

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of Show Cause Proceedings Against Western Telecom for Apparent Violation of Rule 25-24.470, F.A.C., Certificate of Public Convenience and Necessity Required, Rule 25-4.043, F.A.C., Response to Commission Staff Inquiry Required, and Section 364.604, F.S., Billing Practices.

DOCKET NO. 991936-TI
ORDER NO. PSC-00-0261-SC-TI
ISSUED: February 8, 2000

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.

ORDER TO SHOW CAUSE, AND NOTICE OF PROPOSED AGENCY ACTION ORDERING WESTERN TELECOM TO CEASE PROVIDING TELECOMMUNICATIONS SERVICES AND BILLING IN FLORIDA, ORDERING ALL FLORIDA CERTIFICATED IXCS TO CEASE PROVIDING SERVICE TO WESTERN TELECOM, AND ORDERING REFUNDS WITH INTEREST

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the proposed agency action discussed herein, requiring Western Telecom to cease providing telecommunications services and billing in Florida, requiring all Florida certificated IXCs to cease providing service to Western Telecom, and requiring refunds with interest, is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code.

A. BACKGROUND

On September 30, 1999, the Commission's Division of Consumer Affairs (CAF) received a complaint from a consumer regarding unauthorized services being added to the consumer's bill (cramming) by Western Telecom. On October 1, 1999, CAF forwarded the case to the Commission's Division of Telecommunications for investigation. Initial investigations revealed that Western Telecom was apparently

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FPSC-RECORDS/REPORTING

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providing pre-paid long distance telecommunications services in Florida without a Certificate of Public Convenience and Necessity.

On October 5, 1999, our staff contacted Western Telecom by telephone and informed the company that it must obtain a certificate of public convenience and necessity. Western Telecom stated that it did not agree that it was required to obtain a certificate because it was a reseller and was not actually "carrying the call." Our staff explained that even as a reseller of long distance services using an underlying carrier, Western Telecom is still required to be certificated. On October 6, 1999, our staff sent a certified letter, attached hereto as Exhibit A, and incorporated herein by reference, to Western Telecom, instructing it to apply for a certificate and to resolve the consumer complaint. On October 19, 1999, our staff received a second consumer complaint against Western Telecom for slamming, and again sent a letter to Western Telecom instructing it to resolve the consumer complaint.

On November 1, 1999, after receiving no response to its letter of October 6, 1999, our staff again contacted Western Telecom by telephone. Western Telecom informed our staff that it would resolve the consumer complaints and forward the requested application for certification to its home office in Seattle. By letter dated November 2, 1999, Western Telecom did, indeed, respond to our staff's inquiries with a letter, attached hereto as Exhibit B, and incorporated herein by reference, indicating that it had credited the consumers' accounts with the disputed amounts. Western Telecom failed, however, to submit the requested application for certification or acknowledge the request.

Subsequently, further investigations revealed 39 complaints between July 19, 1999, and October 19, 1999, against Western Telecom for slamming. Apparently, in mid-1999, Western Telecom began a telemarketing campaign in Florida to sell their prepaid long distance service without a certificate or an established tariff. The consumer complaints received to date indicate that the consumers did not authorize the service billed, and Western Telecom has been unable to produce any tape recordings or letters of authorization to support its claim to the contrary. Western Telecom refunded the disputed amount in each case.

B. SHOW CAUSE ACTIONS

1. Provision of telecommunications services in Florida without a certificate of public convenience and necessity

Western Telecom acknowledges that it is reselling long distance services in Florida. Additionally, the written documentation attached hereto supports this conclusion. By offering telecommunications services in Florida without a certificate, Western Telecom appears to be in violation of Rule 25-24.470, Florida Administrative Code.

By Section 364.285, Florida Statutes, we are authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$25,000 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).

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, we nevertheless found it appropriate to order the company 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 Western Telecom's conduct at issue here, would meet the standard for a "willful violation." We find that Western Telecom's conduct in offering prepaid long distance service without a certificate of public convenience and necessity in apparent violation of Commission Rule 25-24.470, Florida Administrative Code, has been "willful" in the sense intended by Section 364.285, Florida Statutes.

