

Talbott
Vandiver

WV
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State of Florida



Public Service Commission

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

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

RECORDS AND
REPORTING

99 MAY 17 AM 11:11

RECEIVED-FPSC

DATE: MAY 20, 1999

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF LEGAL SERVICES (MILLER/BEDELL) *Jam*
DIVISION OF COMMUNICATIONS (KENNEDY) *REK*
DIVISION OF CONSUMER AFFAIRS (JOHNSON) *JB*

RE: DOCKET NO. 981643-TP - INITIATION OF SHOW CAUSE PROCEEDING AGAINST USA TELE CORP. FOR VIOLATION OF RULE 25-4.118, FLORIDA ADMINISTRATIVE CODE, INTEREXCHANGE CARRIER SELECTION.

AGENDA: 06/01/99 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: I:\981643a.RCM

CASE BACKGROUND

On November 16, 1993, the Commission granted USA Tele Corp. (USA) certificate number 3491 to provide intrastate interexchange telecommunications service.

From February 2, 1998, through November 4, 1998, the Commission's Division of Consumer Affairs received 48 complaints against USA. At least 15 of these were closed by the Division of Consumer Affairs, with concurrence by telecommunications staff, as unauthorized carrier change (slamming) infractions in violation of Rule 25-4.118, Florida Administrative Code. The balance of the complaints are either pending closure in the Division of Consumer Affairs or response from the company.

DOCUMENT NUMBER-DATE

06180 MAY 17 99

FPSC-RECORDS/REPORTING

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Based on consumer complaints, it appears that USA's marketing agents have used deceptive practices in promoting USA's long distance service. Specifically, one consumer claims that USA's marketing agent professed to be a Sprint representative. Another consumer believes that the tape recordings generated during the third party verification process had been altered and did not represent the conversations that had actually occurred. Other consumers reported that USA's verification process was obscure and intentionally misleading.

In light of the numerous complaints received from consumers, the allegations of false representation, misleading verification processes, and alteration of taped recordings, it is staff's opinion that USA has violated Commission rules and has not established sufficient safeguards to protect consumers from unauthorized carrier changes. Therefore, staff believes the following recommendations are appropriate.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission order USA to show cause why it should not have Certificate Number 3491 canceled, or be fined \$10,000 per apparent violation for a total of \$150,000, for apparent failure to comply with Rule 25-4.118, Florida Administrative Code, Interexchange Carrier Selection?

RECOMMENDATION: Yes. The Commission should order USA to show cause in writing, within 21 days of the issuance date of the Commissioner's order, why it should not be fined \$10,000 per apparent violation for a total of \$150,000, or have its certificate canceled, for apparent failure to comply with Rule 25-4.118, Florida Administrative Code. Any collected fine monies should be forwarded to the Office of the Comptroller for deposit in the state General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. **(Kennedy)**

STAFF ANALYSIS: The Division of Consumer Affairs received its first slamming complaint against USA on February 2, 1998. Through November 4, 1998, the Division of Consumer Affairs has closed a total of 15 consumer complaints against USA as unauthorized carrier change (slamming) infractions.

Rule 25-4.118(2), Florida Administrative Code, at the time of these apparent violations, provides that:

A LEC shall also accept PIC change requests from a certificated interexchange company (IXC) acting on behalf of the customer. A certified IXC that will be billing customers in its name may submit a PIC change request, other than a customer-initiated PIC change, directly or through another IXC, to a LEC only if it has certified to the LEC that at least one of the following actions has occurred prior to the PIC change request:

(a) the IXC has on hand a ballot or letter from the customer requesting such change; or

(b) the customer initiates a call to an automated 800 number and through a sequence of prompts, confirms the customer's requested change; or

(c) the customer's requested change is verified through a qualified, independent firm which is unaffiliated with any IXC;

(d) the IXC has received a customer request to change his PIC and has responded within three days by mailing of an information package that includes a prepaid, returnable postcard and an additional 14 days have past before the IXC submits the PIC change to the LEC. The information package should contain any information required by Rule 25-4.118(3).

