe  
P. O. Box 3983  
St. Augustine, Florida 32085-3983  
tms2684




**Pilot Telephone**

ROBERT COE

Account Number: 904 797-7796 360 0560

Bill Period Date: Dec 4, 1996

904796  
MAY 17<sup>TH</sup> 1995 (BLOCK)

For Pilot Telephone, Inc. Billing Questions, Call 1 800 382-9500

**Detailed Statement of Charges**

Itemized Calls 1/27/96 904796: MARIA  
Pay Per Call 900 Nonregulated Charges

Amount

The following charge(s) is for information or services received through a 900 number. Call 1 800 382-9500 with questions or billing error claims about your 900 Service charges. Oral notification is sufficient to begin a review of these charges. Payment of disputed 900 Service charges is not required while these charges are under review. Nonpayment of 900 Service charges will not result in disconnection of your local or long distance telephone service, but access to 900 numbers may be blocked for nonpayment of legitimate charges. Collection of unpaid 900 Service charges may be pursued by the Interexchange Carrier or Information Provider through an independent collection action. You may obtain free blocking of 900 Service by calling BellSouth.

Day	Service Type	Number Called	Rate	Time	Min	Amount
1. 11/17	DATeline	900 745-3453	AE	06:45PM	9	26.91
2. 11/18	DATeline	900 745-3453	AD	10:03AM	3	14.95
3. 11/18	DATeline	900 745-3453	AD	10:10AM	62	124.00
4. 11/19	DATeline	900 745-3453	AD	11:51AM	41	122.59
5. 11/19	DATeline	900 745-3453	AD	12:34PM	41	122.59
6. 11/19	DATeline	900 745-3453	AD	01:19PM	41	122.59
7. 11/19	DATeline	900 745-3453	AD	01:56PM	38	113.62
Total Pay Per Call 900 Nonregulated Charges .....						647.25
Total Itemized Calls .....						647.25

Amount**Taxes****Taxes on Unregulated Services**

8. Federal Tax .....	19.42
Total Taxes on Unregulated Services .....	19.42
Total Taxes .....	19.42

**TOTAL: \$666.67**

\* Taxes and Rates Applied - See Back of First Page  
\*\* Unregulated Charge

AT E069483

(continued)▶

TOTAL P.02



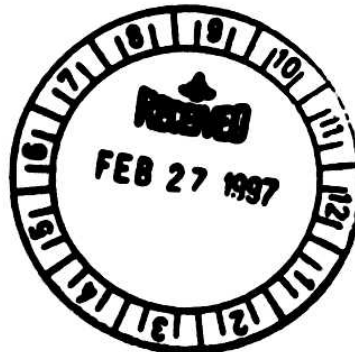


BellSouth Telecommunications, Inc.    Fax 904 222-0848  
Suite 400    904 222-1201  
199 South Monroe Street  
Tallahassee, Florida 32301

Henry H. Sims  
Director - Regulatory Relations

February 26, 1997

Mr. J. Alan Taylor, Chief  
Bureau of Service Evaluation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Gerald L. Gunter Building, Room 270  
Tallahassee, Florida 32399-0650



Dear Mr. Taylor:

RE: Complaint of Robert Coe

In response to your letter of February 10, 1997, below are the answers to your questions.

1. With respect to the charges on behalf of Pilgrim Telephone to (900)745-3453 dated November 17, 18, and 19, was a 900 block in place and properly functioning on Mr. Coe's number? If a 900 block was in place, please explain any failure of BellSouth's blocking service during the time in question.

Yes, a block was in place and properly functioning on Mr. Coe's number. There was no failure of BellSouth's blocking service during the time in question.

2. If a 900 block was in place and properly functioning, can BellSouth suggest any way anyone could have completed a call dialed (900)745-3453 from (904)797-7796.

The calls could have been placed by using a 1-800 access telephone number.

3. Does BellSouth's billing system include the capability to block bills for 900 services where subscribers affirmatively block calls to 900 services?

BellSouth's billing does not include the capability to block bills for 900 services where subscribers block 900 calls.



February 26, 1997  
Mr. J Alan Taylor  
Page 2

4. If 900 blocking was in place, it would appear that the charges at issue have been masked, perhaps actually originating, if at all, as calls to an 800 number. Please explain why BellSouth will not remove such unauthorized calls from Mr. Coe's bill.

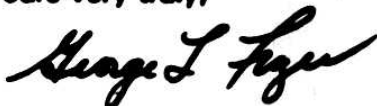
BellSouth did recourse the disputed charges to the carrier.

5. If BellSouth is aware of any information concerning this matter that documents that these charges are valid, instead of a complete fraud against Mr. Coe on behalf of the information provider, please provide details. Please also indicate whether BellSouth has initiated any action at any time to address masked or fraudulent bills on behalf of Pilgrim; and if so, describe the outcome and whether additional review is warranted.

BellSouth is in the process of gathering additional information to determine whether a contract violation has occurred with this carrier. Once this information has been obtained, BellSouth will address the matter with Pilgrim.

If you need additional information, please advise.

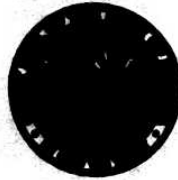
Yours very truly,



*fn* Director - Regulatory Relations



## STATE OF FLORIDA



Commissioners:  
 JULIA L. JOHNSON, CHAIRMAN  
 SUSAN F. CLARK  
 J. TERRY DEASON  
 JOE GARCIA  
 DIANE K. KESLING

DIVISION OF COMMUNICATIONS  
 WALTER D'HAESLEER  
 DIRECTOR  
 (904) 413-6600

## Public Service Commission

February 10, 1997

Ms. Martha P. McMillin  
 MCI Telecommunications Corporation  
 780 Johnson Ferry Road, Suite 700  
 Atlanta, Georgia 30342

Re: (904) 797-7796, Robert Cee - calls to (900) 745-3453 - November

Dear Ms. McMillin:

Enclosed is a page from the above named subscriber's December BellSouth bill which includes charges for calls to (900) 745-3453 on behalf of Pilgrim Telephone. It is my understanding that MCI is/was the underlying carrier for this particular number. Under the circumstances, and pursuant to Section 364.27, Florida Statutes, a number of questions come to mind. Please therefore provide a response to the following by February 24, 1997.

1. BellSouth indicates a 900 block was in place for this subscriber during November. Therefore, since one could conclude that the billing on behalf of Pilgrim is masked and/or fraudulent, please advise whether MCI has any record of this call in its ticketing records or billing records for services provided to Pilgrim. If MCI has a record of the call (date & time reflected on bill), please advise whether the call originated as an 800, 900 or some other type access call.
2. Please identify MCI's customer, including contact name and mailing address, and indicate what services are/were provided (ticketing/transmission/other) in connection with MCI's processing of calls to (900) 745-3453.
3. Please describe any previous, current or anticipated investigation by MCI related to its customer for (900) 745-3453 and provide any other information that MCI believes is pertinent to this inquiry.



Ms. Martha P. McMillin

Page 2

February 10, 1997

Meanwhile, feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Alan Taylor".

J. Alan Taylor, Chief  
Bureau of Service Evaluation

Enclosure

cc: Kate Smith (158669L  
Robert Coe  
P.O. Box 3983  
St. Augustine, Florida 32085-3983  
tms2684m





**MCI Telecommunications  
Corporation**

**Law & Public Policy  
780 Johnson Ferry Road  
Suite 700  
Atlanta, GA 30342  
404 843 6383  
FAX 404 250 5992**



**April 1, 1997**

**J. Alan Taylor  
Chief  
Bureau of Service Evaluation  
Florida Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850**

**Re: letter dated February 10, 1997 pertaining to the complaint filed by Robert Coe 904-797-7796.**

**Dear Mr. Taylor,**

**This letter is in response to your above referenced letters inquiring about the 900 charges billed to 904-797-7796 belonging to Mr. Coe. The number in question is 900-745-3453.**

**Commission Question:**

**BellSouth indicates a 900 block was in place for this subscriber during November. Therefore, since one could conclude that the billing on behalf of Pilgrim is masked and/or fraudulent, please advise whether MCI has any record of this call in its ticketing records or billing records for services provided to Pilgrim. If MCI has a record of the call (date & time reflected on bill), please advise whether the call originated as an 800, 900 or some other type access call.**

**MCI Response:**

**We researched our billing records for 900-745-3453 and found no call records that would indicate the calls on November 11, 18 and 19 were originated and transmitted over the MCI network. As part of our investigation we asked a member of the MCI account team that is responsible for the Pilgrim Telephone account to contact our customer to discuss the calls in question. MCI's representative spoke with Scott Yacino of Pilgrim Telephone. Mr. Yacino informed us that Pilgrim Telephone provides a multitude of access methods other than 900 origination that allows customers to reach their 900 platform. Mr. Yacino indicated that extensive research would have to be completed on the calls billed to Mr. Coe in order to determine what method was used to access the 900 platform for the Dateline service. MCI feels that Pilgrim Telephone is in the best position to answer the Commission's questions regarding the calls billed to Mr. Coe's account. Scott Yacino can be reached at 617-225-7000 mailing address is the same set forth below.**



J. Alan Taylor  
April 1, 1997  
Page 2 of 2

**Commission Question:**

Please identify MCI's customer, including contact name and mailing address, and indicate what services are/were provided (ticketing/transmission/other) in connection with MCI's processing of calls to 900-745-3453.

**MCI Response:**

MCI sent the call detail information for 900-745-3453 to the responsible sponsor on record:

**PDQ Phone INC.**

**1770 Massachusetts Ave. Suite 300**

**Cambridge MA 02140    Customer Service Number 617-577-8900**

MCI does not bill and collect for the above mentioned 900 number since it is an Adult Entertainment service. The sponsor of record uses a third party to bill and collect and in such cases MCI only provides network transport. The 900 exchange involved is assigned exclusively to MCI and when calls originate using the 900 number, the calls are transported over MCI's network.

Thank you for your patience during this investigation. I apologize that we were unable to provide you with more detail on the calls in question. Please do not hesitate to contact me with any questions or concerns regarding this matter. I can be reached at 800-525-5406.

Very truly yours,



**Sandra Seay  
Regional Support Manager**

cc:    **Mr. Richard D. Melson**



COMMISSIONERS  
JOHN P. LARK, CHAIRMAN  
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DIANE K. KIESLING  
JOE GARCIA



General Counsel  
ROBERT D. VANDIVER  
(904) 43-6248

## Public Service Commission

December 7, 1995

**BY FEDERAL EXPRESS**

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: Policies and Rules Implementing the Telephone Disclosure and Dispute Resolution Act - Petition to Initiate Rulemaking to Adopt Additional Safeguards by the Florida Public Service Commission

Dear Mr. Caton:

Enclosed please find the original and 14 copies of the Florida Public Service Commission's Petition to Initiate Rulemaking to Adopt Additional Safeguards. Please date stamp and return one copy in the enclosed self-addressed envelope.

Sincerely,

Cynthia B. Miller  
Associate General Counsel

CBM/jb  
Enclosure

cc: International Transcription Service  
2100 M Street N.W.  
Suite 140  
Washington D.C. 20037

Brad Ramsey  
National Association of Regulatory Attorneys  
1102 Interstate Commerce Commission Building  
Constitution Avenue & 12th Street NW  
Washington, D.C. 20042

1-11-97  
Spangler says  
by end of June



**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the Matter of:

Policies and Rules Implementing  
the Telephone Disclosure and  
Dispute Resolution Act

)  
)  
)  
)  
)

**PETITION TO INITIATE RULEMAKING TO ADOPT ADDITIONAL SAFEGUARDS  
BY THE FLORIDA PUBLIC SERVICE COMMISSION**

The Florida Public Service Commission (FPSC) files this Petition to Initiate Rulemaking on an expedited basis to adopt additional safeguards in response to complaints received by this agency from local exchange telephone company subscribers. Our review of these complaints suggests that abuse of and evasion of applicable rules and requirements by segments of the Pay-Per-Call (PPC) industry warrant immediate additional corrective action.

While the Federal Communications Commission (FCC) and the Federal Trade Commission (FTC) have recently taken action to address PPC abuses, the FPSC has received over 800 complaints and inquiries about the pay per call industry this year from Florida telephone subscribers. Complaints have continued despite efforts to clarify applicable federal requirements contained in the Code of Federal Regulations, Part 64.1501, Subpart O - Interstate Pay-Per-Call and 800 services.

Apparent abuses and violations of Subpart O include (1) billing of PPC charges as regulated telecommunications service (examples, pages A1-2, A22-25, A31, A34-35, A45-46, A63, A66, A70-



71); (2) billing PPC charges to consumers who deny all knowledge of the calls (examples, pages A1-2, A10-11, A22-25, A37-39, A48-51, A53-54, A58-66); (3) billing PPC charges for adult entertainment provided to children (examples, pages A33, A36); (4) unauthorized billing of PPC charges (examples, pages A36, A44, A48-51, A55-62, A64); (5) billing charges which are not accurately described on the bill (examples, pages A2, A24-25, A29-31, A34-35, A63); (6) disconnecting service for failing to pay unregulated PPC charges (example, page A67); and (7) billing for voicemail and conference calls of which the subscriber has no knowledge (examples, pages A29-31, A53-54, A58-63).

Because these complaints have continued despite efforts by the FCC and FTC to address the evasion and abuse of applicable federal requirements, we believe additional safeguards are necessary to protect consumers. Moreover, consumers are demanding action (examples, pages A36-39, A48-51).

#### **SECURITY OF LOCAL EXCHANGE COMPANY (LXC) BILLING SYSTEMS MANAGED**

Currently, even without the permission of subscribers, virtually anyone may submit charges through clearinghouses and service bureaus to be billed by local exchange companies (LXCs). This policy of easy access to LXC billing by IXCs and information providers (IPs) was originally conceived in part to enhance development of interexchange competition. However, because of the



ease with which charges can be billed to subscribers, the system facilitates subscribers being billed and pressured to pay charges for services they have not received. Once such charges appear on local telephone bills local subscribers have an extremely difficult time in obtaining assistance. Frequently the entity responsible for the charges is inaccessible by phone or through correspondence. Moreover, LECs, as middlemen in the billing and collecting of such charges, are often unable or unwilling to enforce their contracts with apparently unscrupulous FPC providers, service bureaus or clearinghouses (letters from Southern Bell, GTE Florida and Sprint United/Centel, pages A3-21, A26-32, A40-43).

Information providers frequently state that consumers dial the 1-800 number of the IP or its Service Bureau (SB) to access information. The caller's telephone number through the telephone network's automatic number identification (ANI) function is claimed to have been delivered with the call or upon a subsequent billing. Through a series of prompts the IP or SB assigns a four-digit PIN to the ANI. The caller is then "connected" to the IP to receive information or join a conference call or receive some alleged service at tarified rates presumably on file at the FCC (examples, pages A52, A68-69). In some cases, IPs or SBs assert that callers are connected to an IXC after dialing an 800 number. Callers are then said to be connected to 900 numbers, bypassing LEC screening; or, the caller is said to have made a direct dialed call by



accessing a middleman for completion of a call to Canada, the Caribbean or some international destination, thus bypassing international blocking (examples, pages A52, A68-71).

Bills are then flowed through the LEC billing system in Electronic Message Interface (EMI) format to appear on LEC subscribers' telephone bills (examples, pages A2, A24-25, A34-35, A45-46, A66, A68-71). In such cases, the PIN assigned by the IP or SB is ignored in the billing process because in the EMI format the PIN fields are not necessary to identify the account to be billed.

Thus, using the LECs' billing systems, interexchange carriers (IXCs), information providers (IPs), service bureaus, clearinghouses or anyone with an agreement with a LEC, IXC, IP, SB or clearinghouse can currently charge any local exchange subscriber any amount for virtually any service, and in some cases for no service, simply by using ten digits of a telephone number. Providers often claim to have been authorized by the subscriber to do so, despite denials from subscribers (examples, pages A53-54, A58-61, A64).

The controls subscribers normally have to avoid such charges can be evaded by providers. For example, hotels, motels, businesses and parents often block access to 900 type services. However, the use of a toll free number allows the bypass of such a control and frequently results in unauthorized charges appearing on bills (examples, pages A22-23, A33, A36, A40-43, A48-51) In fact,



IP ads frequently utilize a "toll free number" to encourage use of its service. Further, subscribers are informed that they must contact each IP and put their number on its list of subscribers that will not accept charges; otherwise, they may be charged again. (examples, pages A33, A37-38, A47-52, A68-69)

Telephone subscribers do not, as they would with a credit card company, have the option to discontinue their relationship with their local telephone company if they wish to continue having local telephone service. Thus, the security of the LEC billing system is even more important to subscribers than other billing systems. Therefore, it is in the public interest for the FCC to take an active role in this process and to fully address abuses intended to have been corrected by the Telephone Disclosure and Dispute Resolution Act (TDDRA).

#### **PROPOSED SAFEGUARDS**

The Florida Public Service Commission strongly supports establishing a service that would allow subscribers to block billing to their phone numbers of calls or services for which the interexchange carrier or information provider does not obtain and provide to the LEC an appropriate proprietary card number. The FCC should require all LECs to offer the service to subscribers to local telephone service.



Under such an arrangement, no provider (except of course the subscriber's local and interexchange carriers, accessed via direct dialing, including 10XXXX-1) could place any charge on a specific customer's local exchange company bill unless it obtained the customer's LEC proprietary card number. LECs could amend their billing contracts to ensure that IPs and other providers are notified to obtain the valid LEC number before providing services. As a result, there should be less inquiry to LEC business offices, less confusion to the public and fewer billing adjustments by the PPC industry.

As precedent, in Docket Number 91-115, the FCC recognized the reasonableness of AT&T's proprietary card. Indeed, AT&T successfully marketed its proprietary card as protecting consumers from unwanted higher cost services. Therefore, the FCC should now explore making available a proprietary card option to LEC subscribers to have all charges to their local service bill restricted unless the calls are legitimately direct dialed (not via a 1-800 number as described by some carriers - example, pages A24-25, A34-35, A70-71) or their LEC card number with valid LEC PIN is used. The LEC proprietary card block service should significantly reduce the type of abuse related to 1-800 (888) access. However, to ensure that a LEC proprietary card screening service will be a viable solution to PPC abuses, the FCC must also adopt a strict definition of direct dialed calls, to prevent IPs from billing as



direct dialed those calls which actually originate as 1-800(888) calls.

Implementation of a proprietary card billing block option should not cause excessive disruption to the current system of billing for information services. Callers would continue to dial the access code or number specified by the IP. Upon connection, the caller should be required to provide or input his/her calling card number, just as with any operator assisted call. The IP would have the option, as any operator service provider does, to validate the number. The IP would then submit an EMI record, as they do today, except that instead of the EMI record fields containing only the telephone number, the fields would be expanded to add the 4-digit LEC calling card PIN. With the correct PIN, the LEC would automatically bill the charges. Without the correct PIN on inbound EMI records, the LEC would automatically reject the charges, for subscribers that subscribe to its billing block option.

This should be a simple and straightforward way to ensure that consumers have control over the charges that appear on their LEC bills. Since only authorized services should be billed in any case, there should be no hardship imposed upon the information industry to implement this requirement. LECs may need to make software changes to their billing systems to expand the fields in EMI message records to allow for recording and including the PIN with all future EMI records. To the extent that there are costs



associated with implementation, those costs may be offset by savings achieved from reductions in the level of inquiry to business offices concerning PPC charges, reductions in credits for unauthorized charges, reduced regulatory costs associated with complaint investigation and follow-up and other savings that may result.

With respect to IP charges to IXC cards and credit cards such as MasterCard and Visa, the system may continue to operate as it does today with no change. Legitimate providers can also continue to provide their services through 900 type tariffs or obtain the LEC card number or other credit card number for authorized charges for services accessed via an 800 (888) or any other number. Moreover, the competitive industry also has the option to obtain its customers' names and addresses from LECs for direct billing under existing tariffs. Thus industry comments as to the potential harm to the industry from implementing a billing block option should be weighed carefully against the potential for fraud and abuse through use of the LECs' billing systems.

If a proprietary card block option is not feasible, the FCC should consider improving the security of the LECs' billing systems through some form of oversight, perhaps in the form of registration of all parties that use the LEC billing system. When published, the list may be used by state and federal officials to seek



remedial action directly from IPs, SBEs and clearinghouses when applicable pay-per-call requirements appear to be ignored.

An additional option the FCC could consider is requiring a clause in LEC billing contracts for termination of such agreements upon sufficient showing of continuing abuse of applicable federal and/ or state requirements.

At a minimum, the FCC should address this form of abuse by PPC providers through review of tariffs on file at the FCC. It appears that not all tariffs on file reflect reasonable rates, particularly where conference calling or international direct dial rates are substituted for pay-per-call charges. IPs are able to hide behind the FCC's jurisdiction when states receive complaints about these charges from consumers.

#### **CONCLUSION**

Because the consumer protections implemented thus far in response to the Telephone Disclosure and Dispute Resolution Act have not been effective, the Florida Public Service Commission urges the FCC to implement a LEC proprietary card block option. If a LEC proprietary card blocking option is not feasible, other alternatives include establishing some form of oversight of billing practices in view of billing abuses as described herein; and requiring a clause in LEC billing contracts to address termination



of such agreements upon sufficient showing of continuing abuse of applicable federal or state requirements.

The FCC should also review tariffs on file to ensure such tariffs are not relied upon by the PPC industry to mask charges and coerce subscribers to pay unauthorized charges upon threat of disconnection of their local telephone service.

Respectfully submitted,



CYNTHIA B. MILLER  
Associate General Counsel

FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(904) 413-6082

DATED: December 6, 1995



88 280

FLORIDA PUBLIC SERVICE COMMISSION  
 2540 Shumard Oak Blvd.  
 Tallahassee, Fl.  
 32399-0850

August 10, 1995

Attn. Mr. Kenya Thompson

Dear Mr. Thompson:

Enclosed are copies of my phone bills dated June 25th July 25.

I called I T A when I recieved the June bill. I explained to them I did not make the call and it was not placed from my phone as I live alone and when I leave the house it is locked.

I later checked my callender and found that I was in the doctors office at the time the call was logged. My house was locked and there was no sign of forced entry when I returned.

The man I talked to the first time said he would note that I refused to pay for the call.

When I recieved the July bill I saw that I was still billed for the call. It took two days of calling to finally get through to them. The lady who answered my call could give no satisfaction so I asked to her supervisor. She said she would transfer the call. The phone rang and rang then went dead. The connection had been broken. That is when I contacted your office.

I want to thank you for the courteous attention you gave to my problem. I hope this information is what you want and will be helpful in resolving this problem.

Please excuse the typing, it's better than my hand writing.

Thank you again,

*Harvey J. Sutton*  
 Harvey J. Sutton  
 655 Beverly Drive  
 Lake Wales, Fl. 33853

Phone: 941-676-6734

Ref: Telephone Conversation 8-9-95

AUG 14 1995

-A1-



PAGE 9 OF 18

TELEPHONE NUMBER

BILL DATE

BILL PERIOD

BILL DATE

JUN 25, 1995

For billing  
questions call  
1 800 864-8889

**LONG DISTANCE CALLS (continued)**

Billing for ITA

**ITA Regulated Service****Regulated Calls****Direct Dial Calls**

Date	Time	Place called	Number called	Period	Min.	Amount
1 May 23	3:47 pm	Toronto	416 754-5198	Day	5	\$ 20.29
<b>Total</b>						<b>\$ 20.29</b>

**Taxes and Fees on ITA Regulated Services**

	Amount
1 Federal excise tax (3.00% of \$20.29)	\$ .62
2 Florida interstate gross receipts tax (2.30% of \$20.29)	.47
<b>Total</b>	<b>\$ 1.09</b>

**ITA regulated service charges****\$ 21.38****Total long distance/ITA****\$ 21.38**

85.  
10:10-  
01:15-  
8-9  
9:00

T- 8

2111100001

00000000

0000000000

10/1/2004

001 070-0726

10001100 10 00

- A2 -



**Commissioners:**  
**SUBAI F. CLARK, CHAIRMAN**  
**J. TERRY DEASON**  
**JULIA L. JOHNSON**  
**DIANE K. KIRLING**  
**JOE GARCIA**

**WALTER D'HARSELEER**  
**DIRECTOR**  
**(904) 488-1280**

## **Public Service Commission**

**March 20, 1995**

**GTE Florida Incorporated**  
**Ms. Beverly Y. Menard**  
**% Mr. Richard M. Fletcher**  
**106 East College Avenue, Suite 1440**  
**Tallahassee, Florida 32301-7704**

**Dear Ms. Menard:**

The purpose of this letter is to express my concern at the number of pay-per-call complaints from GTE subscribers received by the Commission. In reviewing the files it seems that it is appropriate for GTE to act to address repetitive abuses from the same IP, service bureau or clearinghouse. Accordingly, please review the attached files and respond with the requested information by April 4, 1995.

Attachment I is a portion of GTE's billing of the Sheraton Sand Key Resort. Included are bills from ITA & Integretel. For ITA the number actually dialed by the hotel guest is 1-800-212-3000 and for Integretel, 1-800-816-7399. However, both bills indicate they are for direct dialed international toll calls. Of course, had they been direct dialed, as indicated by ITA & Integretel, the Sheraton's switch would have billed the charges to the guests' rooms. Since the guest actually dialed an 1-800 number instead, the hotel assessed no charges to its guests for the call and is not now able to collect. Attachment II contains examples of similar bills for GTE's residential subscribers. Attachment III includes example bills from ITA reporting charges to be for telegram(s), in lieu of pay per call charges.

(1) With respect to these charges, please state whether GTE agrees that calls originating via a 1-800 number to a subsequent number can be classified as direct dialed to the second number or be billed as a telegram as done by ITA and Integretel.

(2) Does GTE agree that charges for calls completed to information providers, whether offshore or domestic, may be considered to be regulated direct dialed calls or non-regulated telegrams instead of pay-per-call services?



**GTE Florida**  
**Ms. Beverly Menard**  
**March 20, 1995**  
**Page 2**

**(3) If not, please state whether such apparent misrepresentation is prohibited by your agreement with ITA and Integretel. If it is not prohibited, why shouldn't it be?**

**(4) Please also indicate whether and what action GTE will take to protect its customers from such misrepresentation on GTE bills in the future and why these bills should not be adjusted.**

**(5) If no action is contemplated, please explain why.**

**(6) If no action is contemplated by GTE to protect its subscribers from such apparent billing abuses in the future, what action should the Florida Public Service Commission take to address these issues?**

**Meanwhile, please feel free to contact me if you have any questions.**

**Sincerely,**



**J. Alan Taylor, Chief**  
**Bureau of Service Evaluation**

**Attachments**

**cc: Kathy Lewis**  
**Monica Barone**





Incorporated

One Tampa City Center  
Post Office Box 110  
Tampa, Florida 33601-0110

April 3, 1995



Mr. J. Alan Taylor, Chief  
Bureau of Service Evaluation  
Division of Communications  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32300-0850

Dear Mr. Taylor:

**Subject: DATA REQUEST DATED MARCH 20, 1995 CONCERNING THE  
NUMBER OF PAY-PER-CALL COMPLAINTS FROM GTE SUBSCRIBERS**

Attached is GTE Florida's response to your letter dated March 20, 1995 concerning the number of pay-per-call complaints from GTE subscribers that are received by the Commission.

If you have any questions or require additional information, please contact Debby Kampert at 813/224-8606.

Sincerely,

  
Beverly Y. Menard  
Regional Director - Regulatory & Industry Affairs

BYM:DBK:wjh  
Attachment



**GTE FLORIDA'S RESPONSES TO DATA REQUEST DATED MARCH 20, 1986  
CONCERNING THE NUMBER OF PAY-PER-CALL COMPLAINTS**

---

- 1) With respect to these charges, please state whether GTE agrees that calls originating via 1-800 number to a subsequent number can be classified as direct dialed to the second number or be billed as a telegram as done by ITA and Integretel.

**Response:**

GTE does not agree that calls originated via 1-800 numbers should be classified as direct dialed, or billed as telegrams. GTE does not knowingly bill and collect for pay-per-call (PPC) services accessed via 800 numbers.

- 2) Does GTE agree that charges for calls completed to information providers, whether offshore or domestic, may be considered to be regulated direct dialed calls or non-regulated telegrams instead of pay-per-call services?

**Response:**

No, GTE does not agree that charges for calls completed to information providers should be classified as direct dialed or telegrams. Charges for calls completed to information providers should be classified as pay-per-call.

- 3) If not, please state whether such apparent misrepresentation is prohibited by your agreement with ITA and Integretel. If it is not prohibited, why shouldn't it be?

**Response:**


This type of misrepresentation is prohibited by GTE's billing and collection agreement with ITA and Integretel. However, GTE cannot identify 800 pay-per-call messages disguised as direct dialed calls or telegrams, unless the customer calls in to question the bill.

- 4) Please also indicate whether and what action GTE will take to protect its customers from such misrepresentation on GTE bills in the future and why these bills should not be adjusted.



**GTE Responses to March 20, 1986 Data Request  
Concerning the number of Pay-Per-Call Complaints  
Page 2**

**Response:**

Under the terms of GTE's Billing and Collection agreements with Integretel and ITA, the carriers (ITA and Integretel) perform their own inquiry services. Therefore, if a customer contacts GTE with questions regarding charges from either of these carriers, GTE must first refer the customer to the carrier. No mention of the customer's initial contact with GTE will be made on the customer's account records. If the long distance carrier fails to satisfy the customer's complaint, or if the customer refuses to contact the carrier, GTE will remove the charge from the customer's account. GTE is actively pursuing the question of whether Integretel and ITA are in violation of their billing and collection agreements. 


- 5) If no action is contemplated, please explain why.**

**Response:**

**N/A.**

- 6) If no action is contemplated by GTE to protect its subscribers from such apparent billing abuses in the future, what action should the Florida Public Service Commission take to address these issues?**

**Response:**

GTE is actively pursuing the question of whether Integretel and ITA are in violation of their billing and collection agreements. To assist GTE, the FPSC should continue to bring complaints of billing abuses to our attention as soon as they are filed. 



Commissioners:  
SUEAN F. CLARK, CHAIRMAN  
J. TERRY DEASON  
JULIA L. JOHNSON  
DIANE K. KIRKLING  
JOE GARCIA



DIVISION OF COMMUNICATIONS  
WALTER D'HAERLEER  
DIRECTOR  
(904) 413-6800

## Public Service Commission

July 12, 1995

Ms. Nancy H. Sims  
Director of Regulatory Relations  
Southern Bell Telephone & Telegraph Company  
150 S. Monroe Street, Suite 400  
Tallahassee, Florida 32301-1556

Dear Ms. Sims:

Enclosed is correspondence from a customer of Southern Bell concerning charges included on a recent bill. In view of this customer's experience and other complaints from SBT subscribers about ITA, pursuant to Chapter 364.27, Florida Statutes, please look into this matter and respond to the following questions by July 31, 1995.

1. Describe the services provided by SBT to ITA and provide a reference whether from interstate or intrastate tariffs.
2. Can SBT from SMDR or other records verify that the toll or 800 number calls in question were or were not made or received by the subscriber's number? If so, does SBT agree with Ms. Scaderi as to whether the services billed by ITA are attributable to telephone number (904) 479-4515? If not, is there a history of such calls on the subscriber's previous three bills?
3. Please describe SBT's experience with ITA with respect to disputed bills and customer complaints. Is SBT satisfied with the validity of ITA's billings?
4. Please credit or rebate Ms. Scaderi's account for the disputed charges or explain why not.

- A8 -

Scaderi, Maria

ims #3



Ms. Nancy Sims  
 July 12, 1995  
 Page 2

5. The enclosed generic pay per call addendum was provided in response to item 3(a) of Staff's first set of interrogatories in Docket 941000-TL. In its response Southern Bell stated a clearinghouse or DDC must sign such an agreement in order to bill pay per call charges through Southern Bell. Has ITA signed such an agreement? If so, please explain whether ITA is in compliance with the agreement. The Commission staff has received numerous complaints from customers who have disputed ITA charges appearing on their Southern Bell bill. Based upon these complaints, it appears that Southern Bell would have ample evidence to terminate its billing and collection contract with ITA under the agreement.

6. Based on the review of this matter, please state whether, in this instance, ITA has complied with all applicable tariff and/or contract requirements related to the bill in question. If complaints of bogus billing by ITA are expected to continue, does SBT believe it is compelled to bill for ITA? If so, please cite applicable laws and/or requirements.

7. Please provide any other information pertinent to this inquiry.

Meanwhile, feel free to contact me if you have any questions.

Sincerely,



← J. Alan Taylor, Chief  
 Bureau of Service Evaluation

Enclosures

c: Kathy Lewis  
 Monica Barone



July 5, 1995

Mr. Alan Taylor  
Division of Communication  
2540 Sumard Oak Blvd.  
Tallahassee, FL 32399



RE: ITA (International Telemedia Services)

Dear Mr. Taylor:

I am writing in regard to two services charges assessed to me on my last telephone bill. These charges were billed to me by an unregulated communication company, ITA. ITA's charges were for \$30 each and dated May 7 (for Teleservices) and June 7, 1995 (for Voicemail). Just for the record, May 7 was a Sunday which is a day ITA is closed so I could not have ordered their service then and on June 7, I was honeymooning in Las Vegas, therefore had no direct contact to my home phone.

After reviewing my phone bill I tried to call ITA regarding these charges. The 800 number that was given on the bottom of the billing statement was no in proper working order when I called it. I had to dial 7 times before I was actually accepted by their system (after their system made the greeting announcement the connection would be cut off, giving the caller a dial signal). When I finally was connected, I explained my situation to a woman. I asked her what the charges were for and she said an entertainment line. I told her that neither my husband or I would have ordered such a services. She said and I quote, "We show that this services was directly ordered from your phone line so we can't do anything". She then went on to give me another number to call 800-997-9943 to cancel the service. When I asked for a supervisor, she refused and cut me off the line.

I then called the number stated above only to reach a message. The first time I called I apparently pressed the wrong button so I called back and canceled the service.

I then tried another half a dozen times to call the original 800-866-8889 number back. This time I spoke to a man named Vincent. I asked him immediately if I could speak to a supervisor. His supervisor, Darnion, got on line shortly after.



I explained my problem to him. He then told me that I was wrong because someone had dialed directly from my phone line to order this service. After correcting him I demanded that the charges be taken off my bill because the service was never ordered! I then proceeded to tell him that I wanted proof of the order and a list of itemized times the service was used from my line. He told me he would connect me with someone who is willing to speak with me, then rudely put me on hold.

After 5 minutes on hold, Shanell got on line and explained to me she couldn't help me with my problem because she was working for a company that was only a service company for ITA. She further stated in order for these charges to be taken off my bill I would have to write to:

Absolute Communication  
208 East 51st Street  
Suite 360  
New York, NY 10022

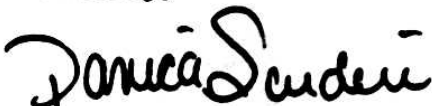
She stated the company will respond to me within 45 days to tell me whether or not they are going to drop the charges.

I have called Southern Bell to notify them of this problem. They have sent a notification to ITA telling them I was not paying that portion of my bill.

These entertainment services should get written confirmation from the household being billed. I just can't believe that this company has put charges on my bill when they had no right to do so.

I hope this letter will assist in the endless battles to end dishonesty with unregulated companies such as ITA. I look forward to your reply.

Sincerely,



Danica P. Scuderi

Enclosure: cc of ITA's billing statement





Maney M. Sims  
Director - Regulatory Relations

Suite 400  
100 S. Monroe Street  
Tallahassee, Florida 32301  
904 222-1201  
FAX 904 222-0840

August 14, 1995

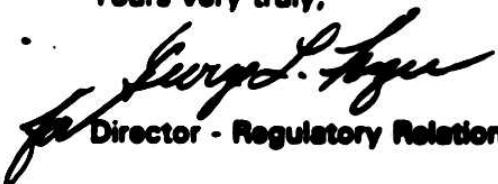
Mr. Alan Taylor, Chief  
Bureau of Service Evaluation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Gerald L. Gunter Building, Room 270  
Tallahassee, Florida 32399-0850

Dear Mr. Taylor:

Attached is Southern Bell's response to Staff's request concerning the ITA.

If you have any further questions, please do not hesitate to call.

Yours very truly,

  
Director - Regulatory Relations



- A12 -

A SOUTHERN BELL COMPANY



**Southern Bell Tel. & Tel. Co.  
Pay Per Call Billing - ITA  
July 31, 1995  
Item No. 1**

**REQUEST: Describe the services provided by SBT to ITA and provide a reference whether from interstate or intrastate tariffs.**

**RESPONSE: SBT provides Bill Processing without Inquiry to ITA. Intrastate service is provided under Section E8.2 of the Access Service Tariff and interstate service is provided under contract.**



Southern Bell Tel. & Tel. Co.  
Pay Per Call Billing - ITA  
July 31, 1995  
Item No. 2

- REQUEST:**
- (a) Can SBT from SMDR or other records verify that the toll or 800 number calls in question were or were not made or received by the subscriber's number?
  - (b) If so, does SBT agree with Ms. Scuderi as to whether the services billed by ITA are attributable to telephone number (904) 479-4515?
  - (c) If not, is there a history of such calls on the subscriber's previous three bills?

- RESPONSE:**
- (a) No. SBT does not perform this type of Recording function for ITA's services.
  - (b) Not applicable.
  - (c) No ITA toll charges were billed to this account on the previous three bills (March, April, and May 1995).



**Southern Bell Tel. & Tel. Co.  
Pay Per Call Billing - ITA  
July 31, 1995  
Item No. 3**

- REQUEST:**
- (a) Please describe SBT's experience with ITA with respect to disputed bills and customer complaints.**
  - (b) Is SBT satisfied with the validity of ITA's billings?**
- RESPONSE:**
- (a) The rate of inquiries from end users is substantially higher than SBT normally experiences with INCs which purchase Bill Processing without Inquiry.**
  - (b) Based on the number of complaints from end users related to billing from ITA, SBT is concerned that there may be problems with ITA's billing and inquiry processes.**



**Southern Bell Tel. & Tel. Co.**  
**Pay Per Call Billing - ITA**  
**July 31, 1995**  
**Item No. 4**

**REQUEST:** Please credit or rebate Ms. Scuderi's account for the disputed charges or explain why not.

**RESPONSE:** A credit was issued on July 5, 1995, for the disputed charges and should appear on the August 23 bill.



Southern Bell Tel. & Tel. Co.  
Pay Per Call Billing - ITA  
July 31, 1995  
Item No. 5

**REQUEST:** The enclosed generic pay per call addendum was provided in response to item 3(a) of Staff's first set of interrogatories in docket 941000-TI. In its response Southern Bell stated a clearinghouse or IXC must sign such an agreement in order to bill pay per call charges through Southern Bell.

- (a) Has ITA signed such an agreement?
- (b) If so, please explain whether ITA is in compliance with the agreement. The Commission staff has received numerous complaints from customers who have disputed ITA charges appearing on their Southern Bell bill. Based upon these complaints, it appears that Southern Bell would have ample evidence to terminate its billing and collection contract with ITA under the agreement.

**RESPONSE:** (a) Yes.

- (b) Based on the types and number of end user complaints, it appears that ITA may not be in compliance with certain sections of the pay per call addendum. SBT is currently trying to determine whether ITA is in compliance.