Accordingly, we find it appropriate to order Western Telecom to show cause in writing within 21 days of the date of this Order why it should not be fined \$25,000 for apparent violation of Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required. The company's response shall contain specific allegations of fact or law. If Western Telecom fails to respond to the show cause order, the fine shall be deemed

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assessed. If the fine is not paid within ten business days after the order becomes final, it shall be forwarded to the Office of the Comptroller for collection. If the fine is paid, we will then 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.

2. Failure to respond to staff inquiries

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.

Western Telecom has failed to respond to or acknowledge our staff's request to submit a completed application to provide interexchange telecommunications services in Florida. By failing to submit an application for a certificate of public convenience and necessity as requested, Western Telecom appears to be in violation of Rule 25-4.043, Florida Administrative Code. Applying our previous analysis, we find that Western Telecom's conduct in failing to respond to our staff's request in apparent violation of Rule 25-4.043, Florida Administrative Code, has been "willful" in the sense intended by Section 364.285, Florida Statutes.

Accordingly, Western Telecom is hereby ordered to show cause in writing within 21 days of the date of this Order why it should not be fined \$10,000 for apparent violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. The company's response shall contain specific allegations of fact or law. If Western Telecom fails to respond to the show cause order, the fine shall be deemed assessed. If the fine is not paid within ten business days after the order becomes final, it shall be forwarded to the Office of the Comptroller for collection. If the fine is paid, we will then 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.

3. Unlawful Billing Practices

Section 364.604 (2), Florida Statutes, Billing Practices states:

(2) A customer shall not be liable for any charges for telecommunications or information services that the customer did not order or that were not provided to the customer.

Each of the consumers who filed a complaint with the Commission stated that they did not order the prepaid long distance service from Western Telecom for which they were billed, and Western Telecom has not provided information to the contrary. Thus, it appears that Western Telecom is in violation of Section 364.604(2), Florida Statutes. Based upon our previous analysis, we find that Western Telecom's conduct in billing consumers for services they did not order has been "willful" in the sense intended by Section 364.285, Florida Statutes.

Therefore, Western Telecom is ordered to show cause in writing within 21 days of the effective date of this Order why it should not be fined \$5,000 per instance, or \$195,000, for violation of Section 364.604 (2), Florida Statutes, Billing Practices. The company's response shall contain specific allegations of fact or law. If Western Telecom fails to respond to the show cause order, the fine shall be deemed assessed. If the fine is not paid within ten business days after the order becomes final, it shall be forwarded to the Office of the Comptroller for collection. If the fine is paid, we will then forward it to the State of Florida General Revenue Fund pursuant to Section 364.285, Florida Statutes.

C. PROPOSED AGENCY ACTION

1. Western Telecom shall cease providing telecommunications services in Florida and cease all back-billing and all future billing in Florida until authorized to do so

Rule 25-24.4701(3), Florida Administrative Code, Provision of Regulated Telecommunications Service to Uncertificated Resellers Prohibited, states:

(3) The Commission, upon making a determination that a customer of an interexchange company is unlawfully reselling or rebilling intrastate interexchange service

may issue an order that directs the customer to cease and desist reselling or rebilling such service and simultaneously directs the interexchange company to discontinue providing such service to such customer and/or to cease providing service to such customer at additional locations within Florida, provided that such discontinuance or limitation of service is technically feasible within the context of existing facilities and technology.

Pursuant to Rule 25-24.4701(3), Florida Administrative Code, and based upon the apparent rule violations set forth herein, we find it appropriate to order Western Telecom to immediately cease providing telecommunications services in Florida, and to cease all back-billing and all future billing in Florida until authorized to do so by this Commission. Upon such authorization, Western Telecom shall obtain certification prior to initiating any billing of charges stemming from such authorized prepaid long distance service in Florida.

2. All Florida certificated interexchange companies shall cease providing service to Western Telecom

Also pursuant to Rule 25-24.4701(3), Florida Administrative Code, all Florida certificated interexchange companies (IXCs) shall discontinue providing service to Western Telecom because Western Telecom is apparently providing service without the required certificate. Any Florida certificated IXC providing interexchange telecommunications service to Western Telecom shall contact us at the conclusion of the show cause response period to determine if the show cause proceeding has been concluded.

