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For Immediate Release

FCC FINES PHONE COMPANY \$1.44 MILLION FOR ILLEGALLY SWITCHING SMALL BUSINESSES' LONG DISTANCE CARRIERS

WASHINGTON, November 18, 2015 – The Federal Communications Commission today announced a \$1.44 million fine against Encino, California-based long distance carrier Preferred Long Distance for “slamming.” The company’s telemarketers pretended to be representatives of customers’ existing long distance providers, and switched the customers’ long distance carriers without proper authorization, verified in accordance with the Commission’s rules (a practice commonly known as “slamming”).

“Consumers and small business owners have enough on their plates without worrying that those who claim to be calling from the phone company are telling the truth,” said Travis LeBlanc, Chief of the Enforcement Bureau. “The FCC will aggressively pursue companies who try to turn a quick profit by deceiving telephone customers or switching their carriers behind their backs.”

The Commission became aware of this activity after receiving numerous complaints against Preferred. Small businesses, along with several individuals, reported that Preferred telemarketers pretended to be employed by the customers’ existing long distance providers. They also reported learning that their long distance service had been switched only after receiving their telephone bills.

Commission rules prohibit a carrier from switching a consumer’s chosen long distance provider without obtaining properly verified authorization to make the change. In addition, the Communications Act makes it unlawful for a carrier to misrepresent its identity or the nature of its service to obtain that authorization.

For more information about the FCC’s rules protecting consumers from unauthorized changes to their telephone carrier, see the FCC consumer guide to slamming: <http://go.usa.gov/cC5uJ>.

To file a complaint with the FCC, go to <https://consumercomplaints.fcc.gov/hc/en-us> 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

The Forfeiture Order is available at: https://apps.fcc.gov/edocs_public/attachmatch/FCC-15-147A1.pdf.

The Commission had previously issued a Notice of Apparent Liability for Forfeiture to the company: <https://www.fcc.gov/document/144m-deception-slamming-nal-against-preferred-long-distance-inc>.

Action by the Commission October 28, 2015 by Forfeiture Order (FCC 15-96). Chairman Wheeler, Commissioners Clyburn and Rosenworcel approving, with Commissioner Pai approving in part and dissenting in part and Commissioner O’Rielly dissenting. Commissioners Pai and O’Rielly issuing statements.

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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).