Rule 25-4.118(6), Florida Administrative Code, at the time of these apparent violations, requires:

The IXC shall provide the following disclosures when soliciting a change in service from a customer:

(a) Identification of the IXC;

(b) That the purpose of visit or call is to solicit a change of the PIC of the customer;

(c) That the PIC can not be changed unless the customer authorizes the change;

Within Florida, it appears that USA has used telemarketers for promoting its product and verification of the customer's PIC change via an independent third party. USA's response to many of the slamming complaints was that it received third party verification authorization. In several instances, USA stated that the tape recording by the third party verifier was not available due to technical difficulties or damage to the recording medium. USA's own analysis of some complaints concluded that the dialogue exchange between the marketing representative and the consumer left

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doubt about the validity of the carrier switch. Some consumers stated that the telemarketer professed to be representing Sprint or BellSouth. Another consumer stated that the telemarketer ensured her that her long distance provider would not be switched, and subsequently it was in fact switched.

Examples of complaints received from consumers include the following:

On February 2, 1998, Dr. David S. Valiente reported to Consumer Affairs that his long distance service was switched without his authorization. Dr. Valiente contacted USA and was informed that it had a tape recording authorizing the carrier change. Dr. Valiente was provided an opportunity to review the tape. Dr. Valiente stated that the voice on the tape was not his. He further stated that the conversation he had with the telemarketer was totally different than what was presented on the tape recording. This is an apparent violation of Rule 25-4.118(6)(c), Florida Administrative Code. Dr. Valiente asserts that he advised the telemarketer that he was not interested in changing his long distance carrier. (Attachment A, Pg. 8)

On February 18, 1998, Mr. Daniel L. Jerry sent Consumer Affairs written correspondence stating that in mid-November 1997, he received a phone call from a solicitor inquiring if he would prefer to have just one billing for both local and long distance charges. Mr. Jerry asked the solicitor if he was with Sprint and employed by Sprint. The solicitor responded affirmatively. Mr. Jerry further asked the solicitor if toll charges would change. The solicitor responded, "No they won't". While reviewing December's billing, Mr. Jerry realized that his long distance provider had in fact been changed to USA. This is an apparent violation of Rule 25-4.118(6)(a)-(c), Florida Administrative Code. Mr. Jerry's long distance service was switched to USA without his authorization based on a telemarketer apparently claiming to be a Sprint representative. (Attachment B, Pgs. 9-10)

On March 18, 1998, Mr. Fred Holland contacted Consumer Affairs claiming that he was billed by an unknown company. Mr. Holland provided the Commission written correspondence as a follow-up to his phone call. Apparently, USA had switched his long distance service without his authorization. In response to the Commission's inquiry, USA stated that it had a taped recording of Mr. Holland's consent allowing USA to be his long distance carrier; however, the tape had been marred during transit to USA's office. This is an apparent violation of Rule 25-4.118(2) and 25-4.118(6)(c), Florida Administrative Code, as the consumer's long distance carrier was

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apparently changed without verification or authorization.
(Attachment C, Pgs. 11-12)

On March 23, 1998, Consumer Affairs received a referral from the Office of the Attorney General, State of Florida, regarding a complaint from Ms. Shirley Green against USA. Ms. Green claimed that her long distance service was not only slammed, but a tape recording of her conversation with USA telemarketers was also altered. In its response to the Commission's inquiry, USA agreed to issue credits to Ms. Green and also indicated that it would determine the validity of a tape recording of Ms. Green authorizing the carrier switch. USA never provided the Commission a tape recording or an explanation of its analysis of the taped conversation. This is an apparent violation of Rule 25-4.118(2) and 25-4.118(6)(c), Florida Administrative Code, as the consumer's long distance carrier was changed without verification and without authorization. (Attachment D, Pgs. 13-15)

On April 2, 1998, Mr. William Arrants contacted Consumer Affairs to report that his long distance carrier had been changed without his authorization. In a follow-up fax to the Commission, Mr. Arrants claimed that he remembered a phone call from a telemarketer who stated that BellSouth would be billing his long distance calls, his long distance service provider would not be changed and his rates would remain the same. Mr. Arrants believed that he had been misled. In its response to the Commission, USA stated it had issued credit to the consumer. Mr. Arrants asserts that the telemarketer stated that his long distance provider would not be changed and that he did not authorize a change. This is an apparent violation of Rule 25-4.118(6)(b) and (c), Florida Administrative Code. (Attachment E, Pgs. 16-17)

On May 20, 1998, Ms. Lois Dukes contacted Consumer Affairs to report that her long distance carrier had been changed without her authorization. In response to the Commission's inquiry, USA stated that a verbal verification was executed between a marketing agency for USA and Ms. Dukes. USA reviewed a taped recording of the conversation between the marketing agent and Ms. Dukes and found the contents moderately suspect. USA stated that it could not provide the Commission a copy of the taped conversation because it had no facilities to make a duplicate. This circumstance appears to be a violation of Rule 25-4.118(2) and 25-4.118(6), Florida Administrative Code. The tape recording provided by the marketing agency was inadequate verification for initiating a PIC change and the consumer's long distance carrier was changed without authorization. (Attachment F, Pg. 18)

