

Public Service Commission

State of Florida

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
AUG 5 AM 10:13
RECEIVED 7:00

DATE: AUGUST 5, 1999

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

FROM: DIVISION OF LEGAL SERVICES (D.CLEMONS) *Dmc CB*
DIVISION OF COMMUNICATIONS (T.E.JOHNSON) *tel*

RE: DOCKET NO.990886-TC - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST LEASORTE ENTERPRISES, INC. FOR APPARENT VIOLATIONS OF RULE 25-24.515, F.A.C., PAY TELEPHONE SERVICE, AND RULE 25-4.043, F.A.C., RESPONSE TO COMMISSION STAFF INQUIRIES.

AGENDA: 08/17/99 - REGULAR AGENDA - SHOW CAUSE - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMU\WP\990886.RCM

CASE BACKGROUND

- February 18-25, 1999 - Staff performed routine service evaluations on pay telephone stations operated by Leasorte Enterprises, Inc. and found the apparent violations as presented in Attachment A (Page 6).
- March 8, 1999 - Staff mailed a letter to the address listed in the Master Commission Directory informing Leasorte Enterprises, Inc. of the apparent violations found during the evaluations.

DOCUMENT NUMBER-DATE

09298 AUG-5 99

TRAC-RECORDS/REPORTING

DOCKET NO. 990886-1C
DATE: AUGUST 5, 1999

- March 22, 1999 - Leasorte Enterprises, Inc.'s 1998 regulatory assessment fee return reported gross intrastate revenues of \$197,623.25 and 238 pay telephones in operation.
- March 25, 1999 - Staff mailed a certified letter to the address listed in the Master Commission Directory informing Leasorte Enterprises, Inc. of the apparent violations found during the evaluations after not receiving a response to the initial letter. The return receipt was returned by the United States Postal Service signed by the company.
- April 19-23, 1999 - Staff reevaluated the pay telephone stations and again found the apparent violations as presented in Attachment A.
- April 30, 1999 - Staff called the company and left a message.
- May 3, 1999 - Staff called the company and a representative said they needed a few days.
- May 24, 1999 - Staff called the company and left a message.
- July 8, 1999 - Staff opened this docket to investigate whether Leasorte Enterprises, Inc. should be required to show cause why it should not be fined or have its certificate canceled.
- July 22, 1999 - Leasorte Enterprises, Inc. submitted an offer to settle this case.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept the settlement offer proposed by Leasorte Enterprises, Inc. (Leasorte) to resolve the apparent violations of Rule 25-24.515, Florida Administrative Code, Pay Telephone Service?

RECOMMENDATION: Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the issuance date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.
(T.E. JOHNSON)

DOCKET NO. 990886-IC
DATE: AUGUST 5, 1999

STAFF ANALYSIS: Staff performed service evaluations of pay telephone stations on February 18-25, 1999. Through written correspondence, staff notified Leasorte of the apparent violations.

Leasorte did not report the status of any corrective action taken and staff performed a reevaluation of the same pay telephone stations on April 19-23, 1999. The table provided as Attachment A depicts the apparent rule violations that were repeats of the violations observed during the initial evaluations.

Based on the showings of the reevaluations that the pay telephone stations exhibited the same apparent violations, staff opened this docket to investigate whether Leasorte should be required to show cause why it should not be fined \$1500 or have its certificate canceled, pursuant to Section 364.285(1), Florida Statutes.

On July 21, 1999, Leasorte contacted staff to discuss the method for settlement of this case. On July 22, 1999, Leasorte submitted its offer to settle provided as Attachment B, (Page 7). In its settlement offer, Leasorte agreed to do the following:

- Leasorte will voluntarily pay \$1500 to the General Revenue Fund.
- Leasorte will conduct an investigation of all its pay telephones to ensure they are in compliance with Commission rules.

Staff supports Leasorte's offer to investigate of all if its pay telephones. By investigating its pay telephones, Leasorte demonstrates its willingness to meet the objectives of the Commission Rules.

Any contribution should be received by the Commission within ten business days from the issuance date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. Staff believes the terms of the settlement agreement as summarized in this recommendation are fair and reasonable.

