State of Florida



Hublic Service Commission

CAPITAL CIRCLE OFFICE CENTER ● 2540 SHUMARD OAK BOULEVARD TALLAHASSEE, FLORIDA 32399-0850

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

DATE:

FEBRUARY 6, 2003

TO:

DIRECTOR, DIVISION OF THE

COMMISSION

ADMINISTRATIVE SERVICES (BAYÓ)

FROM:

DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (BUYS)

OFFICE OF THE GENERAL COUNSEL (W. KNIGHT) WOR

RE:

DOCKET NO. 030040-TI - COMPLIANCE INVESTIGATION OF SUPREME TELECOM SYSTEMS, INC. FOR APPARENT VIOLATION OF RULE 25-24.910, F.A.C., CERTIFICATE OF PUBLIC CONVENIENCE AND

NECESSITY REQUIRED.

AGENDA:

02/18/03 - REGULAR AGENDA - PROPOSED AGENCY ACTION -

INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\030040.RCM

CASE BACKGROUND

- August 7, 2002 The Commission received a complaint from a Florida consumer regarding a prepaid phone card. The phone card lists STS as the prepaid calling services provider. Staff determined that STS is an acronym for Supreme Telecom Systems, Inc. (STS), located in Fort Worth, Texas, and that the company does not have a certificate of public convenience and necessity (certificate) to provide interexchange company (IXC) telecommunications in Florida.
- October 22, 2002 Staff sent a certified letter (Attachment A) via U.S. Postal Service and facsimile to STS. A response was due on November 6, 2002. The U.S. Postal Service green card receipt indicates that the company received the letter on October 28, 2002.

DOCUMENT NUMBER PATE

01249 FEB-65

- October 23, 2002 Staff received a call from Mr. Peter Texiera at STS regarding the letter. He stated that the Express Call phone card is a STS product and is sold in the Tampa Bay area. He also stated that he would respond to the consumer complaint and submit an application for an IXC certificate.
- November 14, 2002 Staff sent a second certified letter (Attachment B) via U.S. Postal Service to STS. A response was due on November 29, 2002. The U.S. Postal Service green card receipt indicates that the company received the letter on November 18, 2002.
- December 10, 2002 Staff received a hand written letter (Attachment C) from Mr. Texiera on behalf of STS stating that the company has resolved the customer's complaint and that he would be contacting staff to obtain information on filing an application. STS made no further contact with staff.
- December 13, 2002 Staff confirmed that the consumer was satisfied with the company's resolution and closed the complaint that initiated this matter.
- January 9, 2003 Staff opened this docket to address STS's apparent violation of Rule 25-24.910, Florida Administrative Code, Certificate of Public Convenience and Necessity Required.

The Commission is vested with jurisdiction over this matter pursuant to Sections 364.285, and 364.337, Florida Statutes. Further, staff's recommended penalty is consistent with penalties imposed upon other prepaid calling service providers by the Commission in previous dockets for the same apparent rule violation. Accordingly, staff believes the following recommendations are appropriate.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission impose a \$25,000 penalty on Supreme Telecom Systems, Inc. for apparent violation of Rule 25-24.910, Florida Administrative Code, Certificate of Public Convenience and Necessity Required, to be paid to the Florida Public Service Commission within fourteen calendar days after the issuance of the Consummating Order?

RECOMMENDATION: Yes. If STS fails to timely protest the Commission's Order, and fails to obtain an IXC Certificate of Public Convenience and Necessity, the company should also be required to immediately cease and desist providing prepaid calling services in Florida upon issuance of the Consummating Order until the company obtains an IXC Certificate of Public Convenience and Necessity. (Buys, W. Knight)

STAFF ANALYSIS: Rule 25-24.910, Florida Administrative Code, Certificate of Public Convenience and Necessity Required, states:

A company shall not provide PPCS without first obtaining a certificate of public convenience and necessity as a local exchange company, alternative local exchange company, or interexchange company. The name used as the provider of PPCS printed on the prepaid calling card shall appear identical to the name in which the certificate is issued. A "doing business as" name may be used in lieu of the certificated name if it is registered as a fictitious name with the Florida Division of Corporations and reflected on the certificate before the name is used on the card.

As outlined in the case background, staff determined that STS is providing prepaid calling services to the public in Florida and has not obtained a certificate in apparent violation of Rule 25-24.910, Florida Administrative Code, Certificate of Public Convenience and Necessity Required. The company indicated to staff, both verbally and in writing, that it would apply for a certificate. Staff initially requested that STS submit its application by November 13, 2002. Staff made a second request for STS to submit its application by November 29, 2002. As of the date of filing this recommendation, STS has not filed its application. Staff believes that the company is aware of its

requirement to obtain a certificate and has had sufficient time to submit its application.

