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**For Immediate Release**

## **BIRCH COMMUNICATIONS TO PAY \$6.1 MILLION TO SETTLE INVESTIGATION INTO DECEPTIVE MARKETING AND BILLING PRACTICES**

*Customers will receive at least \$1.9 million in refunds as part of the settlement*

WASHINGTON, December 29, 2016 – The Federal Communications Commission today announced a settlement with Birch Communications that resolves an Enforcement Bureau investigation into whether the company engaged in deceptive and abusive marketing practices.

Specifically, the investigation concerned whether Birch “slammed” consumers by switching their preferred phone carriers without authorization, “crammed” unauthorized charges on its customers’ bills and engaged in deceptive marketing. Abusive practices, like “cramming” and “slamming,” result in telephone consumers paying for unauthorized services and expending significant time and effort to seek to reverse charges and services they never requested. Under the terms of the settlement, Birch will pay a \$4.2 million penalty, refund at least \$1.9 million to consumers who filed complaints about unauthorized carrier changes or unauthorized charges within the past two years and adopt a compliance plan.

“Consumers have a right to expect honest talk and fair dealing from any phone company,” said Enforcement Bureau Chief Travis LeBlanc. “It is plainly unacceptable for any carrier to misrepresent its identity or purpose in order to mislead consumers into switching their preferred provider and to add unauthorized charges to consumer bills. Today’s settlement ensures that all of Birch’s customers will enjoy greater protections and that those who were unlawfully charged will get their money back.”

Birch is headquartered in Atlanta, Georgia. The Bureau launched the investigation in 2015 after reviewing hundreds of consumer complaints filed with the FCC, state regulatory authorities and the Better Business Bureau. The Bureau’s investigation found that Birch’s telemarketers repeatedly misrepresented their identity and the purpose of their telemarketing calls when contacting potential customers, including claiming to be affiliated with the consumers’ own carriers, in order to fraudulently switch consumers to Birch’s service and place unwanted charges on their bills. In many cases, Birch assessed substantial early termination fees against consumers when they cancelled the unauthorized and unwanted service. Consumers, including small businesses and law offices, spent a considerable amount of time and effort trying to return to their preferred carriers and restore the services they had before the unauthorized switches.

In addition to the \$4.2 million fine and the \$1.9 million in consumer refunds, the settlement requires Birch to record all sales calls, verify any changes to a consumer’s preferred carrier, provide enhanced customer notice about early termination fees, promptly investigate consumer complaints about unauthorized charges and carrier changes, designate a senior corporate manager as a compliance officer, and file compliance reports with the Bureau for five years.

Slamming and cramming are “unjust and unreasonable” practices prohibited by the Communications Act. In the last five years, the Commission has taken more than 30 enforcement actions against carriers for cramming and slamming, totaling more than \$360 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 telephone bills, see the FCC consumer guides regarding cramming at <https://www.fcc.gov/consumers/guides/cramming-unauthorized-charges-your-phone-bill> and slamming at <https://www.fcc.gov/consumers/guides/slamming-switching-your-authorized-telephone-company-without-permission>.

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 Consent Decree is available at: [https://apps.fcc.gov/edocs\\_public/attachmatch/DA-16-1458A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DA-16-1458A1.pdf).

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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).*