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On September 22, 1998, Mrs. Gloria Johnson supplied copies of her telephone bills to Consumer Affairs. Mrs. Johnson believed that her long distance carrier was Sprint, but was unsure because she found the telephone bills confusing. In response to the Commission's inquiry, USA indicated that on December 2, 1997, it received verbal authorization to switch Mrs. Johnson's long distance service to USA. However, USA said it could not provide a tape recording of this authorization because the tape was damaged in shipment from their marketing company. This is an apparent violation of Rule 25-4.118(6), Florida Administrative Code. Apparently, the consumer's long distance carrier was changed without authorization. (Attachment G, Pgs. 19-20)

The circumstances quoted above are apparent violations of Rules 25-4.118(2) and 25-4.118(6)(a)-(c), Florida Administrative Code. Consumer complaints that USA did not identify itself give the appearance that USA is operating in a willful and deceptive manner. USA or its agents failed to provide verification tape recordings, provided recordings that were damaged, or provided recordings that consumers claimed were intentionally altered, further indicating that USA operated in a willful and deceptive manner. According to 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 for each day a violation continues, 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 number of complaints received by the Division of Consumer Affairs, and the 15 complaints closed by the Division of Consumer Affairs as unauthorized carrier change infractions (slamming), staff believes there is sufficient cause to order USA to show cause in writing within 21 days of the effective date of the order why it should not be fined \$10,000 per infraction for a total of \$150,000 or have its certificate canceled for apparent violations of Rule 25-4.118, Florida Administrative Code.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: If staff's recommendation in Issue 1 is approved, then USA will have 21 days from the issuance of the Commission's show cause order to respond in writing why it should not be fined in the amount proposed or have its certificate canceled. If USA timely responds to the show cause order, this docket should remain open pending resolution of the show cause proceeding. If USA does not respond to the Commission's Order to Show Cause, the fines should be deemed assessed. While staff does not recommend in Issue 1 that USA's certificate be canceled for slamming violations at this time, staff does recommend that if USA fails to respond to the Order to Show Cause within five business days after the expiration of the show cause response period, USA's certificate should be canceled and this docket closed. (MILLER/BROWN)

STAFF ANALYSIS: If staff's recommendation in Issue 1 is approved, then USA will have 21 days from the issuance of the Commission's show cause order to respond in writing why it should not be fined in the amount proposed or have its certificate canceled. If USA timely responds to the show cause order, this docket should remain open pending resolution of the show cause proceeding. If USA does not respond to the Commission's Order to Show Cause, the fines should be deemed assessed. While staff does not recommend in Issue 1 that USA's certificate be canceled for slamming violations at this time, staff does recommend that if USA fails to respond to the Order to Show Cause, and the fines are not received within five business days after the expiration of the show cause response period, USA's certificate should be canceled and this docket closed.

MAY 20, 1999



DAVID S. VALIENTE, Ph.D.

6601 S.W. 80th Street, Suite 206
South Miami, Florida 33143
Telephone: (305) 661-1123
Fax: (305) 661-1238

7/10/98

To: Shirley Stokes:

From: David S. Valiente, Ph.D.

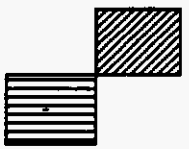
Request Number: 202712I

In regards To our Telephone conversation and listening to the Tape you played for me I am very upset because it was not my voice in the tape. USA-telecorporation not only has Taken Time from my schedule, slamed me from my other long distance carrier, and Taken 5 months to pay me back but now it has committed fraud by using somebody elses voice. IT was very obvious to me that the person in the tape only said the word "yes" to every question which is something that I would never do. The conversation that I had with the lady who called me was totally different. I said to her "I was not interested in changing Telephone carriers." I hope that USA-telecorporation will be more responsible for hiring people who will commit fraud.

Sincerely,  D. S. Valiente.