Further, staff believes that STS's apparent violation of Rule 25-24.910, Florida Administrative Code, is "willful" in the sense intended by Section 364.285, Florida Statutes. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL, In re: Investigation Into The Proper Application of Rule 25-14.003, F.A.C., Relating To Tax Savings Refund for 1988 and 1989 For GTE Florida, Inc., having found that the company had not intended to violate the rule, the Commission nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "In our view, willful implies intent to do an act, and this is distinct from intent to violate a rule." Thus, any intentional act, such as STS's conduct at issue here, would meet the standard for a "willful violation."

By Section 364.285, Florida Statutes, the Commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$25,000 per day for each offense, if such entity is found to have refused to comply with or to have willfully violated any lawful rule or order of the Commission, or any provision of Chapter 364. Utilities are charged with knowledge of the Commission's rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds, that `ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833).

Based on the aforementioned, staff recommends that the Commission should impose a \$25,000 penalty on STS for apparent violation of Rule 25-24.910, Florida Administrative Code, Certificate of Public Convenience and Necessity Required.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: The Order issued from this recommendation will become final upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order. If the Commission's Order is not protested and the payment of the penalty is not received within fourteen calendar days after the issuance of the Consummating Order, the collection of the penalty should be referred to the Department of Financial Services. This docket should be closed administratively upon either receipt of the payment of the penalty or upon the referral of the penalty to the Department of Financial Services. (W. Knight)

STAFF ANALYSIS: Whether staff's recommendation on Issue 1 is approved or denied, the result will be a Proposed Agency Action Order. If no timely protest to the Proposed Agency Action is filed within 21 days of the date of issuance of the Order, this docket should be closed administratively upon receipt of the payment of the penalty or referral of the penalty to the Department of Financial Services.

> COMMISSIONERS: LILA A. JABER, CHAIRMAN J. TERRY DEASON BRAULIO L. BAEZ MICHAEL A. PALECKI RUDOLPH "RUDY" BRADLEY

STATE OF FLORIDA



Attachment A

DIVISION OF COMPETITIVE MARKETS &

ENFORCEMENT

Walter D'Haeseleer

DIRECTOR (850) 413-6600

Public Service Commission

October 22, 2002

Via Facsimile and Certified Mail 813-630-3044 and 817-335-5800

Mr. Farukh Aslam President American Prepaid Telecom / Supreme Telecom Systems, Inc. (STS) 515 Houston Street Fort Worth, Texas 76102

Re: Consumer complaint Request No. 497705T and provision of prepaid calling services.

Dear Mr. Aslam:

We have received the enclosed consumer complaint. Based on our research, it appears that your company, in association with Mr. Peter J. Texiera and The Card Room.Com, Inc., are providing prepaid calling services in Florida through the distribution of the *Express Call* prepaid phone card. Please investigate the consumer's complaint and provide me with a response, in writing, to all the consumer's concerns within fifteen (15) days from the date of this letter, no later than **November 6, 2002**. Rule 25-4.043, Florida Administrative Code, states:

The necessary replies to inquiries propounded by the Commission's staff concerning service or other complaints received by the Commission shall be furnished in writing within fifteen (15) days from the date of the Commission inquiry.

Please be aware that in the recent past, the Commission has imposed a \$10,000 penalty on companies that have not complied with Rule 25-4.043, Florida Administrative Code.

In addition, our records do not list either American Prepaid Telecom, Supreme Telecom Systems, Inc., or The Card Room.Com, Inc. as having obtained a certificate of public convenience and necessity from the Commission. Rule 25-24.910, Florida Administrative Code, Certificate of Public Convenience and Necessity Required, states:

A company shall not provide PPCS [prepaid calling services] without first obtaining a certificate of public convenience and necessity as a local exchange company, alternative local exchange company, or interexchange company. The name used as

DOCKET NO. 030040-TI
DATE: February 6, 2003

Attachment A

Mr. Farukh Aslam Page 2 October 22, 2002

the provider of PPCS printed on the prepaid calling card shall appear identical to the name in which the certificate is issued. A "doing business as" name may be used in lieu of the certificated name if it is registered as a fictitious name with the Florida Division of Corporations and reflected on the certificate before the name is used on the card.

Mr. Aslam, to rectify this matter, your company should submit an application for an interexchange company certificate to the Division of the Commission Clerk and Administrative Services no later than November 13, 2002. You can obtain an application form and all the pertinent information, including a copy of the Commission's rules, from our website, www.psc.state.fl.us

If you have any questions or wish to discuss this, please let me know. I can be reached at (850) 413-6536.