3. Western Telecom shall refund customers with interest

Western Telecom shall also refund all Florida customers who were billed for services provided by Western Telecom prior to certification. As previously noted, it appears that Western Telecom has been operating in Florida since mid-1999. Western Telecom shall, therefore, refund all unauthorized charges relative to intrastate toll charges, non-recurring long distance activation fees, and the unused portion of the recurring pre-paid long distance charges, pursuant to Rule 25-4.114, Florida Administrative Code, Refunds.

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Western Telecom shall dispense all refunds with interest on a per customer basis, pursuant to Rules 25-4.114 (3) and (4)(d), Florida Administrative Code. Upon completion of the refunds, Western Telecom shall provide us with a refund report, pursuant to Rule 25-4.114 (7), Florida Administrative Code.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Western Telecom shall show cause in writing within 21 days of the issuance date of this Order why it should not be fined \$25,000 for apparent violation of Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required. It is further

ORDERED that Western Telecom shall show cause in writing within 21 days of the issuance date of this Order why it should not be fined \$10,000 for apparent violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. It is further

ORDERED that Western Telecom shall show cause in writing within 21 days of the issuance date of this Order why it should not be fined \$5,000 per instance, or \$195,000, for violation of Section 364.604 (2), Florida Statutes, Billing Practices. It is further

ORDERED that any response to the Order to Show Cause filed by Western Telecom shall contain specific allegations of fact and law and shall identify the company name and this docket number. It is further

ORDERED that failure to respond to any of the show cause actions in this Order in the manner and date set forth in the "Notice of Further Proceedings and Judicial Review" section of this Order shall constitute an admission of the violations described in the body of this Order, waiver of the right to a hearing, and will result in the automatic assessment of the respective fine or fines. It is further

ORDERED that in the event Western Telecom fails to respond to any show cause action in this Order and the fine is not paid within ten business days after the Order becomes final, it shall be forwarded to the Office of the Comptroller for collection. It is further

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ORDERED that Western Telecom shall immediately cease providing telecommunications services in Florida, and shall cease all back-billing and all future billing in Florida until authorized to do so by this Commission. Upon such authorization, Western Telecom shall obtain certification prior to initiating any billing of charges stemming from such authorized prepaid long distance service in Florida. It is further

ORDERED that, pursuant to Rule 25-24.4701(3), Florida Administrative Code, all Florida certificated interexchange companies shall cease providing service to Western Telecom. Any Florida certificated interexchange company providing interexchange telecommunications service to Western Telecom shall contact this Commission at the conclusion of the show cause response period to determine if the show cause proceeding has been concluded. It is further

ORDERED that Western Telecom shall refund all Florida customers who were billed for services provided by Western Telecom prior to certification. Western Telecom shall refund all unauthorized charges relative to intrastate toll charges, non-recurring long distance activation fees, and the unused portion of the recurring pre-paid long distance charges. Western Telecom shall dispense all refunds with interest on a per customer basis, pursuant to Rules 25-4.114 (3) and (4)(d), Florida Administrative Code. Within sixty days of completion of the refunds, Western Telecom shall provide the Commission with a refund report, pursuant to Rule 25-4.114 (7), Florida Administrative Code. It is further

ORDERED that the provisions of this Order, which are issued as proposed agency action, requiring Western Telecom to cease providing telecommunications services and billing in Florida, requiring all Florida certificated IXCs to cease providing service to Western Telecom, and requiring refunds with interest, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

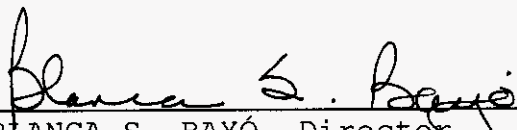
ORDERED that this Docket shall remain open pending completion of the refund ordered herein, and to address any response to the show cause portions of this Order and any timely protest that may

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be filed in response to the proposed agency action portions of this Order. It is further

ORDERED that if no response to the show cause portions of this Order is filed, and the proposed agency action portions of this Order become final and effective, this Docket shall be closed administratively, upon payment of the fines, completion of the refunds, and remittance of the refund report.