7033551

Miami Beach Center
RECEIVED



DANIEL L. JERRY

FEB 24 1998

P.O. BOX 1517

MARCO ISLAND, FL 34146

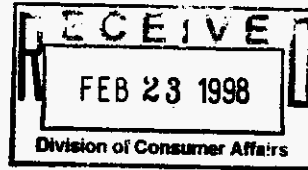
CMU

Tel(941)394-2558

Fax(941)389-1234

February 18, 1998

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Attn: Division of Consumer Affairs



Re: Fraudulent "Long Distance Carrier" marketing. Lines (941- 394)-2558- 2559- 7152
Lines (941-389)-1234-9111

Gentlemen:

Last year mid-November I received a telephone call and was asked if I would like to have one billing for local and long distance charges. As I knew that we were receiving two billings from Sprint, I asked the caller if he was with Sprint and he replied, Yes! I then asked him if he was employed by Sprint and again he responded, Yes! I then asked him if the toll charges would not change and he again responded, "No they won't".

When our Sprint telephone bills arrived in December, I noted that it showed "Wiltel" as our Long Distance Carrier. I immediately telephoned Sprint long distance and asked who Wiltel was? When they informed me that it was another long distance carrier I immediately advised them it was not authorized and instructed them to switch all our lines back to Sprint. On December 29, 1997 our lines were switched back to Sprint. Sprint thereafter sent us forms, which I signed to prevent such fraudulent marketing from happening again.

As the enclosed copies of telephone bills will show we have been charged 21 cents per minute or any fraction thereof by USA Tele Corp. (Wiltel) versus 15 cents per minute at 10 second intervals by Sprint. We were also billed by Sprint \$4.80 per line for switching charges, those were paid. We can establish seconds per call if need be.

I have deducted the Wiltel long distance charges from lines 394-2558 and 394-7152 for February's bills and wrote Sprint as to why and that the FPSC might be contacting them. I will pay Sprint after your investigation and correction of charges. The amount is not as significant as the method of marketing used by Wiltel for which they should be censured.

Respectfully submitted,

Daniel L. Jerry
Daniel L. Jerry

Encls: (6)

ATTACHMENT B
BUCKET NO. 981643-TP
MAY 20, 1999



351 S. Cypress Road, Suite #402
Pompano Beach, FL 33060
Phone: 954.283.1100
800-257-5159
Fax 954.283.1932

March 4, 1998

Ellen Plendl
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Request No. 2053531
Daniel L. Jerry

Dear Ms. Plendl,

This letter serves as acknowledgement in reference to the above-cited complaint. We have investigated the charge and found the following information. According to our records, a verbal verification was initiated on November 19, 1997 by one of our call centers and they spoke Mr. Daniel L. Jerry. I have spoken with Mr. Jerry and he advised me of the content of the verification. Mr. Jerry informed me that he was assured that the representative with whom he was speaking was from Sprint and there was not an additional cost in this program. We are separately investigating this issue and the necessary administrative actions will be instituted. We apologize for the occurrence.

USA Telecorp will be issuing a credit of \$71.35, which is inclusive of a 45% discount off of the call usage, switchover fees for all lines in addition to the February billing. Incremental billing and "Free Friday's" was also taken into account. Mr. Jerry has already switched back to Sprint with a PIC freeze and I have also given him the 700 test number to confirm his carrier. He has my name and direct number to contact me directly should any other billing inquiries arise. I have confirmed with Mr. Jerry the above is acceptable.

USA Telecorp markets its product through many marketing companies throughout the United States. Each company has a contract with us and we provide the managers with rules and regulations to follow. Each representative is fully trained as we expect for our product to be presented honestly and ethically. They are trained that they solely represent USA Telecorp and that they do not represent any other service or company. Any deflection from such training, rules and/or regulations results in immediate termination for the representative, if not the call center itself.

On behalf of USA Telecorp, please accept our apologies for any confusion and/or inconvenience that may have occurred to Mr. Jerry and the Commission. If I can be of further assistance, feel free to contact me at 1-800-257-5159, extension 253.

Respectfully,

Dara Kim Mason
Regulatory Affairs Administrator
USA Telecorp

Cc: Jeffrey A. Ullman

ATTACHMENT C
BUCKET NO. 981643-7P 9I
MAY 20, 1999
RECEIVED



MAR 11 1998

34149 St. Joe Road
Dade City, Florida 33525

03/09/98

T 1186

CMA 352
Phone 804-567-0012
Fred W. Holland
President
A352 567-0012

Sprint A. 1 800 339-1811 USBI 1 888 479 8724 AT&T 1 800 524 2455
PO Box 153000 No Address PO Box 78522
Altamonte Spgs. Fl. 32715 Pheonix, Az. 85062 - 8522
- 3000

Addressed to the above mentioned parties.

