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For Immediate Release

FCC FINES CARRIER \$2.32 MILLION FOR TRICKING SMALL BUSINESSES INTO SWITCHING CARRIERS

WASHINGTON, March 21, 2019—The Federal Communications Commission today issued a \$2.32 million fine against Michigan-based Long Distance Consolidated Billing Company for deceptive marketing practices, switching consumers’ carrier without authorization (“slamming”), and adding unauthorized charges to consumers’ bills (“cramming”).

The FCC began its investigation based initially on consumer complaints – largely from small businesses. The FCC reviewed more than 70 complaints received by the agency itself as well as complaints to various state regulatory agencies and the Better Business Bureau. The agency’s Enforcement Bureau further investigated through interviews with consumers, subpoenas, and reviewing documents provided by the company. The company, headquartered in Waterford, Michigan, is a non-facilities-based interexchange carrier providing long distance phone services.

The FCC’s investigation found that the company misrepresented its identity to consumers in order to deceive them. Telemarketers pretended to be representing small businesses’ and other consumers’ existing providers in order to trick the business or consumer into switching providers. Complaints include examples of the small businesses pushing back and pressing telemarketers as to their true identity, followed by the telemarketers repeatedly lying in response. This deception, as well as the unauthorized switch itself, violate the Communications Act. Following this unauthorized switch, the company charged these consumers for its services which is also a violation of the Act’s prohibitions against charges on consumers’ phone bills without permission.

Action by the Commission March 19, 2019 by Forfeiture Order (FCC 19-25). Chairman Pai, Commissioners Carr, Rosenworcel, and Starks approving. Commissioner O’Rielly approving in part and dissenting in part and issuing a separate statement.

A copy of today’s fine, formally called a Forfeiture Order, is available at:
<https://docs.fcc.gov/public/attachments/FCC-19-25A1.pdf>

To learn more about slamming, consumers can read our consumer guide on the unauthorized switching of carriers: <https://www.fcc.gov/slamming>. To learn more about cramming, consumers can review the FCC’s consumer guide on unauthorized charges added to their phone bills: <https://www.fcc.gov/cramming>. Consumers can file complaints with the FCC by calling 888-CALL-FCC or visiting: <https://www.fcc.gov/complaints>.

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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).