By ORDER of the Florida Public Service Commission this 8th day of February, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

DMC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein, requiring Western Telecom to cease providing telecommunications services and billing in Florida, requiring all Florida certificated IXCs to cease providing service to Western Telecom, and requiring refunds with interest, is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition

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for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 29, 2000.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any person whose substantial interests are affected by the show cause portions of this order may file a response within 21 days of issuance of the show cause order as set forth herein. This response must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 29, 2000.

Failure to respond within the time set forth above shall constitute an admission of all facts and a waiver of the right to a hearing and a default pursuant to Rule 28-106.111(4), Florida Administrative Code. Such default shall be effective on the day subsequent to the above date.

If an adversely affected person fails to respond to this order within the time prescribed above, that party may request judicial review by the Florida Supreme Court in the case of any electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater 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 of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure.

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF
TELECOMMUNICATIONS
WALTER D'HAESELEER
DIRECTOR
(850) 413-6600

Public Service Commission

October 6, 1999

CERTIFIED

Ms. Morgan Rucker
Western Telecom
4955 West Napoleon Avenue, Suite 294
PMB 294
Metairie, LA 70001

Re: Consumer Complaint and Certification to Provide Telecommunications Services in Florida

Dear Ms. Rucker:

This correspondence is follow-up to our conversation on October 5, 1999. It is my understanding that Western Telecom provides Florida consumers long distance telecommunications services. You stated that Western Telecom's telecommunications product is similar to pre-paid phone card services. A consumer accepting your product is charged a non-recurring long distance activation fee plus a fee for a specific quantity of network time. Also, based on Western Telecom's marketing materials, it appears that a monthly service fee may also apply. I further understand that Western Telecom does not change a consumer's PIC but provides access to Western Telecom's switch or underlying carrier's switch using an 800 number and a PIN.

There are two issues that need to be addressed by Western Telecom. They are resolution of a consumer complaint and certification by the Florida Public Service Commission for authority to provide interexchange telecommunications services in Florida. I will first address the consumer complaint.

The Commission received a letter from Mr. Larry Stern who was representing his mother, Ms. Audrey Stern. I have enclosed two pages of Ms. Stern's telephone bill to aid you in the identification of the customer account number and billed services. Mr. Stern claims that his mother is not aware of any conversation that occurred between herself and a Western Telecom representative nor has she signed any agreement. Further, Ms. Stern has no desire to make use of Western Telecom's long distance service and requests that her account be fully credited. It is Ms. Stern's belief that Western Telecom was not authorized to bill her account for the long distance activation fee and 312 minutes of pre-paid long distance service.

Please provide a written response to staff addressing the manner in which Western Telecom will resolve Ms. Stern's complaint. Further, please provide proof that Ms. Stern authorized Western

Ms. Morgan Rucker
Page 2
October 6, 1999

Telecom to provide the services for which she was billed. If authorization was obtained by letter of authorization or third party verification, please provide a copy of the letter or tape of the recorded conversation. You should submit your response to me no later than October 22, 1999.

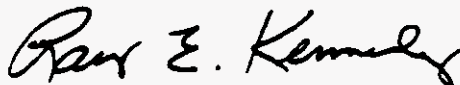
Regarding the second issue, upon review of Ms. Stern's billing statement, it appears that Western Telecom provides interexchange telecommunications services to Florida residents. Also, based on our telephone conversation, Western Telecom appears to be a reseller of interexchange telecommunications services. Rule 25-24.470, Florida Administrative Code, provides that no person shall provide intrastate interexchange telephone service without first obtaining a certificate of public convenience and necessity from the Commission. Section 364.285, Florida Statutes, provides that the Commission has the power to impose upon any entity subject to its jurisdiction a penalty of not more than \$25,000 for each offense if it is found to have refused to comply with or to have willfully violated any lawful rule or order of the Commission. Each day that such refusal or violation continues constitutes a separate offense.

I have enclosed an application package and supporting documentation that will assist you in applying for a certificate of public convenience and necessity to provide long distance telecommunication services in Florida. The completed application should be submitted no later than October 29, 1999, to the address provided on the front of the application. In your response to the consumer complaint discussed earlier, please indicate your intentions regarding application for the certificate of public convenience and necessity.