EXHIBITS LISTED BELOW

- 01. Springt - My local carrier = The billing is MOL Correct \$ 74.15
- 02. AT&T - My Long Distance carrier-02/24/98-I have a credit of 81.25
- 03. USBI - A billing of ----- 38.49
Who is USBI - Never heard of them.
I am not paying the above billings..
I Want some answers

SB 8 W 11 86
MAR 11 1998

- CC: The Florida Public Service Commission - 1800 342 3552 - Div of Consumer Affairs - 2540 Shumard Oak Blvd. Tallahassee, Fla. 32399-8153.
- CC: The chamber of Commerce -Dade City, Fl.
- CC: The Office Of Business Bureau, Tampa, Fla.
- CC: Atty Larry Hersch - A352 567-2442 - 12249 US Hwy #301 South - Dade City, Fla.

With Enclosures to each of Ex. 01 - 02 & 03

HOW IN THE H--- DID THEY BECOME MY LONG DISTANCE CARRIER - SOME OF THE LISTED CALLS I DIDN't MAKE.

I am asking & I want answers - How can some one do this ??????

Much Obliged - I Am
Fred W. Holland

CC: To the mentioned above.
ENC's Ex. 01 - 02 & 03





351 S. Cypress Road, Suite #402
Pompano Beach, FL 33060
Phone: 954.283.1100
800-257-5159
Fax 954.283.1932

March 23, 1998

Mr. Richard Durbin
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Request No. 207479I

Dear Mr. Durbin,

In response to the above-cited complaint, USA Telecorp hereby responds accordingly. I have investigated the charge and found the following information. According to our system, a verbal verification was initiated December 1, 1997. I have been informed the tape information has been marred while in transit to our office. Therefore, a total credit of \$33.96 will be submitted on Mr. Holland's account. This amount is the total sum of what USA Telecorp invoiced Mr. Holland. I will be more than happy to credit any residual invoice that Mr. Holland may receive. The account has been canceled in our system as of March 19, 1998.

I spoke with Mr. Holland on Friday, March 20, 1998. I advised him several times as to what company I was calling from and the purpose of my call. His attempts to speak with me were notably flirtatious and unessential. I again tried several times to resolve this matter and he questioned as to what "bunch" I was calling from. Over and over again, I advised him whom I was, where I was calling from and the purpose of my call. Mr. Holland told me that he did not remember filing any complaint, however, be that as it may, he refused to communicate with me after he realized, finally, that I was calling from USA Telecorp. My efforts were exhausted, yet I was able to finalize the call successfully.

Please accept our apologies for any confusion or inconvenience that may have occurred to Mr. Holland and the Commission. A full credit will be issued of \$33.96 and I hope this is satisfactory to all parties. Please contact me directly at 1-800-257-5159, extension 253 should I be of any further assistance.

Respectfully submitted,

Dana Kim Mason
Regulatory Affairs
USA Telecorp

03/09/1998 09:58 1-954-427-9274

INTERNATIONAL SITES

PAGE 01

7 pages

corres/Slamming
cc: M Gross

To: State of Florida Attorney General's office
Tallahassee, Florida

From: Shirley Green
279 Deer Creek Blvd. Apt. 1105, Deerfield Beach, FL 33442
Phone: 954-427-9201 • Fax: 954-427-9274

cc: Donna Watson
USA Tele Corp.

Date: March 9, 1998

2379252
Jul 4/8/99

Dear Sirs,

This is to report not just a case of 'slamming' (unauthorized switching of my long distance telephone service to another company) but also a case of outright fraud which occurred as part of this 'slamming' procedure.

Attached are a series of letters which I wrote, which show the steps I have taken to investigate the source of the slamming and correct it.

On Friday of this past week, however, I was confronted with evidence of serious fraud in the form of a doctored tape that was played to me, purporting to record my agreement to switch my long distance telephone service to USA Tele Corp. At that point, I determined that this entire matter needed to be brought to the attention of your office for further investigation and corrective action.

Here is a time line of the events, with a brief (but complete) summary of the relevant details.

On or about mid December, I received a telephone solicitation from a person who told me that President Clinton had recently signed a bill into law allowing substantial discounts to people who combined their telephone billing under one account and were billed by one party. Since I am billed by both BellSouth and Telegroup (my long distance company), I was interested in doing this in order to save what he promised would be \$20 to \$30 per month. I told him quite definitively that I am not going to change my present long distance service, and he repeatedly assured me that this program concerned only the billing process, and not my choice of long distance carrier.

