

State of Florida



Public Service Commission

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

RECEIVED FPSC

OCT 12 AM 10:18

COMMISSION
CLERK

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

DATE: October 12, 2006

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Competitive Markets & Enforcement (Buys) ^{DRB}
Office of the General Counsel (Tan) *TJ PLW*

RE: Docket No. 060502-TI – Compliance investigation of World-Link Solutions, Inc. d/b/a WL Solutions, Inc. for apparent violation of Rules 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection; and 25-24.475, F.A.C., Company Operations and Customer Relations.

AGENDA: 10/24/06 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\CMP\WP\060502.RCM.DOC

Case Background

The Florida Public Service Commission (Commission) received a consumer complaint (Request No. 679614T) on December 6, 2005, against World-Link Solutions, Inc. d/b/a WL Solutions, Inc. (World-Link) for an unauthorized switch of the customer's long distance service (a practice commonly known as slamming). World-Link is a long distance telephone service provider located in New York, NY. The company solicited its service through a telemarketing call, switched the customer's long distance service from Sprint (Embarq Florida, Inc.) to World-Link, and sent the customer a separate bill. World-Link was not registered with the Commission as an interexchange company (IXC) at the time it was switching the customer to its service.

DOCUMENT NUMBER-DATE

09449 OCT 12 08

FPSC-COMMISSION CLERK

Staff notified the company via Certified Mail on December 15, 2005, that the Commission received said complaint and that the bill provided with the complaint indicates that World-Link is providing intrastate interexchange service in Florida, and as such, World-Link is required to register as an IXC. The company responded claiming that it did not switch any calls that the customer made inside the state of Florida even though the call detail records on the bill include charges for intrastate calls. Nevertheless, World-Link submitted its IXC registration form on February 24, 2006, which was acknowledged in Docket No. 060161-TI.

The company also indicated that the customer's wife made a voice verification on August 19, 2005, in which she authorized World-Link to switch her InterLATA service. The company provided a recording of the third party verification (TPV) used to verify the customer's authorization. Staff reviewed the TPV recording and concluded that the content and format did not meet the requirements of the Commission's rules, nor did the recording indicate that the customer authorized World-Link to switch long distance service providers. Staff notified World-Link of the discrepancy and informed the company that the complaint would be classified as an apparent slamming violation, and to resolve the complaint, the company should contact the customer and provide the appropriate refund.

In its response, submitted on March 13, 2006, World-Link refuted staff's analysis and indicated that it believes it was authorized by the customer to switch service providers. However, the company did offer to reimburse to the customer any switching fees the local exchange company (LEC) may have billed the customer provided the customer sends a copy of the LEC bill showing the switching fees.

Three days later, on March 16, 2006, World-Link sent the customer a final notice requesting full payment of the disputed amount and threatening to implement collection proceedings if the company does not receive the payment in full (the amount billed is \$198.12). Staff mailed a letter to the customer on March 23, 2006, inquiring if World-Link had contacted him to provide a resolution. On April 20, 2006, the customer informed staff that the company did contact him several times on April 19, 2006, attempting to seek collection on his account.

Staff sent World-Link a third letter via Certified Mail on April 21, 2006, informing the company that the complaint appears to be a slamming violation and that the company should provide the customer with a credit in accordance with the slamming rule.¹ Staff also informed the company that if World-Link fails to provide the customer with an acceptable solution to his complaint by the requested date, staff will proceed with further enforcement action.

¹ Rule 25-4.118(8), Florida Administrative Code, states that charges for unauthorized provider changes and all 1+ charges billed on behalf of the unauthorized provider for the first 30 days or first billing cycle, whichever is longer, shall be credited to the customer by the company responsible for the error within 45 days of notification to the company by the customer, unless the claim is false. After the first 30 days up to 12 months, all 1+ charges over the rates of the preferred company will be credited to the customer by the company responsible for the error within 45 days of notification to the company by the customer, unless the claim is false. Upon notice from the customer of an unauthorized provider change, the LEC shall change the customer back, or to another company of the customer's choice. The change must be made within 24 hours excepting Saturday, Sunday, and holidays, in which case the change shall be made by the end of the next business day. The provisions of this subsection apply whether or not the change is deemed to be an authorized carrier change infraction under subsection (13).

A written response from World-Link describing the actions the company has taken to resolve the complaint was due on May 12, 2006. World-Link failed to respond to staff's letter of inquiry. Instead, World-Link referred the collection of the customer's bill to a collection agency. The customer received a letter, dated July 14, 2006, from the Collection Department of Butler, Robbins & White, located in Tamarac, Florida, seeking payment in the amount of \$203.08 on behalf of World-Link. Staff contacted the debt collector and informed the agency that the amount World-Link is seeking is under dispute through a complaint on file with the Commission. The debt collector agreed to cease collection on the account.