Please be aware that the Commission has received other consumer complaints regarding Western Telecom's provisioning of long distance service for Florida residents. Because Western Telecom is not certificated, our Division of Consumer Affairs contacted either the certificated billing agent (Federal Transtel) or the local exchange company listed on the consumer's billing statement. Section 364.604, Florida Statutes, provides that a customer shall not be liable for any charges for telecommunications services that the customer did not order. I am in the process of identifying these consumer complaints and will provide you a list by the end of October.

To summarize, Western Telecom should provide a written response to staff by October 22, 1999, addressing the consumer complaint and should submit a completed application form to provide interexchange telecommunication services by October 29, 1999. Should you have any questions, please feel free to contact me at 850-413-6584. My fax number is 850-413-6585.

Sincerely,



Ray E. Kennedy
Compliance Section

Enclosure
CATS#282436T



1201 MALDEN BOTTOM ROAD
CARLISLE, PA 17013-0920

RETURN TOP HALF WITH PAYMENT

407-830-8848 (003)
SEPTEMBER 19, 1999

TOTAL AMOUNT DUE BY OCT. 09, 1999 [REDACTED]
PAY BEFORE OCT 10 TO AVOID A LATE CHARGE OF 1.11

AMOUNT PAID _____

MAKE CHECKS PAYABLE TO:

.....

SPRINT
P. O. BOX 30704
TAMPA, FL 33630-3704
.....

AUDREY STERN
APT 20
ROYAL ARMS CONDOMINIUMS
504 ORANGE DR
ALTAIRNTE SPRGS, FL 32701-5301

Check Here for Address Change
See Reverse Side

37784078308848003100897000073850000738511120919991109

1112
R

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LOCAL COMMUNICATIONS

PAGE 1
407-830-8848 (003)
SEPTEMBER 19, 1999

BUSINESS OFFICE NO. 1-800-339-1811
PREVIOUS BALANCE IF ANY IS PAST DUE. PLEASE PAY IMMEDIATELY.

PREVIOUS CHARGES	PAYMENT ON 09-09-99	ADJUSTMENTS	PAST DUE BALANCE	CURRENT CHARGES	PAYMENT DUE BY
91.25	91.25	.00	.00	73.85	OCT. 09, 1999

CARRIER SUMMARY

CARRIER	ADJUSTMENTS	CURRENT CHARGES
SPRINT LOCAL COMMUNICATIONS	.00	27.53
FEDERAL TRANSEL	.00	46.32
TOTALS	.00	73.85

OUR RECORDS INDICATE YOUR LOCAL TOLL CARRIER IS SPRINT

SPRINT



EXHIBIT A

60264

FOR BILLING INQUIRIES, CALL 1-800-368-0111.

SUMMARY OF CURRENT CHARGES

LONG DISTANCE CHARGES	SEE DETAIL	44.97
TAXES	SEE DETAIL	1.35

TOTAL CURRENT CHARGES	46.32
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LONG DISTANCE CHARGES

MISCELLANEOUS CHARGES/CREDITS

BILLED ON BEHALF OF	WESTERN TELECOM							AMOUNT
REP DATE	TIME	PLACE CALLED	NUMBER CALLED	FROM PLACE	FROM NUMBER	CODE	MEM	
1 SEP 15		LONGDISTRCT						19.97 ✓
2 SEP 15		PFLANDERS12						25.99 ✓
SUBTOTAL								45.97
SUBTOTAL								46.97

TOTAL LONG DISTANCE CHARGES	44.97
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***Rate Codes for IntraState and IntraState Long Distance Calls

	Customer Dial Rate	Outgoing Rate	Service Charge	Custom Feature
A - Automatic Number Identification (ANI)	D - Day	R - Standard	C - Calling Card	F - Call Forward
M - Multiple Rate Period	E - Evening	T - Discount	P - Person	X - Conference
N - Night/Weekend	Y - Economy	S - Station		

C - When this symbol appears in the left margin, it indicates credit has been applied and the toll call is being billed at the reduced rate.