**Southern Bell Tel. & Tel. Co.  
Pay Per Call Billing - ITA  
July 31, 1995  
Item No. 6**

**REQUEST:**

- (a) Based on the review of this matter, please state whether, in this instance, ITA has complied with all applicable tariff and/or contract requirements related to the bill in question.**
- (b) If complaints of bogus billing by ITA are expected to continue, does SBT believe it is compelled to bill for ITA?**
- (c) If so, please cite applicable laws and/or requirements.**

**RESPONSE:**

- (a) If the allegation is accurate it would appear that ITA may have failed to comply with sections 3B, 6B, 6C, and 6D of the pay per call addendum.**
- (b) As indicated in the response to 5(b), SBT is investigating complaints concerning ITA but has not arrived at a conclusion. If ITA is violating the contract, SBT would have the right to terminate the agreement with 30 days notice if the problems are not cured.**
- (c) See response to 6(b).**



**Southern Bell Tel. & Tel. Co.  
Pay Per Call Billing - ITA  
July 31, 1995  
Item No. 7**

**REQUEST:** Please provide any other information pertinent to this inquiry.

**RESPONSE:** After having received evidence, if the Commission is convinced that an IXC has transmitted charges for billing that are purposely not marked as pay per call but are clearly pay per call charges, the Commission should take action against the perpetrator including fines and canceling certification. This would place the punishment squarely upon the offenders, where it belongs.



Commissioners:  
SUEAN P. CLARK, CHAIRMAN  
J. TERRY DEASON  
JULIA L. JOHNSON  
DIANE K. KIRLING  
JOE GARCIA



DIVISION OF COMMUNICATIONS  
WALTER D'HANSELZER  
DIRECTOR  
(904) 488-1280

## Public Service Commission

March 22, 1995

*for ad 4-12-95*

GTE Florida, Incorporated  
ATTN: Ms. Beverly Y. Menard  
c/o Mr. Richard Fletcher  
106 East College Avenue, Suite 1440  
Tallahassee, FL 32301-7704

Re: Customer complaints of Trinity Holdings Ltd. and Edward J. Wechter

Dear Ms. Menard:

Please refer to the enclosed customer complaints and GTE bills. Staff has no record of certification for either Long Distance Billing Company or Pilgrim Telephone. In the case of Trinity Holdings, Ltd., a payphone provider, the complaint is that the charges were billed as regulated interstate direct dial long distance, however, the customer subscribes to blocking and screening. In the case of Mr. Wechter, the call was billed as a regulated interstate calling card call and the customer has denied all knowledge of the call.

Why does GTE continue to provide billing services for Long Distance Billing Company and Pilgrim Telephone when it is apparent that both companies are submitting pay per call charges masked as toll for billing to GTE customers? Furthermore, explain exactly what terms are contained in the applicable tariffs or contractual agreements between GTE and these companies that would result in the termination of billing arrangements in accordance with Rule 25-4.110(10)(b)(8), Florida Administrative Code. Has either company violated these terms in this case or in the past, according to GTE records? How does GTE keep complaint records on such companies?

-A20-



**GTE Florida**  
**March 22, 1995**

**Please issue credits for these and any other customers similarly billed and file a response by April 6, 1995, explaining what action has been taken.**

**Sincerely,**



**Kathryn Dyal Lewis**  
**Economist**  
**Bureau of Service Evaluation**

**Enclosure**

**cc: Ruth McHargue, CAF (508361)**  
**Paula Lier, CAF (508541)**  
**Barbara Bailey, CMU (CA-29, CA-30)**  
**Monica Barone, LBG (Dir 941000-TP)**



11/13/95

David & Rhonda Coblentz  
2773 17th St.  
Sarasota, FL 34234-7831  
941-952-0191

Florida Public Service Commission  
Consumer Affairs  
2540 Shumard Oak Blvd.  
Tallahassee FL 32399-0850

NOV 22 1995

Starting on our 8/13/95 bill from GTE, charges by the following companies have shown up on our account; Ita, Integretel Inc, TBS, Inc. We have questions regarding this billing and on repeated occasions have tried to reach these companies to clear up this matter and to also have blocks put on these numbers. I have been unsuccessful in reaching them and wonder if there is anyone available for customer service or if it is just a number they give out. The phone rings and rings or you are put on hold by an automated operator for at least 5 mins. and then disconnected. Integretel has a recording telling you to call back after 530pm Eastern time and when I do you hear the same recording. Having been unsuccessful in getting through to block these calls the bills keep mounting.

A 22



This is unnecessary stress that I have been burden with, I recently had a baby, and have been fighting to keep our phone service connected.

We have paid over \$300.00 on these excessive charges and as you can see by the attached bills we still have an outstanding bill over \$300.00.

As you can also see on the bills there are calls that are overlapping. Therefore making it impossible for these calls to be legitimate.

We do have a cordless phone, a GTE representative mentioned that if you have a cordless phone sometimes you can be billed by mistake for calls that are not being made by your number. I also realize being a Florida resident that we are entitled to a one time adjustment off our bill, for these redirected calls.

I have put forth every effort known to me as to how to prevent this from happening. We have 900 blocks as well as International block through MCI our long distance carrier.

Please file this as a formal complaint on our behalf.

Sincerely,  
David & Rhonda Coblentz





PAGE	TELEPHONE NUMBER	941 988-0191
8 OF 11	BILL DATE	OCT 18 1998

## LONG DISTANCE CALLS

BILLING FOR TDS, INC.

TDS, INC. REGULATED SERVICE

BILLING FOR CROWN COMMUNICATIONS

REGULATED CALLS

DIRECT DIALED CALLS

-00000901- BILLING FOR TDS, INC.

DATECALLTOWHINPA TELNO NEN FL

FROM

0916TOROBNH0804168974444 10

49.90

TOTAL

49.90

## BILLING FOR CROWN II

REGULATED CALLS

DIRECT DIALED CALLS

-00006701- BILLING FOR TDS, INC.

DATECALLTOWHINPA TELNO NEN FL

FROM

0916TOROBNH0804168974444 8

39.92

0916TOROBNH0804168974444 8

39.92

0916TOROBNH0804168974444 4

19.96

0916TOROBNH0804168974444 14

69.84

0909TOROBNH0804168974444 6

39.94

TOTAL

199.60

## LONG DISTANCE CALLS

BILLING FOR TDS, INC.

BILLING FOR GOLD PHONE

REGULATED CALLS

OPERATOR ASSISTED CALLS

-00006901- BILLING FOR TDS, INC.

DATECALLTOWHINPA TELNO NEN FL

FROM

0916SARAPL08097028004000 7

LAS VEGAS NV

34.95

0917SARAPL08157028004000 10

LAS VEGAS NV

49.90

TOTAL

84.85

TAXES AND FEES ON TDS, INC. REGULATED SERVICES

F 3.00% FEDERAL EXCISE TAX (3.00% OF 834.85)

10.05

A24





PAGE	TELEPHONE NUMBER	941 988-8191
7 OF 11	BILL DATE	SEP 13 1998

## LONG DISTANCE CALLS

## BILLING FOR ITA

## ITA REGULATED SERVICE

## REGULATED CALLS

## DIRECT DIALLED CALLS

## DATECALLTOWHINPA TELNO MIN FL

FROM

00007000	20444167845198	8	22.26
00077000	01304167845198	11	44.23
00077000	01344167845198	20	80.24
00127000	01094167845198	17	68.17
00217000	20264167845198	3	11.97
00257000	19104167845198	7	27.95
TOTAL			264.70

## TAXES AND FEES ON ITA REGULATED SERVICES

F	3.00% FEDERAL EXCISE TAX (3.00% OF 0270.79)	8.12
FL	2.30% FLORIDA INTERSTATE GROSS RECEIPTS TAX (2.30% OF 0264.70)	6.09

TOTAL	14.21
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ITA REGULATED SERVICE CHARGES	278.91
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TOTAL LONG DISTANCE/ITA	278.91
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A25



**GTEPL'S RESPONSE TO DATA REQUEST OF MARCH 22, 1995  
RE CUSTOMER COMPLAINTS OF TRINITY HOLDINGS, LTD,  
AND EDWARD J. WECHTER**

1. Why does GTE continue to provide billing services for Long Distance Billing company (LDBC) and Pilgrim Telephone when it is apparent that both companies are submitting pay per call charges marked as toll for billing to GTE customers?

**Response:**

GTE sent a warning letter on March 2, 1995 to LDBC giving them 60 days to cure their violations of the billing and collection (B&C) agreement between GTE and LDBC. If LDBC does not cure these violations, GTE will take actions which may include termination of the PrimeLink (800/876) Service B&C agreement.

GTE is investigating whether Pilgrim Telephone is in violation of its billing and collection agreement with GTE.

2. Furthermore, explain exactly what terms are contained in the applicable tariffs or contractual agreements between GTE and those companies that would result in the termination of billing arrangements in accordance with Rule 25-4.110(10)(b)(2), Florida Administrative Code.

**Response:**

**Contract Provisions:**

Service Attachment 1 (PrimeLink on Service) of the Bill Processing and Collection Services Agreement between GTE and those companies (Long Distance Billing Co. and Pilgrim Telephone) contains the following provisions which would allow GTE to terminate the agreements: (LDBL = Long Distance Billing Company)

**Section 2.4**

"LDBL agrees that messages to be billed by GTE shall not contain material that is unlawful or that reflect negatively upon GTE's name or that result in an unacceptable level of end-user complaint. Violation of this requirement may, at GTE's sole option, except as provided for in the Agreement, and upon thirty (30) calendar days prior written notice to LDBL, result in the termination of all or some of the PrimeLink on Service by GTE for LDBL."



**GTE Florida's Response to Data Request  
Dated March 22, 1995, Customer Complaints  
of Trinty Holdings Ltd. and Edward J. Wechter  
Page 2**

**Section 2.1**

"GTE shall not knowingly provide billing and collection or transport services for "dial-a-porn" or other information providers of dubious nature or apparently fraudulent product/service claims, unless legal or regulatory action has ruled otherwise. Because many pay per call services offer an informational or entertainment value, GTE will continue to provide transport, billing and collection for legitimate pay-per-call services. If GTE determines that it is providing PrimeLink<sup>SM</sup> Service for adult service GTE may terminate PrimeLink<sup>SM</sup> Service for such service with notice and without liability to LBL. Rejected messages will be requeued to LBL as undeliverable or as an adjustment for their return to the information provider."

The same language is contained in the Agreement with Pilgrim Telephone.

**Tariff Provisions:**

GTE Florida's Facilities for Interstate Access tariff, Section 8.1.2(2)(a-b) addresses the Discontinuance and Refusal of Ancillary Services as follows:

**8.1.2(2)(a)**

If the customer fails to comply with the provisions of this tariff, including any payments to be made by it on the dates or at the times herein specified, and fails within thirty (30) days after written notice via certified mail from the Telephone Company to an officer of the customer requesting payment for such noncompliance, the Telephone Company may discontinue the provision of the Ancillary Service. In case of such discontinuance, all applicable charges shall immediately become due.

**8.1.2(2)(b)**

If the customer repeatedly fails to comply with the provisions of this tariff in connection with the provision of Ancillary Services and fails to correct such course of action after notice as set forth in (a) preceding, the Telephone Company may refuse applications for additional Ancillary Services.

- A27 -



\*\*\*\*\*

**GTE Florida's Response to Data Request  
Dated March 22, 1986, Customer Complaints  
of Trinity Holdings Ltd. and Edward J. Wachter  
Page 3**

3. Has either company violated these terms in this case or in the past, according to GTE records?

**Response:**

According to GTE's records, Long Distance Billing Company has violated the terms of the contract sufficiently to warrant termination of the B&C PrimeLink® contract. GTE has chosen to allow the carrier the option to cure their violations within a certain time period. If the carrier does not correct their violations to GTE's satisfaction, GTE may terminate the Agreement. See the response to Question 1.

GTE is investigating whether Pagan Telephone is in violation of its billing and collection agreement with GTE.

4. How does GTE keep complaint records on such companies?

**Response:**

Complaint records are kept within the GTE functional area receiving the complaint: customer contact service centers, regulatory offices, or executive offices. Typically, the office/center receiving the complaint coordinates resolution and tracking of the complaints.





**P. J. Moritz**  
Manager - Regulatory



Box 169000  
Mail Code 3326  
Altamonte Springs, Florida 32716-9000  
Telephone: 407-899-6400  
Fax: 407-894-7000

**September 14, 1995**

**Ms. Kathryn Dyal Lewis, Regulatory Analyst**  
Bureau of Service Evaluation  
Florida Public Service Commission  
2540 Shumard Boulevard  
Tallahassee, FL 32399-0850

RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION  
SEP 15 1995  
TALLAHASSEE

**Dear Ms. Lewis:**

This letter is in response to your August 31, 1995 inquiry regarding Complaint of Mr. Bill Hollimon.

Provided below are the answers to questions raised in your letter. I have repeated the questions for the sake of clarity.

**1. Note the number called is identified only as 000-000-0000. Why did Sprint United/Centel bill this call as a regulated charge?**

**Sprint United/Centel Response:** Toll tapes received from the DXCs for customer billing are edited only to ensure they are in industry standard EMR format. The Carrier who records and rates the calls has the responsibility of correctly coding and formatting the calls for end user billing. The call in question was coded as a conference call, interstate, IC originated, rated and to be casual billed. Those codes determine the placing of the call on the end user bill as submitted.

**2. Has Sprint United/Centel billed other customers for calls to 000-000-0000 as regulated charges?**

**Sprint United/Centel Response:** Yes. All Conference calls appear with the place called shown as "conference" and the number called shown as "000-000-0000". Based on the coding of the call by the DXC submitting the call for billing, it would appear as regulated toll. Conference calls have always been regulated toll.

- A29 -




3. If the answer to question 2 is yes, please explain how your company determined that such calls were regular toll calls since no terminating number was identified.

**Sprint United/Centel Response:** As stated in the previous responses, the call is coded by the DXC who recorded and rated the call. The coding provided by that billing record determines the handling of the call for end user billing. Sprint United/Centel has no way to verify or challenge the veracity of the coding provided in the billing record.

During the company investigation of this matter, it was discovered that Sprint United/Centel provides inquiry service for IntegreTel. The service representative who originally received the call should have managed the complaint and removed the call from Mr. Hollimon's bill. We are sorry for the inconvenience suffered by Mr. Hollimon for this error by our company. We will see that the call is removed from his bill. The matter of which DXCs for which we provide inquiry is being reviewed with all the representatives in that office.

If you have any questions, please call me directly at 407-889-6403.

Sincerely,  
  
P. J. Mertle



To: Charles Behwinkel  
From: Bill Hollimon

800 736-7500

← INTEGRETEL, INC.

 PAGE 3  
904-286-2599 (133)  
AUGUST 19, 1995

## SUMMARY OF CURRENT CHARGES

LONG DISTANCE CALLS  
TAXESSEE DETAIL  
SEE DETAIL42.42  
2.40

## LONG DISTANCE CHARGES

REF DATE	TIME	PLANS CALLED	NUMBER CALLED	FROM PLANS	FROM NUMBER	CODE	ITEM	AMOUNT
CALLED ON BEHALF OF ABSOLUTE VISION.								
1 JUL 95 04:20-04:21 CONFERENCE								
000-000-0000								
TOTAL								42.42

TOTAL LONG DISTANCE CHARGES

42.42  
42.42

Rate Codes for Domestic and International Long Distance Calls

A = Automatic Number	B = Billing	C = Billing	D = Billing	E = Billing	F = Billing	G = Billing	H = Billing	I = Billing	J = Billing	K = Billing	L = Billing	M = Billing	N = Billing	O = Billing	P = Billing	Q = Billing	R = Billing	S = Billing	T = Billing	U = Billing	V = Billing	W = Billing	X = Billing	Y = Billing	Z = Billing
----------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

C = When this symbol appears in the toll margin, it indicates credit has been applied and the toll call is being billed at the reduced rate.

D = When this symbol appears in the toll margin, it indicates a toll call has been billed to your account after being investigated by a toll investigation group.

## DETAIL OF TAXES

 FEDERAL TAX  
GROSS RECEIPTS TAX-INTEGRETEL  
TOTAL TAX
1.31  
1.31  
2.40
 Printed on  
Recycled Paper

CONTINUED ON BACK OF THIS PAGE

THANK YOU FOR YOUR PROMPT PAYMENT



July 7, 1995

A BELL SOUTH Company  
P.O. Box 6731  
Fort Lauderdale, FL 33310-6731

Mr. Lawrence H. Sunshine,  
President  
Brentwood Maintenance Assoc., Inc.  
% Custom Property Management  
2328 S. Congress Avenue  
Suite 2-A  
West Palm Beach, FL 33406

This letter is in reply to your inquiry of May 4th with regard to unauthorized telephone charges.


Southern Bell has no way to prevent calls made to 800 numbers from being converted to chargeable calls after the 800 number is reached. These conversions are made by the service provider, not by Southern Bell.

Southern Bell has agreements with many pay-per call providers to handle their billing on their behalf. While we cannot prevent these companies from sending through incorrect charges which would appear on your bill, we cannot interrupt anyone's telephone service for failure to pay charges for such calls.

With regard to Southern Bell taking action to collect charges billed under the circumstances you described, I cannot tell you we will not do something we have a legal right to do. However, our normal procedure is to refer such charges back to the service provider for them to handle as they see fit.

I hope that this clarifies the issues raised in your letter. Feel free to call me at 780-2800, extension 1747, if you have further questions.

Sincerely,

  
Henry Ellis  
Service Representative

cc: Paul Kaufman

-A32-



67150  
571512  
34

To Whom it May Concern,

Enclosed you will find copies of my phone bills from January and February of this year with items circled. When I got these bills, I called the number on the page to find out who called British Columbia as we know no one there. I was told that these numbers were actually 800 numbers which were then somehow routed to the a company in B.C. that provides adult entertainment phone calls. Now no one in my family has fessed up to having made these calls, nor do I expect them to at this point. I am told that this company has a verification system similar to the 911 system and assured me the calls were placed from my number. This leads me to believe that either my 16 or 18 year old son or one of their friends placed these calls. In either case this upsets me greatly. When I first heard that adult phone calls could be made a few years back, I immediately had 800 calls blocked from my phone. When I asked about having further adult calls blocked from my phone now, I was told that the particular company I called would do this, but that there were tons of companies like theirs and they could only block their number. I use 800 numbers myself for any number of services, so I really don't want to have all 800 numbers blocked even if I could. However, I find it unfair that these companies are allowed to use the 800 number system. I choose not to have cable TV so that my children cannot be exposed to certain distasteful material, yet I am not able to do this with the phone. I believe it is a parental prerogative and responsibility to censor certain television programs as well as pornography, yet where the telephone is concerned, I am no longer able to do this. I find this outrageous. Fortunately, my phone bills were not run up too much, but of course, this can be another problem. We have had a family meeting about this issue and I do not believe it will happen again, but one never knows for sure. I would like to have control over what my teenagers are exposed to. Until you do something about this, companies like this can target their filth to anyone, any age. There simply "ought to be a law!"

Frustrated,

  
Mary Lutz  
P.O. Box 172  
Lutz, FL 33549  
(813) 949 7206



[illegible]

### OPERATOR ASSISTED CALLS

DATECALLTOKINENPA TELNO KIN FL		FROM	
0904CLEAFL13406170644959	1	CAMBRIDGHA	1.00
0904CLEAFL14006170644959	1	CAMBRIDGHA	1.00
TOTAL			2.00

## TAXES AND FEES ON PILGRIM TELEPHONE REGULATES SERVICES

F 3.00% FEDERAL EXCISE TAX (3.00% OF 9335.22)	7.06
TOTAL	7.06
PIEDMONT TELEPHONE REGULATED SERVICE CHARGES	942.29



PAGE

16 OF

20

11/17/91 10:00 AM

01

OCT 15 1998

## TOTAL

71.64

## LONG DISTANCE CALLS

## BILLING FOR INTERNETEL

## BILLING FOR WEP CONN.

## REGULATED CALLS

CALLS BILLED TO 800-1049 (011)

## DIRECT BEALED CALLS

DATECALLTODENPA TELNO NEW FL

FROM

0000PMEL 13304500007753 4

15.92

0000PMEL 13304500007753 2

7.96

0000PMEL 13304500007753 4

15.92

## TOTAL

39.80

## BILLING FOR VOICEMAIL, INC.

## NON-REGULATED CALLS

## VOICEMAIL, INC. BILLING ADJUSTMENTS

0004 MISCELLANEOUS CHARGE OR CREDIT

50.00-

TOTAL BILLING ADJUSTMENT(S) OF 0 50.00 APPLIED TO PREVIOUS CHARGE S.

## BILLING FOR VOICEMAIL, INC.

## TAXES AND FEES ON INTERNETEL, INC. REGULATED SERVICES

F 3.00% FEDERAL EXCISE TAX (3.00% OF 0154.42)

4.69

R1 2.50% FLORIDA INTERSTATE GROSS RECEIPTS TAX (2

.50% OF 0111.44)

2.56

## TOTAL

7.25

## INTERNETEL, INC. REGULATED SERVICE CHARGES

161.11

## TOTAL LONG DISTANCE/INTERNETEL, INC.

161.11

A35



Monday, February 27, 1995

Dear GTE,

I received my bill on number 600-0334. On the bill was a charge for \$ 72.55. That charge was to a phone in England. It was placed through 3 phone services besides GTE and AT&T. When I called the billing number, it was explained that this was a 900 number call charged as an 800 number. I did not make the call. I believe one of my minor children did. They are not allowed to make long distance calls without permission, although free calls to 800 numbers are allowed. I have never heard of a 900 and 976 number. I did this knowing that children are curious and would make calls that I would not approve of. The Florida Public Service Commission allows me to safeguard my telephone from phone calls like this.

The billing company is named Integrity. If the name is a combination of 'integrity' and telephone, it is a convicted lie. There is no integrity in the company. When I called, they would not tell me what sort of service is on the other end of the call. This is a lie intended to protect them from their parents like me. I have taken great steps to protect my children from much of the filth in this world. Integrity has provided a back door to heaven knowing what.

The provider of the service is a company called E-Tel. I do not know what service they provide. I do know they are un willing to be open about it. They hide behind Integrity and GTE. They attempt to poison my children and then expect me to pay for it. I will never pay for criminal activity willingly.

These companies have found a new scam. This is criminal activity. The worst part is that GTE is the collection agent, the PSC attorney, the FCC approves and people like me are forced to track down the criminals to tell them the keep out of my house.

I am sending this letter to everyone who has some influence and control in this matter. GTE does not have to bill for this kind of service. The PSC does not have to sanction it. The FCC regulates it and thereby approves. Take action. The action I will take is to never pay that bill. To submit to this sort of criminal activity is to approve it. I do not.

Yours  
  
 Allen F. Denney

CC: Earl, Integrity, PSC Attorney's General Ohio and Florida, Sen.'s Mack and Graham, Congressman Cassidy

**RECEIVED**  
 MAR 17 1995

CONSUMER UNIT  
 HOLLYWOOD OFFICE

- A36-



August 7, 1995

Attn: Kenya Thompkins

Public Services Commission  
1540 Shumard Oak Blvd.  
Tallahassee, Fl. 32399-0850

Re: ITA  
INTEGRETEL  
Charges on our telephone bills we didn't make  
813-426-4103 (new 941 area code)  
Michael Hayes - GTE Customer ID 770825  
6165 Deming Ave.  
North Port, Fl. 34287

Dear Sir,

On our February telephone bill there was a charge of \$52.60 which I did not understand (the bill was received in March). I called GTE to ask what this ITA IXC call plan was and they gave me a 1-800 number to call and talk to. I kept trying to call for days and it was always busy. Since March is a very busy time at work for me, I half forgot about it after a couple of weeks of trying to get thru. Then the March bill came the first week of April with another charge of \$50.59 and there were also charges from INTEGRETEL AND I was really upset.

I called GTE again and they said I had to talk with ITA and INTEGRETEL. I kept trying at all hours and finally got thru, and they both said they were for long distance calls made from my home. I said that was impossible because they were made late during the night and there was no one to make those calls. We have small children and I am the last one up at night and I certainly was not making them.

Both companies said they would make sure that we had blocks put on to stop further calls to our telephone but both said there were additional calls coming on the next telephone bill and both companies said they would remove them from our telephone bill. They have removed some, but not all of them.

I have called both companies and GTE several times but still have \$484.86 between these two companies on our bill, per GTE. HELP!!!

I am writing to GTE, ITA, and INTEGRETEL to have them all removed. It has been months of fighting this battle.

4-10

-A37-



2

I was told by an operator at GTZ that people call a 1-800 number and then are transferred overseas to these companies and don't even know what is happening. I can't believe that this can happen. I don't know how these calls got on our telephone bills. We did have some wild neighbors next to us, and I don't know if somehow they were able to connect to our telephone and call these numbers or what happened. **NOW CAN THIS HAPPEN???** The GTZ operator said we were lucky. Some parents of adolescents and teens have received bills for thousands of dollars. That is a real crime.

**CAN'T YOU DO SOMETHING TO PROTECT THE PUBLIC ? ? ?**

We are decent law abiding and working parents trying to raise a family. We had a problem before with some 700 numbers on our bill for a few dollars, and never knew how they got on, but we did have the same crew living next door at that time. We put a block on our phone and thought we solved it.

Why should we have to put a complete long distance block on our telephone to protect ourselves? It doesn't seem fair. I understand that there are a lot of people who have to do that to make sure they don't get these ridiculous bills and constant fighting with GTZ and these oddball companies. ✓

**WHAT ARE PEOPLE TO DO ? ? ?**

I am attaching copies of everything for you to see. Please look into these things. I am sure we are not the only people who are having this trouble.

Thank you for your looking into this matter.

Sincerely



Mrs. Michael (Mary Jane) Hayes

P.S. Our little ones are 5 & 7 yrs old and don't ever use the telephone.

- A38 -



**1.14**

**Small**

**THE UNITED STATES OF AMERICA**

011-424100

**Customer ID: 77824**

**[REDACTED]**

April 22, 1964

**For billing  
questions call  
1 800 846-0000**

## **LONG DISTANCE CALLS (continued)**

## Setting for ITA



**TABLE 1**

*[Handwritten signature]*

Date	Description	Amount
1 Mar 21	Manufacturers Charge or Credit	
2 Mar 21	Manufacturers Charge or Credit	CR \$ 41.54
		CR 46.56
Total billing adjustments of \$ 91.10 applied to previous charges.		

**ITA Non-Regulated Service**

### Administrative Changes and Credits

Date	Description	Amount
Mar 18	DIC Cnsl Plan	\$ 42.42
Mar 18	DIC Cnsl Plan	32.82
Mar 21	DIC Cnsl Plan	46.18
Mar 21	DIC Cnsl Plan	44.34
Mar 21	DIC Cnsl Plan	42.42
Total		\$ 208.10
		\$ 279.48

**Thompson and Brown, ITA Non-Exempted Sponsors**  
 2. Federal income tax on a 100% basis.

3. Federal excise tax (3.00% of \$279.46)	Amount
4. City utility tax (2.00% of \$279.46)	\$ 5.59
Total	5.59
	\$ 11.97

**ITA non-regulated service charges**

**8 291.43**

**Total long distances/ITA**

**\$ 293.45**

Mrs Michael Hayes

**Mrs. Michael Mayo**

cc: Public Service Commission  
Federal Communication Commission  
CITE



**Commissioners:**  
**SUSAN F. CLARK, CHAIRMAN**  
**J. TERRY DEASON**  
**JULIA L. JOHNSON**  
**DIANE K. KIRKLENG**  
**JOE GARCIA**

**WALTER D'HARSELEER**  
**DIRECTOR**  
**(904) 488-1280**

## **Public Service Commission**

**March 8, 1995**

**Ms. Beverly Y. Menard**  
**GTE Florida Incorporated**  
**c/o Mr. Richard M. Fletcher**  
**106 East College Avenue, Suite 1440**  
**Tallahassee, Florida 32301-7704**

**Re: Complaint of Cabana Inn (558621)**

**Dear Ms. Menard:**

Please review the enclosed complaint wherein the Cabana Inn alleges that their guests accessed these numbers after dialing an 800 number. The Cabana Inn has stated that its call accounting system shows that these calls were outbound to 800 numbers, not direct dialed as shown on the bill.

Has GTE has credited the Cabana Inn for the disputed pay per call charges? Also, has GTE contacted Integretel to question the company's submission of these and similar charges for billing? GTE's response to question 7 of staff's first set of interrogatories in Docket 941000-TI stated that GTE would take "appropriate action" to prevent unauthorized billing of pay per call charges including contacting the carrier. Furthermore, in response to interrogatory question 4, GTE provided copies of several letters it has already sent to Integretel on this subject. Staff believes GTE should consider terminating its billing arrangement with Integretel since the company appears to have ignored GTE's previous requests that it not submit such pay per call charges for billing.

**- A40 -**



**GTE Florida**  
**March 8, 1995**

**Please investigate and respond by March 23, 1995. I have enclosed a copy of staff's letter to Integretel concerning this complaint. If you have any questions, please let me know.**

**Sincerely,**



**Kathryn Dyal Lewis**  
**Economist**  
**Bureau of Service Evaluation**

**Enclosure**

**cc: Caryn c. McMahon, Cabana Inn**  
**Bev DeMello, CAF**  
**Monica Barone, LEG**

A41-





**GTE Florida  
Incorporated**

One Tampa City Center  
Post Office Box 110  
Tampa, Florida 33601-0110

March 23, 1995<sup>5</sup>

Ms. Kathryn Dyal Lewis, Economist  
Bureau of Service Evaluation  
Division of Communications  
101 East Gaines Street  
Tallahassee, Florida 32399-0850



Dear Ms. Lewis

Subject: Complaint of Cabana Inn (888821)

The following is provided in response to your letter dated March 8 regarding the complaint of Cabana Inn.

Under the terms of GTE's Billing and Collection agreement with Integretel, Integretel performs their own inquiry. ←

If a customer contacts GTE regarding Integretel charges on his bill, the customer would be advised to first contact Integretel. There would be no notation on the customer's account that he had contacted GTE.

If the customer was not satisfied with Integretel's response or if he refused to contact Integretel, GTE would adjust the charges from the customer's account.

Review of Cabana Inn's account for February and March of 1995 indicate no adjustments were issued by GTE.

A request has been made to the Business Office to follow-up on this account and issue adjustments for the 800 Pay Per Call charges.

GTE requires all pay per call charges to be accessed via 800 and to be submitted to GTE for billing via a unique industry record in order to clearly identify Pay Per Call (PPC) charges. Integretel will be contacted with regard to submission of masqueraded PPC charges. ←

GTE is actively pursuing the question whether Integretel is in violation of its billing and collection agreement. ←

A42-



Ms. Kathryn Dyal Lewis  
March 23, 1995  
Page 2

**Subject: Complaint of Cabana Inn (559621)**

We trust this provides the information you require. If you have any questions, please contact Debby Kampert at (813) 224-8505.

Sincerely,



Beverly Y. Menard  
Regional Director - Regulatory & Industry Affairs

DBK:wjh

- A43 -





801 South Falmouth  
Suite A6  
Tampa, Florida 33610

813 685-3015  
Fax 813 210-0004  
Fax 813 685-1174

October 26, 1995

Ruth McHargue  
Division of Consumer Affairs  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

NOV -10 1995

Dear Ms. McHargue:

I am writing to request your help and/or guidance in an ongoing problem I have been experiencing with my pay telephones. Integratel and I.T.A. are two companies that have found a way to bill back "toll free" calls through GTE to PATS lines (cocot) for international calls at a rate of about \$4.00 per minute. (They also round up to the next minute). I have enclosed bills from two of our phones and have highlighted the aforementioned "1-800" numbers used to work this scam.

I have complained to GTE, I.T.A. and Integratel and have been assured that the charges will be reversed. The problem is I keep getting bills for calls every month. Since I am currently operating twelve payphones, the time taken to complain about the charges on all these phones has become excessive.

I am very frustrated with this whole situation and would greatly appreciate your assistance. Thank you.

Sincerely,

Robert T. LeBlanc

Enclosures

A44

Tms # 1226



**GTE**

PAGE 5 OF 6

TELEPHONE NUMBER

813 654-5267

Customer ID 941222

BILL DATE

August 13, 1995

For billing  
questions call  
1 800 866-8889

**LONG DISTANCE CALLS**

Billing for ITA



ITA Regulated Service

Regulated Calls

**Direct Distant Calls**

Date	Time	Place called	Number called	Period	Mins.	Amount
1 Jul 11	6:18 pm	Toronto	416 814-0810	Day	17	\$ 67.83
2 Jul 11	6:18 pm	Toronto	416 814-0810	Day	18	71.82
3 Jul 11	6:28 pm	Toronto	416 814-0810	Day	18	71.82
4 Jul 11	7:12 pm	Toronto	416 814-0810	Day	18	71.82
Total						\$ 283.29

**Taxes and Fees on ITA Regulated Services**

	Amount
5 Federal excise tax (3.66% of \$283.29)	\$ 8.60
6 State sales tax (7.86% of \$283.29)	20.29
7 Florida Insurance Equalization tax (7.30% of \$283.29)	6.52
Total	\$ 35.41

ITA regulated service charges

\$ 318.79

**Total long distance/ITA****\$ 318.79**

1-800-847-8779

APRIL Leslie # 812  
9/6/95

T- 3

INFORMATION

CHARGE

STATEMENTS

EPL-200 00 00 00 00 00 00

ISSUED ON 07

A45



**ITU**

TELEPHONE NUMBER 813 238-5382 Customer ID 941221  
 BILL DATE August 16, 1995

PAGE 7 OF 8

For billing  
 questions call  
 1 800 844-8899

**LONG DISTANCE CALLS**

Billing for ITA

**ITA****ITA Billing Adjustments**

Date	Description	Amount
Jul 19	Summary credit adjustment	CR \$ 44.91
Total billing adjustment(s) of \$ 44.91 applied to previous charges.		

**ITA Regulated Service****Regulated Calls****Direct Related Calls**

Date	Time	Place called	Number called	Period	Mins.	Amount
2 Jul 4	4:59 am	Richmond BC	684 821-7388	Day	3	\$ 11.97
2 Jul 4	4:52 am	Richmond BC	684 821-7388	Day	15	\$ 29.85
<b>Total</b>						<b>\$ 71.82</b>

Description	Amount
4 Federal excise tax (3.00% of \$73.67)	\$ 2.20
5 State excise tax (7.00% of \$73.67)	5.15
6 Florida interstate access revenue tax (2.30% of \$71.82)	1.65
<b>Total</b>	<b>\$ 9.00</b>

ITA regulated service charges **\$ 80.82****Total long distance/ITA \$ 80.82**

1-800-997-0069  
 Opende Leslie & Piz  
 9/6/95





INTERNATIONAL TELEMEDIA ASSOCIATES, INC.

November 21, 1995

Public Service Commission  
State of Florida  
Kathryn Dyal Lewis  
Bureau of Service Evaluation  
FAX: 904 413 6995

Re: Robert T. LeBlanc, Southeast TeleService, Inc.

Dear Ms. Lewis:

This letter is in response to a notice our office received on the above referenced complaint. ITA is a third party clearinghouse that provides billing and collection services on behalf of Information Providers under contract. We have billing and collection agreements with many local exchange carriers across the country and these carriers bill on our behalf.

The charges appearing on the ITA bill page are for information services. The caller dials a toll-free telephone number or a 900 access number to reach the service. A preamble statement clearly states the cost of the service and that the caller must be 18 years old to continue with the call. After completion of the call, the Information Provider captures the automatic number identification from the telephone and uses this information to bill the calls.

Our records indicate that the complainant contacted an ITA representative on September 26, 1995. We issued a full adjustment to the account through the local telephone company. In addition, we placed these telephone numbers on our list of unbillable numbers to prevent future access to information provider services billed by ITA.

If you have any additional questions regarding this account, please contact me at the number below.

Sincerely,

Michele Finckel  
Regulatory Representative

340 INTERSTATE NORTH PARKWAY • SUITE 300 • ATLANTA, GA 30339  
PHONE 770.956.0997 • TOLL FREE 1.800.386.4343 • FAX 770.956.1143

A47



**Christie S. Jones, P.A.**

**Attorney at Law  
Post Office Box 709  
Largo, Florida 34649-0709  
(813) 535-6555**

**November 15, 1995**

**State of Florida  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0830**

**Ladies and Gentlemen:**

I have been having a serious problem with charges on my telephone bill for calls which were not made by me or my son.

To give you some background, I am a single parent who works at home. My son is thirteen years old and lives with me. I do not date. There is no other person living with us, nor does anyone have access to my home. I spend nearly all my time at home unless I am out on business during regular working hours. My son is not allowed to have anyone over when I am not home, and he has only three friends with whom he spends time. Those children have never spent the night at my house. When my son is home or when he has friends over, I supervise his and their activities (as unobtrusively as possible). My telephone calling cards for my home phone and my business phone are kept in my wallet in a place where I would definitely notice if they were removed.

Beginning in August of 1994, my telephone bill included dozens of telephone calls to 900 numbers, including sex hot lines. I did not make these calls. For all of these calls to be made at that time, my son would have had to have been sitting in the kitchen of our small home for hours on end making telephone calls non-stop. I know for a fact that this did not happen. Not only am I sure that he could not have made the calls at the times and on the days shown in the bills, he assures me that he did not make the calls, and I believe him. I have no reason not to.

The charges were deleted from my bills and I placed a 900 number block on my telephone.

The next telephone bill I received included dozens of telephone calls to international numbers. When I called GTE to ask what they were for, they advised me that these were also probably calls to sex hot lines. Again, neither my son nor I made these calls. The charges were deleted and I placed a block on my telephone for international calls. I know that the block went into effect because I attempted to call Canada on that line instead of

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FLORIDA PUBLIC  
SERVICE COMMISSION  
NOV 20 1995

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Page 2  
State of Florida  
Public Service Commission  
November 15, 1995

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my business line and a recording stated that international calls made on that line had been blocked.

Until August of this year there were no other incorrect charges on my telephone bills.

However, my September 13, 1995, bill from GTE had \$629.06 in charges for long distance calls to New Hampshire, New York, Israel, British Columbia, and Ontario, as well as voicemail and conference call services. My October 13, 1995, GTE bill contained an additional \$607.63 in similar charges. Copies of the bills, and a summary of the unauthorized charges are enclosed.

Once again, neither my son nor I made any of these calls. Some of the calls were allegedly charged to my telephone calling card, and all of them were made after I used that card at a pay phone while attending a meeting at the Tampa Airport Marriott. Apparently the international call block which I had placed with AT&T had been canceled without my knowledge. A GTE representative told me that many of these calls were originally made to 800 numbers which obtain the billing information from the caller and charge the calls back to the telephone number given. Unfortunately, I cannot block 800 calls, and because I have family in Illinois and Pennsylvania, I do not want to block all long distance calls.

Many of the charges on the September 13, 1995, bill have been deleted, and I have placed individual blocks with each of the billing companies to attempt to stop further charges. I am in the process of having the other charges removed. Also, I changed my telephone number effective September 27, 1995, changed my calling card number effective September 25, 1995, and then cut up and disposed of the new calling card after I received it from GTE.

In addition, for over two weeks after receiving the September 13, 1995, bill on September 25, 1995, I disconnected and locked all the telephones in the house in my filing cabinet, including my business phone, every night and every time I left the house for any reason. I kept the keys on my person at all times during the day, and hid them in my room at night. This obviously left me with no way to be contacted by my family in the event of an emergency, and, of course, I could not call 911 in the event of an emergency such as a fire or home invasion. Also, in an effort to clearly absolve him of any wrongdoing, I did not tell my son what our telephone number was after it changed.