He then put another person on the phone to tape my agreement. In the course of this taped confirmation, the other person mentioned the word "provider". I interrupted and said that I am not going to change my present long distance company. The original telephone solicitor then cut in (a bit angrily and/or impatiently) and said that the word "provider" referred only to the company providing billing services, not long distance services. So we continued with the taping.

On Saturday, February 21, I received a bill from BellSouth showing a series of telephone calls made on December 30, with USBI as the billing agency and USA Tele Corp as the long distance carrier. I called USBI immediately, but had to wait until Monday, February 23, to get someone in the office to answer.

On Monday, February 23, I talked to USBI, and they told me that they were only the billing agency, and that USA Tele Corp is the long distance company I would have to contact. Which I did. The person I talked to was Donna Watson. The attached letter dated February 23, which I wrote and faxed to Ms. Wilson as a follow-up of our conversation, briefly describes the events of that day and the actions I took.

On Wednesday, February 25, I wrote and faxed a second letter to Ms. Wilson detailed the taped telephone call in December.

Last week, on or about March 2 or 3, I received an interim notification from BellSouth showing several hundred dollars worth of calls billed by USA Tele Corp. I spoke to BellSouth's Customer Service department, explained the situation, and gained their promise not to charge me for these disputed telephone calls pending settlement of my dispute with USA Tele Corp.

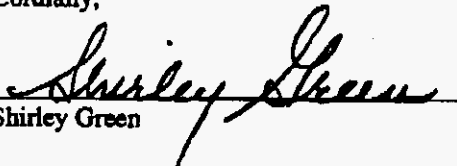
Then on Friday, March 6, Donna Wilson called me and had me listen to a tape that the telemarketing company has sent her. On that tape, the voice of the person recording the conversation said something like "Do you agree that your long distance service will be provided by USA Tele Corp." and faintly in the background I heard my voice saying "Yes".

That tape is a total, out-and-out fraud. I never heard the name USA Tele Corp before in my life, and saw it for the first time when I received my February 23 BellSouth bill. Missing from the tape was the portion of the conversation where I interrupted the speaker when he said "provider", and stated that I am not changing my present long distance company, and the original telemarketers said something like "we already covered that - 'provider' means 'billing agent'."

I am willing to testify that the above statement and attached letters are a true, accurate, and complete summary report of this incident, and, if required, swear out a complaint with the police department or with any other agency. I am not just interested in getting my long distance charges from December 30 through February 23 reduced to the cost which I normally pay Telegroup, but also in stopping and appropriately punishing these clearly fraudulent telemarketers, and the companies that hire them and profit from their fraudulent practices.

Please let me know as soon as possible how your office intends to pursue this matter, and advise me on what, if any, further steps that I need to take to bring this distressing matter to a speedy and just conclusion. Thank you.

Cordially,


Shirley Green



351 S. Cypress Road, Suite #402
Pompano Beach, FL 33060
Phone: 954.283.1100
800-257-5159
Fax 954.283.1932

April 13, 1998

Ellen Plendl
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Request No. 2079361
Shirley Green

Dear Ms. Plendl,

USA Telecorp is in receipt of the above referenced complaint and we hereby respond accordingly. I have investigated the charge and discovered the following information. According to our billing system, a verbal verification was executed December 18, 1997 by a marketing agency for USA Telecorp. Our point of contact indicates Shirley Green. In an effort to assure quality verifications, we obtain the point of contact's date of birth, which our records show "1-28". The account currently remains in a canceled status.

I have had the pleasure of speaking with Shirley Green regarding the complaint. It is my understanding that she feels there may have been corrections made during the verification. First and foremost, USA Telecorp utilizes a high quality third party verification company and any fabrications thereof will not be tolerated whatsoever. Nonetheless, the verification tape is en route to me and I will determine the validity of the verification. We apologize for the difficulties that have taken place.

Our records indicate a credit of \$432.51 is pending for specific invoices of which USA Telecorp has previously invoiced Ms. Green. I am extremely flexible in resolving the charge to all parties' satisfaction and Ms. Green has kindly agreed to forward me any additional invoiced she may receive. Credits will be adjusted accordingly. Ms. Green has may name and direct number to contact me directly. We will immediately notify you once Ms. Green is advised and satisfied with the credit(s) calculated.

On behalf of USA Telecorp, please accept our sincerest apologies. To the extent I can be of immediate assistance regarding this complaint, feel free to contact me directly at 1-800-257-5159, extension 253.

