

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into numerous) DOCKET NO. 910205-TI
 complaints against MCI TELECOMMUNICATIONS) ORDER NO. 24550
 CORPORATION for unauthorized connections) ISSUED: 5/20/91
 _____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
 BETTY EASLEY
 GERALD L. GUNTER
 MICHAEL MCK. WILSON

ORDER ACCEPTING SETTLEMENT OFFER

BY THE COMMISSION:

This docket was initiated in response to the number of complaints received by our Division of Consumer Affairs (Consumer Affairs) against MCI Telecommunications Corporation (MCI) regarding unauthorized connections. An authorized connection is the changing of a customer's presubscribed primary interexchange carrier (PIC) without proper authorization from the responsible party. Our Staff's investigation demonstrated that in 1990, MCI had 210 total complaints, of which approximately 150 were for unauthorized connections or marketing practices. In the first quarter of 1991, 96 complaints were received by Consumer Affairs, with 73 of those for unauthorized connections or marketing practices. By Order No. 24037, issued January 28, 1991, in the U.S sprint docket, we indicated that unauthorized connections and unfair marketing practices would not be tolerated in Florida. Additionally, by Order No. 24403, issued April 22, 1991, we directed that a rulemaking proceeding be opened to address the problems of unauthorized connections and improper marketing practices of the interexchange carriers (IXCs). We believe that we have sent a clear message to the IXCs.

On April 29, 1991, MCI filed an Offer of Settlement with the Commission. In that offer, MCI agreed to pay a fine of \$25,000 for the unauthorized connections investigated by our Staff. Additionally, the Company explained that a substantial number of complaints during the period of October 1990 through March 1991, resulted from order processing errors. Due to the submission of a tape to the local exchange companies, a significant number of customers were inadvertently changed to MCI. During the course of its investigation our Staff found that, upon detection of the

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error, MCI acted in a timely manner to return the affected customers to their chosen carrier.

Although MCI currently has verification procedures in effect, those procedures have not adequately reconciled the unauthorized connection problems. However, the Company asserts that it had no policy in place which encouraged or directed intentional unauthorized PIC changes. As a solution to the verification problem, the Company has committed to implement a nationwide independent third party verification process, subject to outside audit. The process will be fully implemented by June 1, 1991. MCI believes that this measure will protect customers against having their PIC changed without their authorization.

We believe that MCI's settlement offer is reasonable. The Company's management is aware of and is taking steps to address the problems that exist. Therefore, we accept MCI's offer, and hereby direct the Company to remit \$25,000 to the Florida Public Service Commission in settlement of the issues in this docket. Again, we caution MCI that unauthorized connections shall not be tolerated in the future.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that MCI Telecommunications Corporation shall remit \$25,000 to the Florida Public Service Commission forthwith in settlement of the issues in this docket. It is further

ORDERED that this docket be closed upon receipt of the \$25,000 settlement from MCI Telecommunications Corporation.

By ORDER of the Florida Public Service Commission, this 20th day of MAY, 1991.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

PAK

by: Kay Hegan
Chief, Bureau of Records

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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 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 or sewer 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. This 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.