However, you will note on the enclosed summary, that on September 29, 1995, more



Page 3  
State of Florida  
Public Service Commission  
November 15, 1995

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calls were being charged to my ~~any~~ telephone number at a time when the telephones were all disconnected and I was at a meeting in St. Petersburg.

I am not the only person this has happened to. I have talked to two people in my relatively small circle of family and friends who have had similar unauthorized charges on their telephone bills and had to fight to have them removed. In addition, I understand that the telephones that service technicians use to tap into telephone lines have been stolen in the past, and that the thieves have used them to make unauthorized calls. It is also apparently quite easy to open the box where the telephone lines are connected into the house and connect a telephone to make calls. And I have no doubt that there are people with sufficient computer skills that they can make all kinds of calls and have them charged to another telephone number.

I am at my wits end, and any assistance you can give me in this matter will be greatly appreciated. In addition, I have a few suggestions that will help other consumers who find themselves in this predicament:

1. Whenever a telephone bill increases by over 100% of the annual monthly bill for the previous four to six months, the consumer should be notified immediately, not when the bill for that service period is received by regular mail.
2. If unauthorized charges are being made to an account, the consumer should be told, preferably in writing, of all the possible ways that these charges can be made, including 900 number, international calls, 800 calls which are charged back, credit card calls, voicemail, conference calls and individual telephone billing companies, so that blocks can be placed on all of these services in the beginning instead of only after the charges have been incurred. ✓
3. Consumers should be informed of and have the ability to block those services up front, thereby eliminating the unauthorized charges in the first place. ✓
4. Companies offering these services should be required to obtain a passcode, social security number, or other specialized authorization code before the calls can be completed and the charges incurred. I personally would prefer a requirement for written authorization or a service contract of some sort. ✓

A50



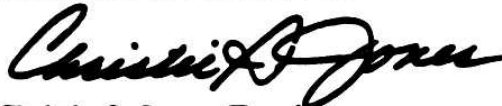
Page 4  
State of Florida  
Public Service Commission  
November 15, 1995

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Thank you in advance for your assistance in this matter.

Very truly yours,

CHRISTIE S. JONES, P.A.



Christie S. Jones, Esquire

Enclosures

CC: The Honorable D. Robert Graham, United States Senator  
The Honorable Connie Mack, United States Senator  
The Honorable Bill McCollum, United States Representative  
The Honorable Robert A. Butterworth, Attorney General, State of Florida  
The Honorable Jack Latvala, Senator, State of Florida  
The Honorable Peter Rudy Wallace, Representative, State of Florida  
GTE Florida  
AT&T  
ITA c/o Absolute Communications, Inc.  
TBS, Inc.  
Integretel, Inc.  
Pilgrim Telephone

A51



P.O. BOX 611987

SAN JOSE

CALIFORNIA

95161-1987

PHONE

800 736 7300



April 11, 1995

The Fono Connection  
Attn.: Allan Menick  
2011 Cleveland Street  
Cleveland Park Suite A  
Tampa, FL 33606

RE: Account No.: 813-626-7932

Dear Mr. Menick:

Thank you for your recent correspondence regarding the Integrated portion of your telephone bill. Integrated is a billing service for independent telephone carriers. Integrated is not a telecommunications company or a utility company. Our clients include but are not limited to operator service providers, pay telephone providers and information service providers. A consumer placing a call either direct, calling card or collect through our clients would be billed by Integrated.

The tariffed charges in question are provided by a long distance service provider accessed through a toll free number or direct dial through an access code. They are a long distance carrier of calls that terminate in residences, businesses or information services. We have requested a block to prevent further calls.

An adjustment in the amount of \$142.92 + tax has been issued. This credit will arrive in the mail as a voucher payable to your local telephone company in three to four weeks.

If there are any further questions regarding this adjustment, please call Consumer Relations at 1-800-800-2324. If you require general information, please call our Customer Service Department at 1-800-736-7300.

Sincerely,

Renee Knight  
Consumer Relations Representative

RK/jh

- A52 -



863125

September 7, 1993

TO: FLORIDA PUBLIC SERVICE COMMISSION  
DEPARTMENT OF CONSUMER AFFAIRS

FR: THOMAS CASTRO  
779 CRYSTAL LAKE DRIVE  
FOXPANO BEACH FL. 33064

RE: MY PHONE BILL (2 ATTACHED PAGES)

ON MY JULY AND AUGUST SOUTHERN BELL BILLS I AM BEING CHARGED \$31.67 FROM INTERNATIONAL TELEMEDIA ASSOCIATES INC. FOR A VOICE MAIL CHARGE.

I DO NOT KNOW WHAT THIS CHARGE IS FOR OR WHERE IT COMES FROM. I HAVE TRIED CALLING THEM AT (1-800-866-8889) AND ALL I GET IS AN ANSWERING ASKING ME LEAVE MY NAME AND PHONE NUMBER AND MY PHONE BILL WILL BE CREDITED.

I HAVE LEFT SEVERAL MESSAGES ON THEIR ANSWERING MACHINE ASKING FOR SOMEONE TO CALL ME AND REQUESTING A CREDIT. NEEDLESS TO SAY I HAVE RECEIVED NO CALL FROM THEM AND THEY ARE STILL CHARGING ME FOR THIS VOICE MAIL.

I AM ASKING YOUR ASSISTANCE IN STOPPING THESE CHARGES FROM BEING PUT ON MY MONTHLY PHONE BILL AND HAVING THE PREVIOUS TWO MONTHS CHARGES TOTALING \$63.34 CREDITED BACK TO MY PHONE BILL.

ANY ASSISTANCE YOU CAN PROVIDE WILL BE GREATLY APPRECIATED.

I HAVE GIVEN YOU MY ADDRESS ABOVE.  
MY PHONE NUMBER IS (305-782-2081)

THOMAS CASTRO

-A53-



TOM CASTRO

Account Number: 305 702-0001 107 1002

Bill Period Date: Jul 25, 1993

**For Int Telemedia Associates Inc. Billing Questions, Call 1 800 844-0000**

### **Detailed Statement of Charges**

#### **Miscellaneous Charges and Credits** Amount

**Long Distance Provider - ITA****San**1. 07/00 VOICEMAIL\_1 ..... \*\* \$0.00**Total Miscellaneous Charges and Credits** ..... **\$0.00**

#### **Taxes** Amount

2. Federal Tax ..... .003. Florida Gross Receipts Surcharge ..... .75**Total Taxes** ..... **1.57**

**\*\*\*\*\* THIS STATEMENT IS NOT VALID FOR CREDIT \*\*\*\*\***

#### **\*\* Unregulated Charge**

This portion of your bill is provided as a service to Int Telemedia Associates Inc.

There is no connection between Southern Bell and Int Telemedia Associates Inc.

CP 6013061

(continued)➡



**Annie R. Brooks**  
**2834 3rd Avenue South**  
**St. Petersburg, FL 33712**

**Tele. Service #1**  
**1328 Broadway**  
**Suite 1034**  
**New York, NY 10001**

**Dear Sir or Madame;**

**My name is Annie R. Brooks, and I just recently received my telephone bill for this month. I came across some charges I know nothing about, and I am very upset with your company for charging me for something I did not request. As soon as I received the bill I started to call the 1-800-866-8889 number listed on the bill, they gave me another 1-800-825-9815 number. I then proceeded to call that number and waited on hold for almost 2 hours (I just can't believe this). So, as you may take it I am very upset. Now after 2 hours of waiting I am finally connected to someone, I got Operator #91, he was so nasty and very rude, and didn't care about what I was saying. So that made me even madder. Then he proceeded to tell me I had to pay, "I DON'T THINK SO"!**

**Your company has billed me for 2 months at a total of \$66.00, and I am requesting that your company remove these charges from my bill. But, since they were there I also asked MR. OPERATOR #91 who ordered the service? He told me, and I told him that the person was my daughter. I also proceeded to tell him she does not live with me full time, and did your company at any-time check to see who's name was this phone number in, because I pay my phone bill ("not my daughter"). Nor did I at any time give her permission to request such a service.**

**I have enclosed a copy of my phone bill, and the charges your company has charged to me. Please respond as soon as possible, to let me know what you company is planning to do about this matter. I have already contacted my Attorney about this matter.**

**Thanks very much,**

**Annie R. Brooks**

**cc: Personal file**  
**cc: Bonita N. Riggins**  
**Attorney at Law**  
**(Acosta & Mann Law Firm)**

**- A55 -**



Dear Mr. Thompson;

Here is my letter that you requested that I send to you per our phone conversation on July 17th at 9:15 a.m.. I am going to try to explain this situation with out taking up to much of your time.

I received my telephone bill for May of this year, and I came across these ITA charges. I promptly got on the phone and called the 1-800 number on the phone bill. After about 2 to 3 hours of trying I finally got through to them, just to be told I needed to call another 1-800 number (the number was 1-800-825-9815) for a company called Tele-service #1. At which time I talked to Operator #91 ( a very rude young man, who refused to give his name to me). I then proceeded to explain the situation to him, but he did not care and basically told me I had to pay the charges, that there was nothing I could do. Then he begin to hear just how angry I was, that is when he gave me a address for this company. He suggested that I write the company and explain the situation. I then on May 23rd, sent a letter to their company (I have enclosed a copy of my letter). I then called their company back about 2 weeks later, and was assured that a credit would be issued, then I called the local GTZ phone company and explained the situation, so they marked my account with this information. They (Tele-Service) also assured me no more charges would be billed to my account. I waited and no credit came in, so I called them back again on July 14th, at which time I was assured again, this time by a young lady that the credit would be issued, because she checked her computer.

I just received my telephone bill this month on July 15th (that very next day), and I look on my bill and they have started to charge me again. I called my local phone company again, but they can't help me, but they did give me your 1-800 number. I also tried calling the companies 1-800 numbers, but both numbers I could never get through (they would just play a message and then hang-up).

I don't know what to do at this time. Would you please help me with this problem. I am not going to pay these charges, and I would like these charges to be taken off my phone bill as soon as possible. Because I am being charged late fees, and taxes on these charges. Please send me a letter or something to explain what is the outcome, and if there is any thing else I need to do are send in.

Thanks very much,

Annie Ruth Brooks,

JUL 21 1995







August 17, 1995

Public Service Commission  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399.

Robert A. Tarantino  
4733 W. Waters Ave. #1414  
Tampa, FL 33614  
(813) 349-4809

Mr. Doug Whitehouse:

I have enclosed a copy of a portion of my last GTE bill statement. I have been billed by the International Tele-Media Association for \$30.00 for the past two months for a total of \$60.00. I believe this to be a bogus charge. I do not use 900 numbers and I believe that this company is running some type of "scam." I've been trying to get in touch with this company for the past two months to no avail. I would like these charges to be taken off my telephone bill and have this company investigated for its fraudulent behavior.

Thank you .

Sincerely,

*Robert A. Tarantino*

Robert Tarantino





PAGE 9 OF 10

For billing  
questions call  
1 800 846-8809

TELEPHONE NUMBER

813 242-4809

Customer ID 950107

BILL DATE

August 4, 1995

**LONG DISTANCE CALLS** (continued)

Billing for ITA

**ITA Non-Regulated Service****Miscellaneous Charges and Credits**

Date	Description	Amount
Jul 15	VoiceMail 1	\$ 30.00
<b>Total</b>		<b>\$ 30.00</b>

**Taxes and Fees on ITA Non-Regulated Services**

Description	Amount
1 Federal excise tax (3.00% of \$30.00)	\$ .90
<b>Total</b>	<b>\$ .90</b>

**ITA non-regulated service charges****\$ 30.90****Total long distance/ITA****\$ 30.90**



Hilda M. Campbell  
Rt. 1 - Box 491-C  
Bryceville, FL 32009

Public Service Commission  
Division of Consumer Affairs  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32309

ITA - 872151  
IntegreTel - 87216P

SEP 7 35

Attn. Ms. Paula Lier

Dear Paula:

This is in reference to our telephone conversation of August 14, 1995 concerning the charges on my telephone bill.

**ITA — International Telemedia Associates, Inc.**

As you can see from the attached copy of my bill, that ITA (Int'l Telemedia Associates, Inc.) charged me \$31.67 for a Voicemail 1 call on 7-01-95.

I have never heard of this company. I have never made a "voicemail" call to anyone at any time. Nobody from this household made a call to that number.

I called the billing department number listed on the bill to inquire about this charge. A recording wanted to know if I wanted 1-1½ minutes or 1½-2 minutes. They said to leave my name and telephone number and they would return my call. I did not leave my number because I was afraid they would bill me with an additional charge.

I know nothing about this call, where it was made or who was allegedly called, how long the call was, nor the time of day. I do not feel that I owe this company anything and do not plan to pay it.

**INTEGRETEL, INC.**

On the same bill, IntegreTel, Inc. (another company I never heard of) has charged me for 3 items in the amount, including tax, of \$144.17.

I called the billing department and talked to Joanne Bell. She could not, or would not, tell me anything except that a call was made from our house and that if we refused to pay it, it would be turned over to their collection department.

Nobody from this number made any of the calls nor was anyone else authorized to do so. We do not owe this bill and we do not intend to pay it.

Thank you for your time and help. If you need to speak to us about this matter please feel free to do so. We can be reached at 904-266-4751 or 904-266-8082.

Sincerely,

*Hilda Campbell*

Enc. copies of 2 telephone bills

Hilda Campbell

- A60 -



KT  
JUL 28 1995

July 27, 1995

**TO: International Telemedia Association (ITA)  
1000 Circle 75 Parkway  
Suite 700  
Atlanta, Georgia 30339**

**SUBJECT: Telephone Bill for non-requested Voicemail 1 Service.**

---

**To Whom It May Concern:**

On my residential GTE phone bill, dated July 13, 1995, I was billed \$30.90 for Voicemail 1 on June 4, 1995, by your company, ITA. I did not request this service, nor have I ever heard of your company.

On July 27, 1995 I made several "non peak hour calls" to have this item withdrawn from my bill. Your taped answering service consistently recommends to call back at a non-peak hour, leaving me with no access to your company to have this situation cleared up. My residential service, GTE, provided me with your address. This letter is notice that I HAVE NEVER REQUESTED YOUR SERVICES AND DO NOT INTEND TO PAY FOR THESE SERVICES.

Please find enclosed a copy of my telephone bill showing your charges to my phone bill. I am also sending a copy of this letter to GTE, my local service, the Florida Public Service Commission and the FCC.

Should you have any questions concerning this letter, I can be reached during the day time hours at (941) 922-3526.

Very truly yours,



Roxanne Gause

c.c. GTE  
Florida Public Service Commission  
FCC

- A61 -



PAGE 9 OF 10

TELEPHONE NUMBER

941 366-4921

Customer ID 900114

BILL DATE

July 13, 1995

For billing  
questions call  
1 800 866-8889

**LONG DISTANCE CALLS (continued)**

Billing for ITA

**ITA Non-Regulated Service****Miscellaneous Charges and Credits**

Date	Description	Amount
Jan 4	VoiceMail 1	\$ 30.00
<b>Total</b>		<b>\$ 30.00</b>

**Taxes and Fees on ITA Non-Regulated Services**

	Amount
1 Federal excise tax (3.00% of \$30.00)	\$ .90
<b>Total</b>	<b>\$ .90</b>

<b>ITA non-regulated service charges</b>	<b>\$ 30.90</b>
--	-----------------

<b>Total long distance/ITA</b>	<b>\$ 30.90</b>
--------------------------------	-----------------

-A62-



STUART H CAMPBELL

Account Number: 904 266-4751 231 0568

Bill Period Date: Aug 4, 1995

For Integratel, Inc. Billing Questions, Call 1 800 734-7300

### Detailed Statement of Charges

#### Itemized Calls

Long Distance Provider - **ABSOLUTE TELECONF.**

Operator Handled Calls Placed from and Billed to 904 266-4751

Date	Place Called	Number Called	Rate	Time	Min	Amount
1. 07/01	CONFERENCE CALL		AEX	08:54PM	2	44.34
2. 07/01	CONFERENCE CALL		AEX	08:57PM	3	44.24
3. 07/01	CONFERENCE CALL		AEX	09:00PM	5	47.98
Total Operator Handled Calls Placed from and						
Billed to 904 266-4751 .....						136.56
Total Itemized Calls .....						136.56

#### Taxes

4. Federal Tax .....	4.20
5. Florida Gross Receipts Surcharge .....	3.41
Total Taxes .....	7.61

Total Integratel, Inc. Current Charges 144.17

\* Taxes and Rates Applied - See Book of Page

No portion of your bill is provided as a service to Integratel, Inc.

There is no connection between Southern Bell and Integratel, Inc.

CP E001192

(continued)➡

-A63-



Julia Caples  
1510 Cambridge Drive  
Cocoa, FL 32922

September 6, 1995

Mr Douglas Whitehouse  
Public Service Commission  
Consumer Affairs  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399

Dear Mr Whitehouse:


I spoke with you on September 5, 1995 regarding TeleService 1. This charge appeared on my phone bill and I paid it even though I had never spoken to anyone from TeleService 1 nor had I ever ordered anything from them.

When I called TeleService 1, they told me that I would have to send a letter to their customer service department to request my money back. A letter was sent on June 1, 1995. There was no response, so on July 10, 1995, letters were sent to the Better Business Bureau of Central Florida, in Winter Springs, and to the FCC in Washington DC, with copies of both letters sent to TeleService 1.

No one has responded, and now I am asking you to investigate TeleService 1. I would like my \$31.67 refunded and I would like to make sure that this doesn't happen to anyone else.

Thank you for your time and cooperation.

Sincerely,

  
Julia Caples

SEP 11

-A64-



MONTH STARTING DATE	AMOUNT OF LAST BILL	NEW CHARGES	ADJUSTMENTS	PAID	TOTAL AMOUNT DUE
Jun 10	\$199.10	\$199.10	\$9.00	\$101.20	\$101.20

**Detailed Statement of Charges**

==== Please note: A 1.5% Late Payment Charge will apply  
==== to any unpaid balance as of Jun 20.

Nonpayment of Regulated Charges may result in discontinuance of service. Failure to pay unregulated and certain other charges, all of which are identified by us on your bill, will not result in an interruption of local service. The amount of Regulated Charges may be obtained by calling 780-2355.

**Helpful Numbers**

RightTouch® service 1-800-635-6200 (See Messages for Details)

(continued)➤

Orders and Billing Repair

Southern Bell

780-2355

611

Outside Florida

1-800-753-8000

Numbers for other companies are listed with their charges.

Account Number: 007-639-6136 819 3141  
Bill Date: May 19, 1995 C000  
Page 3

AMOUNT	TOTAL
30.00	30.00
.92	1.67
.75	21.67

(continued)➤

unregulated Miscellaneous Charges and Credits  
Date

**LONG DISTANCE PROVIDER - ITA**

1. MAY 1 TELESERVICE

A Subtotal

1st Charge for Localized Calls 30.00

000

2. Federal Tax

3. Florida Green Receipts Surcharge

Subtotal

1. Telemedia Associates, Inc. Current Charges

Local Numbers for Bell Telemedia Associates, Inc.

Billing Questions 1-800-666-6000

-A65-

Letter sent 6/1

Teleservice!

Attn: Credit Dept.

1328 Broadway Suite 1054

New York NY 10011

1-800-835-9815

Portion of your bill is provided as a service to Bell Telemedia Associates, Inc. Your contribution to Southern Bell and Bell Telemedia Associates, Inc.

10 Applied - See Back of Page

CP 065337



PAGE 9 OF 12

TBS, Inc. 813 338-8030

Customer 112 900221

BILL DATE July 13, 1995

TBS, Inc.  
 billing questions  
 1 800 748-4309

**LONG DISTANCE CALLS (continued)**

Billing for TBS, Inc.

TBS, Inc. Regulated Service

Billing for International Telex

**Regulated Calls**

Calls billed to  
 813 338-8030

**Direct Distant Calls**

Date	Time	Area called	Number called	Period	Min.	Amount
1 Jan 92	10:11 pm	Toronto, ON	915 724-5107	Week	2	\$ 14.97
<b>Total</b>						<b>\$ 14.97</b>

For questions concerning your bill, call the number listed at the top of this page.  
 The calls on this page were forwarded by TBS, Inc., the clearinghouse  
 agent for International Telex.

**Taxes and Fees on TBS, Inc. Regulated Service**

	Amount
1 Federal excise tax (3.00% of \$14.97)	\$ .45
<b>Total</b>	<b>\$ .45</b>

TBS, Inc. regulated service charges	\$ 15.42
-------------------------------------	----------

<b>Total long distance/TBS, Inc.</b>	<b>\$ 15.42</b>
--------------------------------------	-----------------

T = 7

REPRODUCTION

CROSS

STANDARD

COPY-0112 013 020-0200 (1/1/95) 00 00

- A66 -



**NAME** ROBERTSON, RACHEL

~~Address~~ 101425 OVERSEAS HIGHWAY

**SUITE 711**

City/Zip **KEY LARGO 33037** County **MIAMI**

Account Number \_\_\_\_\_

Has consumer contacted company? Yes X No      the     

**Company SOUTHERN BELL TELEPHONE & TELEGRAPH**

Asst. Marie Murray *Kathy*

Consumer's  
Telephone / (305)-852-4669

## Can Be

Request No. 47918P

by RMM ltr 4:48 PM date 01/09/95

to CO 1145 fax 00001/09/95

Complaint type th-06

**Note** \_\_\_\_\_

Classification Y

Classified by 6888 Date 02/28/95

**NAME** \_\_\_\_\_

Customer said she has been billed for long distance pay per call calls which she did not make. Most of these calls are international or interstate calls. Customer is going to file a complaint with the FCC concerning the charges, however she was told by SBT she had to pay for the charges or her service would be disconnected. Please do not disconnect customer's service over the disputed amount. Thanks.

1-17 reply received  
2-28 closed by letter

**CC ALAN TAYLOR**



## CONSUMER REQUEST

**FLORIDA PUBLIC  
SERVICE  
COMMISSION**

**101 E. GAMES STREET  
TALLAHASSEE, FL. 32399-08  
904-413-6100**

**PLEASE RETURN THIS FORM  
WITH REPORT OF ACTION 1**

**Anthony W. McClaren**

**DUE: 01/24/95**



P.O. BOX 611987

SAN JOSE

CALIFORNIA

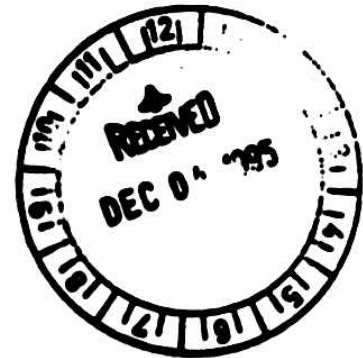
95161-1987

PHONE

800 736 7500



November 22, 1995



State of Florida  
Public Service Commission  
Attn.: Thomas E. Williams, III  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RE: U.S. Govt. Dept. of Veterans Affairs  
Account No.: 407-882-6500/407-840-9966  
Notice of Informal Complaint Dated October 30, 1995

Dear Mr. Williams:

We have arrived at the following conclusion regarding the informal complaint placed by U.S. Govt. Dept. of Veterans Affairs.

Integratel is a billing service for independent telephone carriers. Integratel is not a telecommunications company or a utility company. Our clients include but are not limited to operator service providers, pay telephone providers and information service providers. A consumer placing a call either direct, calling card or collect through our clients would be billed by Integratel.

A portion of the charges in question are billed for a monthly voice mail service initially accessed through a toll free number. The customer is provided with a box number and chooses a Personal Identification Number (PIN) to initiate the service. A long distance telephone number is given to access their voice mail. We have requested cancellation of the voice mail through our client to prevent further charges.

Additional calls that were billed are provided by a teleconferencing service. A block has been requested to prevent further calls.

A68



I N T E G R

Thomas E. Williams, III  
November 22, 1995  
Page 2 of 2

For more detailed operational information concerning both types of charges, please contact Jane Jacobs counsel for Absolute Teleconference and Voicemail, Inc., at the following address:

Klein, Zelman, Briton, Rothermel and Dichter, L.L.P.  
485 Madison Avenue  
New York, NY 10022  
Telephone: 212-935-6020

The remainder of the tariffed charges in question are provided by a long distance service provider accessed through a toll free number or direct dialed using an access code. This company is a long distance carrier of calls that terminate in residences, businesses or information services. Also, a block has been requested to prevent these calls.

Our records indicate we have already issued an adjustment in the amount of \$328.59 + tax on November 6, 1995.

If you require any further assistance, please feel free to contact me at 1-800-800-2324.

Sincerely,

*Nicole Nufiez*

Nicole Nufiez  
Consumer Relations Representative

NN/r

cc: U.S. Govt. Dept. of Veterans Affairs, c/o Chuck Romp,  
7305 North Military Trail, Riviera Beach, FL 33207  
File

A69



\*\* Integrated, Inc. \*\*

US GOVT DEPT OF VETER AFFS

Page 81

Account Number: 407 882-0000 349 1801

Bill Period Date: Oct 4, 1993

- For Integrated, Inc. Billing Questions, Call 1 800 736-7800

**Detailed Statement of Charges****Miscellaneous Charges and Credits****Amount**

407 840-9946

**Service Provider - VOICEMAIL, INC.****Date**

1. 09/02 VOICE MAIL .....	00	55.00
<b>Total Miscellaneous Charges and Credits .....</b>		<b>55.00</b>

**Itemized Calls****Amount**

407 840-9946

**Service Provider - ABSOLUTE TELECONF.****Operator Handled Calls Placed from and Billed to 407 840-9946**

<b>Date</b>	<b>Plan Called</b>	<b>Number Called</b>	<b>Rate*</b>	<b>Time</b>	<b>Min</b>	
2. 09/02 CONFERENCE CALL			OK	00:23AM	6	32.00
3. 09/02 CONFERENCE CALL			OK	00:10AM	4	48.00
4. 09/02 CONFERENCE CALL			OK	11:12AM	6	34.00
<b>Total Operator Handled Calls Placed from and Billed to 407 840-9946 .....</b>						<b>151.92</b>

**Service Provider - MIRAGE MARKETING****Direct Dialed Calls**

<b>Date</b>	<b>Plan Called</b>	<b>Number Called</b>	<b>Rate*</b>	<b>Time</b>	<b>Min</b>	
5. 09/02	UYANA	98247045	R	04:23AM	6	23.94
6. 09/02	UYANA	98247045	R	05:40AM	4	15.96
7. 09/09	UYANA	98247045	R	03:50AM	3	19.95
8. 09/09	UYANA	98247045	R	10:26AM	3	19.95
9. 09/10	UYANA	98247045	R	08:03AM	3	11.97
10. 09/13	UYANA	98247045	R	10:40AM	6	23.94
11. 09/17	UYANA	98247045	R	05:06AM	4	15.96
<b>Total Direct Dialed Calls .....</b>						<b>151.67</b>
<b>Total Charges for 407 840-9946 .....</b>						<b>303.59</b>
<b>Total Itemized Calls .....</b>						<b>303.59</b>

\*\* Unregulated Charge

\* Taxes and Rates Applied - See Back of Page

NO 2000100

(continued)



-10/20/96 FRI 14:44 FAX 407 602 0007

ACB. &amp; NAT.

Page 42

\*\* Telephone Billing Services \*\*

US GOVT DEPT OF VETER AFFRS

Account Number: 407 602-6500 549 1001

Bill Period Date: Oct 4, 1995

For Telephone Billing Services Billing Questions, Call 1 800 745-6309

**Detailed Statement of Charges****Itemized Calls**

407 602-0044

**Service Provider - INTERNATIONAL TELNET****Direct Dialed Calls**

Date	Plan Called	Number Called	Rate	Time	Min	Amount
1. 09/29	TORONTO ON	416 734-3100	0	03:05AM	6	29.94
2. 09/29	TORONTO ON	416 734-3100	0	05:25AM	7	34.93
3. 09/30	TORONTO ON	416 734-3100	0	00:10AM	6	29.94
Total Direct Dialed Calls .....						94.81
Total Charges for 407 602-0044 .....						94.81
Total Itemized Calls .....						94.81

**Taxes**

Description	Amount
4. Florida Gross Receipts Surcharge .....	2.17
Total Taxes .....	2.17

<b>Total Telephone Billing Services Charges</b> .....	<b>97.18</b>
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\* Taxes and Rates Applied - See Back of Page

This service of your bill is provided as a service to Telephone Billing Services.

There is no connection between BellSouth and Telephone Billing Services.

MS 0000120

(continued)➤

A70



STATE OF FLORIDA

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
SUEAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
DIANE K. KIRKING

GENERAL COUNSEL  
ROBERT D. VANDIVER  
(904) 413-6248

**Public Service Commission**

May 7, 1997

Office of the Secretary  
Federal Trade Commission  
6th Street & Pennsylvania Avenue NW  
Room 159  
Washington, DC 20580

Re: FTC File No. R611016 - 900-Number Rule Review

Dear Sir:

Enclosed are the original and 6 copies of the Florida Public Service Commission comments in the 900-Number Rule Review. Please date stamp and return one copy in the enclosed self-addressed stamped envelope. We have also enclosed a diskette, as requested.

Alan Taylor in the Division of Communications ((904) 413-6518) is the primary contact on this filing.

Sincerely,



Cynthia B. Miller  
Senior Attorney



CBM:jmb  
Enclosure



**BEFORE THE FEDERAL TRADE COMMISSION  
Washington, DC 20580**

In the Matter of: )

900-Number Rule Review; )  
Request for Comment Regarding )  
Possible Modification of )  
Definition of "Pay-Per-Call )  
Services" Pursuant to the )  
Telecommunications Act )

---

FTC FILE NO.: R611016

**FLORIDA PUBLIC SERVICE COMMISSION COMMENTS**

**SUMMARY**

Pay-per-call (PPC) billing, specifically charges to telephone bills, continues to be a major source of complaints from Florida consumers, and the number of complaints are on the rise. The Florida Public Service Commission (FPSC) believes additional consumer safeguards should be considered to address common forms of billing abuse. Attachments to our comments provide examples of the following types of complaints which suggests that the bills are not in compliance with existing requirements:

- Apparent pay-per-call charges masqueraded as international toll;
- Pay-per-call charges billed as 900-number calls even though the calls did not originate as a 900-number call, circumventing the subscriber's 900-number blocking;
- Pay-per-call type calls originated to service access codes other than 900/976;
- Unauthorized charges adjusted on subscriber's telephone bills, subsequently billed directly with threat of negative credit report.



Based on our review of these common complaints, the FPSC makes the following suggestions:

- 1) Consideration should be given to expanding the definition of pay-per-call to incorporate the many forms of access used by segments of the industry, including masqueraded international toll.
- 2) The Federal Trade Commission (FTC) should consider specifically requiring the information provider to be responsible for obtaining authorization for its charges, not allowing the information provider to bill or initiate collection action based on the assumption that if the call originates from a phone number that the subscriber is automatically liable.
- 3) Consideration should be given to prohibiting information providers, service bureaus, and collection agencies from misleading telephone subscribers that they are legally bound to pay for any unregulated PPC charges on their telephone accounts, even if the charges were not authorized.
- 4) Consideration should be given to prohibiting information providers, service bureaus, and collection agencies operating on behalf of the information provider from rebilling directly the charges removed from a telephone bill and from threatening or actually reporting negative credit reports to credit bureaus when fraudulent calls, masqueraded charges, charges



for services not in compliance with applicable rules, or unauthorized charges are involved.

- 5) The FPSC urges the FTC to consider incorporating the added consumer safeguard of a billing block option. The FPSC has proposed that the Federal Communications Commission (FCC) consider making available a billing block option to local exchange subscribers. This option would be limited to those who request it. As envisioned, this option would allow telephone subscribers to block bills to their account from third-parties, unless the electronic billing record includes the proprietary personal identification number (PIN) of the subscriber associated with the telephone number. Without the correct PIN, the charge would be automatically rejected by the telephone company and would not appear on a subscriber's telephone bill. The FPSC believes this type of consumer safeguard would be an additional tool for consumers to use since the complaints attached suggest that dialing blocks are no longer effective. With this feature, information providers would have to obtain the authorized PIN number or risk having their charges automatically blocked.

Our comments are limited to our suggestions above and to responses to certain questions set forth in the FTC's invitation to comment.



**COMMENTS****I. General Issues for Comment****1. Is there a continuing need for the 900-Number Rule?**

Yes. In 1995, the FPSC received over 800 PPC complaints from Florida consumers. In 1996, the FPSC received 1,179 inquiries, and for the first three months of 1997, the FPSC has received 153 complaints. We believe it is too soon to determine whether the level of complaints this year signifies a downward trend. Therefore, we believe it is apparent, based on the large volume of complaints, that there is a continuing need for the 900-Number Rule. In addition, the increase in complaints between 1995 and 1996, indicates that changes to the Rule are appropriate.

**2. What effect, if any, has the Rule had on consumers?****2c. What changes, if any, should be made to the Rule to increase the benefits to consumers?**

For the most part, the FPSC believes the Rule has had a positive effect on consumers. However, some PPC providers are continuing, apparently willfully, to disregard the Commission's definition of a PPC by billing for calls to numbers other than those beginning with 900. For example, the current rule requires PPC numbers to begin with the 900 service access code. However, the rule definition states that it does not include "any service the charge for which is tariffed." In our review of complaints, it appears that some PPC providers are deliberately "hiding" behind



the Commission's exclusion of tarified services from the definition of pay-per-calls by billing an excessive amount as the tarified charge for some unwanted service. Examples of this type of complaint can be found on pages A1 - A4 (Nielsen complaint) and A5 - A21 (Burgess complaint). These complaints deal with services for N11 and 700 numbers, which are tarified. The FPSC believes that the Commission's definition should be expanded to include any call by any access code that initially or ultimately results in charges to a telephone subscriber above the normal tarified toll charges of an equivalent service provided by the subscriber's authorized carrier. The provider must be responsible for obtaining explicit authorization for such services, in writing. Alternatively, the information provider may obtain the LEC specific PIN, generally available to any LEC subscriber, to document authorization. Otherwise the subscriber should be able to reject charges for such services as unauthorized. This would be helpful in protecting subscribers from abuse of their accounts by visitors or through clip-on type fraud.

6. Are there additional advertising, operating, or other standards for the audiotext industry not included in the Rule that might now be desirable or necessary to prevent deception or other abuses, or to prevent evasion of the Rule's requirements and prohibitions?

Yes. As documented in the attached complaints, many of the calls allegedly made were in response to advertisements. However, segments of the industry, in the cases attached, have evaded the



definition of pay-per-call by various means. The FTC's definition of pay-per-call might be amended to include any call, by any service access code, excepting telephone directory assistance, that results in the provision of a live or recorded audiotext message or the provision of entertainment, information or services charged to a telephone bill. In the event that the commission does not believe it has the latitude to make such a change to the definition, the commission could urge the FCC to make the suggested changes or seek statutory authority.

In addition, the FPSC cannot stress enough the importance of making the PPC providers more responsible in obtaining authorization from the customer of record. The PPC provider should be required to produce verification that the customer of record authorized the call. Right now, a consumer is guilty until proven innocent. This brings up the question of how a customer of record can prove that he did not make a call. In one complaint (pages A63-A65), the consumer was billed for a PPC on her 5/17/96 bill and upon receipt of the bill, immediately disputed the charges. The PPC provider advised the customer by letter dated 5/29/96 that the charges would not be removed as the customer is responsible for "all charges incurred by that telephone." Subsequently, the PPC provider notified the FPSC by telephone call on 5/31/96 that it had discovered hackers were apparently breaking into condo meter rooms and making pay-per-calls and billing them to the condo residents



(pages A61-A62). That is what happened in the above example and the subscriber's bill was subsequently credited for the fraudulent charges. How could this customer have proven that she did not make the call? The PPC provider at first believed that because Automatic Number Identification (ANI) captured the customer's number, the call was made from her telephone. This was later proved erroneous.

For this and other reasons, the FPSC believes that before PPC providers can bill consumers for PPC charges, a method should be considered in which providers are first required to obtain a valid authorization number (for those customers requesting the billing block option) much as any merchant would, of necessity, obtain a customer's complete Visa credit card number.

8. How should the FTC's Rule be amended to harmonize with changes and proposed changes in the FCC's regulatory approach?

The FPSC believes that the FTC should add a statement to its rules that any differences with the FCC's rules are to be interpreted with the more stringent requirement prevailing.

## II. Definitions

10b. Are there additional definitions that should be added to the Rule? Explain.

The FPSC believes that the Commission's definitions should be expanded upon. For example, the definitions might include the term "billing block option" to define an option available to subscribers



for blocking the billing of any pay-per-call service for which the provider has not obtained specific authorization through a LEC proprietary card PIN number. To address PPC masqueraded as international toll, perhaps the definitions section should define any international telephone numbers published to solicit calls that cost more than 75 cents per minute as PPC. The definitions should also address and include the telemarketing of debit/credit cards, 800 number services, conference calls and other services with initial or recurring monthly charges from other than the subscriber's preferred carrier as PPC.

11b. Should entities engaging in service bureau functions be covered by the rule, even if they also engage in "common carrier" functions at other times?

Yes, to prevent industry segments from evading the rule by looking for new exemptions to exploit.

12e. Should the Rule require that a presubscription agreement be in writing?

The FPSC believes that PPC providers should be required to obtain the agreements from the customers of record in writing, similar to the Letter of Authorizations (LOAs) required by primary interexchange carriers to switch a customer's long distance carrier. Legitimate PPC providers should welcome the added responsibility of obtaining LOAs from customers of record to avoid the time and expense of investigating consumer complaints that a service was not ordered. Examples of complaints that would have been avoided would include pages A44 - A60.



### III. Advertising

14. Does the Rule provide adequately for disclosing the cost to consumers prior to making a call to a 900 number service?

The FPSC believes that legitimate PPC providers do adequately disclose the cost prior to the consumer making the call to a 900 number. However, it is those companies that advertise local or 800 and 888 numbers, and international numbers that evade adequately disclosing costs to consumers. By incorporating these forms of access into the definition of PPC, the FTC may better enforce its existing rules to address the types of abuses included in the attached complaints.

16. Is the requirement governing "telephone solicitations" in section 308.3(h) clear, meaningful, and effective?

Telemarketing appears to be the basis for charges to subscriber telephone bills for items such as debit cards, blocking services, member services, discount services and credit card offers. Based on complaints to the FPSC, the subscribers never ordered and in some cases never received the items allegedly agreed upon and billed for. The requirement governing "telephone solicitation" may not need to be modified if the definition of pay-per-call is modified to include the services described above.

### IV. Operation and Standards

25. What impact has the Rule had on complaints, and requests for credits or refunds not authorized by subscribers?



Based on complaints and inquiries to the Florida Public Service Commission, complaints (1,179) in 1996 were 37% higher than 1995. Without the rule complaints would probably be higher still. Consumers complain about phantom calls, advertising which results in unauthorized teenage access of PPC services, deceptive and misleading ads for job services and fraudulent calls. In addition, our investigation has documented that some calls billed by an information provider as 900-number calls were never made (pages A89 - A95). Based on our review, the FPSC believes the current rule has not provided adequate consumer safeguards.

#### V. Billing and Collection

31a. How does "phantom billing" occur?

31b. What procedures and safeguards should exist to ensure that customers are billed only for calls actually placed from that customer's phone?

31c. How does a billing entity determine that billing tapes or other records of calls are genuine?