R - When this symbol appears in the left margin, it indicates a toll call has been billed to your account after being investigated by a toll investigation group.

DETAIL OF TAXES

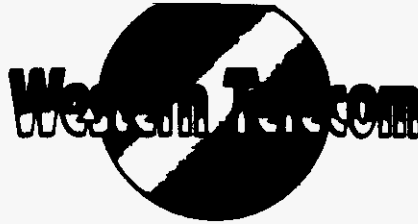
FEDERAL TAX	1.35
TOTAL TAX	1.35

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EXHIBIT A

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Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Attention: Ray Kennedy

November 2, 1999

Re: Calvin Favors & Audrey Stern

On behalf of Touchtone Communications a product of Western Telecom, this letter is in response to an Informal Complaint regarding Calvin Favors & Audrey Stern.

The sales for Touchtone Communications are generated by out-bound telecommunications and verified by independent third party verification, which is recorded through verbal contracts. Once the contract is complete it is then passed on to verifiers, who then listen to each recording to make sure it was done properly.

To utilize our service a pin number must be dialed in order to receive the long distance rates we present. This pin number is enclosed in the initial package received by the consumer and most important, because of this pin we do not and cannot switch their local or long distance carrier.

After receiving these informal complaints, our Quality Control department verified the verbal contracts made the day of the initial contact again. Unfortunately they did not meet our standards and somehow the sale was processed, so Mr. Favors account has been canceled as of 09/23/99 and Ms. Stern's was canceled as of 11/01/99. Both accounts have been credited a total amount of \$44.97 each.

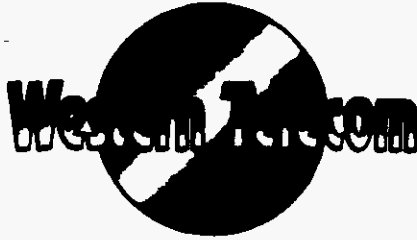
I have attached a copy of the verification sheet for each customer, you can clearly see that the verifier who was checking these recordings did not listen accurately. Fortunately this person is no longer employed by Western Telecom.

A letter confirming this resolution was mailed to Calvin Favors & Audrey Stern, enclosed are copies of those letters.

If we can be of any future assistance to your department regarding this consumer please contact myself directly at 888-814-2566 during the hours of 9AM-5PM Central Standard Time.

Sincerely,

Morgan Rucker
Ms. Morgan Rucker
Consumer Resolution Department
mrucker7@bellsouth.net
Cc: Calvin Favors & Audrey Stern



Calvin Favors
6739 Landover Circle
TALLAHASSEE , FL . 32311

Tuesday, November 02, 1999

Attention :

Our customer service records show we spoke with someone from your household on 09/11/99 regarding a 6 cents per minute long distance flat rate billing plan. Unfortunately the Quality Control department noticed a problem with the verbal contract made on the above date. Western Telecom accepts full responsibility and has not only canceled the sale, but we also issued a full credit towards your local telephone bill in the amount of \$44.97 so you cannot be liable for that charge.

We would like to apologize for any inconvenience this may have caused you. Enclosed you will find a free 15 minute long distance calling card.

Please feel free to contact us at our toll-free customer service number 1-888-814-2566 between 9am-5pm CST.

Sincerely,
Western Telecom
Customer Service
Department

... is a copy of the verification sheet, as you
 saw all the sale was put through to be processed
 due to the check (✓). Fortunately the verifier who signed
 below is not doing with us