Respectfully submitted,

Dara Kim Mason
Regulatory Affairs Manager
USA Telecorp

Cc: Jeffrey A. Ullman

HIGH PERFORMANCE

Copier Sales, Service & Supplies

FAX TRANSMITTAL

TO: Ruth McHargue

COMPANY: Division of Consumer Affairs

FAX NO.: 800 511 0809

FROM: Bill Arrants

DATE: 4/2/98

COMMENTS: Inquiry # 209064

my long distance provider was switched from MCI to VSA TELE CORP without my permission. I remember receiving a phone call where they said BellSouth would be billing me for my long distance calls, my service provider would remain the same and the rates would also not change. Would I like to receive a bill instead of ? ~~_____~~
~~_____~~
~~_____~~

NUMBER OF PAGES INCLUDING COVER 3

8344 Kingswood Road
Panama City, FL 32409-1849
Phone No.: 904-265-3608
850

I switched back to MCI as soon as I discovered what had happened



351 S. Cypress Road, Suite #402
Pompano Beach, FL 33060
Phone: 954.283.1100
800-257-5159
Fax 954.283.1932

April 7, 1998

Ruth McHargue
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Request No. 2090641
William Arrants

Dear Ms. McHargue,

USA Telecorp is in receipt of the above-cited complaint and we hereby respond accordingly. I have investigated the charge and discovered the following information. According to our system, a verbal verification was executed December 9, 1997 by a marketing agency for USA Telecorp and our records indicate William Arrants as the point of contact. In order to assure quality verifications, we obtain the contact person's date of birth, which is showing "12-26". I have discussed the account information with Mr. Arrants and he informed me that he received a call from our marketing company, whom solely mentioned that there would be not be a change in his provider and also that his rates would remain the same. We sincerely apologize for this inaccuracy.

Mr. Arrants has been kind enough to forward me his USA Telecorp invoice for a re-rate to his MCI rate of \$.15 per minute. I happily re-rated his invoice and a credit of \$14.71 will be issued. This sum consists of \$6.73 as the re-rate, \$5.00 monthly fee and the \$1.49 switchover fee to and from his carrier of choice. I have confirmed that he has been switched back to MCI with a PIC freeze and I would also happily re-rate any and all residual invoices to \$.15 per minute. I believe this is satisfactory to Mr. Arrants. The account remains in a canceled status in our system.

Furthermore, it is my understanding that USA Telecorp is no longer marketing in the state of Florida. In addition, we no longer utilize the marketing company that solicited Mr. William Arrants.

We are regretful because of the unfortunate incident that has occurred. On behalf of USA Telecorp, please accept our apologies for the inconvenience and confusion that has taken place. To the extent I can be of any further assistance, feel free to contact me at 1-800-257-5159, extension 253. I remain,

Respectfully yours,

A handwritten signature in dark ink that reads "Dara Kim Mason". The signature is written in a cursive, flowing style.

Dara Kim Mason
Regulatory Affairs Manager
USA Telecorp

Cc: Jeffrey A. Ullman

ATTACHMENT F
DOCKET NO. 981643-TP
MAY 20, 1999



351 S. Cypress Road, Suite #402
Pompano Beach, FL 33060
Phone: 954.283.1100
800-257-5159
Fax 954.283.1932

May 21, 1998

Ellen Plendl
Florida Public Service Commission
2540 Shunard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Request No. 214263I
Clayton Dukes

Dear Ms. Plendl,

I have received the above-referenced complaint and would like to take this time to respond to you. I have investigated the charge and discovered the following information. Our system indicates that a verbal verification was executed December 9, 1997 between a marketing agency for USA Telecorp and Lois Dukes. Currently, the account remains in a canceled status. I have reviewed the verification and consider the content moderately suspect. For reasons such as this, we are no longer utilizing the services of this particular marketing agency as we have terminated their company contract and business relationship with us. I do not have the facilities to duplicate this verification. USA Telecorp has also ceased marketing in the state of Florida.

I have had the pleasure of speaking with Lois Dukes this afternoon and discussed what has taken place. I advised her that we are issuing credit for the monthly service fees of \$10.00 total. I understand that BellSouth has issued a credit in full for \$37.48. Furthermore, I will be issuing a credit for \$1.00 "pre-pay" fee and \$1.49 switch fee. Lois has been advised that I would happily credit all residual fees in full that may incur. I believe that Lois' number of 904-264-6668 has been switched back to AT&T, as I have also educated her on the 700 test number to confirm her preferred carrier at any time. A PIC freeze has also been implemented. I don't imagine that she would receive further billing, however, in the event that it does, credit will be issued in its entirety. I have given my name and direct number for Lois to contact me directly as I have confirmed with her that our response and resolution is satisfactory. An apology has been extended to Ms. Lois Dukes on behalf of USA Telecorp.