The FPSC believes that "phantom" billing does occur. Our investigation of one complaint documents that the subscriber charged for 900-number calls had a working 900-number block in place at the time. Moreover, the transport provider for the 900-number in question confirms that such a call did not transit its network (pages A89 - A95). One could conclude that the information provider made up the charge. Based on this and other complaints we



have reviewed there appear to be no protections built into local exchange company billing systems to limit anyone using the services of a service bureau or billing clearinghouse from initiating a bill to anyone at anytime for anything, without authorization. The charges simply appear on a subscriber's telephone bill.

In other cases, the question remains whether someone broke into a meter room at a condominium and made calls using a resident's phone line (pages A61 - A67). Time and again, the FPSC receives responses from PPC providers advising that its only "proof" that the billed PPC was made from a customer's telephone is ANI. As pointed out by one PPC provider (pages A61 - A62), that is not always a correct assumption.

For these reasons, the FPSC believes consumers deserve to have a billing block option for their local telephone service considered by the commission, as described herein, to provide additional safeguards to them to prevent recurring billing and collection abuses and evasion of applicable rules by segments of the PPC industry.

#### **CONCLUSION**

Because the consumer protections implemented thus far in response to the Telephone Disclosure and Dispute Resolution Act have not been sufficiently effective, the Florida Public Service Commission urges the Federal Trade Commission to implement additional consumer safeguards as outlined herein with special



emphasis on those charges billed to subscribers' local telephone accounts.

1) The FTC should consider expanding the definition of pay-per-call to encompass the variety of charges masqueraded as international toll, debit card, credit card and member services, and services provided through service access codes other than 900.

2) Consideration should be given to making information providers responsible for obtaining authorization for specific charges and whether information providers should be allowed to bill or initiate collection action based on the assumption that if the call originates from a phone number the subscriber is automatically liable.

3) The FTC should determine whether information providers should be prohibited from misleading telephone subscribers that they are legally bound to pay for unregulated PPC charges on their telephone accounts if the charges were not authorized.

4) The FTC should consider whether information providers, service bureaus and collection agencies operating on behalf of the information provider should be prohibited from rebilling directly the disputed charges removed from a telephone bill and from threatening or actually reporting negative credit reports to credit bureaus.

5) In addition, consideration should be given to allowing subscribers to establish a LEC proprietary card billing block to



prevent billing for unauthorized charges. If a LEC proprietary card blocking option is not feasible, other alternatives include establishing some form of oversight of billing practices in view of billing abuses as described herein; and requiring a clause in LEC billing contracts to address termination of such agreements with service bureaus, clearinghouses or information providers upon sufficient showing of continuing abuse of applicable federal or state requirements.

Respectfully submitted,

  
CYNTHIA B. MILLER  
Senior Attorney

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
(904) 413-6082



**Complaint No. 357/2730**

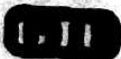
**Mrs. Marie Nielsen (David, son, called in complaint)  
c/o Oaks at Greenbriar Nursing Home  
202 21st Street West  
Bradenton, FL 34203  
941-748-6969**

**David Nielsen  
1136 Weston Road  
Lincoln, MA 01773  
617-381-1711-W  
617-259-0376-H**

**Mr. Nielsen said his mother is not capable of making telephone calls. He had the telephone installed at the nursing home in his mother's room so that he could call her. The bill, which he pays, is normally \$13.52 for local service charges. Mrs. Nielsen's February 22, 1997 bill was \$913.99, \$886.95 of which was for 11 calls made during an approximately 5-hour period on October 14 and 15, 1997. The pay per calls were billed by Pilgrim Telephone.**



MAR-18-'97 MON 15:47 13-PATRIOT AMERICAN TEL N



PAGE 1 OF 1

TELEPHONE NUMBER 941 740-4000

Customer ID 940511

BILL DATE February 22, 1997

Reply number

## BILLING SUMMARY

MARIE NIELSEN

GTE billing  
questions  
1 800 403-3200

Previous charges  
Amount of last bill \$ 13.35  
No payment received  
Amount past due \$ 13.35

To avoid a 1.5% late  
payment charge, payment  
must be received before  
March 25, 1997.

To order GTE  
service call  
1 800 403-4000

Current charges  
GTE regulated service \$ 12.35  
GTE non-regulated service 1.00  
Other non-regulated charges \$ 1.00  
Total current charges \$ 13.35

Spoke to Maria  
3/10

Centro Hispano  
de GTE  
1 800 PEDA GTE  
1 800 740-3400

Total amount due \$ 913.69  
Due date March 18, 1997

A PORTION OF THE  
TOTAL AMOUNT DUE  
IS PAST DUE. LATE  
FEE APPLIES TO  
CURRENT CHARGES  
ONLY.

By Jeffrey M. Smith A/CN Co.  
404-487-1463

-----  
TOTAL AMOUNT DUE \$ 913.69  
Amount and return due notice with your check payable to GTE.  
-----

TELEPHONE NUMBER

941 740-4000

Please pay  
this amount.

Total amount due \$ 913.69  
Due date March 18, 1997

It's our  
privilege to  
serve you.

FORBID TO REUSE  
MARIE NIELSEN  
126 WESTON RD  
LINCOLN RA 01773

1-800-403-3200  
GTE Florida  
P.O. Box 31122  
Tampa, FL  
33631-3122

25 4839 7406767 740511 0000000001352 00000071379 02

A2



PAGE 22.4

For customer  
service call  
1 800 552-1100Toll free 9:05 AM  
plus tax 12 min.**LONG DISTANCE CALLS**

Billing for Florida Telephone

Florida Telephone Non-Regulated Service

Non-Regulated Calls

Pay Per Call charges are considered non-communication services.

You should know: 1) Failure to pay Pay Per Call charges will not result in discontinuation of your local or long distance service, however, your access to Pay Per Call may be blocked and further collection attempts may be made. 2) Pay Per Call charges are available from your local exchange company upon request. 3) You have 60 days after the date of this bill to initiate a billing dispute.

**Below Listed Pay Per Call Charges**

Line	On	Off	Area	Rate	Charges	Rate	Charges
1	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
2	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
3	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
4	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
5	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
6	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
7	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
8	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
9	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
10	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
11	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
12	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
13	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
14	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
15	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
16	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
17	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
18	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
19	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
20	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
21	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
22	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
23	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
24	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
25	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
26	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
27	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
28	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
29	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
30	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
31	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
32	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
33	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
34	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
35	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
36	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
37	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
38	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
39	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
40	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
41	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
42	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
43	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
44	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
45	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
46	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
47	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
48	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
49	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
50	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
51	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
52	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
53	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
54	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
55	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
56	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
57	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
58	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
59	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
60	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
61	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
62	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
63	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
64	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
65	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
66	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
67	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
68	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
69	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
70	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
71	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
72	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
73	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
74	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
75	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
76	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
77	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
78	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
79	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
80	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
81	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
82	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
83	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
84	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
85	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
86	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
87	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
88	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
89	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
90	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
91	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
92	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
93	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
94	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
95	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
96	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
97	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
98	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
99	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00
100	On 14	11:57 PM	780 777-1836	1.00	1.00	1.00	1.00

Sum and Pay on Florida Telephone Non-Regulated Service  
 Total charges for 11/14/94 of \$11.15

Florida Telephone non-regulated service charges

Total long distance/Florida Telephone

\$ 205.05

\$ 226.95

T- 2

IN THE COUNTY OF FLORIDA

JAMES H. HARRIS

A3



FOR-18-'97 NOV 15:48 ID: PATRIOT AMERICAN TEL



PAGE 3 OF 4

TELEPHONE NUMBER 841 245-0240

Customer ID 240511

BILL DATE February 22, 1997

GTE SmartCall  
Products and  
Services  
Automated  
Reseller  
1 800 GTE-6666

GTE REGULATED SERVICE (Feb 22 to Mar 22)	
1. Service Fee	\$ 7.00
2. Exchange Fee	1.00
3. FCC Access Charge	3.50
4. GTE Access Charge	1.00
5. GTE 811 Service Fee	5.00
<b>TOTAL</b>	<b>\$ 17.50</b>

Regulated Service Taxes and Surcharges	
1. Federal Excise Tax (1.1% of \$17.50)	\$ .19
2. City Utility Tax (1.5% of \$17.50)	\$ .26
3. City Franchise Fee (1.5% of \$17.50)	\$ .26
4. South Carolina State Franchise Fee (2.5% of \$17.50)	\$ .44
<b>TOTAL</b>	<b>\$ 1.15</b>

GTE regulated service charges  
\$ 12.52

Nonpayment of regulated service may result in disconnection of your local telephone service. Any questions concerning these charges, please call the inquiry number provided on Page 1.

REGULATED SERVICE (Feb 22 to Mar 22)	
1. Service Fee	\$ 7.00
2. Exchange Fee	1.00
<b>TOTAL</b>	<b>\$ 8.00</b>

GTE non-regulated service charges  
\$ 1.00  
**TOTAL GTE CHARGES**  
**\$ 7.00**

When itemization of your local billing is available upon request by contacting the Customer Billing Center.

T- 3

IF YOU ARE A NEW CUSTOMER, PLEASE CALL 1-800-4-A-FLORIDA FOR MORE INFORMATION

A4



27 March 1997

Ms. Patay D. Burgess  
5503 Whittendale Road  
Lithonia, GA 30058



Florida Public Service Commission  
J. Allen Taylor  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0866

Dear Mr. Taylor:

1. Reference our telephone conversation on this date regarding 311 Direct, Inc., the following information is provided:

a. Letter to MID-AM Recovery Service, Sarasota, FL, dated 25 Mar 97 regarding outstanding charge of \$390.03.

b. Letter to BellSouth, dated 13 Mar 97 recapping our conversation and requested answers to my outstanding questions.

c. Letter from BellSouth, dated 20 Mar 97. Note: BellSouth did not address any of the questions I have asked. They did not even have the courtesy to tell me why their Customer Service Supervisors did not respond to my correspondence.

d. Letter to 311 Direct, Inc., dated 13 Mar 97 with previous correspondence attached.

e. Letter from Senator Max Cleland, dated 25 Feb 97 acknowledging my correspondence. No further correspondence received.

2. Sir, after our conversation, I called MID-AM Recovery Service again to see if Mr. Jones could provide me any additional information about the company or why the outstanding charges were now \$390.03. I received no further information but was told that the telephone number that Mr. Jones gave me was wrong. The correct number for 311 Direct, Inc. is 305-949-5000. I called the number and asked for Mr. David Krep, President or owner. The person who answered the phone asked who was calling and I gave my name. I was put on hold and Mr. Eric Jacobs came on the line and refused to put me through to Mr. Krep. Mr. Jacobs stated that he was the ONLY person I could talk to and the ONLY person that could make any decisions regarding the charges. The fact that I am pursuing this issue is harassment and TO PAY THE MONEY I OW. I challenged him on the difference in outstanding charges (\$55.44 > \$390.03). Mr. Jacobs finally admitted that it was an error and he would have it corrected. Without knowing the rules, I would suspect that a rounded \$400.00 debit weighs more as a damaging entry on a credit report than a \$55.00 debit.

A5



3. Mr. Taylor something has to be done about telecommunication scams/fraud. I wrote the FCC twice - no response. I called the Federal Trade Commission - I got a memo with information but could not access an individual. I wrote my Congressman and Senator twice. Finally received a response from my Senator but no further assistance or follow up. My telephone company, BellSouth, is aware of the telecommunication scams that I attached to my correspondence of 13 Mar 97 BUT they have not published any Consumer Advisory information in their billing statements. Sir, the money is not the issue - it is the principle. I work hard for the money I earn. I pay my bills, my credit is excellent and this company is trying to ruin it. It is the same thing as if I owned a gun and it was stolen or taken/used without my knowledge or permission and they kill someone. Since I own the gun, I would be charged and sent to jail for the murder not the person that did the act. I own up to my responsibilities but I am not going to give a dime to someone "just because" they say I have to because the calls were made from my phone. The calls "could" have been made but not by me and not with my knowledge or permission. I need your help, please.

4. If, I can provide you any other information, please let me know.

Sincerely yours

*Patsy D. Burgess*  
Patsy D. Burgess



25 MAR 97

Ms. Patsy D. Burgess  
5503 Whittendale Road  
Lithonia, GA 30058

MID-AM RECOVERY SERVICE  
P.O. BOX 9793  
ATTN: Mr. Eric Jones  
Sarasota, FL 34277

Dear Mr. Jones:

1. Per our conversation of 24 Mar 97, I am responding to your correspondence of 20 Mar 97 regarding the outstanding balance of \$390.03 to 311 Direct, Inc. The following information is provided:

a. The charges are in dispute. I did not make the calls and did not agree prior to this service being activated in my area code to have access to the service provided by 311 Direct, Inc. (Georgia) or 311 Direct, Inc. (Florida).

b. The outstanding disputed charge as enclosed is \$55.44 not \$390.03.

2. I am also enclosing a copies of previous correspondence that I have written regarding this issue. Please acknowledge receipt.

3. Thank you for your time and effort.

Sincerely yours,

  
PATSY D. BURGESS

A7



P.O. Box 5793  
Sarasota FL 34277

(941) 921-7714  
(800) 535-6709

at Benev

03/20/97

**PATSY BURGESS**  
**5503 WHITTONDALE ROAD**  
**LITHONIA, GA 30058-0000**

### **\*\*\* COLLECTION NOTICE \*\*\***

The following past due account(s) has been placed with us and **PAYMENT IN FULL IS EXPECTED**. The unpaid account(s) may impair your **CREDIT STANDING** if no response is received.

**PROTECT YOUR CREDIT RECORD BY PAYING THIS BALANCE.**

Creditor	Account #	Regarding	Am Due
311 DIRECT, INC.	7700010013		390.00

UNLESS YOU NOTIFY THIS OFFICE WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THE DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL ASSUME THIS DEBT IS VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN 30 DAYS FROM RECEIVING THIS NOTICE, THIS OFFICE WILL: OBTAIN VERIFICATION OF THE DEBT OR OBTAIN A COPY OF A JUDGMENT AND MAIL YOU A COPY OF SUCH JUDGMENT OR VERIFICATION. IF YOU REQUEST THIS OFFICE IN WRITING WITHIN 30 DAYS AFTER RECEIVING THIS NOTICE, THIS OFFICE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF DIFFERENT FROM THE CURRENT CREDITOR.

\*\*\*\*\* **TEAR OFF AND RETURN WITH PAYMENT** \*\*\*\*\*

Name: **BURGESS, PATSY**

Record: **511282-A**

Amount Due: **\$390.03**

Date: **03/20/97**

PAYMENT METHOD : **CHECK/MONEY ORDER:** \_\_\_\_\_ **CHARGE CARD:** \_\_\_\_\_

MC/VISA ACCOUNT NUMBER: \_\_\_\_\_

EXPIRATION DATE: \_\_\_\_\_

AMOUNT PAID: \_\_\_\_\_

NOTE: TO BE SURE OF PROPER CREDIT, REMIT PAYMENT TO:

**MID-AM RECOVERY**

**P.O. Box 5789, Clearwater, FL 34618**

THIS IS AN ATTEMPT TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

**AB**



13 March 1997

**BellSouth**  
**Executive Complaints**  
**ATTN: Ms. Stephanie Whitlock**  
**675 West Peachtree Street, N.E.**  
**Room 37067**  
**Atlanta, GA 30375**

**Dear Ms. Whitlock,**

**1. I would like to thank you for taking the time to discuss this matter and other telecommunication issues with me on the 11th of March 1997.**

**2. As stated in our conversation, I am enclosing my most recent correspondence to 311 Direct, Inc. (311 Direct, Inc.) as well as previous correspondence (enclosure 1). I also addressed some question I would like answered during our conversation. The following is a recap plus an additional question:**

**a. Why have I never received a reply from BellSouth when the correspondence was addressed specifically to Customer Service Supervisors at two different locations?**

**b. Why when I asked the supervisors and Customer Service operators for a point of contact and address, other than Customer Service, I was told the correspondence would end up in Customer Service no matter where I sent it? Why was your office not provided to me?**

**c. I would like my questions answered that I have directed to BellSouth in my previous correspondence. Also, I would like to know if BellSouth is the originator or proponent for A39. Abbreviated Dialing, General Subscriber Service Tariff? If NOT WHO DO I TALK and/or correspond with TO GET IT REVISED TO INCLUDE SOME CONSUMER PROTECTION? I am also enclosing (enclosure 2) telecommunication scam information that I have received on the INTERNET. These issues need to be addressed also. I have two friends that have experienced first hand "local or 1-800" telephone calls that have converted back to their telephones as collect long distance calls from overseas (London, England). One friend had his telephone service disconnected for lack of payment. AT&T and BellSouth were NO HELP AT ALL. This is not right. People work hard for what they earn and it is criminal that telecommunication companies and the government don't give a DAMN about us. Does the all mighty dollar mean that much to your corporate world? If it weren't for use you would not have any industry.**



e. Regarding the credit that I received on my billing statement in the amount of \$55.44. I talked to Ms. Rene in the Albany, GA, Customer Service Office about this also. Based on definition my account is zero and there are NO OUTSTANDING CHARGES that is owed to 311 or 811 or WHAT EVER Direct, Inc.? Neither yourself or Ms. Rene could verify this statement as true. Any company can audit an account to TRACK back to the beginning on any action to see who processed it and how it was handled. I do not want ANY further collection action or unfavorable reports sent to the Credit Bureau that would affect my credit rating regarding this matter. I consider the payment issue closed.

f. Please refer to paragraph 3 in my correspondence to 311 Direct, Inc., dated 13 March 1997. Does this Company or BellSouth have the right to sell/give/use my name or address or telephone number or ANY COMBINATION OF THE THREE to any company or companies that deals in what I consider snuff?

3. I appreciate your efforts and look forward to your reply.

2 Encl

Sincerely yours,

*Patsy D. Burgess*  
Patsy D. BURGESS



13 March 1997

311 DIRECT, INC.  
P.O. BOX 600979  
North Miami Beach, FL 33160

Dear Mr. Sanford D. Rosen, Esq.  
Corporate Counsel  
311 Direct, Inc.

1. Reference your correspondence, dated 3 Mar 97, Subject: YOUR ACCOUNT IS SERIOUSLY PAST DUE (enclosure 1). Your correspondence was damaged in the mail and I just received it on 11 Mar 97. All previous correspondence initiated by me have been addressed to 311 Direct, Inc., Plantation, FL 33318. Previous correspondence and your Outstanding Billing Statement is at enclosure 2 for your information and remittance.

2. At enclosure 3 is a copy of my page one to the BELLSOUTH Billing Statement for Bill Period Date: Feb.28, 1997. Under adjustments I have been given a CR (CREDIT) for the amount outstanding for the 311 charges billed to me (\$55.44) on my monthly statement for Bill Period Date: 28 Sep 95. The definition for CREDIT in The American Heritage Dictionary, Second College Edition, 1982 "Accounting" The deduction of a payment made by a debtor from an amount due. Or, e.g., zero balance in this case.

3. At enclosure 4 is a copy of a pamphlet that I received in the mail from Whispers, a Directory of REAL intimate Phone Connections. I have ~~NEVER~~ received material of this nature in the mail before the 311 charges appeared on my bill. I want to know if your company has sold/given/used my name or address or telephone number OR ANY COMBINATION OF THE THREE to this or any other company that deals in this type of work? If you have, acknowledge and delete my information immediately!!!!

4. The only other outstanding issue besides paragraph 3 we have with each other is your SERIOUSLY PAST DUE ACCOUNT with me. If you have not received previous billing statements that were mailed because of the Plantation, FL address then I will make some allowances in your failure to remit. If this is the case, your current balance will remain as is (as long as you remit within 30 days). If this is not the case, a revised bill will be mailed to you with additional processing a finance charges calculated.

Sincerely yours,

  
PATSY D. BURGESS

4 Encl

A11



March 3, 1997

## SANFORD BOSEM, ESQ

**FORWARDING AND ADDRESS  
CORRECTION REQUESTED**

Patsy Burgess Account : 770-981-9213  
5503 Whittondale Road  
Litchfield, Ga 30050

Amount Due: \$5.44

Dear Patsy Burgess:

**YOUR ACCOUNT IS SERIOUSLY IN ARREARS**

We represent 311 Direct, Inc. who has asked us to write to you in connection with this debt. You must contact our office immediately so that we may make arrangements to have this debt satisfied. The fact that the charges may have been removed from your phone bill does NOT mean that you are not required to pay this debt. The BellSouth General Subscriber Service Tariff states that we have the right to pursue collection of debts owed.

We have verified that these calls were made from your phone against BellSouth's records. Federal Laws pertaining to phone service in the United States indicate that the person to whom the phone is registered will be liable in situations such as these even if they personally did not make the call. Much the same as the person to whom a phone is registered will be liable for any long distance calls made irrespective of who made them. Unless you notify this office in writing within thirty days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt to be valid and proceed accordingly. This office plans to pursue any and all remedies that may be available to collect this balance due and owing including but not limited to: Reporting to credit bureaus which may affect your credit rating, and or a lawsuit in pursuit of a judgment against you in a court of competent jurisdiction which may leave you liable for court costs and fees in addition to the amount due and owing.

Please contact this office as soon as possible so that we may arrange for the orderly liquidation of this debt. We may be able to make arrangements to make the debt somewhat more manageable, but you must call us now. Our office hours are from 10 a.m. to 7 p.m. weekdays and you may contact my assistant, Eric Jacobs, the Collections Supervisor at (202)949-8385. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Sincerely,

Sanford D. Bosem, Esq.  
Corporate Counsel  
311 Direct, Inc.

PAYMENT METHOD: CHECK: ☒ (Make checks payable to 311 Direct, Inc.) CREDIT CARD: ☐

CREDITOR	ACCOUNT #	BALANCE DUE
311 DIRECT, INC.	770-981-9213	\$5.44

3/3/97

TO PAY BY CREDIT CARD:

ACCOUNT #

Address Payment to:

311 Direct, Inc.  
PO BOX 600979  
N. Miami Bch. FL 33160

EXPIRATION DATE

MONTH YEAR

PAYMENT ENCLOSED

VISA

MASTERCARD

AMERICAN EXPRESS

A12

ENCL 1



811 Direct, Inc.  
PO BOX 15160  
Plantation, FL 33318

Dear 811 Customer Service Department

1. References:

- a. Your letter dated 12 Nov 96, no subject.
- b. My response to your correspondence dated 19 Nov 96 (enclosed).
- c. Outstanding charges owed by your company.

2. As of this date, I have received no reply to my correspondence dated 19 November 1996 from your company or BellSouth. Subject charges are still outstanding on my telephone bill as of billing period 29 December 1996. Your silence and utter indifference of this situation shows a total lack of professionalism and reinforces the fraudulent characteristics of your company. Since I have received no response to my correspondence this issue is still in dispute.

3. The following is a revised billing statement consisting of pass due charges billed on 19 Nov 1996 to your Company for the time, effort, and expense I initially incurred regarding this matter. I requested that your remittance be received within 30 days of billing. Since payment has not been received a 21 Per Cent late charge has been added in addition to current charges. Your payment is due by 19 January 1997

## BILLING STATEMENT

### 19 NOVEMBER 1996 BILLING

Research and Correspondence Preparation \$35.00 hr x 6 hrs	\$210.00
Postage 7 pieces x .32	2.24
Round trip mileage to/from Post Office .35 x 24	7.44
Directory Assistance (Plantation, FL) - (Enclosure 4)	.95
Envelopes 7 x.15	1.05

A13



Reproduction 7 pages x 7 sets x .15

7.35

**TOTAL \$229.03****LATE CHARGES**

\$1.55 per day X 51 days

\$ 79.05

**8 JANUARY 1997 CHARGES**

Research and Correspondence Preparation \$35.00 hr x 2 hrs

\$ 70.00

Postage 8 pieces x .32

2.56

Round trip mileage to/from Post Office .36 x 24

7.44

Envelopes 8 x .15

1.20

Reproduction 10 pages x 8 sets x .15

12.00

**AMOUNT DUE****\$401.28**

4. IF I DO NOT HEAR FROM YOUR COMPANY OR RECEIVE PAYMENT IN FULL BY THE DUE DATE, I WILL TURN THIS MATTER OVER TO A COLLECTION AGENCY.

5. I do not intend to drop this matter. I will continue to pursue this matter with State and Federal agencies and my elected officials. I intend to contact the Florida Public Service Commission or equivalent agency and National television programs such as 60 Minutes, Prime Time, 20/20, etc. I am tired of the general public being ripped off, cheated, and not protected by the State and Federal governments.

6. I HIGHLY recommend you respond to this correspondence and provide a Point of Contact and business telephone number.

Sincerely yours,



PATSY D. BURGES  
OUTRAGED CONSUMER

1 Encl



19 November 11

811 Direct, Inc.  
PO BOX 15160  
Plantation, FL 33318

Dear 811 Customer Service Department

1. Reference your letter dated 12 Nov 96, re subject (enclosure 1).

2. I am afraid this issue is still in dispute. Let me outline the following issues so you may clearly understand my position.

a. In your correspondence you referred to a wide range of interactive information services. Neither my telephone bill nor your letter specifically identify what services were used that generated the billing. I feel you need to be specific. See enclosure 2 for a copy of the disputed charges for your information and use.

b. Regarding the services you did list in referenced correspondence, I have no interest in using these services let alone paying for them. In fact, I was in travel status from 11 Aug - 15 Aug 96 (see enclosure 3) making it impossible for ME to generate the charges billed for 13/14 August 1996.

c. In your correspondence you stated, "However, as we are charged for the calls made from your phone, so we must pass the charges on to you, regardless of who made the calls." I believe the key phrase in your statement is "your phone". You are absolutely right, the telephone number is listed in my name, the billings are addressed to me. I have contracted with BellSouth for my residential service and I have contracted with AT&T for my long distance service which BellSouth is authorized to bill for services used. I did not contract with your company for 811 Service. I have no knowledge of notification from either BellSouth or your company regarding this service. To MY knowledge I was not afforded the opportunity, within a reasonable period of time, by either your company or BellSouth to CONTRACT FOR YOUR SERVICES OR BLOCK YOUR SERVICES PRIOR TO ACTIVATION IN MY AREA CODE. If your records or BellSouth records indicate that notification had indeed occurred and you have MY SIGNATURE requesting this service, request you provide me a photo copy of the document. I feel the lack of prior notification/full disclosure borders on fraud.

d. Regarding your statement for me to place a block on my telephone number. Please refer to subparagraph c for my response. If I have not been notified and I am unaware of the service, then I can not take action.

A15

ENCL!



c. When I received my telephone bill for Billing Period 28 September 1996, I contacted BellSouth, Customer Service and talked to Ms. Anderson (912) 888-4730. Ms. Anderson was extremely helpful and patient. However, the major problem occurred when Ms. Anderson could not tell me WBO was billing the charges and could not connect me to your Customer Service Department. Apparently the only method of communication that was allowed to BellSouth was written. The telephone number identified for questions on my billing statement was 1-800-543-8978. When I called this telephone number, I reached a long recording which was more of an advertisement than information or assistance and an address. Again, no direct access to a Customer Service Department. In a frustrated attempt to talk to a Customer Service Supervisor, I called Directory Assistance for Plantation, Florida for your business telephone number. The only number listed for your company was 311. I did not call 311 because the recording stated that 311 was a charge call. Once again, I was denied direct access to your Company. Is this your Company's policy in how you will deal with the general public and consumer complaints? If so, I feel this policy borders on fraud. You are telling me that you can charge me for services that I did not agree to, contract for, or make but I have no verbal direct access to discuss issues with your company? The only access to your company is a P.O. Box in Plantation, Florida. Your correspondence was not signed or a number provide to call regarding this issue.

3. I am an American citizen, I feel that the State and Federal Governments has failed to protect the American consumer. If they were doing there jobs properly and establishing safeguards then this situation would not exist. As you stated in your correspondence "we are charged - so you are being charged" In keeping with your line of thought, the following is my bill to your Company for the time, effort, and expense I have incurred regarding this matter. Request your remittance within 30 days:

Research and Correspondence Preparation \$38.00 hr x 6 hrs	\$210.00
Postage 7 pieces x .32	2.24
Round trip mileage to/from Post Office .36 x 24	7.44
Directory Assistance (Plantation, FL) - (Enclosure 4)	.98
Envelopes 7 x .16	1.08
Reproduction 7 pages x 7 cts x .16	7.36
<b>TOTAL</b>	<b>\$229.03</b>



4. I hope that I have fully clarified my position and trust that this issue is resolved, and that there are no longer any outstanding charges against my telephone number. If this is not the case, request you address each item as stated in this correspondence in your reply and provide a copy furnished to agencies/individuals as I have done. If you feel further correspondence will be required on my part, I suggest, in order to minimize future billing from me that you enclose a self addressed stamped envelope for my reply and a check to cover the administrative charges identified in my billing statement. Research/correspondence preparation, and reproduction charges will be billed separately.

Sincerely yours,



PATSY D. BURGESS  
OUTRAGED CONSUMER

4 Encl

CF:

Georgia State Public Service Commission, 244 Washington Street,  
SW, Atlanta, GA 30334

FCC, Common Carrier Bureau, Consumer Complaints, Mail Stop Code  
1600A2, Washington, D.C. 20584

WSB (ABC), ATTN: Clark Howard, Consumer Action Center, 1601  
West Peachtree Street, Atlanta, GA 30309

BellSouth, Customer Services, Attn: Ms. Anderson, P.O. Box 1947,  
Albany, GA 31703

Congresswoman Cythnia McKinney, ATTN: Ms. Lola Russel, 2853  
Candler Road, Decatur, GA 30034

Senator Sam Nunn, 75 Spring Street, SW, Atlanta, GA 30330

A17



# **811 Direct, Inc.**

PO BOX 15165  
Plantation, FL 33318

November 12, 1996

Ms. Patsy D. Burgess  
3303 Whitnolds Road  
Lithia, GA 30058

RE: Account Number: 770-981-9213

Dear Ms. Burgess:

We have carefully reviewed BellSouth's memo regarding your concern about your BellSouth Statement, which reflects the calls made from your phone to the 811 service.

811 Direct, Inc. allows callers the opportunity to directly dial the telephone number 811 and listen to a wide range of interactive information services including Georgia lottery results, schedule and ticket information for concerts, theater and sporting events and an interactive voice personals service.

After researching your claim, we have determined that the calls were made from your telephone number, 770-981-9213, on the listed dates and the times of the charges are correct. We understand your distress over calls being made on your phone line of which you were unaware. However, as we are charged for the calls made from your phone, so we must pass the charges on to you, regardless of who made the calls. The responsibility of who uses your phone and for what purpose is solely yours. Therefore, payment is required for these 811 charges.

If you have not previously placed a block on your phone, please call BellSouth at 780-2355 (Residential) or 780-2800 (Business) and request a block called Customized Code Restriction 66. This will prohibit anyone from using your telephone number to call 811, and will avoid any future charges.

We hope that we have fully responded to your inquiry and we trust that there will be no further reason for dispute.

Sincerely,

Customer Service Department

am:smc

A18

ENCL1



\*\* OTHER SERVICE PROVIDERS \*\*

*Richie*

Page 10

*ES#1*

PAYTV &amp; SURGEON

Account Number: 770 981-9213 043 1000

Bill Period Date: Sep 20, 1996

**Detailed Statement of Nonregulated Charges****Other Service Providers**

If you have questions about your charges a contact number for the Provider is listed with the charge(s) below.

**Current Charges****Amount**

Calls to 811 Direct, info. if questions call 800-243-0975.

770 981-9213

1. From: 981-9213 Aug 13 @ 10:33pm (\$0.99/min.) .....	3.96
2. From: 981-9213 Aug 14 @ 4:15pm (\$0.99/min.) .....	1.98
3. From: 981-9213 Aug 14 @ 11:01am (\$0.99/min.) .....	4.95
4. From: 981-9213 Aug 14 @ 11:03am (\$0.99/min.) .....	0.99
5. From: 981-9213 Aug 14 @ 11:11am (\$0.99/min.) .....	1.98
6. From: 981-9213 Aug 14 @ 11:15am (\$0.99/min.) .....	0.99
7. From: 981-9213 Aug 14 @ 11:20am (\$0.99/min.) .....	0.99
8. From: 981-9213 Aug 14 @ 11:25am (\$0.99/min.) .....	.99
9. From: 981-9213 Aug 19 @ 7:43pm (\$0.99/min.) .....	5.95
10. From: 981-9213 Aug 19 @ 7:46pm (\$0.99/min.) .....	2.95
11. From: 981-9213 Aug 19 @ 7:53pm (\$0.99/min.) .....	3.96
12. From: 981-9213 Aug 19 @ 9:37pm (\$0.99/min.) .....	0.99
13. From: 981-9213 Aug 19 @ 9:40pm (\$0.99/min.) .....	0.99
14. From: 981-9213 Aug 19 @ 9:47pm (\$0.99/min.) .....	2.97

811 Direct, Inc. Current Nonregulated Charges ..... 22.84

Total Other Service Provider(s) Current Nonregulated Charges .... 22.84

*211  
311**Spoke to Bill Supina  
Barbara Mitchell**1-888-293-3724  
Mo. Amelsson*

The portion of your bill is provided as a service to the other Service Providers.

**NONPAYMENT OF ITEMS ON THIS SHEET WILL NOT RESULT IN DISCONNECTION OF YOUR LOCAL TELEPHONE SERVICE; HOWEVER, COLLECTION OF UNPAID CHARGES MAY BE PURSUED BY THE SERVICE PROVIDER.**

AS 0007100

*912-888-  
54730**A19**ENCL 2*



Exhibit JAT - 7 Page 34 of 108

1. DATE OF REPORT OF ONE <input checked="" type="checkbox"/> 2. DATE OF REPORT OF TWO 3. DATE OF REPORT OF THREE		4. DATE OF REPORT OF FOUR 5. DATE OF REPORT OF FIVE 6. DATE OF REPORT OF SIX	
7. NAME OF REPORTER <b>BURGESS, PATSY D</b>		8. TITLE OF REPORTER <b>GS-11</b>	
9. ADDRESS OF REPORTER <b>5503 WHITTONDALE RD LITHONIA GA 30058</b>		10. PHONE NUMBER <b>(404) 629-8722</b>	
11. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		12. NATURE OF REPORT <b>NONE</b>	
13. DATE OF REPORT <b>6/29/96</b>		14. TIME OF REPORT <b>6:45 PM</b>	
15. NAME OF REPORTER <b>BURGESS, PATSY D</b>		16. TITLE OF REPORTER <b>GS-11</b>	
17. ADDRESS OF REPORTER <b>5503 WHITTONDALE RD LITHONIA GA 30058</b>		18. PHONE NUMBER <b>(404) 629-8722</b>	
19. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		20. NATURE OF REPORT <b>NONE</b>	
21. DATE OF REPORT <b>6/29/96</b>		22. TIME OF REPORT <b>6:45 PM</b>	
23. NAME OF REPORTER <b>BURGESS, PATSY D</b>		24. TITLE OF REPORTER <b>GS-11</b>	
25. ADDRESS OF REPORTER <b>5503 WHITTONDALE RD LITHONIA GA 30058</b>		26. PHONE NUMBER <b>(404) 629-8722</b>	
27. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		28. NATURE OF REPORT <b>NONE</b>	
29. DATE OF REPORT <b>6/29/96</b>		30. TIME OF REPORT <b>6:45 PM</b>	
31. NAME OF REPORTER <b>BURGESS, PATSY D</b>		32. TITLE OF REPORTER <b>GS-11</b>	
33. ADDRESS OF REPORTER <b>5503 WHITTONDALE RD LITHONIA GA 30058</b>		34. PHONE NUMBER <b>(404) 629-8722</b>	
35. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		36. NATURE OF REPORT <b>NONE</b>	
37. DATE OF REPORT <b>6/29/96</b>		38. TIME OF REPORT <b>6:45 PM</b>	
39. NAME OF REPORTER <b>BURGESS, PATSY D</b>		40. TITLE OF REPORTER <b>GS-11</b>	
41. ADDRESS OF REPORTER <b>5503 WHITTONDALE RD LITHONIA GA 30058</b>		42. PHONE NUMBER <b>(404) 629-8722</b>	
43. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		44. NATURE OF REPORT <b>NONE</b>	
45. DATE OF REPORT <b>6/29/96</b>		46. TIME OF REPORT <b>6:45 PM</b>	
47. NAME OF REPORTER <b>BURGESS, PATSY D</b>		48. TITLE OF REPORTER <b>GS-11</b>	
49. ADDRESS OF REPORTER <b>5503 WHITTONDALE RD LITHONIA GA 30058</b>		50. PHONE NUMBER <b>(404) 629-8722</b>	
51. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		52. NATURE OF REPORT <b>NONE</b>	
53. DATE OF REPORT <b>6/29/96</b>		54. TIME OF REPORT <b>6:45 PM</b>	
55. NAME OF REPORTER <b>BURGESS, PATSY D</b>		56. TITLE OF REPORTER <b>GS-11</b>	
57. ADDRESS OF REPORTER <b>5503 WHITTONDALE RD LITHONIA GA 30058</b>		58. PHONE NUMBER <b>(404) 629-8722</b>	
59. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		60. NATURE OF REPORT <b>NONE</b>	
61. DATE OF REPORT <b>6/29/96</b>		62. TIME OF REPORT <b>6:45 PM</b>	
63. NAME OF REPORTER <b>BURGESS, PATSY D</b>		64. TITLE OF REPORTER <b>GS-11</b>	
65. ADDRESS OF REPORTER <b>5503 WHITTONDALE RD LITHONIA GA 30058</b>		66. PHONE NUMBER <b>(404) 629-8722</b>	
67. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		68. NATURE OF REPORT <b>NONE</b>	
69. DATE OF REPORT <b>6/29/96</b>		70. TIME OF REPORT <b>6:45 PM</b>	
71. NAME OF REPORTER <b>BURGESS, PATSY D</b>		72. TITLE OF REPORTER <b>GS-11</b>	
73. ADDRESS OF REPORTER <b>5503 WHITTONDALE RD LITHONIA GA 30058</b>		74. PHONE NUMBER <b>(404) 629-8722</b>	
75. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		76. NATURE OF REPORT <b>NONE</b>	
77. DATE OF REPORT <b>6/29/96</b>		78. TIME OF REPORT <b>6:45 PM</b>	
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83. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		84. NATURE OF REPORT <b>NONE</b>	
85. DATE OF REPORT <b>6/29/96</b>		86. TIME OF REPORT <b>6:45 PM</b>	
87. NAME OF REPORTER <b>BURGESS, PATSY D</b>		88. TITLE OF REPORTER <b>GS-11</b>	
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91. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		92. NATURE OF REPORT <b>NONE</b>	
93. DATE OF REPORT <b>6/29/96</b>		94. TIME OF REPORT <b>6:45 PM</b>	
95. NAME OF REPORTER <b>BURGESS, PATSY D</b>		96. TITLE OF REPORTER <b>GS-11</b>	
97. ADDRESS OF REPORTER <b>5503 WHITTONDALE RD LITHONIA GA 30058</b>		98. PHONE NUMBER <b>(404) 629-8722</b>	
99. SUBJECT OF REPORT <b>NO USARC ATLANTA, GA 30251-5099</b>		100. NATURE OF REPORT <b>NONE</b>	
101. DATE OF REPORT <b>6/29/96</b>		102. TIME OF REPORT <b>6:45 PM</b>	
103. NAME OF REPORTER <b>BURGESS, PATSY D</b>		104. TITLE OF	

5,10,13



Account Number: 770 981-9213 043 1000  
Bill Period Date: Feb 28, 1997

<div style="text-align: right;">             0111 PAPER 0000: 700 00, 1997           </div>				
<div style="text-align: center;">             CURRENT BALANCE           </div>				
<div style="text-align: center;">             MAR 82           </div>				
<div style="text-align: center;">             APR 82           </div>				
<div style="text-align: center;">             DEBIT OF CASH BAL           </div>	<div style="text-align: center;">             1982 PAPER 0000           </div>	<div style="text-align: center;">             1982 PAPER 0000           </div>	<div style="text-align: center;">             1982 PAPER 0000           </div>	<div style="text-align: center;">             1982 PAPER 0000           </div>
<div style="text-align: center;">             \$100.00           </div>	<div style="text-align: center;">             000.00           </div>	<div style="text-align: center;">             000.0000           </div>	<div style="text-align: center;">             000.00           </div>	<div style="text-align: center;">             00.00           </div>

**This bill was printed on Mar. 1. For more information about billing, see back of page.**

### Important Notice(s)

**Low Charge Reminder:** A 1.2% additional charge will apply to any unpaid balance carried over after Nov. 30.

## Helpful Numbers

**CellSouth Telecommunications, Inc. (CST)**

**NOTE:** Numbers for other companies are listed on their bill pages.

**RightTouch® Service .....** **780-2500**  
A quick, convenient, automated, 24 hour customer service.  
(See "Messages" section for details.)  
Please protect your RightTouch® Personal Access Code (PAC): 0244

**CR = Credit Amount**

(continued on page 2) ▶

\*\*\*\*\* PLEASE FOLD, TEAR HERE AND RETURN THIS PORTION WITH YOUR PAYMENT. \*\*\*\*\*

Please make check payable to BellSouth in U.S. funds.

