



NEWS

Federal Communications Commission
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Washington, D.C. 20554

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

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FCC PLANS \$7.62 MILLION FINE AGAINST OPTIC INTERNET PROTOCOL FOR ILLEGALLY BILLING AND SWITCHING CUSTOMERS' PHONE COMPANIES

Long Distance Carrier Allegedly Relied On Fabricated "Authorization" Recordings

Washington, DC – The Federal Communications Commission plans to fine Optic Internet Protocol, Inc., a Roswell, GA telephone company, \$7.62 million for allegedly switching consumers' long distance telephone services without their authorization ("slamming"), billing customers for unauthorized charges ("cramming"), and submitting falsified evidence to government regulatory officials as "proof" of consumers' authorizations.

"Cheating and lying to consumers are unacceptable, predatory business practices," said Travis LeBlanc, Acting Chief of the Enforcement Bureau. "We will vigorously police companies that deceive consumers by billing them for services they did not authorize or desire."

Optic provides 1+ dialing long distance service. For a consumer to use Optic's service, the consumer's long distance service provider must be switched to Optic so that long distance calls are carried over Optic's network and billed to Optic. Optic allegedly switched complainants' preferred long distance carriers and also billed the consumers for long distance service by placing charges for its set-up fee and recurring monthly fee on their local telephone bills. Optic typically charged customers a \$3.95 or \$4.95 one-time set up fee as well as a monthly service fee of \$4.95, \$8.95, or \$29.95.

The Enforcement Bureau reviewed more than 150 complaints against Optic that consumers filed with the Commission, the Federal Trade Commission, state regulatory agencies, and the Better Business Bureau. Affected consumers complained that they had never heard of Optic before discovering the company's charges on their telephone bills. Several claimed that when they contacted Optic to dispute the charges, they were told that they or someone in their household had authorized Optic's service, and that Optic possessed an audio recording as evidence of the authorization. Optic submitted these audio "verification" recordings to the Commission, consumers, and state regulatory authorities to make it appear that consumers had authorized the company's services, but consumers who listened to these recordings informed the Enforcement Bureau that the recordings were fabricated and adamantly denied that the voices on the recordings were their own. As a result, consumers who noticed the unauthorized charges had to expend significant time and effort to attempt to return to their preferred carriers, to get the charges removed from their bills, and file complaints with law enforcement agencies.

The Commission charged Optic with willfully and repeatedly placing unauthorized charges on consumers' local telephone bills, switching consumers' preferred long distance carrier without verified authorization, and submitting fabricated audio "verification" recordings, all in apparent violation of the Communications Act.

The Commission is committed to protecting consumers against cramming and slamming and will take aggressive action against carriers that perpetrate such unjust, unreasonable, and deceptive acts. Since January

2014, the FCC has taken four enforcement actions against carriers for cramming and slamming that have totaled more than \$17 million in proposed penalties and payments to the U.S. Treasury.

For more information about the FCC's rules protecting consumers from unauthorized charges on phone bills, see the FCC consumer guide, Cramming - Unauthorized, Misleading, or Deceptive Charges Placed on Your Telephone Bill. For information about other communications issues, visit the FCC's Consumer website, or contact the FCC's Consumer Center by calling 1-888-CALL-FCC (1-888-225-5322) voice or 1-888-TELL-FCC (1-888-835-5322) TTY; faxing 1-866-418-0232; or by writing to:

Federal Communications Commission
Consumer and Governmental Affairs Bureau
Consumer Inquiries and Complaints Division
445 12th Street, SW
Washington, DC 20554

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