RepID	Contract#	Phone Number	Sale Date	
3384	5342822	7176848572	08/10/99	IR
3178	5340910	7176847509	08/10/99	✓
3317	5337818	7177764880	08/09/99	✓
3359	5341882	7403920880	08/10/99	✓
3359	5339088	7403927385	08/09/99	✓
3359	5340712	7403938888	08/10/99	✓
3273	5334910	7403978467	08/09/99	✓
3319	5330292	7408924923	08/09/99	✓
3202	5332182	7408272852	08/09/99	✓
3178	5340548	7852238842	08/10/99	✓
3385		7852381870	08/09/99	✓
3362	5338089	7852384848	08/09/99	✓
3317	5338784	7852838805	08/09/99	✓
3228	5333213	7853482180	08/09/99	✓
3191	78538438	7853843823	08/09/99	✓
3178	5334882	7853844831	08/09/99	✓
3202	5331388	7854483448	08/09/99	✓
3188	5330881	7854833830	08/09/99	✓
3348	5331448	7854888813	08/09/99	✓
3384		7857847798	08/11/99	✓
3348	5332208	8048701807	08/09/99	✓
3319	5330338	8048710804	08/09/99	✓
3383	5341078	8048848780	08/10/99	✓
3382	5338744	8188408808	08/09/99	✓
3185	5331717	8188888213	08/09/99	✓
3273	5345180	8188875795	08/11/99	✓
3178	5340818	8435242488	08/10/99	✓
3385	5343857	8502190085	08/11/99	✓
3383	5334807	8842270898	08/09/99	✓
3202	5332241	8848431481	08/09/99	✓
3359	5330803	9033852838	08/09/99	✓
3188	5330380	9036781258	08/09/99	✓
3298	5330713	9038484471	08/09/99	✓
3178	5330748	9038873115	08/09/99	✓
3317	5344873	9047750048	08/11/99	✓
3181	5332357	9083588788	08/09/99	✓
3298	5341822	9103484008	08/10/99	✓
3317	5337748	9408421017	08/09/99	✓

Checked By: Andrea Boudoin Using Acc/Access: 8001/7781

ORDER NO. PSC-00-0261-SC-TI EXHIBIT B
DOCKET NO. 991936-TI
PAGE 18



Audrey Stern
504 Orange Dr No. 20
ALTAMONTE SPG , FL . 32701

Tuesday, November 02, 1999

Attention :

Our customer service records show we spoke with someone from your household on 09/13/99 regarding a 6 cents per minute long distance flat rate billing plan. Unfortunately the Quality Control department noticed a problem with the verbal contract made on the above date. Western Telecom accepts full responsibility and has not only canceled the sale, but we also issued a full credit towards your local telephone bill in the amount of \$44.97 so you cannot be liable for that charge.

We would like to apologize for any inconvenience this may have caused you. Enclosed you will find a free 15 minute long distance calling card.

Please feel free to contact us at our toll-free customer service number 1-888-814-2566 between 9am-5pm CST.

Sincerely,
Western Telecom
Customer Service
Department

Same as before

Cancel.

Verifications to Check

ReplD	Contract#	Phone Number	Sale Date
Tampa			
3346	5350819	2195483790	09/13/99
3298	5350971	2523532810	09/13/99
3317	5350731	2546990828	09/13/99
3362	5350552	2814417928	09/13/99
3364	5350367	3202895067	09/13/99
3364	5350748	3207324328	09/13/99
3359	5347998	4078470508	09/13/99
3359	5348091	4076737988	09/13/99
3359	5347292	4076771081	09/13/99
3178	5348277	4077679178	09/13/99
3178	5348342	4078308848	09/13/99
3282	5348859	4186820186	09/13/99
3298	5349731	5132214270	09/13/99
3178	5348788	5132810482	09/13/99
3178	5348875	5133213138	09/13/99
3202	5348842	5133215878	09/13/99
3317	5348888	5133513521	09/13/99
3178	5348527	5133519027	09/13/99
3202	5348881	5133690445	09/13/99
3185	5348880	5133816839	09/13/99
3364	5349794	5133858439	09/13/99
3178	5348981	5134740789	09/13/99
3185	5348984	5134749677	09/13/99
3298	5349037	5135210627	09/13/99
3185	5349030	5135221407	09/13/99
3185	5349083	5135314456	09/13/99
3191	5349088	5135336672	09/13/99
3185	5349103	5135415181	09/13/99
3317	5349134	5135590207	09/13/99
3298	5349184	5135741924	09/13/99
3364	5349875	5135744827	09/13/99
3362	5349181	5135831417	09/13/99
3191	5349179	5135831961	09/13/99
3348	5349180	5135838041	09/13/99
3185	5349199	5136248147	09/13/99

Checked By: Andra Boudin

Using Accu/Access: 8001/7781