CHARGE DATE BY	PAY DATE AMOUNT	TOTAL AMOUNT DUE	AMOUNT PAID
MAY 22	\$9.00	\$99.99	

770 981-9813 643 1000

Feb 28, 1997

AC 0423 R04 E004130

☐

**Check here if  
correspondence  
included.**

0004093 SEC 015

88 ANNEX  
ATLANTA GA  
20385-0001

**PATSY D BURGESS  
2403 WHITTONDALE RD  
LITHIA GA 30058-2546**

**770998192134316804237010405601000000000000000000000000005459**

A21

ENCLOSURE



October 18, 1996

MR Rich Moss,



Recently, I spoke to you on the phone about some AT & T charges I had recieved, that I was very un-happy about, and did not feel I should have to pay for.

I am sending you this written plea, explaining the circumstances, in hope your office can help me with this matter.

My name is Engemir J. Lage and I am forty-seven years old. I am in a position where I do have to earn some income out of the home. However, I have a mother in the area who is seventy-five years old, a widow, who has also been suffering from ovarian cancer for a year and a half. Having to shuttle her for treatments and care for her has become a full time responsibility.

In August, out of desperation, I sat down and looked through my local classified ads, trying to find some way of earning some greatly needed income. I came across the ad I have enclosed,



for earning income out of your home. I recognized some of these numbers as local ones for my area, and or very close to my area. This, appeared very hopeful to me!

In the heat of my recollections, some of these calls instructed you to ask for a particular extension, or key in more numbers on my phone pad. All the while instructing you to not hang up before you got the vital information needed from them, to earn income from home.

About ten days after I made this attempt to earn income out of the home, one of my local T.V. stations, out of Tampa Channel 8, did a 6:00pm show on it offered just such as these. And I watched in fear, as I slowly began to feel I had been also a victim, as these people on T.V. had.

I received my phone bill a few days after this, in which these calls appeared, that were routed through Sandomingo DR. at the outrageous charge you see on my bill. (Please excuse writing on enclosed phone bill)

I called AT&T to discuss these charges,



and was told by AT&T, they would make no adjustments on my bill. I have been an AT&T customer for many years. And average about a \$1,000.00 a year in business with them. I am very disturbed that with this in mind they would do nothing for me concerning this matter.

Enclosed, you will also find an ad from the very same local paper, that was very recently printed that I cut out.

I feel very strongly this is, a scam, what happened to me. I feel very strongly, I was mis-lead. I was trying to even income, not create bills! I feel taken, violated, and that I was tricked into this.

And I do not feel our telephone cos. should be able to do this to the public. And I am ashamed of us, as Americans, to find out this sort of underhanded scamming can be done.

I do not have the funds to pay this bill, to me. And I do not feel I should have to under the mis-leading circumstances.

Mr. Moss, can you do anything to help me. Due to mother's illness, I



cannot lose my phone service.

Thank-You  
Engineer J. Lingo  
3449 Margate Ave  
Holiday, Fl. 34691  
(813) 941-6324





TELEPHONE NUMBER 813 841-4224 225

PAGE 9 OF 14

BILL DATE September 18, 1996

AT&T Billing  
Questions  
1 800 222-0300

## LONG DISTANCE CALLS (continued)

Billing for AT&amp;T

NOTE: You have saved 21.83 with  
AT&T True USA (SM) this month.

## Regulated Calls

Calls billed to  
813 841-4224

## Direct Billed Calls

Date	Time	From called	Number called	Called	Min.	Amount
Aug 20	6:10 am	DRR AMST FL	303 388-1312	Day	1	\$ .33
Aug 22	4:01 pm	Santodmago DR	809 476-1367	Std	39	48.78
Aug 22	4:44 pm	Santodmago DR	809 476-1377	Std	35	77.18
Aug 22	10:05 pm	Santodmago DR	809 476-1367	Even	12	13.51
Aug 26	10:49 pm	Santodmago DR	809 476-1367	Even	7	7.91
Aug 26	10:56 pm	Santodmago DR	809 476-1377	Even	19	21.33
Total						\$ 161.96

## Taxes and Fees on AT&amp;T Regulated Services

	Amount
Federal Tax @ 3%	\$ 6.49
Florida Gross Receipts Tax Surcharge	5.05
Florida Interstate Gross Receipts Surcharge	.34
Total	\$ 11.88

AT&amp;T Regulated Invoice charges

\$ 222.50

Total for this invoice period

\$ 222.90

Introducing AT&T True Reach International (SM) Savings -- one simple plan for all types of calls within the U.S. or around the world! It's a whole new World Without Limits... Your savings are easier than ever. You will save 25% on every AT&T International call on your AT&T bill -- guaranteed. You can also save on every other type of call you make. All for just \$3 a month. Call us today to find out more about AT&T True Reach International Savings. Simple savings on all your calls... That's your True Choice (SM)

AT&T.....1-800-222-1148

Total long distance/AT&amp;T

\$ 222.50

To order an AT&T calling card, True Reach Savings® or other long distance services, call 1-800-222-0300.

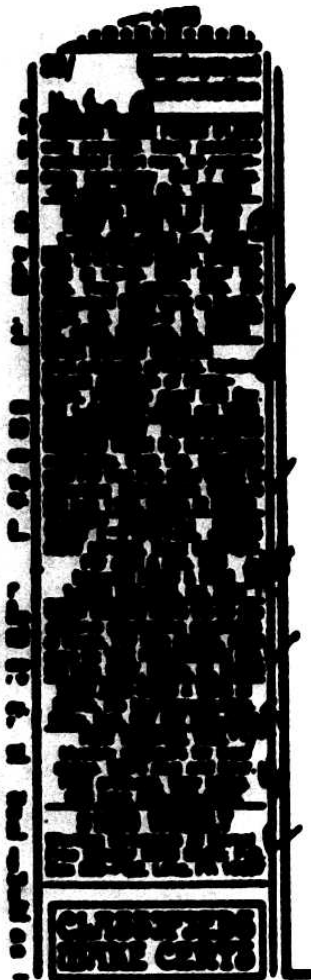
Tell Atty General office  
Public Serv Comm. 1-904-487 1463  
6704 413  
6600

T-9

IN THE DISTRICT COURT OF THE 11TH JUDICIAL CIRCUIT  
IN AND FOR THE COUNTY OF DADE, FLORIDA

A26





A27



161811L

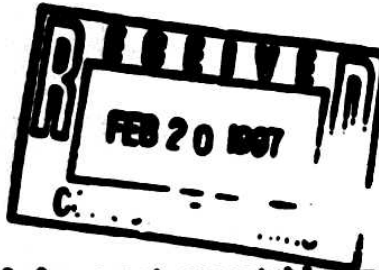
# George W Johnson Jr PE

354 CHURCHILL DOWN RD SARASOTA, FL 34241  
TEL 941-922-1416  
FAX 941-921-4327

GTE Florida  
PO Box 3112  
Tampa, FL 33631-3122

February 16, 1997

Re: 941-922-1416



Gentlemen,

The current billing includes a not acceptable amount of \$ 94.68 as described in my previous letters 1-17-97 and 12-19-96

I had a conversation with the telephone agent for ITA who advised that they were only a billing agency and could not speak for their client. She said basically if I do not want to pay for 900 numbers I should have call blocking which I then requested in the 12-19-96 letter.

A point is that the Herald Tribune classified add listed a local number, not a 900 number. When my wife responded to the add she was advised to call the 900 number, but no mention was made of a charge, let alone a minimum charge of \$ 29.95 per call. She dialed the number and received repeated talking but no information. Apparently she had to dial 3 times to determine that it was a scam of some sort.

Since she was not informed of the charges before calling, and the ITA agent was so negative, I do not feel that I am obligated for this billing.

This will be third letter to GTE without a written reply from GTE. What does it take to get a legitimate response ?

Enclosed is a check for \$ 158.17, the correct portion of the billing.

Sincerely yours,

George W. Johnson

cc Florida Public Service Commission  
Sarasota Herald Tribune Classified Dept  
API World News

A28



# George W Johnson Jr PE

2841 CHURCHILL BOWNE RD SARASOTA, FL 34241  
TEL 941-922-1416  
FAX 941-921-4287

GTE Florida  
PO Box 3112  
Tampa, FL 33631-3122

January 17, 1997

Re: 941-922-1416

Gentlemen,

The current billing includes a not acceptable amount of \$ 94.68 as described in my letter December 19, 1996

Enclosed is a check for current charges of \$ 150.63

I look forward to hearing from you with the appropriate correction.

Sincerely



George W Johnson Jr



# George W Johnson Jr PE

2244 CHURCHILL DOWNS RD. SARASOTA, FL 34241

TEL. 941-922-1076

FAX 941-921-4227

161711L

GTE Florida  
PO Box 31122  
Tampa, FL 33631-3122

December 19, 1996

Re: 941-922-1416 Billing due December 31, 1996

Gentlemen,

Enclosed is a check for \$ 185.54 to cover the legitimate part of the bill.

The not acceptable billing of \$ 94.68 is rejected because when my wife, an actress, responded to the following casting add\*in the Sarasota Herald Tribune she was instructed to dial 900-287-3535 and was at no time informed that there was a charge involved, let alone a minimum of \$ 29.95 per call

Please note that the add has a local number and does not mention any charges,

This charge from ITA has all the appearances of being a scam and I if GTE is being manipulated by ITA.

I also wish to request 900 call blocking on all four of my telephone lines:

941-922-1416

941-923-1076

941-921-4327

941-921-0748

Thank you

  
George W. Johnson







TELEPHONE NUMBER 941 922-1416

Customer ID 94043

BILL DATE

December 7, 1996

**LONG DISTANCE CALLS (continued)**

Billing for ITA



P42

ITA Non-Regulated Service

Billing for API World News

Non-Regulated Calls

Pay Per Call charges are considered non-communication services.

You should know: 1) Failure to pay Pay Per Call charges will not result in discontinuation of your local or long distance services, however, your access to Pay Per Call may be blocked and further collection attempts may be made. 2) Free Pay Per Call blocking is available from your local exchange company upon request. 3) You have 60 days after the date of this bill to initiate a billing dispute.

Calls billed to  
941 922-1416

**Recent Billed Pay Per Call Charges**

Date	Time	Phone call	Number called	Period	Min.	Amount
1 Nov 18	10:17 am	MOVIE INFO	988 287-3535	Day	5	\$ 29.95
2 Nov 18	10:23 am	MOVIE INFO	988 287-3535	Day	5	29.95
3 Nov 18	10:26 am	MOVIE INFO	988 287-3535	Day	5	29.95
Total						\$ 89.85

For questions concerning your bill, call the number listed at the top of this page. The calls on this page were forwarded by ITA, the clearinghouse agent for API World News.

**Taxes and Fees on ITA Non-Regulated Service**

	Amount
4 Federal excise tax (3.00% of \$91.92)	\$ 2.76
5 Florida interstate gross receipts tax (2.30% of \$89.85)	2.07
Total	\$ 4.83

ITA non-regulated service charges

\$ 94.68

Total long distance/ITA

\$ 94.68

T- 7

IS 434 BUSINESS FORM 10 OF FLORIDA/NOV 96

CHARGE OF FLORIDA

A31



Dear Sir,

Mrs. Bonadonna, Mrs.  
2221 Green Bay Ave.  
Pawnee, N. 58055

It was suggested  
I write you to see if  
you can help me with  
this situation.

I have done everything I  
know to do.  
I have put black's on my  
phone to no avail, put  
a pad lock on the phone  
box outside, disconnected  
on outside outside.

Have talked suddenly to  
Bell South & A. T. & T.  
to just get a new number.  
I called to some one at  
W. D. Childers office &  
Joe Scarborough's office.  
No one can help.

These calls are always  
made when I am not at



home. From the 8th to 14th  
I was out of town.

On the 17th I was at  
Brigo from 3 til 10:30.

This company says they know  
it is max 15 yr. old grand-  
son, making the call.  
Of course he denies it.

I told them if they  
knew the caller is 15 yr.  
old & they put the call  
through, this is grand.

They said it is legal &  
they can do it.

I pretty much live  
alone. My husband was  
in Jacksonville.

My daughter & son live  
in town, but not with  
me. They do come over  
with the children.

The 15 yr. old is the youngest.

A33



Please let me know if  
there is anything you can  
do for me.

Or if there is anything I  
can do that I haven't  
done.

Thank You  
Mrs. Bernadette Pater  
2621 Greenway Ave  
Quincy, Ill.  
32526

Gov. 944-1371



7124 Owensmouth Avenue., Suite 191 Canoga Park, California 91303

# INVOICE

**CUSTOMER NUMBER: 8807048482**  
**INVOICE NUMBER: 198811010821**  
**INVOICE DATE: 11/21/88**

**Raymond F Pittman**  
**2821 Green Bay Ave**  
**Pensacola, FL 32506**

PREVIOUS BALANCE	PAYMENTS	ADJUSTMENTS	NEW CHARGES	TOTAL DUE
\$1,549.88	\$0.00	\$0.00	\$0.00	\$1,549.88

DATE	TIME	AUTHORIZATION NUMBER	FROM NUMBER	TO NUMBER	MINUTES	AMOUNT
11/08/88	2:03 PM	8432180024000045	(804) 844-1371	(800) 488-7878	2.0	\$7.98
11/08/88	4:04 PM	8432180024000045	(804) 844-1371	(800) 788-2788	10.0	\$84.45
11/08/88	4:16 PM	8432180024000045	(804) 844-1371	(800) 788-2788	7.0	\$38.90
11/08/88	5:11 PM	8432180024000045	(804) 844-1371	(800) 788-2788	12.0	\$84.35
11/08/88	5:27 PM	8432180024000045	(804) 844-1371	(800) 788-2788	13.0	\$84.36
11/08/88	6:21 PM	8432180024000045	(804) 844-1371	(800) 788-2788	12.0	\$88.40
11/08/88	10:36 PM	8432180024000045	(804) 844-1371	(800) 788-2788	3.0	\$14.86
11/08/88	10:38 PM	8432180024000045	(804) 844-1371	(800) 788-2788	20.0	\$103.86
11/08/88	10:58 PM	8432180024000045	(804) 844-1371	(800) 846-8486	20.0	\$103.86

**IMPORTANT: PLEASE DETACH AND RETURN BOTTOM PORTION OF STATEMENT WITH YOUR PAYMENT**

**PAY THE TOTAL AMOUNT DUE PROMPTLY!**

**PLEASE WRITE YOUR CUSTOMER NUMBER ON YOUR CHECK**

**INVOICE #: 100011010221**

**CUSTOMER ID: 0007040402**

**There will be a \$15.00 Fee for Return Check**

**PLEASE PAY THIS AMOUNT: \$7549.69**

☐ CHECK THIS BOX IF NEW ADDRESS. PLEASE WRITE NEW ADDRESS ON THE BACK OF THIS STATEMENT.

<input type="checkbox"/> VISA	<input type="checkbox"/> MASTERCARD	<input type="checkbox"/> AMEX																				
<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>																						
CREDIT CARD NUMBER																		EXP. DATE				
CARD HOLDER NAME (PRINT) _____																						
CARD HOLDER SIGNATURE _____																						

My signature above authorizes future transactions to be charged directly to the credit card indicated above.

**Raymond F Pliman**  
**2621 Green Bay Ave**  
**Pensacola, FL 32526**

**A35**



# ABC

AMERICAN BILLING COMPANIES  
... A Billing Division of IAS

(800) 441-7777

7124 Owensmouth Avenue., Suite 191 Canoga Park, California 91303

DATE	TIME	AUTHORIZATION NUMBER	FROM NUMBER	TO NUMBER	MINUTES	AMOUNT
11/08/88	11:28 PM	8432188884000045	(804) 844-1371	(800) 374-4738	13.0	\$84.36
11/08/88	11:50 PM	8432188884000045	(804) 844-1371	(800) 788-2788	7.0	\$34.86
11/08/88	11:57 PM	8432188884000045	(804) 844-1371	(800) 488-7878	12.0	\$47.88
11/08/88	8: 8 AM	8432188884000045	(804) 844-1371	(800) 788-2788	8.0	\$29.70
11/08/88	8:16 AM	8432188884000045	(804) 844-1371	(800) 788-2788	13.0	\$88.30
11/08/88	8:31 AM	8432188884000045	(804) 844-1371	(800) 788-2788	20.0	\$103.86
11/08/88	8:51 AM	8432188884000045	(804) 844-1371	(800) 848-8488	14.0	\$88.30
11/08/88	1:24 AM	8432188884000045	(804) 844-1371	(800) 788-2788	7.0	\$38.80
11/13/88	8:23 PM	8432188884000045	(804) 844-1371	(800) 788-2788	2.0	\$8.80
11/17/88	4:33 PM	8432188884000045	(804) 844-1371	(800) 788-2788	11.0	\$54.48
11/17/88	4:48 PM	8432188884000045	(804) 844-1371	(800) 788-2788	2.0	\$8.80
11/17/88	8:20 PM	8432188884000045	(804) 844-1371	(800) 788-2788	7.0	\$34.86

THESE CALLS HAVE NOT BEEN SENT TO YOUR LOCAL TELEPHONE COMPANY, NER, AND/OR OTHER AMERICAN EXPRESS, OR ANY OTHER SOURCE FOR DEDUCTION.

IMPORTANT: PLEASE DETACH AND RETURN BOTTOM PORTION OF STATEMENT WITH YOUR PAYMENT.

**PAY THE TOTAL AMOUNT DUE PROMPTLY!**

PLEASE WRITE YOUR CUSTOMER NUMBER ON YOUR CHECK

INVOICE #: 18881818821

CUSTOMER #: 8807048482

There will be a \$15.00 Fee for Return Check

PLEASE PAY THIS AMOUNT: **\$1548.88**☐ CHECK THIS BOX IF NEW ADDRESS. PLEASE WRITE NEW ADDRESS ON THE BACK OF THIS STATEMENT.

<input type="checkbox"/> VISA	<input type="checkbox"/> MASTERCARD	<input type="checkbox"/> AMEX
<div style="border: 1px solid black; padding: 2px;"> <div style="display: flex; justify-content: space-between;"> <span>CREDIT CARD NUMBER</span> <span>EXP. DATE</span> </div> <div style="border-top: 1px solid black; height: 15px; margin-top: 5px;"></div> </div>		
CARD HOLDER NAME (PRINT) _____		
CARD HOLDER SIGNATURE _____		
<small>My signature above authorizes future transactions to be charged directly to the credit card indicated above.</small>		

Raymond F Pittman  
2821 Green Bay Ave

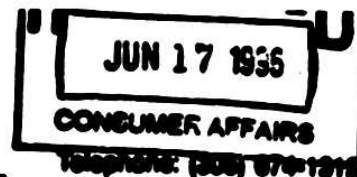
Pensacola, FL 32538

A36



**JUDITH A. FRANKEL**  
Attorney at Law

900 Arthur Godfrey Road (Suite 110)  
Miami Beach, Florida 33140



June 13, 1996

Florida Public Service Commission  
Division Consumer Affairs  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RE: Pay per call 900 non  
regulated charges

To the Public Service Commission:

I'm enclosing a copy of a collection notice that was received as result of a non authorized charge through a pay per call 900 non regulated number. The charge initially appeared on my bill on October 1, 1994 (a copy is enclosed) and was immediately protested. It was determined that this was a call that originated on a 1-800 number which was transferred to a 900 number. Correspondence was then directed to the JTK Technical, Inc. whose address was given as being in Timonium, Maryland. Nothing further was heard with regard to this matter and the amount of the charges being protested were not paid. On June 10, 1996 we received from a collection company by the name of COLLECTION, PROCUREMENTS & ACQUISITIONS, INC. a notice of attempt to collection on this debt. This office has by letter (copy enclosed) disputed the validity of the debt in its entirety and demand a strict proof of the debt. It is my understanding that the Florida Public Service Commission does not have any jurisdiction with regards to these unregulated charges but that the Florida Public Service Commission is keeping tract of these matters for purposes of applying to the FCC for appropriate consumer protection. You are therefore authorized to use this information as you deem in the best interest of the Florida consumer.

Yours truly,

  
Judith A. Frankel

JAF:MM  
enclosure



**JUDITH A. FRANKEL**  
Attorney at Law

960 Arthur Godfrey Road (Suite 116)  
Miami Beach, Florida 33140

Telephone: (305) 674-1313

June 13, 1996

Collection, Procurements & Acquisitions, Inc.  
5859 Kanan Road - Suite 501  
Agoura Hills, CA 91301

Your File No. 3058643900

**To Whom It May Concern:**

This letter will serve as official notification that the validity of this debt is disputed in its entirety and that your office should transmit forthwith verification of the debt and the name and address of the original creditor. Furthermore this office has filed an official complaint with the Florida Public Service Commission and has authorized the Public Service Commission to use any information and any names as required in its application to the FCC.

Any action on your part in attempting to collect this debt which is in violation of applicable federal statutes well known to you and to me will be dealt with accordingly.

Yours truly,

Judith A. Frankel

JAF:mn  
enclosure

cc: Florida Public Service Commission

A38



**Collection, Procurements & Acquisitions, Inc."**

**AARON F MILLER**  
**5420 N BAY RD**  
**MIAMI BEACH, FL 33140**

**FILE: 3058643900**  
**CLIENT: PSYCHIC CIRCLE**  
**TOTAL DUE: \$98.75**  
**June 1, 1996**

**THIS DELINQUENT DEBT HAS BEEN RECEIVED FOR FINAL COLLECTION**

This previous account with **PSYCHIC CIRCLE** has been forwarded to Collection, Procurements, & Acquisitions, Inc. (C.P.A.), a collection agency. These "900 6" psychic line charge(s) were generated from 3058643900, tracked and verified by Automatic Number Identification (A.N.I.), and removed from the phone bill, by request. It is the legal right of **PSYCHIC CIRCLE**, the Information Provider which rendered services to your phone, to assign your account to a collection agency.

Excerpt from Local Telephone company bill:

**Billing for other than Basic Telephone Service**

"Local Telephone Companies bill for other telephone service providers including long distance companies, and information service providers. There is no connection between the Local Telephone Company and these companies. If you dispute any 976, 900, 700 information service charge, you may be entitled to a credit. You must request this credit by calling or writing the Local Telephone within 60 days from receipt of the bill. Pending review, you may withhold payment of the disputed amount and collection of these charges will be suspended. You may request blocking of 900 and 976 services. You may be blocked from 900 calls for failure to pay legitimate 900 call charges and the Information Provider may seek collection of these charges."

**COLLECTION HAS NOW COMMENCED!!!**

This debt of \$98.75 for a psychic service call(s) is seriously past due. If payment in full is not tendered within 10 days of receipt of this letter this account will be dispatched for its final recourse.

This is an attempt to collect a debt. Any information obtained will be used for this purpose. Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume the debt is valid. If you notify this office in writing within 30 days from receiving this notice this office will obtain verification of the debt and mail you a copy. If you request this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor, if different from the current creditor.

*Stacy Reed*

Accounts Representative  
 (818) 865-2600

**(TEAR OFF HERE AND SEND WITH PAYMENT)**

**AARON F MILLER**  
**5420 N BAY RD**  
**MIAMI BEACH, FL 33140**  
 Attn: Stacy Reed  
 Tendered Payment \$

**FILE: 3058643900**  
**CLIENT: PSYCHIC CIRCLE**  
**TOTAL DUE: \$98.75**  
**June 1, 1996**

**A39**

**SEND PAYMENT TO: C.P.A. P.O. BOX 56026, SHERMAN OAKS, CA 91499-1929**  
 5859 Kanan Road, Suite 901, Agoura Hills, California 91301 Phone: (818) 865-2600 Fax: (818) 865-2632







\*\* LONG DISTANCE BILLING CO INC \*\*

Bill Date:

Page 4

**Pay Per Call 900 Nonregulated Charges**

The following charge(s) is for information or services received through a 900 number. Call 1-800-740-4309 with questions or billing error claims about your 900 Service charges. Oral notification is sufficient to begin a review of these charges. Payment of disputed 900 Service charges is not required while these charges are under review. Nonpayment of 900 Service charges will not result in disconnection of your local or long distance telephone service, but access to 900 numbers may be blocked for nonpayment of legitimate charges. Collection of unpaid 900 Service charges may be pursued by the Interexchange Carrier or Information Provider through an independent collection action.

You may obtain free blocking of 900 Service by calling Southern Bell.

Date Service Type Number Called Area Time Min.

**LONG DISTANCE PROVIDER - JTE TECHNICAL INC**

1. SEP 21 DISC STALONE 900 545-0402 ADP 10:20AM 23

Subtotal

Total Charge for Identified Calls 90.75

Taxes

2. Federal Tax

Subtotal

Long Distance Billing Co Inc Current Charges

Helpful Numbers for Long Distance Billing Co Inc

Billing Questions 1-800-740-4309

1-410-560-9970  
1-410-560-6626?JFK 78c  
1966 Green Spring P. #550  
TIMONIUM, MD. 21093  
078 76.1-

This portion of your bill is provided as a service to Long Distance Billing Co Inc. There is no connection between Southern Bell and Long Distance Billing Co Inc.

Rate Applied - See Back of Page

PP 019319

(continued)➡

AMOUNT	TOTAL
90.75	90.75
2.96	2.96
	101.71

A41



September 25, 1996

Psychic Readers Network  
2455 East Sunrise Blvd.  
Fort Lauderdale, FL 33304

To Whom It May Concern:

I received my AT&T, August 3-September 2, 1996 statement on Friday, September 13, 1996. I was shocked to find a \$43.80 charge for a so-called 900 Number call on July 31, 1996 placed at 12:59 a.m. for 13 minutes to "Psychic" (see attached). Upon receiving this charge, I found my 23 year old daughter, Amber, had placed an 800 call at that time. But she protested vehemently the charges, recalling the call and indicating how the advertisement and enticement where both misleading and blatantly deceptive. Locally for several months, there has been a widely and repetitive advertisement on several television stations enticing viewers to call an 800 number for an introductory line, Psychic reading with no obligations. When Amber called this number, she was informed by a recording to call a 900 number or to stay on the line for additional information. She stayed on the line. She was then connected to a person who claimed to be a psychic for her reading. (If there is a recorded record of the same you will find that Amber clarified at least four times that this reading was the free introductory offer and that there would be no charges to her or our phone - she was told emphatically that the entire reading was the advertised free introductory offer and there would be no charges). She took this at face value.

When I called my long distance carrier to dispute these charges, I was told that they would remove the charge from my bill, but they were only concerned as a billing agent to the Psychic Reader Network, the contracting company of record who originated these charges, and further advised that the provider may proceed with outside collections against my account. They gave me the address and phone number (see footnote 1) of Psychic Reader Network. Upon calling this number, I was told that this was not the Psychic Reader Network, but a company that was contracted by them to handle their complaints. I talked with their representative, Robin; so her name released. She advised me that when someone called in on the free offer, they were clearly advised by a recording to hang up and call the designated 900 number and that is the only way we could have been charged. I told her that I disputed this, and went on to explain why.

You see, in about 1990/91, when my daughters were in Junior High School and High School, some of their friends, while visiting our home placed a number of unauthorized 900 calls which amounted to a considerable amount of money. After tracking down the origin of these calls, I decided to solve the problem permanently and placed a 900 block on my phone line and it has remained in effect to this day. We have never changed telephone companies since that block.

A42



and further, I had verified the same with Pacific Bell and AT&T before calling to dispute these charges. Upon hearing this, Robin stuttered around and said I would have to write a letter disputing and denying these charges to yet another entity of the Psychic Reader Network, at yet another address in another state. (See Footnote 2)

After this run around with all these layers of protection, I have very little confidence that this matter is going to be resolved easily. This appears to me as a blatant bait and switch advertising con. Even more flagrant is converting a free 800 call into a 900 call which is at the least dishonest, if not fraudulent.

I demand that you cancel all charges for this call, and further that you give me written confirmation of the same. Additionally, I am sending a copy to the parties listed below, requesting their investigation into my complaint and your business licensing and operating procedures.

Shame on you.

I am,



B.H. Burton  
855 Seagull Lane, Apt. # A202  
Newport Beach, Ca. 92663  
(714) 631-8833

Copy to:  
Psychic Readers Network - Pearl River, N.Y.  
FCC  
Senator Christopher Cox  
Attorney General, State of California  
Attorney General, State of Florida  
Attorney General, State of New York

**Footnotes:**

- 1) **Psychic Readers Network**  
2455 East Sunrise Blvd.  
Fort Lauderdale, FL 33304
- 2) **Psychic Readers Network**  
Attention: 900 Department  
P. O. Box 3024  
Pearl River, New York 10965

Attachment

A43



RECEIVED  
 DEPT. OF BUSINESS & PROFESSIONAL REGULATION  
 OCT 28 1996  
 5:11 PM

Econo Lodge East  
 607 67th Street Circle East  
 Bradenton, FL 34208  
 (941) 745-1988

October 27, 1996

Department of Business and Professional Regulation  
 1940 North Monroe Street  
 Tallahassee, FL 32399-0782

Dear Sirs:

I would like to lodge a complaint against the following firm:

Crown Communications  
 20423 State Road 7  
 Suite 6283  
 Boca Raton, FL 33496

The following calls were made to 800 numbers by guests at my motel, and converted to numbers in the 416 area code (Toronto, Canada). Because the numbers came through my switchboard as 800 numbers, I was not able to charge the guests for the calls. In addition, I would never charge a guest \$4.99 per minute, which is what appeared on my phone bill one month after the guests checked out.

Calls billed to	Date	Time	Converted 800 Number	Charge
941-746-3754	Dec 19	12:10 am	416-754-3562	49.90
941-746-3754	Dec 19	12:37 am	416-754-3562	34.93
941-746-6983	Dec 18	10:09 pm	416-754-3559	19.96
941-746-3754	Dec 24	3:03 am	416-754-3562	9.98
941-746-3754	Dec 24	7:58 pm	416-754-3562	19.96
			Taxes	13.40
			Total	148.21

This has been one of the most infuriating firms I have ever dealt with.

The sex line people are in Boca Raton (Crown Communications address above).

They route their sex lines through Toronto.

They bill their calls through a company in Las Vegas called TBS Inc. (4001 South Decatur Blvd. Suite 426, Las Vegas, NV 89103). The folks at TBS were very polite, and took the calls off of my GTE phone bill.

A44




Six months later I get harassing letters from a collection agency in Michigan (CRS, P.O. Box 121 Adrian MI 49221) claiming that I owe \$29.96 to Crown Communications. They will not send any invoices to support this claim. In order to avoid damaging my credit, I immediately sent \$29.96. Exactly one month after this check was CASHED, I get a second, identical letter from CRS claiming that I owe Crown Communications \$29.96.

I have enclosed a copy of an article I found in Good Housekeeping which describes this type of phone scam.

Please add all of this information to the pile of letters you already have about Crown Communications. Perhaps after you get a few thousand letters someone will shut them down.

Sincerely,

  
Andrea Boring  
General Manager

A45



**GTE**

PAGE 7 OF 10

TELEPHONE NUMBER

BILL NUMBER

BILL DATE

January 14, 1988

TBS, Inc.  
Billing questions  
1 800 742-4309

**LONG DISTANCE CALLS**

Billing for TBS, Inc.

TBS, Inc. Regulated Service

Billing for Crown Communications

Regulated Calls

Calls billed to  
041 746-3734

**Direct Related Calls**

	Date	Time	From called	To	Number called	Rating	Min.	Amount
1	Dec 19	12:10 am	Toronto	ON	✓ 416 724-2242	Wired	10	\$ 20.00
2	Dec 19	12:17 am	Toronto	ON	416 724-2242	Wired	7	24.00
<b>Total</b>								<b>\$ 44.00</b>

Calls billed to  
041 746-4983

**Direct Related Calls**

	Date	Time	From called	To	Number called	Rating	Min.	Amount
1	Dec 19	12:10 am	Toronto	ON	✓ 416 724-2242	Wired	2	\$ 10.00
<b>Total</b>								<b>\$ 10.00</b>

104.79 - 104.88 = 115.27

For questions concerning your bill, call the number listed at the top of this page.  
The calls on this page were forwarded by TBS, Inc., the clearinghouse  
agent for Crown Communications.

Billing for Crown II

Regulated Calls

Calls billed to  
041 746-3734

**Direct Related Calls**

	Date	Time	From called	To	Number called	Rating	Min.	Amount
4	Dec 24	1:00 am	Toronto	ON	416 724-2242	Wired	2	\$ 10.00
1	Dec 24	7:10 am	Toronto	ON	416 724-2242	Wired	4	19.00
<b>Total</b>								<b>\$ 29.00</b>

For questions concerning your bill, call the number listed at the top of this page.  
The calls on this page were forwarded by TBS, Inc., the clearinghouse  
agent for Crown II.

29.94 + 2.99 = 32.93

T- 7

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A46



TELEPHONE NUMBER 941 746-3734

PAGE 7 OF 10

BILL DATE FEBRUARY 16, 1994

TBS, Inc.  
 billing questions  
 1 800 746-4399

**LONG DISTANCE CALLS**

Billing for TBS, Inc.

TBS, Inc. Regulated Service

Billing for Crown II

Regulated Calls

Calls billed to  
 941 746-3734

Direct Distant Calls								
Date	Time	From	Number called	Number called	Unit	Rate	Amount	
Jan 4	11:21 am	Tampa	CHI	016 724 8018	Unit	4	\$ 10.96	
Total							\$ 10.96	

For questions concerning your bill, call the number listed at the top of this page.  
 The data on this page was forwarded by TBS, Inc., the designee  
 agent for Crown II.

Taxes and Fees on TBS, Inc. Regulated Service		Amount
3 Federal excise tax (1.00% of \$10.96)		\$ .10
3 State sales tax (7.00% of \$10.96)		1.40
Total		\$ 1.50

TBS, Inc. regulated service charges \$ 21.96

Total long distance/TBS, Inc. \$ 21.96

write letter!

Black lines

T- 9

© 1994 CROWN II TELEPHONE SERVICE COMPANY

A47



February 8, 1996

TBS Inc.  
4001 South Decatur Blvd  
Suite 426  
Las Vegas, NV 89103

*TBS reversed the  
phone charges. Then  
CLB sent letters for  
\$299.6*

Dear Sirs:

Please note the following telephone numbers and block them.  
This is a note: and I have no way of knowing when a guest  
here is calling one of your telephone numbers.

941-745-1988  
941-745-1278  
941-746-3754  
941-746-6983  
941-746-9887  
941-746-9189

In addition, I would appreciate it if you would reverse the  
charges incurred by guests on Dec. 18, 19, and 24. The  
guests were long gone by the time my telephone bills arrived.  
and I have no way of collecting these charges from them, as  
they were cash customers, and all deposits have been refunded  
to them.

Calls billed to	date	time	number	charge
941-746-3754	Dec 19	12:10 am	416-734-3562	49.90
941-746-3754	Dec 19	12:37 am	416-734-3562	34.93
941-746-6983	Dec 18	10:09 pm	416-734-3559	19.96
941-746-3754	Dec 24	3:03 am	416-734-3562	9.98
941-746-3754	Dec 24	7:30 pm	416-734-3562	19.96
			Taxes	13.48
			Total	148.21

Thank you in advance for your cooperation.

Sincerely,

Andrea Bering  
General Manager

A48



COLLECTION

**CRB****A RECOVERY  
BUREAU**

A Professional Collection Firm

June 28, 1996

Econo Lodge  
607 67th St Circle E  
Bradenton, FL 34208

FIRST LETTER

CREDITOR: Crown Communications  
REGARDING: Econo Lodge  
PRINCIPAL: 29.96

Dear Econo Lodge:

This letter is to inform you that this firm has been retained by the above-named creditor to initiate immediate collection efforts against you on the above-referenced balance.

In order to avoid any proceedings and negative credit entry on your credit report, balance in full must be received in this office within seven (7) working days, from the date of this letter.

Your prompt attention to this matter is strongly recommended.

Sincerely,



Alex Bryant  
Corp. Fraud Investigator

PB/rs

*called 7/8/96*  
*Joe Coldwater*

*paid 7/9/96*  
*rec'd 7/8/96*

Post Office Box 121, Adrian, MI 48221 • 517/266-2800 & 517/266-1525 fax  
Corporate Office: 1416 South Main Street, Suite 220, Adrian MI 48221

A49



COLLECTION



& RECOVERY  
BUREAU

A Professional Collection Firm

August 22, 1996

Econo Lodge  
607 67th St Circle E  
Bradenton, FL 34208

CREDITOR:  
REGARDING:  
PRINCIPAL:

CROWN COMMUNICATIONS  
Econo Lodge  
29.96

*SECOND LETTER!*

*check cashed July 22, 1996  
for \$29.96*

Dear Econo Lodge:

This letter is to inform you that this firm has been retained by the above-named creditor to initiate immediate collection efforts against you on the above-referenced balance.

In order to avoid any proceedings and negative credit entry on your credit report, balance in full must be received in this office within seven (7) working days, from the date of this letter.

Your prompt attention to this matter is strongly recommend.

Sincerely,

Paul Snyder  
Corp. Fraud Investigator

PS/rs

Post Office Box 121, Adrian, MI 48221 - 517/266-2880 & 517/266-1535 fax  
Corporate Office: 1416 South Main Street, Suite 220, Adrian MI 48221

*A50*



## INNOVATIVE TECHNOLOGIES

4000 SIX OAKS DRIVE • TALLAHASSEE, FL 32309 •

~~PH 904-293-6445~~  
~~1-800-368-9191~~

~~TELEPHONE~~  
~~TALLAHASSEE~~

Alan,

I thought you may be interested in this even though it pertains to a Georgia motel.

By dialing an 800 # from a guest room a guest subscribed the hotel phone lines to a recurring monthly subscription fee for several psychic type services. One of these companies eventually has issued credit and the other never answers the phone.

Mark Carter



A51



Dominic Dem's

cc Integrated, Inc. cc

Page 6

WVIR R & KISNER R SHAN DBA-TOWN HOUSE  
 Account Number: 912 436-3736 995 8164  
 Bill Period Date: Feb 23, 1997

**For Integrated, Inc. Billing Questions, Call 1 800 726-7200**

**Detailed Statement of Nonregulated Charges**Miscellaneous Charges and Credits

912 436-3736

2c. Amount

Service Provider - CLEAR COMMAND TELCOM

Date

1. 01/00 MESSAGING .....