Sincerely,

Dale R. Buys Regulatory Analyst Bureau of Service Quality

DRB Enclosure

cc: Mr. Peter J. Texiera
The Card Room.Com, Inc.
5404 Comfort Drive
Tampa, Florida 33610

Florida Department of Revenue Certification Section (J. Gilchrist)

OH

Consumer Information

Name: TERESA MCCARTHY

Business Name:

Svc Address: 121 46TH AVENUE #2B

County Pinellas

Phone: (727) -367-6428

City/Zip: Saint Petersburg / 33706-

Account Number:

Caller's Name: TERESA MCCARTHY

miling Address: 121 46TH AVENUE #2B

ty/Zip: SAINT PETERSBURG ,FL 33706-

in Be Reached:

·Tracking Number:

Florida Public Service Commission - Consumer Request 2540 Shumard Oak Boulevard Tallahassee. Florida 32399 850-413-6100

Utility Information

Company Code: NA

Company: American Prepaid Telecom/STS

Attn.

Response Needed From Company? N

Date Due: 11/13/2002

Fax:

Interim Report Received: / /

Reply Received:

Reply Received Timely/Late:

Informal Conf.: N

PSC Information

Assigned To: DALE BUYS

Entered By: DRB

Date: 10/22/2002

Time: 10:27

Via: MAIL

Prelim Type: PREPAID CAL__

Disputed Amt:

0.00

Supmntl Rpt Req'd:

Certified Letter Sent: / /

Certified Letter Rec'd: / /

Closed by:

Date:

Closeout Type:

Apparent Rule Violation:

This complaint was originally received on 08/07/02 by CAF and complaint 482141T was opened against Saturn Telecommunications Services, Inc. (Saturn). Saturn's response to complaint 482141T stated that it does not provide prepaid calling cards, and that there may be another company using the initials STS.

9/16/2002 Case reassigned to the Division of Competitive Markets and Enforcement. P.Lowery

9/18/02: CMP staff called customer service number on phone card. Customer service representative would not provide staff with the name of the service provider, nor the name of the company that was providing customer service. Staff was unable to locate any prepaid phone card company using the name STS. drbuys

10/17/02: Since the last entry, staff located the company apparently providing service for the Express Call phone card; American Prepaid Telecom/STS, located at 515 Houston Street, Fort Worth, Texas 76102. A local company, The Card Room.com, Inc. may be distributing the cards in Tampa. The customer called to check on the Attachment

status of the case. Staff called customer at (727) 367-6428, and informed her that staff located the company providing the service and we will send an inquiry to the company.

Ms. McCarthy explained that she only received 26 minutes of call time on the Express Call phone card that lists 142 minutes. She explained she tried to call customer service but was cut off and hung up on. drbuy

10/22/02: CMP staff closed complaint 482141T and opened this complaint, 497705T, against American Prepaid Telecom/STS. Staff drafted letter to company requesting that STS investigate the consumer's complaint and provide a written reply by November 6, 2002. drbuys

Request No. 497705T

9

Name MCCARTHY , TERESA MS.

Business Name

DACE NO. 2

Field 31-02 Attachment A

To the Florida Public Sero Comm
I'm enclosing copy of a prepaid
Tel card I purchased at a mobil
gas Stateon beside me all the use
Igot from et was 26 mins to call
moss. There was 30 mins left they said
- when I called again they said no
time left, just a wh later, I called
Ireland a few times got no ensures +
was charged for it When I called
cust sero no on card they said calle brack
during bus how hung up even the
et was bus his. Also say no of mins to
speak + Dom out off before time is exp.
Would never buy it again
Tiresa m. Carthy
121-46 th ave 428
ST. Lete Beh.
ED F 1 31 F 152.33706
AUG - 6 2002
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(Constituted by the second of



EXPRESS CALL

EASY TO USE! LOWEST RATES WORLDWIDE!

INSTRUCTIONS

- 1. Dial the 800 access number on your card, and enter your PIN number.
- 2. To make a domestic call, dial the phone number you wish to call, including the area code.
- 3. To make an international call, Dial:011 + Country Code + City Code + Phone #.
- 4. To make another call, Do not hang up, press *.