Should I be of any further assistance regarding this matter, feel free to contact me directly at 1-800-257-5159, extension 253.

Respectfully,

A handwritten signature in dark ink that reads 'Dara Kim Mason'. The signature is written in a cursive, flowing style.

Dara Kim Mason
Regulatory Affairs Manager
USA Telecorp

Cc: Jeffrey A. Ullman

ATTACHMENT G
BUCKET NO. 981643-TP
MAY 20, 1999



351 S. Cypress Road, Suite #402
Pompano Beach, FL 33060
Phone: 954.283.1100
800-257-5159
Fax 954.283.1932

September 29, 1998

Shirley Stokes
Florida Public Service Commission
2340 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Request No. 228267I
Gloria Johnson

Dear Ms. Stokes,

Thank you for the opportunity to respond to the above-cited complaint that has been forwarded to our office. USA Telecorp has completed an investigation and we have discovered the following. According to our system, a verbal verification was initiated between Contact USA, an independent marketing company for USA Telecorp and Mrs. Gloria Johnson on December 2, 1997. The account does not indicate any incoming customer call inquiries, however we have canceled the account as of today.

I have had the pleasure of speaking with Mrs. Gloria Johnson and Julia Johnson today regarding the dispute. It is clear to all parties involved that the billing received is puzzling, however I was able to extend a detailed explanation for what has occurred. With regards to the USA Telecorp billing, Mrs. Johnson billed on our service from December 16, 1997 to June 23, 1998. There is a cover page for each month's invoice that indicates who the long distance carrier is. Please note that WorldCom is our underlying carrier. It is apparent that Sprint began billing as of June 28, 1998 for inter and intrastate calls. Mrs. Johnson tested the 700 number this afternoon and received Sprint as the long distance carrier. I explained to Mrs. Johnson and Julia Johnson in further detail as to why there was billing from AT&T, MCI and Sprint-Florida Inc. There were calls placed from a payphone in the 850 area code to Clermont and Miami, billed on behalf of AT&T. The calls were on the February 7, 1998 invoice and may have been collect calls. AT&T also invoiced due to a 900 number call placed March 6, 1998 billed on the April 7, 1998 invoice. AT&T billed again for a 900 number call placed April 14, 1998 this is on the May 7, 1998 invoice. MCI billed for a call placed from Atlanta Georgia to Mrs. Johnson's home number on July 10, 1998 (August 7, 1998 invoice). Julia indicated that may have been a collect call from a relative. Although we agree that the invoice is complex, there is a logical explanation. I informed Julia that U.S.F.I. is our billing agent, they not only bill for USA Telecorp, but also for hundreds of other resellers. However, Sprint still remains as the local telephone company-regardless of who the long distance carrier is. I believe that Julia understands how and why each provider billed Mrs. Johnson.

I advised Julia Johnson that we are no longer utilizing the services of Contact USA. They are based out of Virginia and have in November 1997, they used their own verification company. All tapes were destroyed by the company. Some of the tapes were damaged while in transit to our office. While the calls were placed with our network, USA Telecorp does not expect Mrs. Johnson to absorb any excessive charges. Sprint's rate is \$.10 per minute as I have issued credit for each month to the \$.10 a minute rate. Credit will be issued for a total of \$175.36. Please note that it takes approximately thirty (30) to ninety (90) days for the credit to appear on the local telephone invoice. Since Sprint began billing June 28, 1998, I don't believe there should be residual billing. However, in the event there is, I would be more than happy to re-rate the invoices to \$.10 accordingly. I am requesting for Mrs. Johnson's telephone number to be deleted from our system to avoid miscellaneous charges.

OCT. 1.1998 3:42PM USA TELECORP

ATTACHMENT G
BUCKET NO. 981643-TP
MAY 20, 1999
NO. 105 P. 2/2

Mrs. Johnson is fully aware of the 700 test number. I am also available to assist Mrs. Johnson in assuring that her telephone number is PIC from Sprint. Both Mrs. Johnson and Julia Johnson have my direct number and name to contact me should I be of immediate assistance. USA Telecorp is extremely flexible in resolving the dispute and believe all parties involved are satisfied with our response and resolution thus far.

To the extent you have questions, feel free to contact me directly at (954) 283-1100, extension 253.

Regards,



Dara Kim Mason
Regulatory Affairs Manager
USA Telecorp

Cc: Jeffrey A. Ullman