On July 19, 2006, staff opened this docket to address World-Link's apparent failure to respond to staff's inquiry regarding the slamming complaint. In a final attempt to contact World-Link prior to filing its recommendation for the August 29, 2006, Agenda, staff contacted the legal counsel that handled the company's IXC registration in February 2006. From August 8, 2006, through August 29, 2006, staff and World-Link's legal counsel discussed the parameters for a settlement proposal. On September 15, 2006, through its legal counsel, World-Link submitted its settlement proposal. From September 15, 2006, through October 4, 2006, staff and World-Link's legal counsel worked to revise the company's telemarketing and third party verification scripts used to solicit carrier changes to Florida customers so that they now both comply with the Commission's rules.

The Commission is vested with jurisdiction over this matter pursuant to Sections 364.01, 364.183, 364.603, and 364.285, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate.

Discussion of Issues

Issue 1: Should the Commission accept World-Link Solution Inc.'s settlement offer to resolve its apparent violation of Rules 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection, and 25-24.475, F.A.C., Company Operations and Customer Relations?

Staff Recommendation: Yes. The Commission should accept World-Link Solution Inc.'s settlement offer to make a voluntary contribution to the Florida General Revenue Fund in the amount of \$3,500 to resolve its apparent violation of Rules 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection, and 25-24.475, F.A.C., Company Operations and Customer Relations. **(Buys, Tan)**

Staff Analysis: As explained in the case background, World-Link failed to timely respond to staff's inquiries regarding a slamming complaint from a Florida consumer. Additionally, the company's telemarketing and verification practices that caused the slamming complaint appear to be in violation of the Commission's slamming rule. In an effort to resolve this matter, World-Link, through its counsel, submitted a settlement proposal on September 15, 2006. In its proposal, World-Link agrees to do the following:

1. Send a letter to the complainant, Mr. Downs, explaining that all charges billed by World-Link have been forgiven, all efforts to collect ceased, and confirm that there has been no impact on Mr. Down's credit bureau rating.
2. Make a voluntary contribution to the Florida General Revenue Fund in the amount of \$3,500: \$2,000 of which is for its apparent slamming infraction, an apparent violation of Rule 25-4.118, F.A.C., and \$1,500 for its failure to respond to an inquiry from Commission staff, an apparent violation of Rule 25-24.475, F.A.C.
3. Change the company contact persons listed in the Commission's Master Directory.
4. Submit to staff copies of its third party verification script and telemarketing script, and make the necessary changes to correct any deficiencies identified by staff.
5. Comply with all Commission rules and regulations now and in the future.

Staff believes that the actions agreed to in World-Link's settlement offer should correct the problems that led to the company's apparent rule violations. World-Link revised its third party verification script and telemarketing script to meet the requirements outlined in Rule 25-4.118, F.A.C. The company changed the contact persons for the company on file with the Commission to facilitate timely communication with staff. Additionally, the company has resolved the consumer complaint and provided the complainant with a letter ensuring that all charges have been dropped, collections on the complainant's account have been ceased, and assurances that the complainant's credit rating has not been affected. Further, the amount of the company's settlement is consistent with the average amount of prior settlement offers accepted by the Commission for similar apparent rule violations in previous dockets.

Based on the aforementioned, staff recommends that the Commission should accept World-Link Solution Inc.'s settlement offer to make a voluntary contribution to the Florida General Revenue Fund in the amount of \$3,500 to resolve its apparent violation of Rules 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection, and 25-24.475, F.A.C., Company Operations and Customer Relations.

Issue 2: Should this docket be closed?

Recommendation: Staff recommends that the Order issued from this recommendation become final and effective upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80(13)(b), Florida Statutes, any issues not in dispute should be deemed stipulated. World-Link should be required to submit payment of \$3,500 no later than December 20, 2006. The payment should be made payable to the Florida Public Service Commission and include the docket number. If World-Link fails to comply with the actions agreed to in its settlement proposal, dated September 15, 2006, its tariff should be cancelled, its name should be removed from the IXC register, and the company should be required to immediately cease and desist providing all intrastate telecommunications services in Florida. This docket should be closed administratively upon receipt of the payment of the voluntary contribution or upon cancellation of the company's tariff and removal of its name from the IXC register. **(Tan)**

Staff Analysis: Staff recommends that the Commission take action as set forth in the above staff recommendation.