25.00

Total Miscellaneous Charges and Credits .....

25.00Taxes

Taxes on Nonregulated Services

Amount

2. Federal Tax .....

.75

Total Taxes on Nonregulated Services .....

.75

cash

Monthly Recurring Charges

Credit  
 3/10/97

This portion of your bill is provided as a service to Integrated, Inc.

There is no connection between BellSouth and Integrated, Inc.

**NONPAYMENT OF ITEMS ON THIS SHEET WILL NOT RESULT  
 IN DISCONNECTION OF YOUR LOCAL TELEPHONE SERVICE;  
 HOWEVER, COLLECTION OF UNPAID CHARGES MAY BE  
 PURSUED BY THE SERVICE PROVIDER.**

AS 0002114



Page 3

ERWIN R & KISNER R SHAW DBA-TOWN HOUSE  
 Account Number: 912 436-5750 993 8164  
 Bill Period Date: Feb 23, 1997

For Int Telemedia Associates Inc. Billing Questions, Call 1 800 666-2222 -

### Detailed Statement of Nonregulated Charges

#### Miscellaneous Charges and Credits

912 436-5750

Amount

#### Service Provider - INNOVATE TELECOM, INC

Date

1. 02/00 Voice Not Pa ging .....	0.00
2. 02/00 Voice Not Pa flow No .....	9.00
3. 02/00 Voice Not Vo off .....	9.00
4. 02/00 Voice Not 00 0 .....	12.00
<b>Total Miscellaneous Charges and Credits .....</b>	<b>30.00</b>

The above total does not include the following taxes:

Federal Tax ..... \$1.25

#### Taxes

#### Taxes on Nonregulated Services

Amount

5. Federal Tax .....	1.25
<b>Total Taxes on Nonregulated Services .....</b>	<b>1.25</b>

N/A 2/0 N/A 2/0 2/1/11

This portion of your bill is provided as a service to Int Telemedia Associates Inc.

There is no connection between BellSouth and Int Telemedia Associates Inc.

**NONPAYMENT OF ITEMS ON THIS SHEET WILL NOT RESULT  
 IN DISCONNECTION OF YOUR LOCAL TELEPHONE SERVICE;  
 HOWEVER, COLLECTION OF UNPAID CHARGES MAY BE  
 PURSUED BY THE SERVICE PROVIDER.**

AS 0002104

(continued)➔

A53



**INTECH SYSTEMS**  
**INNOVATIVE TECHNOLOGIES**

4000 SIX OAKS DRIVE • TALLAHASSEE, FL 32309 • (904) 878-3000 ext. 105

2/4/96

PSC

Alan Taylor

Alan,

Please advise me how to credit the \$55.62 of FOS charges and 17.97 of Integrated charges off the Marina Motel phone bill (904-244-1129).

These calls were made by dialing 1+800. Centel's Bill does not provide us any way to contact these companies, their office can supply no number and 800 directory assistance does not have a listing.

Thanks for your help.

*Mark Carter*

A54





1345 U.S. Hwy. 90 E • Chalcoo Island • Fort Walton Beach, Florida 32548 • (904) 244-1120 • Toll Free 800-437-7021

February 2, 1996

CENEX - FLORIDA  
P.O. Box 15300  
Altamonte Springs, FL 32715-3000

Subject: (904)244 1120 (204) Invoice Dated Febr.01, 96

Dear Sir, Madam,

enclosed please find my check for \$450.02 which covers that you legally bill to me every month for my telephonelines and for my area long distance calls.

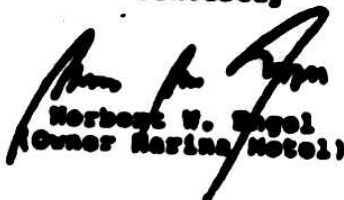
The other charges of \$893.36 are not mine and I never gave your company the authorization to accept billing from anyone. My long-distance carrier is NCI and they bill me direct.

Obviously there are some people who know a way through our charge-free 1-800 calling to make calls that get around our billing system in the Motel, but it is highly illegal that they bill us for these calls through you and I find it insulting and appalling that your company is accepting these charges without consulting me - your customer.

There is no way that I will pay these charges and this situation has already been reported to the FCC through my service as ITRC Systems in Tallahassee.

I urge you to start protective measures immediately so charges like this will not ever again get into you billing system.

Sincerely

  
Herbert W. Engel  
(Owner Marina Motel)

Copies of the charges in dispute are enclosed.

A55



LONG DISTANCE CALLS

SEE DETAIL

779.46

TAXES

27.16

TOTAL CHARGES

806.62

LONG DISTANCE CHARGES									
DATE	TIME	PLANE CALLED	NUMBER CALLED	FIRST PLANE	FIRST NUMBER	CITY	ST	AREA	AMOUNT
BILL FROM 904-344-1129									
CALLED ON BEHALF OF ORDER 2									
8 JAN 88	06:39:00am	TENNIS	02	024-779-0227		AS	22.0	24.07	
9 JAN 88	07:39:00am	TENNIS	02	024-779-0227		AS	2.0	9.05	
20 JAN 88	07:39:00am	TENNIS	02	024-779-0227		AS	22.0	24.07	
SUBTOTAL									54.09
SUBTOTAL FOR 904-344-1129									54.07
BILL FROM 904-342-8772									
CALLED ON BEHALF OF ORDER COMMUNICATIONS									
20 JAN 88	06:32:00am	ENGLAND	004	374-829-7429		AS	0.0	27.00	
20 JAN 88	06:32:00am	ENGLAND	004	374-829-7429		AS	3.0	24.07	
SUBTOTAL									51.07
CALLED ON BEHALF OF ORDER 2									
20 JAN 88	07:24:00am	TENNIS	02	024-779-0227		AS	2.0	9.05	
22 JAN 88	06:39:00am	ENGLAND	004	374-829-7429		AS	3.0	24.07	
SUBTOTAL									33.12
SUBTOTAL FOR 904-342-8772									59.06
BILL FROM 904-344-1129									
CALLED ON BEHALF OF ORDER COMMUNICATIONS									
7 JAN 88	07:24:00am	ENGLAND	004	374-829-7429		AS	0.0	27.00	
SUBTOTAL									27.00
CALLED ON BEHALF OF ORDER 2									
8 JAN 88	06:39:00am	TENNIS	02	024-779-0227		AS	22.0	24.07	
SUBTOTAL									24.07

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904-244-1127  
FEBRUARY 01, 1974

REF	DATE	TIME	PLACE CALLED	NUMBER CALLED	FIRST NAME	LAST NAME	AREA	STATE	CHRG	FEES	AMOUNT
SUBTOTAL FOR 904-244-1127											84.00
REF	DATE	TIME	PLACE CALLED	NUMBER CALLED	FIRST NAME	LAST NAME	AREA	STATE	CHRG	FEES	AMOUNT
BELL FROM 904-244-0000											84.00
CALLED ON BEHALF OF CREDIT CONTRIBUTION											
	21 JAN 00	00:40:00am	CHICAGO	004 244-000-7000					00.0		00.00
SUBTOTAL											84.00
CALLED ON BEHALF OF CREDIT CONTRIBUTION											
	22 JAN 00	00:20:00am	TORONTO	004 244-000-7000					00.0		00.00
SUBTOTAL											84.00
SUBTOTAL FOR 904-244-0000											168.00
REF	DATE	TIME	PLACE CALLED	NUMBER CALLED	FIRST NAME	LAST NAME	AREA	STATE	CHRG	FEES	AMOUNT
BELL FROM 904-244-7000											168.00
CALLED ON BEHALF OF CREDIT CONTRIBUTION											
	20 JAN 21	00:07:00am	CHICAGO	004 244-000-7000					00.0		00.00
	20 JAN 21	00:07:00am	CHICAGO	004 244-000-7000					00.0		00.00
SUBTOTAL											00.00
CALLED ON BEHALF OF CREDIT CONTRIBUTION											
	20 JAN 00	00:20:00am	TORONTO	004 244-000-7000					00.0		00.00
	21 JAN 00	07:20:00am	TORONTO	004 244-000-7000					00.0		00.00
SUBTOTAL											00.00
SUBTOTAL FOR 904-244-7000											00.00
TOTAL LONG DISTANCE CHARGES											168.00
											756.40

---This Guide for Services and Includes Long Distance Code

A - Automatic Number	B - Billing	C - Billing	D - Billing	E - Billing	F - Billing	G - Billing	H - Billing	I - Billing	J - Billing	K - Billing	L - Billing	M - Billing	N - Billing	O - Billing	P - Billing	Q - Billing	R - Billing	S - Billing	T - Billing	U - Billing	V - Billing	W - Billing	X - Billing	Y - Billing	Z - Billing
----------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

C - When the number appears in the list above, it indicates credit has been applied and the bill will be coming from the customer's bill.

D - When the number appears in the list above, it indicates a bill will have been added to your account.

---This Guide for Services and Includes Long Distance Code



**TBS, INC.****TELEPHONE BILLING SYSTEM**

994-842-1117 (24)  
 FEBRUARY 01, 1996

**DETAIL OF TAXES**

FEDERAL TAX  
 STATE TAX  
 GROSS RECEIPTS TAX-TEL BILLING SYS  
 TOTAL TAX

22.14  
 12.11  
 12.11  
 97.14

A5E













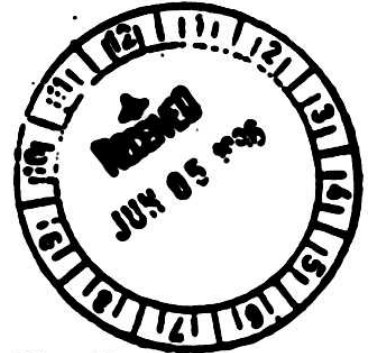
# AMERICAN TELNET

*Legal & Business Affairs*

**VIA FACSIMILE (904) 412-6512**  
**& U.S. MAIL**

June 3, 1996

Alan Taylor  
Florida Public Service Commission  
2840 Shumard Oak Blvd.  
Tallahassee, FL 32399-0866



Dear Mr. Taylor:

Thank you for taking time to speak with me on Friday, May 31, 1996. Per your request, this letter shall summarize our discussion and the status of American TelNet, Inc.'s investigation.

American TelNet, Inc. ("ATN"), a pay-per-call service bureau, has become aware that "hackers" have fraudulently placed calls from the phone lines of residents in a few South Florida condominiums to an ATN 900 number. ATN is issuing credits to all residents affected and has launched an investigation.

ATN has contacted the following entities: Bell South (security, internal affairs, legal and corporate departments), Metro Dade Police Department, Chief of the Economic Crimes Unit for the Dade County State Attorney's Office, Broward County Sheriff's Office, Florida Department of Law Enforcement and Federal Bureau of Investigation. However, these efforts have not generated much action. Only Bell South is investigating the matter. The law enforcement agencies have either denied jurisdiction or stated that Bell South is the appropriate party to investigate the matter. We seek your assistance in determining which law enforcement agency should be pursuing the matter.

As I informed you, ATN pays information providers (IPs) for all calls generated from their advertising, on a per minute basis, regardless of whether ATN receives payment from the subscriber. ATN has determined that all of the calls were placed to only one of ATN's approximately twelve thousand 900 numbers, and usually between the hours of 11:00 P.M. and 2:00 A.M.. We suspect that we are being defrauded by the IP who has been assigned the 900 number. We have been attempting to locate the principals of this entity and welcome your assistance in this regard.

Additionally, ATN has determined that the majority of the condominium phone rooms were unlocked and accessible to the public. There are several ways in which someone with technical knowledge,

*AG1*

Corporate Offices

Diacyne Professional Plaza • 21000 N.E. 28th Avenue • Miami, FL 33180

Telephone: (305) 923-2884 • Fax: (305) 923-2881



and the proper equipment, could fraudulently utilize a condominium phone line. For example, someone can access a central phone room for the building, and either attach a clip to a subscriber's line and make calls, or install a call diverter on the telephone lines and place calls through the diverter from a remote location.

ATN will continue to assist Bell South and the condo residents to locate and prosecute the criminals who are making these illegal calls.

If you have any questions or would like to discuss this matter further, please do not hesitate to contact me.

Sincerely,



Gavin Kahn  
General Counsel

GK/jvs

cc: Michael Pades  
Michael Self  
Howard Markowitz



and the proper equipment, could fraudulently utilize a condominium phone line. For example, someone can access a central phone room for the building, and either attach a clip to a subscriber's line and make calls, or install a call diverter on the telephone lines and place calls through the diverter from a remote location.

ATN will continue to assist Bell South and the condo residents to locate and prosecute the criminals who are making these illegal calls.

If you have any questions or would like to discuss this matter further, please do not hesitate to contact me.

Sincerely,



Gavin Kahn  
General Counsel

GK/jvs

cc: Michael Pardes  
Michael Self  
Howard Markowitz

A62



**Lauderdale Oaks Condo. #12**2001 N.W. 48th Avenue  
Lauderdale Lakes, FL. 33313

JUNE 10, 1996

56 JUN 12 PM 8 21

MR. ALAN TAYLOR  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 SHUMARD OAK BLVD.  
TALLAHASSEE, FL. 32399

DEAR MR. TAYLOR:

RE: OUR TELEPHONE CONVERSATION  
REGARDING CALLS ON 900# WHICH HAVE BEEN  
CHARGED TO OUR OWNERS PHONES.

AS YOU SUGGESTED I HAVE MADE COPIES  
SHOWING THE CHARGES AND HAVE ENCLOSED  
THEM.

THERE IS ALSO A LETTER TO ONE OF OUR  
UNIT OWNERS WHICH IS RATHER THREATENING IN  
TONE FROM AMERICAN TELNET.

OUR UNIT OWNERS ARE FROM LATE 70'S  
TO OVER 90 YEARS OLD. THEY DID NOT PAY THESE  
CHARGES BECAUSE THEY NEVER MADE THESE CALLS.

IT IS FRIGHTENING TO THESE SENIORS  
TO REALIZE SOME UNCRUPULOUS INDIVIDUAL COULD  
ACCESS THEIR PHONES AND MAKE CALLS WITHOUT  
THEIR KNOWLEDGE AND TAKE ADVANTAGE OF THEIR  
VULNERABILITY.

THEY ALL AGREE THAT THIS FRAUD HAS TO  
BE INVESTIGATED AND STOPPED BY WHATEVER  
AGENCY - STATE OR FEDERAL - HAS THE MOST  
AUTHORITY TO FIND THE PERSON OR PERSONS RE-  
SPONSIBLE AND PROSECUTE.

WE LOOK TO YOU FOR HELP AND WOULD  
APPRECIATE YOUR ADVISING US OF THE PROGRESS  
AND OUTCOME OF THIS INVESTIGATION.

SINCERELY,  
Thyllis Mundelorn, Secy  
BOARD OF DIRECTORS CONDO #12  
A63



AMERICAN TELNET BILLING SERVS  
PO Box 790930  
SAN ANTONIO TEXAS 78279-0930

20

DATE: 08/29/96

JOHN CAUTION  
3001 NW 46TH AVE  
LAUDERDALE LAKE, FL 33313

RE: Account number (904) 733-8729

Amount disputed \$45.00 plus tax

Bill Date 05/72/96

Dear Customer:

In reference to the above account number, bill date, and disputed amount, AMERICAN TELNET BILLING SERVS cannot issue credit due to the following:

As owner of your telephone, you are responsible for payment of all charges incurred by that telephone.

New Federal laws give owners of 900 lines the right to seek legal remedies for collection of 900 charges and to employ collection agencies to perform these functions. Please be advised that if payment is not made, all collection remedies allowed by law will be exercised.

A 900 block has been available from virtually all telephone companies for over 6 years. To avoid future charges to 900 calls you must obtain a block from your telephone company.

If you have any questions and/or comments relating to this inquiry and the subsequent results, please contact one of our Customer Service Representatives at 1-800-410-0307. Our business hours are Monday through Friday, 8 a.m. to 6 p.m. Central Standard Time.

A64



\*\* American TelNet Billing Service \*\*

Page 7

ROSE KAUFMAN

Account Number: 934 753-0729 317 1808

Bill Period Date: May 17, 1996

**T** For American TelNet Billing Service Billing Questions, Call 1 800 440-0307

### Detailed Statement of Charges

#### Itemized Calls

Service Provider - AMERICAN TELNET INC

Amount

#### Pay Per Call 900 Nonregulated Charges

The following charge(s) is for information or services received through a 900 number. Call 1 800 440-0307 with questions or billing error claims about your 900 Service charges. Oral notification is sufficient to begin a review of these charges. Payment of disputed 900 Service charges is not required while these charges are under review. Nonpayment of 900 Service charges will not result in disconnection of your local or long distance telephone service, but access to 900 numbers may be blocked for nonpayment of legitimate charges. Collection of unpaid 900 Service charges may be pursued by the Interexchange Carrier or Information Provider through an independent collection action. You may obtain free blocking of 900 Service by calling BellSouth.

Date	Service Type	Number Called	Rate	Time	Min	Amount
1. 04/22	PERSONALS	900 745-3334	AD	11:36PM	12	30.00
2. 05/10	PERSONALS	900 745-3334	AD	12:08AM	10	35.00
Total Pay Per Call 900 Nonregulated Charges .....						65.00
Total Itemized Calls .....						65.00

#### Taxes

#### Taxes on Unregulated Services

Amount

3. Federal Tax .....	1.95
Total Taxes on Unregulated Services .....	1.95
Total Taxes .....	1.95

Total American TelNet Billing Service Current Charges .....	66.95
---	-------

\* Taxes and Rates Applied - See Back of First Page

#### \*\* Unregulated Charge

This portion of your bill is provided as a service to American TelNet Billing Service.

There is no connection between BellSouth and American TelNet Billing Service.

CP 2021145

A65



-- American TelNet Billing Service --

Page 4

ALBERT C PERALDO

Account Number: 934 733-3657 930 1800  
Bill Period Date: May 19, 1996

For American TelNet Billing Service Billing Questions, Call 1 800 460-0307

**Detailed Statement of Charges****Itemized Calls****Service Provider - AMERICAN TELNET INC****Amount****Pay Per Call 900 Nonregulated Charges**

The following charge(s) is for information or services received through a 900 number. Call 1 800 460-0307 with questions or billing error claims about your 900 Service charges. Oral notification is sufficient to begin a review of these charges. Payment of disputed 900 Service charges is not required while these charges are under review. Nonpayment of 900 Service charges will not result in disconnection of your local or long distance telephone service, but access to 900 numbers may be blocked for nonpayment of legitimate charges. Collection of unpaid 900 Service charges may be pursued by the Interexchange Carrier or Information Provider through an independent collection action. You may obtain free blocking of 900 Service by calling 801-300-0000.

Date	Service Type	Number Called	Rate	Time	Min	Amount
1. 04/22	PERSONALS	900 743-1154	AD	11:09PM	12	30.00
2. 05/09	PERSONALS	900 743-1154	AD	11:57PM	12	42.00
Total Pay Per Call 900 Nonregulated Charges .....						72.00
Total Itemized Calls .....						72.00

**Taxes****Taxes on Unregulated Services****Amount**

3. Federal Tax .....	2.16
Total Taxes on Unregulated Services .....	2.16
Total Taxes .....	2.16
Total American TelNet Billing Service .....	74.16

- Taxes and Rates Applied - See Back of 1st Page  
-- Unregulated Charge

This is a bill for your bill is provided as a service to American TelNet Billing Service  
There is no connection between 801-300-0000 and American TelNet Billing Service

CP 2032962

(CONTINUED)▶

A66



American TelNet Billing Service

Page 7

SHIRLEY KLEIN

Account Number: 934 725-0063 405 1802

Bill Period Date: May 17, 1996

For American TelNet Billing Service Billing Questions, Call 1 800 400-0307

**Detailed Statement of Charges****Itemized Calls****Service Provider - AMERICAN TELNET INC**Amount**Per Call 900 Nonregulated Charges**

The following charge(s) is for information or services received through a 900 number. Call 1 800 400-0307 with questions or billing error claims about your 900 Service charges. Oral notification is sufficient to begin a review of these charges. Payment of disputed 900 Service charges is not required while these charges are under review. Nonpayment of 900 Service charges will not result in disconnection of your local or long distance telephone service, but access to 900 numbers may be blocked for nonpayment of legitimate charges. Collection of unpaid 900 Service charges may be pursued by the Interexchange Carrier or Information Provider through an independent collection action. You may obtain free checking of 900 Service by calling BellSouth.

Date	Service Type	Number Called	Rate	Time	Min	Amount
1. 04/22	PERSONALS	900 745-3334	AD	11:36PM	15	37.50
2. 05/10	PERSONALS	900 745-3334	AD	12:07AM	11	38.50
Total Pay Per Call 900 Nonregulated Charges .....						76.00
Total Itemized Calls .....						76.00

**Taxes****Charges on Unregulated Services**Amount

3. Federal Tax .....	2.20
Total Taxes on Unregulated Services .....	2.20
Total Taxes .....	2.20

Total American TelNet Billing Service Current Charges .....	78.20
---	-------

Taxes and Rates Applied - See Back of First Page  
Unregulated Charge

Item of your bill is provided to a service to American TelNet Billing Service.  
as connection between BellSouth and American TelNet Billing Service.

CP 0021212

(continued)

A67



Ray Wunsch  
 704 Sweetbarn Dr  
 Oldham A 34677  
 813-855-0425

Dear Mr. Thompson,

Enclosed are copies of the past 4 months phone bills. (See: conversation 7-1-96).

I never argued or spoke to anyone at ITA about their teleservice. As you can see there is still a balance of \$45 on my bill.

In April I first noticed this charge on my bill and called GTE about it. I then called the 1-800-866-8989 number and got ITA's billing service. I have spoken with them several times that past 3 months with mixed results. One operator was very rude, refused to believe me and said she would not cancel this teleservice and hung up on me. Two other operators were more helpful #891, #184, and today #829.

Last month I called ITA 1-800-964-0716 and only got a recorded message. This recording repeated my phone # back and told me my phone # was wrong. No wonder there are problems with their billing. I left a message on their recording with my phone # but they never returned my call.

ALB

I have come to the conclusion



ripping off a lot of unsuspecting telephone customers. I refuse to pay them any more money. I am also contacting the Better Business Bureau and the FCC. Please help me in any way you can. Thank you.

Sincerely,  
Ray Wunch





TELEPHONE NUMBER 813 535-9425

Customer ID 920915

PAGE 1 OF 4

BILL DATE

June 22, 1996

Helpful numbers

**BILLING SUMMARY**

RAY WUNSON

GTE Billing  
questions  
1 800 453-3200

Previous charges \_\_\_\_\_ \$ 61.92  
Amount of last bill \_\_\_\_\_ CR 18.92  
Payment received. Thank you. \_\_\_\_\_ \$ 43.00  
Amount past due \_\_\_\_\_

To order GTE  
services call  
1 800 453-3200

Current charges \_\_\_\_\_  
GTE regulated services \_\_\_\_\_ \$ 18.12  
GTE non-regulated services \_\_\_\_\_ 1.87  
Total current charges \_\_\_\_\_ \$ 19.99

Total amount due \_\_\_\_\_ \$ 64.99  
Due date \_\_\_\_\_ July 16, 1996

Centro Hispano  
de GTE  
1 800 PIDA GTE  
1 800 743-3483

To avoid a 1.5% late  
payment charge, payment  
must be received before  
July 23, 1996.

A PORTION OF THE  
TOTAL AMOUNT DUE  
IS PAST DUE. DUE  
DATE APPLIES TO  
CURRENT CHARGES  
ONLY.



TELEPHONE NUMBER 813 535-9425

Customer ID 920915

PAGE 7 OF 8

BILL DATE

May 22, 1996

For billing  
questions call  
1 800 566-8809

**LONG DISTANCE CALLS**

Billing for ITA



ITA Billing Adjustment

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
Total billing adjustment of \$ 43.00 applied to previous charges. CR 43.00

ITA Non-Regulated Service

Miscellaneous Charges and Credits

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
Total \_\_\_\_\_ \$ 43.00





PAGE 1 OF 4

TELEPHONE NUMBER 813 835-8425

Customer ID 920915

BILL DATE

April 22, 1996

Helpful numbers

**BILLING SUMMARY**

RAY WUNSCH

GTE billing  
questions  
1 800 453-3289

Previous charges  
Amount of last bill \$ 68.43  
Payment received. Thank you. CR 68.43  
Balance \$ 0.00

To avoid a 1.5% late  
payment charge, payment  
must be received before  
May 23, 1996.

To order GTE  
services call  
1 800 453-4389

Current charges  
GTE regulated services \$ 18.13  
GTE non-regulated services 1.97  
Other non-regulated charges 48.33  
Total current charges \$ 68.43

Centro Hispano  
de GTE  
1 800 PIDA-GTE  
1 800 743-3463

Total amount due \$ 68.43  
Due date May 16, 1996

-45  
23.69

Please see reverse side for additional information.



PAGE 5 OF 4

TELEPHONE NUMBER 813 835-8425

Customer ID 920915

BILL DATE

March 22, 1996

For billing  
questions call  
1 800 866-8899

**LONG DISTANCE CALLS****Billing for ITA****ITA Non-Regulated Service****Miscellaneous Charges and Credits**

Item	Description	Amount
ITA 21	International	\$ 4.00
Total		\$ 4.00

 **Taxes and Fees on ITA Non-Regulated Service**

Item	Description	Amount
1	Federal excise tax (1.1% of \$4.00)	\$ 0.04
2	City utility tax (1.0% of \$4.00)	\$ 0.04
Total		\$ 0.08

ITA non-regulated service charges \$ 49.90

Total long distance/ITA \$ 49.90

A71



JUL 10 1996  
C... ..

Mr. & Mrs. Douglas Mobley  
905 - 64th Street South  
Gulfport, FL 33707  
(813) 344-1611 (work)  
(813) 347-0693 (home)

July 5, 1996

Florida Public Service Commission  
Division of Consumer Affairs  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Dear Consumer Affairs:

Enclosed you will find correspondence regarding the problem I have had in trying to prove to American TelNet that their charges for \$53.99 are erroneous. I do not know how these charges were placed on my phone bill, but they were and now American TelNet is telling me that, "As owner of your telephone, you are responsible for payment of all charges incurred by that telephone."

Please excuse me, but as owner of my electric bill, water bill, cable, etc., I know that I am responsible for charges incurred, but as errors occur such as the case with my cable bill when we ordered the Sega Channel for my son during free installation and were incorrectly charged for that installation, all I had to do was call the Cable company, speak to the gentleman who took our order and voila, the problem was solved, the error admitted and the charge taken off. Errors and mistakes do happen.

There are three people residing at this residence. My husband, son and myself. We do not have company very much or very often, so I know for a fact, that there was no-one in the house when these calls were supposedly made. Now, either there is a phone man tapping into peoples lines making calls to these so called 'Sex lines', someone knows how to use their cellular phone next

A72



to a residence so this will occur, or American TelNet is a fraudulent company raking the American people a little here and a little there. Whatever the case, I am reporting to you these bogus charges.

Whatever you can do to look into this matter would be greatly appreciated. I will not pay for these charges.

Very truly yours,

*Lisa B. Mobley*

Lisa B. Mobley

/lbm  
enclosures

A73



**Mr. & Mrs. Douglas L. Mobley  
905 - 64th Street South  
St. Petersburg, FL 33707**

**July 5, 1996**

**American TelNet Billing Servs.  
P.O. Box 790930  
San Antonio, TX 78279-0930**

**RE: Account Number (813) 347-0695  
Amount Disputed = \$52.42 plus tax  
Bill Date 5/4/96**

**Dear Customer Service Rep.:**

**I have received your reply in regards to the charges in dispute, which you state you will not issue credit. The facts are as follows:**

**On April 5, 1996 there was no-one at our residence at the time these calls were supposedly made from our phone. I have enclosed a copy of the charge slip from the Texas Cattle Company where my husband and I had dinner that evening. Reservations were for 6:30 pm and my son was brought to the baby-sitters home at approximately 6:10 pm. You will notice on the charge slip that we checked out of the restaurant at 8:04 pm. There are no other persons residing at this residence. If I need to get a sworn Affidavit from the sitter and the woman who served us at the restaurant that states we were indeed there at the time these calls were made, then I will do so. I will NOT pay these charges, which have somehow been placed on our phone bill.**

**I am fully aware of my responsibilities when it comes to paying my bills, but I am also aware of the fact, that as a consumer I have the right to dispute erroneous charges for a service we never utilized.**

**I have never had any problems with my phone for the last six years to warrant having to put a block on 900 lines until I received my May phone bill, at which time I spoke to Cindy at**

**A74**



American TelNet on May 13, 1996 and told her to do so. It seems most curious that in talking to Cindy that day, she stated she would check voice verification and conveniently for you, there was no record.

I say again, please deduct these charges from my phone bill. There are three residents of this household, none of which were home at the time these calls were supposedly made.

Sincerely,

  
Mrs. Lisa B. Mobley

/lbm

enclosure

cc: Federal Communications Service  
Public Utilities Commission  
Channel 10 CBS WTSP-TV

A75



April 22, 1996

To Whom it May Concern, at America Telnet;

On May 13, 1996 I spoke to "Cindy" regarding two charges dated April 5, 1996 to my phone totaling \$53.99 with tax. I stated that my husband, son and I were not at our residence that evening and it was an impossibility that those calls were dialed from this residence. It was my husband's birthday (Apr. 5<sup>th</sup>) and my son spent the night with a friend while my husband and I dined out. I have a credit card charge slip that will verify this. My husband spoke to "Marian" on May 14, 1996 and to "Dietlin@GTE" on the same day. I must say, both ladies spoken to at Amer. Telnet were very rude. Dietlin, at GTE explained some possibilities as to how the charges may have occurred, one being the fact that we have also a cellular phone. With today's technology I am not sure how this happened, but we are refusing to pay for calls never made by the only three residents of the household, let alone to such a service as "livetalk".



June 24, 1996

To Whom It May Concern at American TelNet:

I have received my June 4, 1996 bill date Telephone Bill from GTE and notice your charges for \$53.99 are still on this bill. As stated in my letter to you dated April 22, 1996, these calls were NOT made from my residence and therefore we refuse to pay for these charges.

Please advise your billing department to take these charges off my bill.

Sincerely,

*Mrs. Lisa B. Mobley*  
Mrs. Lisa B. Mobley

A77



June 24, 1996

To Whom It May Concern at American TelNet:

I have received my June 4, 1996 bill date Telephone Bill from GTE and notice your charges for \$53.99 are still on this bill. As stated in my letter to you dated April 22, 1996, these calls were NOI made from my residence and therefor we refuse to pay for these charges.

Please advise your billing department to take these charges off my bill.

Sincerely,

*Mrs. Lisa B. Mobley*  
Mrs. Lisa B. Mobley

A77



AMERICAN TELNET BILLING SERVICE  
PO Box 790730  
SAN ANTONIO TEXAS 78279-0730

20

DATE: 06/27/96

DOUGLAS HUBLEY  
ATTN: MRS HUBLEY  
900 64TH ST S  
GULFPORT FL 33707

RE: Account number (012) 347-0090

Amount disputed \$92.42 plus tax

Bill Date 05/04/96

Dear Customer:

In reference to the above account number, bill date, and disputed amount, AMERICAN TELNET BILLING SERVICE cannot issue credit due to the following:

As owner of your telephone, you are responsible for payment of all charges incurred by that telephone.

> all "legitimate" charges.

New Federal laws give owners of 900 lines the right to seek legal remedies for collection of 900 charges and to employ collection agencies to perform these functions. Please be advised that if payment is not made, all collection remedies allowed by law may be exercised.

A 900 block has been available from virtually all telephone companies for over 6 years. To avoid future charges to 900 calls you must obtain a block from your telephone company.

If you have any questions and/or comments relating to this inquiry and the subsequent results, please contact one of our Customer Service Representatives at 1-800-410-0007. Our business hours are Sunday through Friday, 8 a.m. to 6 p.m. Central Standard Time.

A78



# RECORD OF DISPUTE REGARDING AMERICAN TELNET

This is a log of calls and people spoken to regarding the \$53.99 charged to my telephone by American Telnet for two calls made to LIVERIA. There was no-one home at the time these calls were supposedly made. The calls showed up on my May, 1996 phone bill.

May 13, 1996

I called American Telnet and spoke to Cindy. (very rude) She stated those calls came from our phone and we were responsible for payment. She said they were dialed from our phone in the house. She checked voice verification and stated they did not have any recording for those calls. I didn't know what else to say, after having told her we were not home that night and therefore could not have made those calls. She said we were responsible for those calls. They put a block on 900 calls through American Telnet at that time.

May 14, 1996

My husband called Marlon at American Telnet. She told him the same thing, that we were responsible for the calls. He said we would not pay for calls we had not made. He then called OTS and spoke to Debbie. She told him to write a letter of refusal to pay and subtract the American Telnet charges off our bill.

May 22, 1996

I sent a check for \$37.43 to OTS for payment and enclosed a letter to American Telnet refusing to pay for their charges.

June 24, 1996

I called OTS to ask them if they sent my letter of refusal to American Telnet. Cindy said I was supposed to send it directly to them. She also put a block on OTS and ART 900 numbers for me and would send a memo of recourse through to American Telnet.

I then called American Telnet and spoke to Joseette. She said the only way they'd take the charges off were if OTS could get verification that we had cross wiring going on. She said it would go to collections if not paid. I then said if they



couldn't get verification then I guess my only recourse would be legal, which she then repeated to me, to get verification on cross wiring.

I called OTS again and spoke to Annette. She gave me the address to American TelNet so I could forward both letters I wrote and she told me the letter of recourse was submitted. She said there would not be a charge for repair to check the lines. She then transferred me to repairs.

I spoke to a woman (did not get her name) in repair and she said someone could stand in front of my house with a cordless and pull my dial tone to make these calls. I said I didn't know that, which I didn't. She then transferred me to someone else.

I spoke to John who mentioned the phonebox outside the house and wanted to know if I'd checked the seal to see if it was tampered with. I wasn't home at the time of this call (I was at work). When I spoke to John and explained the charges in question, he looked up my bill, found them and said, "Oh, I know what these are and you do too, don't you." I said, "No, I don't." He said, "They're phone sex calls, but you know that didn't you." I said, "No, I didn't." I was rather disgusted with the implications he was making light of. He should be reprimanded for his accusatory remarks. I told him what the woman I had just spoken to said about making a call from outside my home and picking up my dial tone. John said, "You know what the odds of that happening are?" "One in something?" I said, a hundred? He said, "One in a million," in his still jokingly, chuckling voice. He then said he would patch me through to customer care and explain the situation to whomever he got so I wouldn't have to go through the whole explanation AGAIN. He spoke to Sheila at Customer Care while I was also on the line. Before hanging up, John told me someone would be out to the house by 12:30 or thereabouts and I was to call repair back after 5:00 to find out if they found tampering. If they did not, I was to call American TelNet, tell them there wasn't any tampering found, and to be firm about not making payment for charges we did not make. If I didn't get satisfaction, then I should speak to a supervisor. If the supervisor refused to deduct these charges I should notify them that I will contact the Public Service Commission, Federal Communications Service and the Utilities Commission if I need to.

June 25, 1996

I called OTS and spoke to May who hooked me up to repair. I then spoke to Sharon who said they did not find any cross wiring or the lines were not crossed and they did not find any illegal tapping into the line. She stated that in order to find any cross wiring going on the call would have to be happening while they checked the line. What good was it to check the line at this point in time, if that was the case? They would have had to check the line the night the calls were made at the time the

ABD



calls were made. She told me I could have American TelNet call GTE and verify the conversation we had and she would explain to American TelNet what she had just explained to me, which was also, that someone could have a cordless phone outside my house and pick up my dial tone in which case the charge would go to my bill.

I called American TelNet and spoke to Denise. I was not getting any satisfaction with her and at this point requested to speak to her supervisor. She hooked me up with Kristina. She said she could not deduct the charges herself, but would submit this to their panel of investigators who then decide whether to deduct the charges or not. She told me I should have a reply within three to four working days. I also stated to her that she could call GTE to verify the discussion I had with Sharon so Sharon could explain what she spoke to me about. Kristina said it was not necessary.

June 28, 1996

I spoke to Sandra Guffie (sp?) at Channel 10 who was working on complaints from American TelNet apparently. I wanted to know what the news a few weeks, maybe a month ago, had said about some elderly people ending up with 900 charges they had not made. Apparently the company that charged the calls was in fact American TelNet. American TelNet even stated they had two numbers that were the brunt of there own investigation into the matter. The numbers on my phone bill were not either of the two in question though. Sandra had just gotten off the phone with American TelNet when I reached her. She also stated that they were very rude. When she had asked the woman if that was what she wanted her to quote, apparently she said she didn't care what Sandra did. Sandra was going to get back to me on July 1, 1996, but I did not hear from her. (I called Sandra and left a message on July 3, 1996 informing her of American TelNet's decision not to issue credit.)

July 1, 1996

I called American TelNet and spoke to Sherree. I wanted to know the outcome of the investigation as I hadn't received anything in the mail yet. She wanted to know who I'd spoken to. I told her Kristina. She had no record of my calling Kristina. I told her I talked to Denise before Kristina and I heard her say Denise apparently did not record that I was patched through to her supervisor. She said the letter I was awaiting should be received within five to ten working days, not four to five. She didn't know why Kristina had told me that. She found in her computer that something was mailed the 27th of June and I should probably have the reply by July 8th. I asked if she knew what the reply was and she did not know the contents of the letter, because it comes from a different department, one of which she could not transfer me to. She was basically saying she was

A01



customer service and it was her responsibility to handle the call.

July 3, 1996

I received American TelNet's investigative outcome. The answer of the letter states we are responsible for payment of the calls.

July 5, 1996

I wrote another letter (third one) of refusal to pay and sent it to American TelNet with copies to the Public Utilities Commission, Federal Communications Service and Channel 10 WTSP-TV. I called the Public Utilities Commission for an address and spoke to Doug who seemed aware of the number of complaints regarding American TelNet. He mentioned the possibility of an investigation.

A82



Texas Cattle Company  
We've Got Great Steaks!  
2600 34th Street North  
St. Petersburg, FL  
827-3335

Server: Barb  
08:04 PM  
Table 10/1

DOB: 04/05/75  
04/05/75  
2/24

Visa  
Card [REDACTED]  
Approval: 000000

33864485  
Exp: 04/08

Amount: \$1.70

+ Tip: 7.00

= Total: \$8.39

[Signature]

We checked out of the restaurant at 8:04 pm.  
How could we have made these calls at  
our home approximately 25 minutes away  
from the restaurant (at the time in  
question)? Oh - like to know!!

A83



AB4



158743

31 January 1997

Astrafite, Inc.  
4720 Oakes Road  
Boy K  
Davie, Florida 33314  
(954) 321-0000 fax 954-321-0001

Attention: Kate at the Public Service Commission

FOR YOUR INFORMATION

Thank you for throwing a little love on a rather annoying subject:

Following is a copy of the charges that arrived attached to my BellSouth bill.  
I am sending, as you suggested, a certified letter to those people on Monday, demanding that  
they remove this bill at once. Hey, I can ask...

With thanks, I am

Sincerely yours

Michelle M. Sedrish

PAGE 1 OF 2 PAGES

Addendum - Bell South says they do not  
have an address for this company.  
If you can get an address for them  
please send me that information.

