BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Citizens of) DOCKET NO. 950709-TI Florida to impose penalty on The) ORDER NO. PSC-96-0571-AS-TI Furst Group Headquarters, Inc. for changing primary interexchange carrier of customers without authorization.)

) ISSUED: May 1, 1996

The following Commissioners participated in the disposition of this matter:

> SUSAN F. CLARK, Chairman J. TERRY DEASON JOE GARCIA JULIA L. JOHNSON DIANE K. KIESLING

ORDER APPROVING OFFER OF SETTLEMENT

BY THE COMMISSION:

On June 21, 1995, the Office of Public Counsel (OPC), filed a petition to impose a penalty on The Furst Group Headquarters, Inc. based upon allegations of unauthorized primary interexchange carrier (PIC) changes, in violation of Rule 25-4.118, Florida Administrative Code. Under Rule 25-4.118, Florida Administrative Code, a customer's PIC may not be changed unless certain procedures are followed.

In addition to OPC's petition, between January 1, 1995, and August 31, 1995, this Commission received 39 complaints against Furst from customers alleging unauthorized PIC changes, and 17 marketing complaints against Furst, in which it was alleged that agents of Furst represented themselves as agents of AT&T.

By Order No. PSC-95-1469-FOF-TI, issued November 28, 1995, we ordered Furst to show cause why it should not be fined \$1,000 for each alleged violation of Rule 25-4.118, Florida Administrative Code, for a total of \$57,000. On December 18, 1995, Furst filed a response to our Order to Show Cause. In its response, Furst denied that it knowingly or wilfully violated any statute, or Commission rule or order. Furst acknowledged that unauthorized PIC change and marketing complaints have been made. However, Furst claimed that the majority of these result from customer confusion as to the long distance resale market rather than from actual unauthorized PIC changes.

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Furst also detailed the steps it has taken in an attempt to ameliorate customer confusion and resulting complaints. First, Furst noted that it has terminated relations with approximately 450 independent contractors, in favor of in-house sales personnel. Furst also explained that it has hired a public relations firm in order to help it educate the public regarding the reseller industry. Furst also argued that it impresses upon its employees the importance of following pre-approved scripts in their sales efforts, and has terminated at least one employee for deviating from the scripts. Accordingly, Furst requested a hearing to resolve the complaints.

On February 27, 1996, Furst filed an offer of settlement. In its offer of settlement, Furst again acknowledged that unauthorized PIC change and marketing complaints have been made, but denied that it knowingly or wilfully misled or misrepresented its services to any individuals. Furst also reiterated the steps it has taken in order to curb such complaints. In addition, Furst stated that it has implemented a program of tape recording verification calls. It also noted that it has investigated each complaint in a timely manner, and that it has refunded all monies to customers who have complained, for a total of approximately \$6,000, regardless of its belief as to the validity of the complaint. Furst further noted that it has met with OPC and the staff of this Commission to discuss and modify its sales and verification scripts, in order to respond to OPC's and staff's concerns.

Notwithstanding the above, Furst believes that it is in the best interests of both it and the Commission to settle this matter. Furst, therefore, has offered to make a voluntary contribution of \$15,000, within 30 days of the date of this Order, to the General Revenue Fund of the State of Florida. Its offer of settlement is not to be construed as an admission of any violation of any statute, or Commission rule or order.

We agree that it is probably in the best interests of all parties to resolve this matter short of a hearing. This is the first time that Furst has been the subject of a show cause order. In addition, Furst has made full refunds to all individuals who complained, regardless of its opinion regarding the complaint. It also appears that Furst has taken strong measures to curb unauthorized PIC change and marketing complaints. We, therefore, accept Furst's offer to make a voluntary contribution of \$15,000 to the General Revenue Fund of the State of Florida.

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It is, therefore,

ORDERED by the Florida Public Service Commission that The Furst Group Headquarters, Inc.'s offer to make a voluntary contribution of \$15,000 to the General Revenue Fund of the State of Florida, in order to settle this show cause proceeding, without admitting any wrongdoing or liability, is approved as set forth in* the body of this Order. It is further

ORDERED that The Furst Group Headquarters, Inc. shall remit payment of \$15,000 within thirty (30) days of the date of this Order. It is further

ORDERED that, upon verification of The Furst Group Headquarters, Inc.'s contribution by the staff of this Commission, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 1st day of May, 1996.

BLANCA S. BAYÓ, Director

Division of Records and Reporting

(SEAL)

RJP

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.