RATES

- 1. Domestic rate is 3.5¢ per minute.
- 2. International rates vary by country.
- 3. Surcharge for each call: Domestic .0¢ International 0¢.
- 4. 0-28% will be deducted for taxes and operational expenses.
- 5. Rates and Surcharges may change without notice.
- 6. Time expires 90 days after first-use.
- 7. A 50¢ biweekly maintenance tee applies after first use.
- 8. Calls made from payphones will be charged .64¢ to comply with FCC ruling.
- 9. Retail minutes displayed are before all applicable operational fees. Actual talk time will vary

(Calls are billed in 1-3 minute increments)

OUT OF CHANGE / TIME? For Collect Calls Dial: Para Liamadas por Cobrar 1-866-558-7716



1. Dial: 1-800-709-5628

Marque:

1-800-709-5629

2. Follow instructions.

3. International Calis 011+Country Code+City Code

2. Siga las instrucciones.

3. Llamadas Internacionales 011+Código del País+Código de la Ciudad+el Número Telefónico

292 501 2153

Network Services Provided STS

800-558-6075

005003405

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SEC	TION ON DEL	IVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Received by (Please		B. Date of Delivery
so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	C. Signature	Ras	☐ Agent ☐ Addressee
Article Addressed to:	D. Is delivery address d		
Mr. Farukh Aslam, President American Prepaid Telecom/Supreme	Telecom		
Forth Worth, Texas 76102	eet =		
mbllandlllandddall		□ Express Ma □ Return Rece □ C.O.D.	il elpt for Merchandise
	/?	(Extra Fee)	☐ Yes
2 7001 2510 0007 6217 098	ŧ		
PS Form 3811, July 1999 Domestic Ret	turn Receipt		102595-99-M-1789
United States Postal Service		\	First-Class Mail Postage & Fees Paid USPS Permit No. G-10
Florida Public Service	Commission		; •
Mr. Dale Buys 2540 Shumard Oak Bl Tallahassee, FL 3239	vd.	COMPETIT	ISION OF FIVE SETMITES
T CHICATO	•		

> COMMISSIONERS: LILA A. JABER, CHAIRMAN J. TERRY DEASON BRAULIO L. BAEZ MICHAEL A. PALECKI RUDOLPH "RUDY" BRADLEY

STATE OF FLORIDA



Attachment B

DIVISION OF COMPETITIVE MARKETS &

WALTER D'HAESELEER

DIRECTOR (850) 413-6600

Hublic Service Commission

November 14, 2002

Via Facsimile and Certified Mail 813-630-3044 and 817-335-5800

Mr. Farukh Aslam President American Prepaid Telecom / Supreme Telecom Systems, Inc. (STS) 515 Houston Street Fort Worth, Texas 76102

Re: Failure to respond to Commission staff inquiry and submit an application for an IXC certificate.

Dear Mr. Aslam:

On October 22, 2002, I sent your company a letter (copy enclosed) requesting that STS investigate a consumer complaint regarding the *Express Call* prepaid phone card and submit an application for an interexchange company (IXC) certificate. A reply to the consumer complaint was due on November 6, 2002, and the application was supposed to be submitted no later than November 13, 2002. On October 23, 2002, I received a call from Mr. Peter J. Trexiera. Mr. Trexiera stated that your company would reply to the customer complaint and submit an application. As of today, I have not received a written reply to my inquiry, nor has the Commission received your company's application.

Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries, states:

The necessary replies to inquiries propounded by the Commission's staff concerning service or other complaints received by the Commission shall be furnished in writing within fifteen (15) days from the date of the Commission inquiry.

Rule 25-24.910, Florida Administrative Code, Certificate of Public Convenience and Necessity Required, states:

A company shall not provide PPCS [prepaid calling services] without first obtaining a certificate of public convenience and necessity as a local exchange company, alternative local exchange company, or interexchange company. The name used as the provider of PPCS printed on the prepaid calling card shall appear identical to the

PSC Website: http://www.floridapsc.com - 13 - Internet E-mail: contact@psc.state.fl.us

> Mr. Farukh Aslam Page 2 November 14, 2002

> > name in which the certificate is issued. A "doing business as" name may be used in lieu of the certificated name if it is registered as a fictitious name with the Florida Division of Corporations and reflected on the certificate before the name is used on the card.

Mr. Aslam, if we do not receive your company's written reply to the consumer's complaint and STS's application for an IXC certificate by November 29, 2002, a docket will be opened to initiate formal enforcement action for STS's apparent violation of the aforementioned rules. By Section 364.285, Florida Statutes, the Commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$25,000 per day for each offense, if such entity is found to have refused to comply with or to have willfully violated any lawful rule of the Commission. Should you have any questions regarding this matter, please call me at 850-413-6536.