AB5





ASTRALITE INC

Account Number: 934 321-8005 030 1800

Bill Period Date: Jan 18, 1997

158743  
Page 2

**For Int Telemedia Associates Inc. Billing Questions, Call 1 800 844-8889**

### Detailed Statement of Charges

#### Miscellaneous Charges and Credits

934 321-8439

Service Provider - DIRECT AMER. MARK.

Dom

	Amount
1. 01/06 MONTH FEE .....	9.95
Total Miscellaneous Charges and Credits .....	9.95

The above total does not include the following taxes:

Federal Tax .....	00.31
State/Local Tax .....	00.02
Florida Gross Receipts Surcharge .....	00.24

#### Taxes

##### Taxes on Unregulated Services

	Amount
2. Federal Tax .....	.31
3. State Tax .....	.72
4. Florida Gross Receipts Surcharge .....	.24
Total Taxes on Unregulated Services .....	1.27
Total Taxes .....	1.27

Supervisor - no way she's busy

PIC restriction - 444 is Frontier

10444 into -

Miss March

FCC - 1-888-222-5322

AB6

\*\* Unregulated Charge

This portion of your bill is provided as a service to Int Telemedia Associates Inc.  
There is no connection between BellSouth and Int Telemedia Associates Inc.



**BRENDA L. WALLACE**  
**209 E. Harrison Street, Tarpon Springs, Florida 34689**

**January 14, 1997**

**Integretel, Inc.**  
**6375 Spalding Drive**  
**Suite 3**  
**Norcross, Georgia 30092**

**Attn: Supervisor of Billing**

**Re: Billing for Branstock -**  
**Residential Telephone No. (813) 934-7865**

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**  
**FP 914-545-814**



**Dear Sir/Madam:**

In reviewing my December 1996 telephone, I noticed that a charge in the amount of \$45.00, plus taxes \$4.50, totalling \$49.50. On January 3, 1997, I spoke with Mr. Marcos Madina in regard to having this charge recredited to my account and that there be no future charges from Integretel, on behalf of Branstock. I did not give permission to nor authorized this transaction to take place. Therefore, I expect full and complete cooperation with your company to immediately refund to my account with GTZ, full and complete refund of this charge. Attached you will find a copy of that portion of my GTZ telephone bill. The only authorized long distance carrier for my telephone is AT&T.

I telephoned and was informed by GTZ that they had no control over these charges and that I would need to clear these charges through the carrier. I am following up by written communication to assure that the proper authorities would be informed. I was told Mr. Madina of Integretel, that an investigation would take place before credit would be considered and that results of that investigation would be issued within 7 to 10 working days. I have contacted GTZ, my local telephone company regarding this charge, herewith, notifying them that I have no intention of paying this charge, and by copy of this letter to GTZ, I give authorization to them for placement of a block on my telephone bill disallowing future obsessive occurrences to companies such as yourselves to appear on my telephone bill.

Thank you for your prompt attention to this matter. Please note that any future charges by your company is unauthorized and will not be paid.

**Sincerely,**

**Brenda L. Wallace**

**cc: Federal Communications Commission**  
**Public Service Communications**  
**GTZ Telephone Operations**

**A67**





TELEPHONE NUMBER 813 934-7845

Customer ID 940519

PAGE 7 OF 12

BILL DATE December 13, 1976

For billing  
inquiry call  
1 800 736-7300

**LONG DISTANCE CALLS**

Billing for Integretel

Monthly

Integretel, Inc. Non-Regulated Service

Billing for Broadcast Debt Card -

Non-Regulated Calls

6975 Spaulding Dr.  
Ste. J.  
Norcross, GA 30092

Miscellaneous Charges and Credits

Date	Description	Amount
Nov 11	Trans. Total	\$43.80
Total		\$43.80

Taxes and Fees on Integretel, Inc. Non-Regulated Service	Amount
1 Federal excise tax (1.00% of \$43.80)	\$1.35
2 City utility tax (7.00% of \$43.80)	3.15
Total	\$4.50

Integretel, Inc. non-regulated service charges	\$49.50
Total long distance/Integretel, Inc.	\$54.00

1/2/91 Notes Madia  
+ 2/10 writing Days

T-7

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA  
UNITED STATES OF AMERICA

A88



## STATE OF FLORIDA

Commissioners:  
 JULIA L. JOHNSON, CHAIRMAN  
 SUSAN F. CLARK  
 J. TERRY DEASON  
 JOE GARCIA  
 DAVID K. KIRKING



DIVISION OF COMMUNICATIONS  
 WALTER D'HABELEER  
 DIRECTOR  
 (904) 413-6600

## Public Service Commission

April 15, 1997

Mr. Scott Yacino  
 Pilgrim Telephone  
 PDQ Phone, INC.  
 1770 Massachusetts Avenue, Suite 300  
 Cambridge, Massachusetts 02140

Re: Robert Coe (904) 797-7796

Dear Mr. Yacino:

Attached is a copy of Mr. Coe's telephone bill reflecting charges last November for Pilgrim Telephone, Inc. Mr. Coe disputes these charges.

Our investigation has determined that the calls in question did not originate to 900 745-3453 as indicated by Pilgrim's bill. In support of this finding, attached is documentation from BellSouth that Mr. Coe's telephone service had 900 number blocking working at the time. In addition, a letter from MCI, the transport provider for 900 745-3453, documents that the calls described on Pilgrim's bill did not transit MCI's network. Under the circumstances, it would appear that Mr. Coe's account should be credited in full.

Please respond by May 15, 1997, and let me know what disposition will be made of the charges. Meanwhile, feel free to contact me if you have any questions.

Sincerely,

J. Alan Taylor, Chief  
 Bureau of Service Evaluation

Enclosures (3)

cc: Mr. Robert Coe  
 P. O. Box 3983  
 St. Augustine, Florida 32085-3983

A89



Mr. Scott Yacino  
Page 2  
April 15, 1997

BellSouth  
Kate Smith  
Paula Inter  
tms2684p

A90



**Fligim Telephone**

NR01

Account Number: 900 797-7796 140 0300

Bill Period Date: Dec 8, 1995

**MAY 17<sup>TH</sup> 1995 (Blow)**

**For Fligim Telephone, Inc. Billing Questions, Call 1 800 323-0800**

### **Detailed Statement of Charges**

**Itemized Call: 1/21/96 SATURDAY MARIA**

**Amount**

The following charge(s) is for information or services received through a 900 number. Call 1 800 323-0800 with questions or billing error claims about your 900 Service charges. Oral notification is sufficient to begin a review of these charges. Payment of disputed 900 Service charges is not required while these charges are under review. Nonpayment of 900 Service charges will not result in disconnection of your local or long distance telephone service, but access to 900 numbers may be blocked for nonpayment of legitimate charges. Collection of unpaid 900 Service charges may be pursued by the Interexchange Carrier or Information Provider through an independent collection action. You may avoid the blocking of 900 Service by calling BellSouth.

Row	Service Type	Number Called	Area	Time	Rate	Amount
1. 11/17	SATELINE	900 745-3453	AZ	05:45PM	0	26.91
2. 11/18	SATELINE	900 745-3453	AD	10:00AM	3	14.99
3. 11/18	SATELINE	900 745-3453	AD	10:10AM	62	124.00
4. 11/19	SATELINE	900 745-3453	AD	11:51AM	41	122.99
5. 11/19	SATELINE	900 745-3453	AD	12:34PM	41	122.99
6. 11/19	SATELINE	900 745-3453	AD	01:13PM	41	122.99
7. 11/19	SATELINE	900 745-3453	AD	01:24PM	22	112.62
Total Pay For Call 900 Nonregulated Charges .....						647.25
Total Itemized Calls .....						647.25

### **Taxes**

**Amount**

#### **Taxes on Unregulated Services**

8. Federal Tax .....	19.42
Total Taxes on Unregulated Services .....	19.42
Total Taxes .....	19.42

**TOTAL \$806.67**

\* Taxes and Rates Applied - See Back of First Page  
\*\* Unregulated Charge

AT 0300403

(continued)

TOTAL P. 02

A91



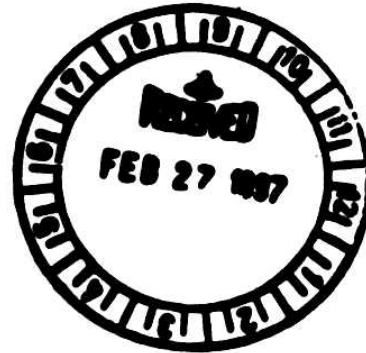


BellSouth Telecommunications, Inc.    Fax 904 222-0240  
 Suite 400    904 222-1201  
 100 South Monroe Street  
 Tallahassee, Florida 32301

Henry H. Sims  
 Director - Regulatory Relations

February 26, 1997

Mr. J. Alan Taylor, Chief  
 Bureau of Service Evaluation  
 Florida Public Service Commission  
 2540 Shumard Oak Boulevard  
 Gerald L. Gunter Building, Room 270  
 Tallahassee, Florida 32309-0850



Dear Mr. Taylor:

RE: Complaint of Robert Coe

In response to your letter of February 10, 1997, below are the answers to your questions.

1. With respect to the charges on behalf of Pilgrim Telephone to (800)745-3453 dated November 17, 18, and 19, was a 900 block in place and properly functioning on Mr. Coe's number? If a 900 block was in place, please explain any failure of BellSouth's blocking service during the time in question.

Yes, a block was in place and properly functioning on Mr. Coe's number. There was no failure of BellSouth's blocking service during the time in question.

2. If a 900 block was in place and properly functioning, can BellSouth suggest any way anyone could have completed a call dialed (800)745-3453 from (904)797-7786.

The calls could have been placed by using a 1-800 access telephone number.

3. Does BellSouth's billing system include the capability to block bills for 900 services where subscribers affirmatively block calls to 900 services?

BellSouth's billing does not include the capability to block bills for 900 services where subscribers block 900 calls.

A92



February 26, 1997  
Mr. J Alan Taylor  
Page 2

4. If 800 blocking was in place, it would appear that the charges at issue have been masked, perhaps actually originating, if at all, as calls to an 800 number. Please explain why BellSouth will not remove such unauthorized calls from Mr. Coe's bill.

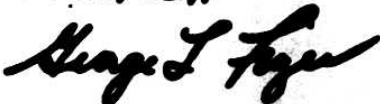
BellSouth did recurese the disputed charges to the carrier.

5. If BellSouth is aware of any information concerning this matter that documents that these charges are valid, instead of a complete fraud against Mr. Coe on behalf of the information provider, please provide details. Please also indicate whether BellSouth has initiated any action at any time to address masked or fraudulent bills on behalf of Pilgrim; and if so, describe the outcome and whether additional review is warranted.

BellSouth is in the process of gathering additional information to determine whether a contract violation has occurred with this carrier. Once this information has been obtained, BellSouth will address the matter with Pilgrim.

If you need additional information, please advise.

Yours very truly,



*for* Director - Regulatory Relations

A93



APR. 1. 1997 2:23PM CARRIER &amp; REGULATORY

MCI Telecommunications  
CorporationLaw & Public Policy  
700 Johnson Ferry Road  
Suite 700  
Atlanta, GA 30305  
404 545 6262  
FAX 404 250 2000

April 1, 1997

J. Alan Taylor  
Chief  
Bureau of Service Evaluation  
Florida Public Service Commission  
Capital Circle Office Center  
2540 Shaward Oak Boulevard  
Tallahassee, Florida 32309-0000

Re: letter dated February 10, 1997 pertaining to the complaint filed by Robert Cox 904-797-7796.

Dear Mr. Taylor,

This letter is in response to your above referenced letter inquiring about the 900 charges billed to 904-797-7796 belonging to Mr. Cox. The number in question is 900-745-3453.

**Commission Question:**

BellSouth indicates a 900 block was in place for this subscriber during November. Therefore, since one could conclude that the billing on behalf of Flgin is marked and/or fraudulent, please advise whether MCI has any record of this call in its telephony records or billing records for services provided to Flgin. If MCI has a record of the call (date & time reflected on bill), please advise whether the call originated as an 800, 900 or some other type access call.

**MCI Response:**

We researched our billing records for 900-745-3453 and found no call records that would indicate the calls on November 11, 18 and 19 were originated and transmitted over the MCI network. As part of our investigation we asked a member of the MCI account team that is responsible for the Flgin Telephone account to contact our customer to discuss the calls in question. MCI's representative spoke with Scott Yano of Flgin Telephone. Mr. Yano informed us that Flgin Telephone provides a multitude of access methods other than 900 origination that allows customers to reach their 900 platform. Mr. Yano indicated that extensive research would have to be completed on the calls billed to Mr. Cox in order to determine what method was used to access the 900 platform for the Sunshine service. MCI feels that Flgin Telephone is in the best position to answer the Commission's questions regarding the calls billed to Mr. Cox's account. Scott Yano can be reached at 617-225-7000 mailing address is the same as that below.

A94



J. Alan Taylor  
April 1, 1997  
Page 2 of 2

**Commission Question:**

Please identify MCI's customer, including contact name and mailing address, and indicate what services are/were provided (teleshopping/telemarketing/other) in connection with MCI's processing of calls to 900-746-3453.

**MCI Response:**

MCI sent the call detail information for 900-746-3453 to the responsible sponsor on record:

FDQ Films INC.

1770 Massachusetts Ave. Suite 300

Cambridge MA 02140 Customer Service Number 617-877-8000

MCI does not bill and collect for the above mentioned 900 number since it is an Adult Entertainment service. The sponsor of record was a third party to bill and collect and in such cases MCI only provides network transport. The 900 exchange involved is assigned exclusively to MCI and when calls originate using the 900 number, the calls are transported over MCI's network.

Thank you for your patience during this investigation. I apologize that we were unable to provide you with more detail on the calls in question. Please do not hesitate to contact me with any questions or concerns regarding this matter. I can be reached at 800-625-6006.

Very truly yours,

*Sandra Gray*  
Sandra Gray  
Regional Support Manager

cc: Mr. Richard D. Mahan

A95



From: Bob Casey  
To: Alan Taylor  
Subject: fwd: I read this Chicago

-----  
NOTE-----7/31/97-12:32pm-----  
I read this Chicago Tribune article on the internet  
and thought you would be interested in it...

**AMERITECH TRULY A SILENT PARTNER IN PAY-PER-CALL  
SCAMS**

07/29/1997

Eric Zorn

The system in which local phone companies include pay-per-call and other non-traditional charges in their monthly statements is "more open to fraud than any billing system in the world," said Alan Taylor, chief of service evaluation for the Florida Public Service Commission.

"Anybody, almost anywhere at any time, can generate a charge through this billing system," said Taylor in testimony last month before a Federal Trade Commission panel exploring new wrinkles in phone fraud.

The following week, in testimony before a Federal Communications Commission panel conducting similar hearings, he asked, "What other billing system regularly publishes the majority of its account numbers along with names and addresses? What other billing system will bill charges from around the world based on only a 10-digit number, and cut off your service if you don't pay . . . ?"

The hearings arose from an increasing number of complaints from consumers about puzzling or bogus items on phone bills and explored proposed amendments to the Telephone Disclosure and Dispute Resolution Act.

That 1992 law, prompted in large part by confusion and anger over 900-number charges imposed by the generally infamous providers of telephone entertainment and "information," required among other things a free, up-front disclosure of charges. The reforms caused a dramatic drop in 900-number complaints--from 20,000 in 1991 at one major carrier to 200 in 1996--and drove devious entrepreneurs into new territory.

The favorite scams now, according to testimony, involve tempting customers to dial international calls--some of which are disguised with domestic-style area codes--that are billed at obscene rates, and using toll-free, 800 numbers as gateways into pay calls or monthly subscription packages.

What makes them particularly insidious is that the charges then appear, sometimes in disguise, on a bill payable to the very company that maintains and controls the customer's vital link to the outside world.



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What makes them particularly insidious is that the charges then appear, sometimes in disguise, on a bill payable to the very company that maintains and controls the customer's vital link to the outside world.



"I think that there is more than just convenience for the companies involved" in this billing arrangement, testified Susan Grant, director of the Fraud Information Center of the National Consumers League.

"People are more likely to pay unexpected charges when they fear that their phone service will be cut off if they don't," Grant amplified in a later interview. "The information providers darn well realize that."

The local-exchange companies, as they are called in the industry, no doubt realize it as well and are glad it's a selling point for them.

Call, say, Ameritech, to complain about a mystery charge and representatives will helplessly deny knowledge or involvement. But the LECs are directly involved, making money by serving as an intermediary for at least one layer of business between the caller and the actual supplier of the psychic reading, lewd discourse or whatever.

Officials with the pay-per-call industry testified that if providers could not bill through LECs, per-call charges would have to go way up, smaller providers would go out of business and the overall effect would be "anti-consumer."

Industry lobbyists at the hearings contended it's too easy for savvy customers to elude legitimate charges, and that some 20 percent of the total billing on the more than 100 million such calls that are now placed a year aren't collected because LECs too easily believe and forgive customers who claim not to have authorized the calls.

Among the proposed rule changes I'd endorse: Require all bills to state explicitly the nature of the services provided, the time and date of the alleged calls and how to contact the actual service provider.

Another: Require all 800-number-based subscription services, such as the one for which I was falsely billed (see Monday's column), to submit signed customer authorizations before billing begins and 00 services to demand validating PIN numbers to authenticate calls and prevent abuse.

Or best of all: Make the pay-per-call industry send out and collect bills independent of a vital utility. If it's anti-consumer to have the charges reflect the cost of doing business on the square, so be it. My psychic powers tell me that the world will not be a worse place for it.

-----  
MORE ON THE INTERNET: : Peek over my shoulder into the mailbag at [chicago.tribune.com/zorn/](http://chicago.tribune.com/zorn/) where the heaviest dialogues are on what Christianity does and doesn't say about the death penalty. Also link to transcripts of the FCC and FTC hearings on the pay-per-call industry and related sites.



# SUNDAY Sun-Sentinel

SOUTH FLORIDA • NOVEMBER 9, 1997

Exhibit JAT - 8 (Page 3 of 4)

## Phone bill could be your next nightmare

Consumers charged  
for calls not made

By PATRICIA MORRIS  
Staff Writer

When Robert La Forest opened his phone bill, he knew something was wrong. At \$22.25, it was too high.

He flipped through the bill. BellSouth, \$12.10. About right, he thought. AT&T, \$7.00. That's OK.

Then the retired grocery deliverer came to the last page: a \$22.25 charge for a 1-800 number?

"Why would I want to pay for other people to call me?" he said.

So La Forest, 68, called the company. He told the company he had a signed letter from him. "I never sent a letter," he said. "I told them I'm not paying."

Others are discovering similarly strange charges on their phone bills. Debt cards they didn't authorize. Pay-per-call charges when they called 800 numbers. International calls. Internet purchases. Movie-line fees. Collect calls and charges for calling cards or voice mail they didn't sign up for.

It adds up to the latest consumer nightmare: Unauthorized, deceptive or fraudulent charges that show up on phone bills, sometimes for hundreds of dollars.

The charges aren't easy to cross. Often people pay the bills because they are afraid of losing their phone service. Disputing charges can mean endless calls and time on hold. Some people face warnings that their phone service will be shut off or their credit ratings damaged.

La Forest was fortunate. He got rid of his 800 number and the charge. Then a few months later he got another surprise: He was billed \$12.25 for a service he knows he didn't order.

PLEASE SEE FRAMES / 5A

## g elderly

surviving home. One morning, he pushed her in her wheelchair to the parking lot, pulled a shotgun out of his car and shot her in the head at close range. Then he turned the gun on himself.

Was this an act of love? No, I think it was an act of him being afraid and depressed and not



# Telephone customers are billed for calls never made

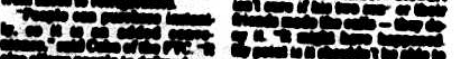
## WHAT TO DO

### Networks and Protocols

A page from a GTE bill shows David Hudson's mother, Ed, was charged \$25.00 for a series of overcalls with the cover code. Hudson complained to Florida Telephone, the company that billed his mother. Florida insisted that Hudson had to pay. The company said it might end the charges "to a third party which specializes in collecting debts." With assistance from the Florida Public Service Commission and GTE, Hudson eventually prevailed.

① National Fund Information  
 1-800-775-7229  
 Washington, D.C. 20005

Since the mid-1980s, many new services and companies have



**TV you can block without pay-**  
**ment on your TV with a V.**

**ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED**

"What about the people who can't help themselves, who don't know how to attack a situation like this?" he asked. "What can they do?"

Staff member Barbara Ho  
contributed to this report

$\mathcal{H} = \mathcal{H}_1 \oplus \mathcal{H}_2$  and  $\mathcal{H}_1 = \mathcal{H}_2 = \mathcal{H}$  if and only if  $\mathcal{H} = \{0\}$ .



Mr. Allan Taylor:

.... as to my ph. call - concerning  
- phone scams - voice cards - etc...  
... billing using GTE etc...  
... enc. information. ...

★ I am still interested in a legal  
action by ~~me~~ myself against GTE....  
... I had a contract with GTE for billing..  
- not to take on 3rd party Fake charges?

---

Thanks

Ron Leppke  
6009 Courtside Dr. W.  
Bradenton, Fl. 34210  
941-739-5010

RECEIVED

NOV 20 1997

CMU



-1-

Sept 17, 1997

To:

Authority that can investigate fraud and banking theft to Customers by, GTE, phone CO.

Re: GTE puts charges on bill for Voice card (\$46.35) - without any consent or awareness of its customer... then takes payment out of customers checking acct...

The Players }  


New World Telecom (False Voice card)  


USP&C (bills GTE)  


GTE (places customers charges - knowing charges are false)

...takes it out of checking acct of customer.. who has direct billing...  
 ... then refuses to correct problem...



- 2 -

..... I wish your agency, or myself to push for legal action against GTE - they gave me the most grief & lies and told me I would have more charges if I pursued any of this ...

..... Synopsis of a two hr. taped conversation (GTE)... below ...

GTE → refuses to tell me they will take the bogus "voice card" off \$46.53...

..... Says they will consider it over the next two months... Since I have my phone bill pd directly out of my checking acct.. it is gone ...

... GTE told me they are non-regulated and can do what they want ...



- 3 -

... I asked GTE - how could charges get on without the knowledge of customer.. they told me to talk to USP&C...

USP&C → .... offered no proof I ever ordered voice card - one person I talked to said it was all bogus & GTE & USP&C work out a fee splitting deal to see if customer lets charges stay on GTE's bill? .....

Newworld Telecom → .... only taped message...

..... GTE is the problem - Please go after them ... Next pgs have what ever I found in a 2 hr. Conversation ... the people, the lies...



- 4 -

→ Taped Recording -  
New World Telecom → 913-338-9523

USP & C → 1-800-449-1054

\* Ann Lewis → Pretends to call GTE to help - then says it's their fault  
\* Shane → refused for 1 hr to give me New World ph. No.

GTE → 1-800-483-3200 ph. No.

↓  
\* Charges <sup>bogus</sup> are put on same day...  
... try getting them off...  
... it takes months...  
\* Mrs. Stock → arrogant & lies  
\* Patrick → tells me it's my fault  
1-800-510-9848 for having GTE take bill out of my checking acct?  
\* Mrs. Spivey → Says GTE is non-regulated and does not have to have any customer approval for items billed to their phone service..?

F.C.C. → 1-888-225-5322

... Says FL. is like that.. all types of ph. scams reported... Says GTE is involved...

mail  
Response  
to →

Ron Leppke  
6009 Courtside Dr. W.  
Bradenton, FL 34210

Thanks, Ronald  
Leppke



GTE

-5-

★

Ron Leppke

TELEPHONE NUMBER 941 739-5010

Customer ID 970530

BILL DATE

September 4, 1997

USP&C  
inquiries call  
1-800-449-1054

LONG DISTANCE CALLS

Billing for USP&C

USP&C Non-Regulated Service

Billing for New World Telecom

Non-Regulated Calls

Miscellaneous Charges and Credits  
Date Description Amount

Charges and Credits for 941 739-5010  
Aug 17 Voice Card \$45.00  
Total \$45.00

Taxes and Fees on USP&C Non-Regulated Services  
Federal excise tax (3.00% of \$45.00) \$1.35  
Total \$1.35

USP&C non-regulated service charges \$46.35

Total long distance/USP&C \$46.35

USP  
pink release

Representative  
New World  
F.C.C.

220  
2605

G.T.E. → 45.00  
8-26 → ★ → 9-15-90  
Margaret

\*patrick  
1-800-510-9848

\*Mrs. Stolt  
GTE  
1-800-483-3200

\*Mrs. Spivak  
1-800-510-9848

Ann Lewis → USPC

F.C.C.  
1-888-225-5322



- 7 -

New charges

**GTE**

TELEPHONE NUMBER 941 739-3010

Customer ID 970530

PAGE 5 OF 6

BILL DATE November 4, 1997

For billing  
questions call  
1 800 866-8889

**LONG DISTANCE CALLS**

Billing for ITA

**ITA**

ITA Non-Regulated Service

Billing for Psychic Encounters

Non-Regulated Calls

Miscellaneous Charges and Credits

Date	Description	Amount
Charges and Credits for 941 739-3010		
1 Oct 14	Psychic Service	\$ 9.95
Total		\$ 9.95

Taxes and Fees on ITA Non-Regulated Services

	Amount
2 Federal excise tax (3.00% of \$9.95)	\$ .30
Total	\$ .30

ITA non-regulated service charges

\$ 10.25

Total long distance/ITA

\$ 10.25

T- 5

13 4314 9417393010 970530 04 07 FL311\*WBRDA1

0000000 070000000000



**MAIDA, GALLOWAY & NEAL, P.A.**

ATTORNEYS AT LAW  
300 EAST PARK AVENUE  
P.O. BOX 1819  
TALLAHASSEE, FLORIDA 32302  
TELEPHONE (904) 234-3393 FAX (904) 234-3101

October 17, 1997

RECEIVED

OC.

CMU

Mr. Alan Taylor  
Division of Communications  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Re: Mirage Marketing - Olympic Telecom, Inc.

Dear Mr. Taylor:

Please find enclosed a copy of a letter we recently received from Mirage Marketing requesting payment for pay-per-call charges which had been removed from our telephone statement. Also enclosed is the copy of the Olympic Telecommunications' statement received with our monthly telephone bill.

The two calls in dispute were placed at 3:20 a.m. and 3:47 a.m. on August 13, 1997 and August 15, 1997, respectively. Neither the attorneys or secretarial staff were present in the office at these times. Our cleaning crew does not arrive until 5:30 a.m. each morning. We are unaware of anyone being in the office on these dates at those times.

We would appreciate any assistance you can provide in resolving this matter.

Sincerely yours,



Clyde W. Galloway, Jr.

/vrm  
Enc.



**MAIDA, GALLOWAY & NEAL, P.A.**

ATTORNEYS AT LAW  
300 EAST PARK AVENUE  
P.O. BOX 1819  
TALLAHASSEE, FLORIDA 32302  
TELEPHONE (904) 234-3000 FAX (904) 234-3101

October 17, 1997

RECORDED

OC.

CMU

Mr. Alan Taylor  
Division of Communications  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

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Sincerely yours,



Clyde W. Galloway, Jr.

/vrm  
Enc.



# MIRAGE

Exhibit JAT - 10 (Page 2 of 16)

117 East Louisa Street  
Suite 349  
Seattle, WA 98102  
800.919.5000

October 10, 1997

MAIDA GALLOWAY & NEAL  
300 E PARK AVE  
TALLAHASSEE FL 32301

123899

RE: Account Number # 123899  
4-224-0489

BALANCE OWING: \$31.98

Dear MAIDA GALLOWAY & NEAL

The balance due represents the principal amount of pay-per-call (i.e. "900" calls) charges that have been adjusted off your local phone bill. Your account has been referred to our Collections Department. We have a legal right to recover this debt directly (per section 308.7 FTC Trade Regulation Rule pursuant to TDDRA dated November 1, 1993).

Payment is due within 10 days of the date of this letter. If for some reason you decide not to pay this debt we may forward this account to a collection agency or our attorney for further action. Hopefully you will see the wisdom of paying this debt and no further action will be necessary. Inquiries can be directed to the phone number listed above.

MAKE YOUR CHECK OR MONEY ORDER PAYABLE TO:

MIRAGE MARKETING, INC  
117 E LOUISA ST SUITE 349  
SEATTLE, WA 98102

WE ACCEPT VISA AND MASTERCARD PAYMENTS AT 800-919-5000.

Sincerely,  
EVA BROWN EXT. 363  
Collections Department

847-0244





OLYMPIC TELECOM. INC.

 PAGE 9  
 850-224-3555 (555)  
 SEPTEMBER 07, 1997

FOR BILLING INQUIRIES CALL 1-850-224-0484

## SUMMARY OF CURRENT CHARGES

NON BASIC TOLL CHARGES  
TAXESSEE DETAIL  
SEE DETAIL31.92  
4.10**TOTAL CURRENT CHARGES****36.02**

## NON BASIC TOLL CHARGES

REF	DATE	TIME	PLACE CALLED	NUMBER CALLED	FROM PLACE	FROM NUMBER	CODE	MIN	AMOUNT
BILLED ON BEHALF OF OLYMPIC TELECOM. INC.									
1	AUG 15	05:29:31am	TALK LINE	900-455-7177			AD	4.0	15.96
2	AUG 15	05:47:16am	TALK LINE	900-455-7177			AD	4.0	15.96
SUBTOTAL									31.92
SUBTOTAL FOR 850-224-0489									31.92
TOTAL FOR NON BASIC TOLL CHARGES									31.92

\*\*\*Rate Codes for Interstate and Intrastate Long Distance Calls

Customer	Dial	Charge	Service	Charge	Custom	Feature
A = Automatic Number	D = Day	N = Night	C = Calling Card	P = Person	X = Conference	
Identification (ANI)	E = Evening	T = Discount	P = Person	X = Conference		
M = Multiple Rate Period	N = Night/Weekend	Y = Economy	S = Station			

C = When this symbol appears in the left margin, it indicates credit has been applied and the toll call is being billed at the reduced rate.

R = When this symbol appears in the left margin, it indicates a toll call has been billed to your account after being investigated by a toll investigation group.

## DETAIL OF TAXES

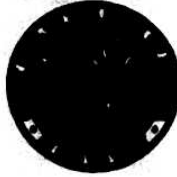
FEDERAL TAX  
STATE TAX  
OLYMPIC TELECOMMUNICATIONS, INC..98  
2.30  
.62**TOTAL TAX****4.10**

CONTINUED ON BACK OF THIS PAGE THANK YOU FOR YOUR PROMPT PAYMENT



## STATE OF FLORIDA

Commissioners:  
 JULIA L. JOHNSON, CHAIRMAN  
 J. TERRY DEASON  
 SUSAN F. CLARK  
 DIANE K. KEELING  
 JOE GARCIA



DIVISION OF COMMUNICATIONS  
 WALTER D'HAESLEER  
 DIRECTOR  
 (850) 413-6600

## Public Service Commission

October 27, 1997

Ms. Eva Brown  
 Mirage Marketing, Inc.  
 117 East Louisa Street, Suite 349  
 Seattle, Washington 98102

Re: Account No. 123899 (904) or (850) 224-8489

Dear Ms. Brown:

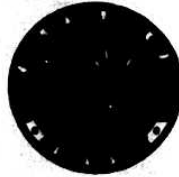
The attached collection letter has recently come to my attention. The purpose of this letter is to respond on behalf of the telephone subscriber, and pursuant to Section 308.7(a)(2)(ii) of the Trade Regulation Rule Pursuant to the Telephone Disclosure and Dispute Resolution Act of 1992 to request additional clarification, including documentary evidence thereof.

The charges involved appear to be fraudulent; no one had authorized access to the telephones in the workplace involved during the timeframe referenced for the charges. This raises the issue of whether the charges actually are attributable to calls to 900 435-7177. Therefore, please provide documentary evidence to me, in the form of the calls' transport provider, MCI's, billing statement to Mirage which reflects the subject calls. Also provide documentation that Mirage made adequate disclosures, pursuant to Section 308.3 in its print and/or television and radio ads for the service involved. Include with this information the information received by the caller. Meanwhile, pursuant to Section 308.7(d)(2)(ii), until this documentary evidence is provided, Mirage appears to be prohibited by Section 308.7(g) from recovering the debt in question. Please therefore adjust your records accordingly.



## STATE OF FLORIDA

Commissioners:  
 JULIA L. JOHNSON, CHAIRMAN  
 J. TERRY DEASON  
 SUSAN F. CLARK  
 DIANE K. KIRLING  
 JOE GARCIA



DIVISION OF COMMUNICATIONS  
 WALTER D'HASSELEER  
 DIRECTOR  
 (850) 413-6600

## Public Service Commission

October 27, 1997

Ms. Eva Brown  
 Mirage Marketing, Inc.  
 117 East Louisa Street, Suite 349  
 Seattle, Washington 98102

Re: Account No. 123899 (904) or (850) 224-8489

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Ms. Eva Brown  
Page 2  
October 27, 1997

Feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Alan Taylor", with a long horizontal flourish extending to the right.

J. Alan Taylor, Chief  
Bureau of Service Evaluation

Enclosures (2)

cc: Mr. Clyde W. Galloway, Jr.  
P. O. Box 1819  
Tallahassee, Florida 32302  
tma3351



# MIRAGE MARKETING

2722 Eastlake Avenue East, Suite 200, Seattle, Washington 98102  
Telephone 206-885-8910 Fax 206-885-8885

November 11, 1997

Mr. J. Alan Taylor  
Bureau of Service Evaluation  
State of Florida  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED

NOV 17 1997

RE: Account No. 123000 (904) or (888) 224-0400

CMU

Dear Mr. Taylor,

I received your letter of October 27, 1997 regarding the above listed account. In your letter you state that "the charges involved appear to be fraudulent". I would like to take this opportunity to prove the contrary to you.

The 900# that the end-user called (900.435.7177) is one that is only advertised via a "tag" from another number. In this case, the other number is 800.230.5483 (see upper right hand corner of attached ad sheet from Penthouse magazine). I have also attached copies of our transport invoice from MCI. As you can see the calls in question are clearly listed on MCI's invoice also. The only difference is that we round up to the next whole minute. Also, since we don't know what time it is where the call originated, we bill our traffic with a connect time that represents Pacific Standard Time.

This investigation did reveal an error in our billing system however. This particular program should not have started billing until the two-minute free period had lapsed. From the end-users bill, I can see this didn't happen properly. The amount due should have been \$15.96, not \$31.92. I will make this change in the end-users account. I have also instructed our billing system programmer to isolate and correct this problem. Most likely this 900# did not get loaded into the two minute free program option.

I believe I have provided you all the information you requested. If not, please contact me. I will in the meantime assume that this account is still under "active" status in our collection system.

Sincerely,



Don M. Reese  
Director of Billing Services

Cc: Ms. Eve Brown, Collection Department

Mr. Clyde W. Galloway, Jr.  
P. O. Box 1819  
Tallahassee, FL 32302



1-900 246 2 CUM

1 900 246 1 A.S.S

1-900 246 51111

Get off with 2 wet sluts

**011-592-595-273**

**011-592-595-316**

*Live Uncensored Fantasy*

**011-592-595-760**

**TOTALLY NAUGHTY SLUTS**

**1-800-555-5564**

*Dirty Secrets???*

**1-800-401-8900**



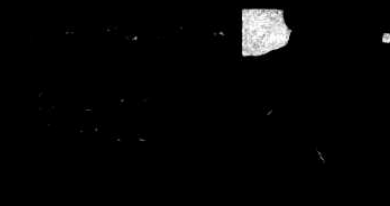
IT'S ALL  
ABOUT

WORLD  
GREATEST  
COCK  
SUCTION

**Uncensored Erotica**  
**011-592-595-422**

*Live group Sex!!!*

**Now Job Heaven!!!**  
**011-592-595-178**



**EXPERIENCE THE EXPERIENCE**  
**HOT LIVE GROUP SEX!**

**1 800 606 FUCK**

**NO CENSOR! HARD PUNTER**  
**UNCENSORED AND TALKER**

**1-800-317-LIVE**

1-800-317-466

**LIVE SEX!**

talk to hot  
naughty girls  
**LIVE**

**24 hours a day**  
**011-592-247-999**

**ASK CALL NOW LIVE CALL NOW**  
**UNCENSORED FETISHES**

**FUCK MY JUICY TWAT**

**011-592-247-922**

**TOTALLY UNCENSORED**  
**BLOW JOBS • BLOW JOBS**

**ORAL SEX**

**011 592 599 664**

**Uncensored Fantasy**  
**011-592-595-760**

**1-800-230-LIVE**

**FREE**

1-800-230-1111



**011-592-599-515**

**011-592-599-660**

**011-592-595-471**

**011 592 599 107**



MCI TELECOMMUNICATIONS CORPORATION  
900 SERVICES BILLING FOR AUG. 1997  
CALL DETAIL BY DATE/TIME

DIV: 40

PAGE:

298

U S NETWORK/TNI;BLDG. 1460  
90094592  
900-435-7177

CALL DATE	CONNECT TIME	CALLER NUMBER	DURATION	USAGE	CALL DATE	CONNECT TIME	CALLER NUMBER	DURATION	USAGE
*08/11/97	20:44:50	219-244-4914	.1	\$0.00	*08/13/97	01:36:02	919-528-2201	1.9	\$0.01
*08/11/97	20:45:10	219-244-4914	2.1	\$0.01	*08/13/97	01:38:14	919-528-2201	1.8	\$0.01
*08/11/97	20:50:58	219-244-4914	1.0	\$0.01	*08/13/97	01:40:09	919-528-2201	2.0	\$0.01
*08/11/97	21:28:42	814-236-0670	1.8	\$0.01	*08/13/97	02:26:27	201-631-2161	3.3	\$0.01
*08/11/97	21:53:01	717-477-8661	12.9	\$0.01	*08/13/97	03:00:21	919-528-2201	2.0	\$0.01
*08/11/97	23:09:13	248-844-0126	.9	\$0.01	*08/13/97	03:02:44	919-528-2201	1.3	\$0.01
*08/11/97	23:20:34	815-636-9410	3.6	\$0.01	*08/13/97	03:04:07	919-528-2201	2.0	\$0.01
*08/11/97	23:33:53	914-961-8837	1.2	\$0.01	*08/13/97	03:06:19	919-528-2201	1.9	\$0.01
*08/12/97	01:25:19	919-528-2201	1.9	\$0.01	*08/13/97	03:08:51	919-528-2201	1.8	\$0.01
*08/12/97	01:28:11	919-528-2201	2.1	\$0.01	*08/13/97	03:16:08	890-224-0489	3.4	\$0.01
*08/12/97	01:31:34	919-528-2201	3.4	\$0.01	*08/13/97	03:41:41	410-745-5367	4.8	\$0.01
*08/12/97	01:52:31	815-236-4610	.4	\$0.00	*08/13/97	03:57:09	919-528-2201	1.9	\$0.01
*08/12/97	02:33:34	717-645-4983	2.0	\$0.01	*08/13/97	03:58:50	410-745-5367	2.7	\$0.01
*08/12/97	02:36:10	717-645-4983	2.4	\$0.01	*08/13/97	11:33:03	508-338-0080	4.4	\$0.01
*08/12/97	04:00:59	423-282-0120	18.4	\$0.01	*08/13/97	12:04:15	508-228-6666	8.2	\$0.01
*08/12/97	04:39:36	717-645-4983	.2	\$0.00	*08/13/97	12:30:00	412-779-4319	.8	\$0.01
*08/12/97	11:35:04	717-645-4983	1.2	\$0.01	*08/13/97	12:52:34	412-779-4319	1.1	\$0.01
*08/12/97	11:43:40	704-841-8230	2.4	\$0.01	*08/13/97	13:30:41	218-628-1085	2.4	\$0.01
*08/12/97	11:50:21	816-436-6873	1.8	\$0.01	*08/13/97	18:35:56	870-773-6620	.1	\$0.00
*08/12/97	13:05:10	308-235-9072	1.0	\$0.01	*08/13/97	19:26:01	940-383-1821	.6	\$0.01
*08/12/97	14:46:53	908-839-0885	.1	\$0.00	*08/13/97	20:58:55	610-982-9861	2.2	\$0.01
*08/12/97	15:12:00	913-238-7308	3.0	\$0.01	*08/13/97	22:04:31	201-612-4445	1.1	\$0.01
*08/12/97	16:17:49	919-528-2201	1.4	\$0.01	*08/14/97	00:19:24	616-667-1305	.9	\$0.01
*08/12/97	16:19:50	919-528-2201	2.0	\$0.01	*08/14/97	00:21:56	919-528-2201	2.0	\$0.01
*08/12/97	16:22:10	919-528-2201	1.9	\$0.01	*08/14/97	00:24:15	919-528-2201	1.8	\$0.01
*08/12/97	17:14:17	502-496-4162	1.7	\$0.01	*08/14/97	00:26:25	919-528-2201	1.9	\$0.01
*08/12/97	17:16:14	502-496-4162	.4	\$0.00	*08/14/97	00:28:26	919-528-2201	1.9	\$0.01
*08/12/97	18:32:30	717-263-5204	1.9	\$0.01	*08/14/97	00:30:34	919-528-2201	.4	\$0.00
*08/12/97	19:37:47	254-680-2682	.9	\$0.01	*08/14/97	03:26:53	617-686-4389	20.1	\$0.01
*08/12/97	23:12:07	816-452-7291	1.3	\$0.01	*08/14/97	04:07:38	918-489-7688	9.9	\$0.01
*08/12/97	23:24:04	914-961-8837	1.4	\$0.01	*08/14/97	09:06:26	919-528-2201	1.6	\$0.01
*08/12/97	23:26:39	914-961-8837	1.6	\$0.01	*08/14/97	11:47:48	919-528-2201	2.5	\$0.01
*08/13/97	00:15:57	765-397-7724	.8	\$0.01	*08/14/97	12:08:01	281-579-0622	.1	\$0.00
*08/13/97	00:52:34	919-528-2201	2.0	\$0.01	*08/14/97	12:08:43	281-579-0622	.1	\$0.00
*08/13/97	00:55:02	919-528-2201	2.1	\$0.01	*08/14/97	12:09:13	281-579-0622	.1	\$0.00
*08/13/97	01:11:08	919-528-2201	1.9	\$0.01	*08/14/97	14:34:23	870-773-5490	.1	\$0.00
*08/13/97	01:13:18	919-528-2201	1.7	\$0.01	*08/14/97	14:34:46	870-773-5490	.1	\$0.00
*08/13/97	01:15:09	919-528-2201	1.7	\$0.01	*08/14/97	14:35:10	870-773-5490	.1	\$0.00
*08/13/97	01:31:24	919-528-2201	1.7	\$0.01	*08/14/97	14:35:53	870-773-5490	.1	\$0.00
*08/13/97	01:34:11	919-528-2201	1.5	\$0.01	*08/14/97	14:36:37	870-773-5490	.1	\$0.00

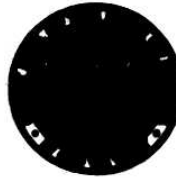
\* DUE TO LOCAL EXCHANGE CARRIER (LEC) RESTRICTIONS MCI WAS UNABLE TO COLLECT AND BILL CHARGES FOR THIS CALL.  
\* PREAMBLE TERMINATED.