DOCKET NO. 990886-1C
DATE: AUGUST 5, 1999

ISSUE 2: Should the Commission accept the settlement offer proposed by Leasorte Enterprises, Inc. (Leasorte) to resolve the apparent violations of Rule 25-4.043, Florida Administrative Code, Response to Commission Inquiries?

RECOMMENDATION: Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the issuance date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. (T.E. JOHNSON)

STAFF ANALYSIS: As previously mentioned, staff sent Leasorte correspondence on March 8 and March 25, 1999, regarding the apparent violations found during the pay telephone service evaluations. After several weeks with no response, staff contacted Leasorte on several occasions and requested a response to the initial evaluations. Staff still did not receive a response.

Leasorte has a previous history of failing to respond to staff's inquiries. On February 14, 1994, Order PSC 94-0182-FOF-TC, in Docket No. 930878-TC, was issued ordering the company to show cause why it should not be fined for failing to respond to Commission inquiries. On March 8, 1994, Leasorte paid the \$500 fine, and therefore, the company's certificate was not canceled.

On July 21, 1999 Leasorte contacted staff to discuss the method for settlement of this case and request a deferral of its item on the July 27, 1999, Agenda Conference. On July 22, 1999 Leasorte submitted its offer to settle provided as Attachment B. In its settlement offer, Leasorte agreed to do the following:

- Leasorte will voluntarily pay \$10,000 to the General Revenue Fund.
- In the future, Leasorte will contact staff if they should not fully understand the violations described.

The company has been very cooperative in resolving all issues. Any contribution should be received by the Commission within ten business days from the issuance date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. Staff believes the terms of the

DOCKET NO. 990886-IC
DATE: AUGUST 5, 1999

settlement agreement as summarized in this recommendation are fair and reasonable.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: No. With the approval of Issue 1, this docket should remain open pending the remittance of the \$11,500 voluntary contribution. Upon remittance of the settlement payment, this docket should be closed. If the company fails to pay in accordance with the terms of the settlement offer, the company's certificate should be canceled. (D.CLEMONS)

STAFF ANALYSIS: This docket should remain open pending the remittance of the \$11,500 voluntary contribution. Upon remittance of the settlement payment, this docket should be closed. If the company fails to pay in accordance with the terms of its settlement offer, the company's certificate should be canceled.

| Pay Telephone Station Number | 25-24.515(9) (a) | | | | | 25-24.515(2) | 25-24.515(18) (a-e) |
|------------------------------|--|--|---|------------------------------------|--------------------------------|--|--|
| | Address of Responsible Party for Refunds/Repairs Not Displayed | Legible And Correct Telephone Number Was Not Displayed | Correct Address Of Pay Phone Location Was Not Displayed | Name Of Provider Was Not Displayed | Local Coin Rate Was Not Posted | Not Sufficient Light To Read Instructions At Night | Telephone Was Not Accessible To The Physically Handicapped |
| 954-462-9693 | | | X | X | | | |
| 954-567-9071 | X | X | X | X | X | | |
| 954-581-6990 | | X | X | X | | X | X |
| 954-763-9690 | | | X | | | | |
| 954-792-9518 | | | X | X | | | |

DOCKET NO. 990886-TC
DATE: AUGUST 5, 1999

ATTACHMENT A

DOCKET NO. 990886-TC
DATE: AUGUST 5, 1999

ATTACHMENT B

Leasorte Enterprises Inc.
20953 Delagado terrace
Boca Raton Fla. 33433

July 20, 1999

Ms. Elaine Johnson
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Fla. 32399-0850

Re. Docket #990886-TC

Dear Ms. Johnson,

We wish to submit an offer of settlement, pursuant to the above captioned docket in the amount of \$1,500.00 (one thousand five hundred dollars) for violation of rule 25-24.515, payphone telephone service and also a settlement amount of \$10,000.00 (ten thousand dollars) for violation of rule 25-4.043 response to commission staff inquiries. We agree to conduct an investigation of our payphones in order to make sure we are in compliance. In the event we receive any future notifications of violations, we agree to contact the appropriate staff should we not fully understand the violations described. Thank you

Sincerely,



Victor Bertolina Pres.
Leasorte Enterprises Inc.

Sent via facsimile 850-413-6537
and overnight mail