Sincerely,

Dale R. Buys Regulatory Analyst

Bureau of Service Quality

DRB Enclosure

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■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse contact we can return the card to your Mr. Farukh Aslam, President American Prepaid Telecom/ Supreme Telecom Systems, Inc. \$5	A. Received by (Please C. Signature		Date of Delivery
515 Houston Street Fort Worth, Texas 76102	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		-
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2. 7002 0860 0001 17 PS Form 3811, March 2001 Domestic	54 3149 Return Receipt		102595-01-M-1424
United States Postal Service		First-Class Postage & I USPS Permit No.	ees Paid
• Florida Public Service Commis Mr. Dale Buys 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850	2 832 (1017	25 ANTE	6

Deal Me Boys

I am replying to your second letter to received via four and certified mail would like for apologize that I have not responded to you sooner.

to you soovel. ON 10-23-07 I pulled a call détail report on the case one fin # you provided The depost shows the following the worker infact did call incleano & was connected for I minute. She then made several calls to millano again some say she was conviction and Deputher time others say she 010 inot connect and no hours was diducted, i he have also put an 8 second selay on ... our cases which when a calls goes out time son not bill. Degardless the assigner Her contacted us at a stoner service Dispoting movies taken off of the CURD BND was issued a credit. Another problem is The had a software issue with our weekly nounderance de was working every 3 days insdead of weekly. I do not know Ité ble customer was credites plese monte NO is we have sinc To do so value with wo pot the cores a make this astone

happy. I hope this investigation considers

any of your questions dell free too

call it you have any forther questions

on brhalf it supreme

Teleson

DET-336-0000

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P.S.

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as proper liscensing

Docks

Supreme Telecom Systems, Inc. Call Detail Record

lnclude all months		Express Call \$5 Card			Company 1506 PIN Sequence 005003405			
20.00		Time	Call To	Duration	Originata	Terminate	Charas	Total
Mon	Date/day				Originate		Charge	
Jul	07-06-02 Sat	3:08:29 pm	Ireland	1.0	727-367-6428	011-353-934508	0.30	0.30
	07-06-02 Sat	3:09:46 pm	lreland	0.0	727-367-6428	011-353-924508	0.00	0.30
	07-06-02 Sat	3:18:44 pm	lreland	0.0	727-367-6428	011-353-214775	0.00	0.30
	07-06-02 Sat	3:22:41 pm	Ireland	0.4	727-367-6428	011-353-934508	0.30	0.60
	07-07-02 Sun	3:19:39 pm	Ireland	0.0	727-367-6428	011-353-214775 027	0.00	0,60
	07-07-02 Sun	4:17:01 pm	Ireland	0.5	727-367-6428	011-353-214775	0.30	0.90
	07-07-02 Sun	4:29:36 pm	Ireland	0.0	727-367-6428	011-353-214775	0.00	0.90
	07-08-02 Mon	07:43:15 am	Ireland	0.0	727-367-6428	011-353-214775	0.00	0.90
	07-10-02 Wed	08:37:56 am	lreland	0.1	727-367-6428	011-353-214775	0.30	1.20
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	07-10-02 Wed	08:55:47 am	Ireland	0.1	727-367-6428	011-353-214775	0.30	1.50
·	07-10-02 Wed	08:55:51 am	Ireland	0.0	727-367-6428	011-353-214775	0,00	1.50
	07-10-02 Wed	09:20:08 am	Ireland	0.1	817-698-0987	011-353-214775 027	0.30	1.80
	07-10-02 Wed	09:21:26 am	Ireland	0.0	727-367-6428	011-353-214775	0.00	1.80
	07-11-02 Thu	07:57:42 am	lreland	0.0	727-367-6428	011-353-214775 027	0.00	1.80
	07-14-02 Sun	3:23:26 pm	Ireland	0.0	727-367-6428	011-353-214775	0.00	1.80
	07-15-02 Mon	7:17:37 pm	US, N HAMPSHIRE	25.9	727-367-6428	160-342-48997	1.19	2.99
	07-17-02 Wed	09:14:56 am	US, MASSACHUS.	0.0	727-367-6428	161-732-72316	0.00	2.99
	07-26-02 Fri	08:41:58 am	<rate error=""></rate>	0.0	727-367-6428	800-709-5628	0.00	2.99
	07-26-02 Fri	08:57:52 am	<rate error=""></rate>	0.0	727-367-6428	800-709-5628	0.00	2.99
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"Supreme Telecon Sys. 515 Houston St. #800 Fr. weell, Tx. 7601Z

AHN Dale Z. buys Regulatory Analys Breau of Service Quality Capital Circles Offices Center 2540 Shumaeo Oak blub. Tallahassee, 11. 32399-0850