STATE OF FLORIDA

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
J. TERRY DEASON  
SUEAN F. CLARK  
DIANE K. KESLING  
JOE GARCIA



DIVISION OF COMMUNICATIONS  
WALTER D'HARBELEER  
DIRECTOR  
(850) 413-6600

**Public Service Commission**

November 18, 1997

Mr. Don M. Reese  
Director of Billing Services  
Mirage Marketing  
2722 Eastlake Avenue East, Suite 200  
Seattle, Washington 98102

Re: Account No. 123899 (904) or (850) 224-0489

Dear Mr. Reese:

Thank you for your prompt response to my letter of October 27, 1997, to Ms. Eva Brown. While your response has provided additional information, the issue of fraud and adequate disclosure, pursuant to applicable rules remains.

Specifically, please provide a transcript of the disclosure made to callers to 800 230-5483 when advertising 900 435-7177. Specifically, please also provide a transcript of the preamble disclosure announced when dialing 900 435-7177. In addition, specifically address whether callers to 800 230-5483 were transferred to 900 435-7177. Confirm also that you agree that the billing is in error with respect to the amount, the time of day and the customer dial rate code. Your response should also explain what LEC restrictions prevented MCI from billing and collecting for the calls, and whether and if so how Mirage circumvented those restrictions.

Meanwhile, feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Alan Taylor".

J. Alan Taylor, Chief  
Bureau of Service Evaluation

cc: Carole Danielson  
Division of Marketing Practices  
Federal Trade Commission  
6th & Pennsylvania Avenue



**Mr. Don M. Reese**

**Page 2**

**November 18, 1997**

**Washington, D.C. 20580**

**File attached as discussed**

**tma3351r**

**Mr. Clyde W. Galloway, Jr.**

**P. O. Box 1819**

**Tallahassee, Florida 32302**



**MIRAGE MARKETING**  
2722 Eastlake Avenue East, Suite 200, Seattle, Washington 98102  
Telephone 206-806-6618 Fax 206-806-6606  
Email [donr@usnetwork.com](mailto:donr@usnetwork.com)

November 25, 1997

Mr. J. Allen Taylor  
Bureau of Service Evaluation  
State of Florida  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850



RE: Account No. 123899 (904) or (850) 224-0489

Mr. Taylor,

I received your follow-up letter regarding the above listed account. Apparently you are still confused about our advertising, disclosure, and billing procedures. I will try to address your questions "specifically" so that any remaining confusion you have is cleared up.

You asked about the following:

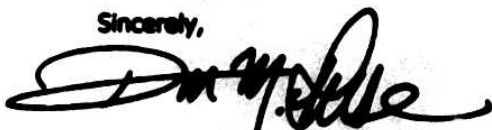
1. That I provide you copies of the transcripts to 800.230.5483 and 900.435.7177  
Please see Exhibits A & B attached.
2. Were callers to 800.230.5483 transferred to 900.435.7177?  
No. Callers were told to hang-up and then call the 900 number.
3. Billing errors regarding amount, time of day, and rate codes  
As I stated in my previous letter, the caller was overbilled. The first two minutes should have been free. This rating programming error has been corrected. I have also asked that the amount due in our Collections system be updated with the correct amount (see my previous letter).  
  
I do not agree that the time of day is in error. Because our switch is located in Seattle, Pacific Standard Time is stamped in the records. I don't know what you mean about the Rate Code. It appears to be correct to me.
4. LEC restrictions regarding MCI  
I don't know what you mean by "what LEC restrictions prevented MCI from billing and collecting for the calls"? MCI simply provides the 900 Transport for Mirage Marketing. I provided you with copies of the bill pages whereby MCI charged Mirage Marketing for that service. It is Mirage Marketing's (the service provider) choice and responsibility to bill the end-user for the charges. There are no LEC restrictions against MCI in this regard. Therefore, Mirage Marketing didn't "circumvent" the process.



Again I believe I've provided you with all the information you've requested regarding our call handling procedures. There are many rules and regulations surrounding the pay-per-call industry. Mirage Marketing strives to adhere to all of them. Your use of words such as "fraud", "adequate disclosure", and "circumvented" seem a bit premature given the level of cooperation given you.

As always, I am available at the location, phone number, and email address listed above if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Don M. Reese", written over a horizontal line.

Don M. Reese  
Director of Billing Services

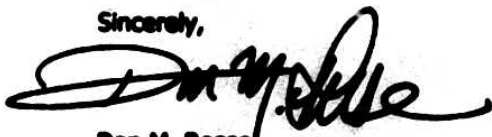
Cc: w/attachments Carol Danelson  
Division of Marketing Practices  
Federal Trade Commission  
6<sup>th</sup> & Pennsylvania Avenue  
Washington D.C. 20580



Again I believe I've provided you with all the information you've requested regarding our call handling procedures. There are many rules and regulations surrounding the pay-per-call industry. Miragen Marketing strives to adhere to all of them. Your use of words such as "fraud", "adequate disclosure", and "circumvented" seem a bit premature given the level of cooperation given you.

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Don M. Reese  
Director of Billing Services

Cc: w/attachments Carol Denelson  
Division of Marketing Practices  
Federal Trade Commission  
6<sup>th</sup> & Pennsylvania Avenue  
Washington D.C. 20580



**Audio & Script: \Network\Subpop\Audio\Penthouse\5483 National TV**

**File Name: 9000.8**

## **Script for 1-800-230-5483**

**This call is for adults only. If you're under 18, you must hang up now.**

**Mmmm honey, I have what you want. Hot, steamy, erotic live 1 on 1 conversation with me or one of my hot, nasty girlfriends and, best of all, it's FREE. That's right the first 2 minutes are Free. Live 1 on 1 talk. Just call 1-900-435-7177. If you can't dial 900 numbers than you can call some of my other wild, naughty girlfriends at 011-592-1649. That's right. Raunchy live 1 on 1 at 011-592-1649. For the price of an international long distance call you get it all at 011-592-1649. Baby I can't wait to talk to you, so, I'm going to repeat your two irresistible choices. You can talk for free on 1-900-435-7177. That's 1-900-435-7177 or you if you if can't dial 900 numbers, hang up and dial 011-592-1649. That's 011-592-1649. I'm waiting for you.**



**900 Two Minute Free Audio**

**File Format: 8 bit 6000 hz**

**9/3/97**

**Audio & Scripts: Network\Subpop\Audio\900 Two Minute Free Audio**

**1050.8**

**Hi baby, You have reached the hottest live 1 on 1 sex line, sponsored by Mirage. This is for adult's only-if you're under 18 hang up now. Get ready 'cause I'm about to connect you with one of my slutty girlfriends in a live 1 on 1 erotic frenzy. The first 2 minutes are totally free and totally hot.**

**5111          Please Press, 1.**

**5012          Hot, wet live 1 on 1. First 2 minutes free, then only \$4.99 per minute.**

**5112          Please Press, 2.**

**5013          Find a steamy group orgy where all the action is totally wet and wild, after the first 2 minutes, it's only \$2.99 per minute.**

**5113          Please press, 3.**

**5014          We'll help you find your perfect date through America's Premier Dating Service, Try it free for 2 minute, then only \$2.99 per minute.**

**5114          Please press, 4.**

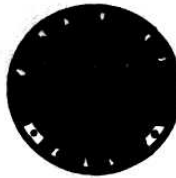
**5015          Get off on totally kinky stories, after the first 2 minutes its only \$1.99 per minute,**

**5115          Please press, 5.**



STATE OF FLORIDA

COMMISSIONERS:  
JULIA L. JOHNSON, CHAIRMAN  
J. TERRY DEASON  
SUEAN F. CLARK  
DIANE K. KESLING  
JOE GARCIA



DIVISION OF COMMUNICATIONS  
WALTER D'HARTELLER  
DIRECTOR  
(850) 413-6600

**Public Service Commission**

November 19, 1997

Mr. Thomas K. Bond  
MCI Telecommunications Corporation  
780 Johnson Ferry Road, Suite 700  
Atlanta, Georgia 30342

Re: 900 435-7177 Mirage Marketing

Dear Mr. Bond:

Attached is a portion of MCI's summary of calls to 900 435-7177 for Mirage Marketing.

Pursuant to Section 364.27, Florida Statutes, by December 11, 1997, please describe the specific local exchange carrier restrictions applicable to each of these calls as referred to at the bottom of this MCI document and explain MCI's policy with respect to those restrictions.

Feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Alan Taylor".

J. Alan Taylor, Chief  
Bureau of Service Evaluation

Enclosure  
tms3351m



MCI TELECOMMUNICATIONS CORPORATION  
900 SERVICES BILLING FOR AUG. 1997  
CALL DETAIL BY DATE/TIME

DIV: 40

PAGE:

299

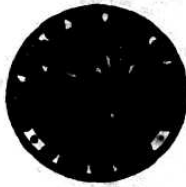
U S NETWORK/TNI:BLDG. 1460  
90094592  
900-435-7177

CALL DATE	CONNECT TIME	CALLER NUMBER	DURATION	USAGE	CALL DATE	CONNECT TIME	CALLER NUMBER	DURATION	USAGE
08/14/97	14:37:26	870-773-5490	.1	\$0.00	08/16/97	01:24:24	208-726-8496	.1	\$0.00
08/14/97	14:46:26	352-489-1447	1.8	\$0.01	08/16/97	01:24:54	208-726-8496	.1	\$0.00
08/14/97	15:01:18	219-791-0316	.1	\$0.00	08/16/97	01:25:29	208-726-8496	.1	\$0.00
08/14/97	15:01:35	219-791-0316	.1	\$0.00	08/16/97	01:25:53	208-726-8496	.1	\$0.00
08/14/97	15:01:50	219-791-0316	.1	\$0.00	08/16/97	01:26:21	208-726-8496	.1	\$0.00
08/14/97	15:02:09	219-791-0316	.1	\$0.00	08/16/97	01:26:52	208-726-8496	.1	\$0.00
08/14/97	15:02:27	219-791-0316	.1	\$0.00	08/16/97	01:27:22	208-726-8496	.1	\$0.00
08/14/97	15:27:42	308-384-8408	2.2	\$0.01	08/16/97	01:28:08	208-726-8496	.1	\$0.00
08/14/97	15:43:16	808-839-0888	.5	\$0.01	08/16/97	01:28:58	208-726-8496	.1	\$0.00
08/14/97	15:55:38	219-791-0316	.1	\$0.00	08/16/97	01:29:50	208-726-8496	.1	\$0.00
08/14/97	15:55:53	219-791-0316	.1	\$0.00	08/16/97	01:31:47	208-726-8496	.1	\$0.00
08/14/97	17:27:04	808-635-0138	.9	\$0.01	08/16/97	01:33:54	890-539-2745	1.7	\$0.01
08/14/97	23:12:25	808-768-2924	.3	\$0.00	08/16/97	01:34:23	208-726-8496	.1	\$0.00
08/14/97	23:14:03	417-626-0452	5.8	\$0.01	08/16/97	02:23:43	510-505-9636	.1	\$0.00
08/14/97	23:32:12	417-626-0452	3.2	\$0.01	08/16/97	02:24:22	510-505-9636	.1	\$0.00
08/14/97	23:36:38	417-626-0452	10.8	\$0.01	08/16/97	02:37:10	304-888-2130	.4	\$0.00
08/14/97	23:37:33	914-961-8837	.4	\$0.00	08/16/97	07:34:08	408-295-1555	.3	\$0.00
08/15/97	01:07:18	919-528-2201	.4	\$0.00	08/16/97	11:51:11	803-522-3008	4.1	\$0.01
08/15/97	01:07:58	919-528-2201	.2	\$0.00	08/16/97	12:30:03	907-274-5851	.1	\$0.00
08/15/97	03:18:36	208-726-8496	10.8	\$0.01	08/16/97	12:30:24	907-274-5851	.1	\$0.00
08/15/97	03:29:35	208-726-8496	4.4	\$0.01	08/16/97	12:30:49	907-274-5851	.1	\$0.00
08/15/97	03:34:34	208-726-8496	11.2	\$0.01	08/16/97	12:22:46	907-274-5851	.1	\$0.00
08/15/97	03:36:21	208-726-8496	9.4	\$0.01	08/16/97	15:23:18	808-990-1795	.3	\$0.00
08/15/97	06:43:00	890-224-0489	3.3	\$0.01	08/16/97	15:25:00	816-333-5012	.6	\$0.01
08/15/97	12:09:18	513-876-4485	.4	\$0.00	08/16/97	16:16:12	610-867-7207	.4	\$0.00
08/15/97	13:08:51	818-362-6328	.2	\$0.00	08/16/97	18:28:38	248-437-5113	.1	\$0.00
08/15/97	13:07:17	818-362-6328	.5	\$0.01	08/16/97	20:01:42	410-745-5367	.6	\$0.01
08/15/97	14:00:21	801-865-9406	.5	\$0.01	08/16/97	20:08:55	410-745-5367	2.2	\$0.01
08/15/97	15:31:53	512-396-2242	.5	\$0.01	08/16/97	23:48:35	307-994-8171	1.8	\$0.01
08/15/97	16:42:01	904-445-6391	.1	\$0.00	08/17/97	00:20:19	307-987-6274	1.8	\$0.01
08/15/97	16:43:06	904-445-6391	.2	\$0.00	08/17/97	00:22:11	218-735-8906	.4	\$0.00
08/15/97	21:10:41	809-768-2924	8.8	\$0.01	08/17/97	00:38:57	814-883-2363	2.4	\$0.01
08/15/97	21:36:01	809-768-2924	12.3	\$0.01	08/17/97	01:23:10	707-437-2156	1.1	\$0.01
08/15/97	23:09:58	208-726-8496	20.1	\$0.01	08/17/97	01:42:29	616-676-2136	.1	\$0.00
08/15/97	23:12:25	208-726-8496	20.1	\$0.01	08/17/97	01:56:30	907-344-5894	.1	\$0.00
08/15/97	23:32:58	208-726-8496	16.7	\$0.01	08/17/97	02:17:04	208-726-8496	.1	\$0.00
08/16/97	00:45:11	208-524-9051	.4	\$0.00	08/17/97	02:17:39	208-726-8496	.1	\$0.00
08/16/97	00:58:26	508-997-4369	.4	\$0.00	08/17/97	02:27:59	207-779-0530	2.0	\$0.01
08/16/97	01:02:52	513-531-4970	.4	\$0.00	08/17/97	03:08:21	914-961-8837	.3	\$0.00
08/16/97	01:15:12	360-659-8147	2.6	\$0.01	08/17/97	03:29:46	303-838-5142	4.4	\$0.01

\* DUE TO LOCAL EXCHANGE CARRIER (LEC) RESTRICTIONS MCI WAS UNABLE TO COLLECT AND BILL CHARGES FOR THIS CALL.  
\* PREAMBLE TERMINATED.

**MCI**





## Florida Public Service Commission **CONSUMER ALERT**

**October 2, 1997**

**Contact: Robby Cunningham 888/413-6129**

### **PSC INVESTIGATES FRAUDULENT "LOTTERY DISBURSEMENTS" CALLS**

Some Floridians are receiving calls from a firm identifying itself as "Lottery Disbursements," which is in no way related to the Florida Lottery. In responding to the computer generated call, consumers who press "1" on their telephones are billed for a collect call, for as much as \$50 or more per call. The Florida Public Service Commission (PSC) is investigating whether the calls comply with the Trade Regulation Rule and the Telephone Disclosure and Dispute Resolution Act of 1992.

"This is a telephone scam, plain and simple," said Florida Lottery Spokesman David Rhea. "The Florida Lottery would never call a consumer collect, has never had an automated calling system, and under no circumstances would we call a consumer for cash prize disbursement purposes."

Consumers who are billed for collect calls on their local telephone bills by ZeroPlus Dialing, Inc., on behalf of Comnet, are encouraged to send a copy of their bill and a statement about how the solicitation was made to the PSC to assist in its investigation. Correspondence should be sent to the address below.

The PSC has previously petitioned the Federal Communications Commission (FCC) to adopt additional consumer safeguards to protect consumers from fraudulent telephone bills. The petition was supported by the National Association of Attorneys General. The FCC has not yet amended rules to provide for the proposed safeguards. In addition, the PSC also filed comments with the Federal Trade Commission (FTC) concerning numerous violations of the FTC's rules and the need to adopt additional safeguards. The FTC is reviewing the information that has been developed.

The PSC will use information developed through its current investigation of Comnet to continue to press for additional consumer safeguards.

\*\*\*

To contact the PSC:  
Toll-free Phone - 888/343-3682 ◀ Toll-free Fax - 888/511-6000  
Home Page - <http://www.scri.net/psc>  
Rev DeStefano, Director, Division of Consumer Affairs  
2840 Shumard Oak Boulevard, Tallahassee, Florida 32309-0000



ENRUL, No. 179

TELEPHONE COMPANIES

CHAPTER 25-24

(b) Each telephone utility shall conduct its operations in such manner to ensure that, in each exchange, ninety-five (95) percent of all interruptions in telephone service occurring in any calendar month shall be cleared and service restored within twenty-four (24) hours (Sundays and holidays excepted) after the trouble is reported to the company, except where such interruptions are caused by emergency situations, unavoidable casualties, and acts of God affecting large groups of subscribers.

(11) Where there are fewer than three telephones located in a group, a directory for the entire local calling area shall be maintained at each station. Where there are three or more telephones located in a group, a directory for the entire local calling area shall be maintained at every other station. However, where telephone stations are fully enclosed, a directory shall be maintained at each station.

(12) Normal maintenance and coin collection activity shall include a review of the cleanliness of each station and reasonable efforts shall be made to ensure that 95% of all stations are clean and free of obstructions.

(13) Except as provided in subsections (14)(a), (14)(b), and (14)(c) below, each telephone station installed after January 5, 1967 shall conform to subsections 4.29.2-4.29.4 and 4.29.7-4.29.8 of the American National Standards Specifications for Making Buildings and Facilities Accessible and Usable by Physically Handicapped People, approved February 5, 1966 by the American National Standards Institute, Inc. (ANSI A117.1-1966), which is incorporated by reference into this rule. Each telephone station installed prior to January 5, 1967 shall conform to the above standards by January 1, 1975.

(a) Effective June 1, 1967, where there are two or more telephone stations located in a group, there shall be a minimum of one telephone per group of ten which conforms to the above mentioned standards. The conforming station must be physically located in the group of telephone stations or within a clear line of sight within 15 feet of the group and free from wheelchair barriers.

(b) Except for locations on floors above or below entry level in buildings not serviced by a ramp or elevator, such stations shall be placed in areas accessible to the physically handicapped.

(c) Stations located in buildings which are not accessible to physically handicapped persons must comply to the above mentioned standards upon modification of the building to make it handicap-accessible, according to the Americans with Disabilities Act.

(14) Effective September 1, 1972, each telephone shall permit end users to input the additional digits necessary to complete calling card calls, using any locally available carrier, without operator intervention, and to utilize features such as follow mail box and coin driven answering device. This requirement shall not be applicable to pay telephones located in confinement facilities.

(15) Pay stations located in confinement facilities shall be exempt from the requirements of above subsections (1), (3), (4), (6), and (11). Such pay stations shall also be exempt from the requirements of subsection (5), except for the audible and written 15 minute disconnect notification.

(16) Toll Fraud Liability.

(a) A company providing interexchange telecommunications services or local exchange services shall not collect from a pay telephone provider for charges billed to a line for calls which originated from that line through the use of 10XX+0, 10XX+01, 900-1/0XX+0, or 1-800 access code, or when the call originating from that line otherwise reached an operator position, if the originating line is subscribed to outgoing call screening and the call was placed after the effective date of the outgoing call screening order.

(b) A company providing interexchange telecommunications services or local exchange services shall not collect from a pay telephone provider for charges for collect or third number billed calls, if the line to which the call was billed was subscribed to incoming call screening and the call was placed after the effective date of the incoming call screening order.

(c) Any calls billed through the local exchange company or directly by an



interexchange company, or through a billing agent, which have been identified as not collectible as described in paragraphs (a) and (b) above, must be removed from any pay telephone provider's bill after the pay telephone provider gives notice of the fraudulent charges to the billing party. Such notice shall be provided to the LEC and IXC in writing no later than the due date of the bill.

(d) The LEC is responsible for charges described in paragraph (c) that are associated with the failure of the LEC's screening services.

(e) The IXC is responsible for charges described in paragraph (c) that are associated with the failure to properly validate calls via the appropriate local exchange company data base.

(f) **Definitions:** For purposes of this rule the term:

(1) "Effective Date" shall mean the date after the call screening order was placed and associated charges apply.

(g) Any charges assessed to a subscriber's line when the subscriber has paid the local exchange company to screen calls described in paragraphs (a) and (b) above shall not be the basis for discontinuance of local and intrastate service.

(17) Providers serving confinement facilities shall provide for completion of all inmate calls allowed by the confinement facility.

Specific Authority: 380.137(3), P. S.

Law Implemented: 364.03, 364.035, 364.063, 364.337, 364.345, P. S.

History: New 1/5/87, Amended 4/14/92, 12/31/92, 3/3/93, 10/10/94, 12/27/94, 9/5/95.

#### **25-24.516 Non-Local Exchange Company Pay Telephone Rate Caps**

(1) Rates charged any end user by a pay telephone provider shall not exceed the following:

(a) local coin calls - a rate equivalent to the local coin rate of the local exchange telecommunications company, except that a provider using a debit card system may charge \$1.00 for a sent paid local call made from a pay telephone located in a confinement facility;

(b) intraLATA and interLATA toll coin calls - a rate of \$.25 per minute, plus a \$1.00 surcharge;

(c) 0+ and 0- interLATA toll non-coin calls billed directly or on behalf of the pay telephone provider - a rate of \$.25 per minute, plus the Commission authorized set use fee as described in subsection (3) below, plus a \$1.00 surcharge.

(2) A pay telephone provider shall not obtain services from an interexchange carrier or an operator service provider unless such carrier or provider has obtained a certificate of public convenience and necessity from the Commission.

(3) A set use fee of \$.25 shall apply to all completed 0+ and 0- local and intraLATA toll calls placed from pay telephones. A \$.25 set use fee may optionally be applied to completed 0+ and 0- interLATA toll calls.

Specific Authority: 380.137(3) P.S.

Law Implemented: 364.03, 364.337(4)(5), P.S.

History: New 9/5/95.

#### **25-24.520 Reporting Requirements.**

(1) Each pay telephone service company shall file with the Commission's Division of Communications updated information for the following items within 10 days after a change occurs:

(a) The street address of the certificate holder including number, street name, city, state and zip code, and the mailing address if it differs from the street address also.

(b) Name, title, and phone number of the individual responsible for contact with the Commission.



## ST. PETERSBURG TIMES

SEP 22 1997

**A grand slammer of  
phone scams**

When it comes to switching long distance phone customers' service without their permission — a scam called *slamming* — Phone Calls Inc. is in a class by itself.

The company recently was fined \$850,000 by the Florida Public Service Commission for slamming.

The company, based in Arlington, Va., before it was dissolved in 1995, resold long distance service offered by other phone companies. It was one of eight phone businesses owned by company president Daniel Fletcher that has run into legal problems in several states.

Fletcher's other companies include CCN Inc., Church Discount Group Inc., Discount Calling Card Inc., Discount Long Distance Inc., Long Distance Services Inc., Monthly Discounts Inc. and Monthly Phone Services Inc.

Missouri sued Phone Calls Inc. in April for slamming. New York regulators revealed the company's finance earlier this summer. And the Federal Communications Commission last spring launched enforcement actions against all eight Fletcher companies.

In Florida, the PSC received a total of 2,400 slamming complaints last year, and Phone Calls Inc. accounted for 400 of them.

"This is the largest number of complaints we've logged against any company in an 11-month period," PSC Chairwoman Jella Johnson said.

—ROBERT WISDALE

File @  
JJ Johnson





**You've Pushed  
The Right Buttons...  
Now Experience  
Quality and  
Savings!**



**American Business Machines  
900 James Avenue  
Scranton, PA 18510-1548**

**Time-Sensitive Material  
Do Not Delay**



# Finally A Long Distance Service D



## 1

### Benefit 1 — Guaranteed Savings

The American Business Alliance resells long distance services utilizing the AT&T network to ensure your business has top quality telecommunications capabilities. When this is coupled with our tremendous buying power, we are able to offer rates up to 34% lower than those of the major carriers.

## 2

### Benefit 2 — The AT&T Network

ABA has chosen AT&T as the underlying carrier to carry all of your long distance calls. So from now on you will be enjoying the best of both worlds — the low rates provided through ABA and the high quality and reliability of the AT&T network.

## 4

### Benefit 4 — Our Commitment

We are committed to your complete satisfaction. If for any reason you would like to talk to us about your service, or wish to add or cancel service, call us toll free at 1-800-466-7222 or return the enclosed postage-paid reply card.

If we do not hear from you, processing of your new service will begin in about 14 days. If ABA is unable to place your account on the Group Savings Plan using the AT&T network, ABA will mail you an information package and denial card for another ABA program (utilizing another underlying carrier) with a similar or greater savings, which you can deny prior to activation, if you so desire. Enjoy the savings, and welcome to American Business Alliance!



Make sure all your  
phone lines are  
handled by the  
American  
Business Alliance

MAIN PHONE NUMBER:

   -     -    

EXTENSION:

☐ Yes! I am interested in learning more about ABA's products and services. Please send me information about:

- ☐ 800 Service Discounts      ☐ Cellular Services  
☐ Calling Card Discounts      ☐ Paging Services  
☐ Accounting Codes      ☐ Internet Access  
☐ Adding Additional Phone Lines      ☐ Local Phone Service  
☐ I have changed my mind, please cancel my order.

Name

Title

Company

Address

City

State

Zip

Signature

Date

My present carrier is AT&T unless otherwise noted. ☐ MCI ☐ Sprint ☐ Other

If the cancellation notice is not marked and received within business days of the date printed on this card, you agree that carrier of choice, pending will be selected. By checking the cancellation box and signing this card, you will authorize paying the higher rates of your current carrier.

OR CALL 1-800-488-7222



1-800-488-7222

1-800-488-7222 (1-800-584-0022)



Make sure all your  
phone lines are  
handled by the  
American  
Business Alliance.

MAIN PHONE NUMBER:

□ □ □ □ - □ □ □ □ - □ □ □ □

EXTENSION:

☐ Yes! I am interested in learning more about ASA's products and services. Please send me information about:

- ☐ 800 Service Discounts    ☐ Cellular Services  
☐ Calling Card Discounts    ☐ Paging Services  
☐ Accounting Codes    ☐ Internet Access  
☐ Adding Additional Phone Lines    ☐ Local Phone Services  
☐ I have changed my mind, please cancel my order.

Name

Title

Company

Address

City

State

Zip

Signature

Date

My present carrier is AT&T unless otherwise noted. ☐ MCI ☐ Sprint ☐ Other

If the cancellation notice is not mailed and marked with business days of the date printed on this card for 30 days, you agree the carrier of last call, pending will be without my checking the cancellation form and signing this card and you will continue paying the higher rates of your current carrier.

OR CALL 1-800-488-7222

1-800-488-7222  
1-800-488-7222  
1-800-488-7222





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NO POSTAGE  
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IF MAILED  
IN THE  
UNITED STATES

# BUSINESS REPLY MAIL

FIRST CLASS MAIL PERMIT NO 287 WILKES-BARRE PA

POSTAGE WILL BE PAID BY ADDRESSEE

**AMERICAN BUSINESS ALLIANCE**  
900 JAMES AVENUE  
SCRANTON PA 18510-9955



**American Business Alliance**

900 James Avenue  
Scranton, PA 18510-1548

## QUESTIONS?

Call Customer Service: 1-800-297-8222

Sales or Marketing Inquiries: 1-800-2-FIND-ABA (1-800-236-6272)



P.O. Box 120006  
Boston, MA 02112-0006

July 23, 1996

# Yes Yes Yes

«MrMs» «FirstName» «LastName»  
«Company»  
«MailingAddress»  
«CityStateZip»

<b>You will SAVE 46% or MORE</b> on all of your interstate long distance calls.	<b>Then, you will receive ONE FREE MONTH</b> of long distance <b>EACH YEAR.'</b>	<b>Your savings and FREE MONTH</b> will continue as long as you utilize the MegaPlan.
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Dear «MrMs» «LastName»,

Thank you for allowing Network Utilization Services to provide your long distance service, utilizing AT&T's **NEW** Fast Star Technology, before switching to one of the other competitor networks.

Based upon your good credit and usage history, you have been selected by Network Utilization Services and invited to join thousands of other companies that **SAVE 46% or MORE** over AT&T's basic business long distance rates. As an additional bonus, you will receive **ONE FREE MONTH'** of interstate long distance service **EACH YEAR.**

When challenged to construct the best long distance program for today's businesses, Network Utilization Services designed the MegaPlan discount program. Now, your company's long distance dollars go further than ever and by utilizing AT&T's advanced Fast Star Technology, the highest quality long distance service is guaranteed. With your continued prompt payment on the MegaPlan, you will be rewarded with **ONE FREE MONTH'** of interstate long distance **EACH YEAR.**

Utilizing the MegaPlan, any future incentive to switch to a competitor network...has... been... eliminated!!! Not to worry, your discounted long distance calls will be billed by AT&T and AT&T will be your network provider.

By utilizing the AT&T Bill Manager Service, Network Utilization Services keeps the full power and resources of the Worldwide Intelligent Network working for you 24 hours per day, 7 days a week. No matter what.

You will experience the unmatched quality and network service that you expect from the world's most advanced digital fiber-optic network, you will **SAVE 46% or MORE** on all of your interstate calls, **PLUS** you will receive **ONE FREE MONTH'** of domestic interstate long distance **EACH YEAR.**

There are no sign up fees, no additional numbers to dial and no need for additional equipment. If your long distance service is not currently being provided by Network Utilization Services or AT&T, thank you for utilizing AT&T's newest and most advanced network equipment and technology. Dial with confidence, your calls are being carried on the network provider rated #1 in the world for long distance quality.\*

(over, please)



**The bottom line, your savings and ONE FREE MONTH' PER YEAR BONUS are guaranteed and will remain in effect as long as your long distance service and the MegaPlan savings are being provided by Network Utilization Services' utilizing the AT&T Bill Manager Service and AT&T's NEW Fastar Technology.**

Our goal is to develop a long lasting relationship with our customers. We guarantee satisfaction! If for any reason you are not completely satisfied with the MegaPlan service or savings, we will reimburse your local telephone company's fees (up to \$5 per line) to switch you back to your previous long distance carrier.

Network Utilization Services will optimize your utilization of the AT&T Network and you need to protect your long distance service selection. If you should ever have any doubt, you can identify your long distance network provider by dialing "0" + "0". Your long distance operators will answer and gladly identify themselves. Should you discover any unauthorized change in your long distance carrier or service, call Network Utilization Services immediately at 1-800-576-0320 or contact the Federal Communication Commission, Enforcement Division, Room 6202, Washington, DC 20554, 202-632-7553.

Your discounts are currently being processed.\*\* Your savings should take effect within 45 days. If you have any questions in the meantime, please call Network Utilization Services at 1-800-576-0320, or return the enclosed postcard.

You can expedite the monthly SAVINGS of 46% or MORE, the ONE FREE MONTH' of interstate long distance service EACH YEAR and the guaranteed quality that the MegaPlan discount program delivers utilizing the AT&T NEW Fastar Technology. Just complete the enclosed postcard and return it today.

Sincerely,



Michelle Post  
V.P., Network Utilization Services

P.S. It's worth repeating. Yes, you will SAVE 46% or MORE on all of your interstate long distance calls, then you will receive ONE FREE MONTH' of long distance EACH YEAR. Your savings and the FREE MONTH BONUS will continue as long as you allow Network Utilization Services to provide your long distance service utilizing the AT&T Bill Manager Service and AT&T's NEW Fastar Technology.

\* Should you incur any charges from your local telephone company for upgrading from your current carrier and/or service to Network Utilization Services' utilization of the AT&T Network, please contact Network Utilization Services for reimbursement - up to \$5 per line. This information is being sent to confirm your discounted long distance order placed through our recent telemarketing program, and contains important information about the upgraded long distance discounts and the ONE FREE MONTH of long distance EACH YEAR you are about to receive. Network Utilization Services will maintain your long distance service until you provide thirty (30) days written notice of cancellation to Network Utilization Services. Customer is responsible for all charges, including fixed fees, which accrue up to the cancellation date.

\*\* You may expedite your savings by returning the attached mailer in the postpaid envelope. If you do not return the attached mailer within 14 days after the date this information package was mailed, Network Utilization Services will provide your long distance service utilizing the AT&T Bill Manager Service and AT&T's NEW Fastar Technology and you will receive ONE FREE MONTH of interstate long distance EACH YEAR, EVERY YEAR with your prompt payment.

† See enclosure for details.



### **† ONE FREE MONTH OF INTERSTATE LONG DISTANCE PER YEAR DETAILS**

After the first twelve (12) consecutive month period of using the Company's long distance services, the Company will issue a credit to the Customer equal to one time the amount paid for eligible charges during such twelve (12) month period divided by twelve (12). Eligible charges are domestic interstate long distance excluding taxes, surcharges, service fees and utility fees. After each additional (12) consecutive month period using the Company's services, the company will issue a credit to the Customer equal to the amount paid for eligible charges during such twelve (12) month period divided by twelve (12). Such credit is available only to Customer who maintain balances paid within terms during each twelve month period and whose accounts are paid in full, and may be only used as a credit against future billing from the Company on the same account. Such credit may not be used to offset outstanding or disputed balances. The Customer is responsible for payment of any charges above those specified in this offering, including taxes, surcharges, service fees and utility fees. No credit will be issued if the amount would be less than \$25 in the first or any subsequent year. Credit due or accrued to any Customer account that is closed will be void. No service month shall be attributed to more than one twelve month period in calculating any service credit due under this offering. This offer cannot be used in conjunction with any other promotional offering or term commitment discount offering.



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**BUSINESS REPLY MAIL**  
FIRST-CLASS MAIL PERMIT NO. 9834 BOSTON MA

POSTAGE WILL BE PAID BY ADDRESSEE  
NETWORK UTILIZATION SERVICES  
RATE REDUCTION PROCESSING CENTER  
P.O. BOX 12-0008  
BOSTON, MA 02112-9945





**Yes** We want to **SAVE 46% OR MORE** and receive **ONE FREE MONTH** of long distance per year.

*Please provide and/or correct the following information:*

Company Name \_\_\_\_\_  
 Mailing Address \_\_\_\_\_  
 City, State, Zip \_\_\_\_\_  
 Contact Name \_\_\_\_\_  
 Phone # \_\_\_\_\_

Your response is not required. If you do not return this mailer within 14 days after the date this information package was mailed, your long distance service will be provided by Network Utilization Services utilizing AT&T's New Faster Technology. Then, you will receive **ONE FREE MONTH** of interstate long distance each year.

**CHECK ONE:**

☐ I wish to expedite our **SAVINGS OF 46% OR MORE**, have Network Utilization Services provide our long distance services utilizing the AT&T Network, receive **ONE FREE MONTH** of interstate long distance each year, every year and/or correct my address as shown.

☐ I've changed my mind. I wish to deny the additional long distance discounts and the **ONE FREE MONTH PER YEAR**. Please cancel my order.

**X**

I want to know more. Please provide me with information about other available programs:

<input type="checkbox"/> 800 Service Discounts	<input type="checkbox"/> Adding Additional Phone Lines
<input type="checkbox"/> Calling Card Discounts	<input type="checkbox"/> Accounting or Security Codes
<input type="checkbox"/> Additional Toll Plan Discounts	



**PO BOX 120006  
BOSTON MA 02112-0006**

**Address Correction Requested**



**IMPORTANT INFORMATION ENCLOSED**