

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	File No.: EB-TCD-13-00011651
)	
Central Telecom Long Distance, Inc.)	NAL/Acct. No.: 201432170008
)	
)	FRN: 0017288341

FORFEITURE ORDER

Adopted: September 14, 2016

Released: September 15, 2016

By the Commission: Commissioner O’Rielly concurring in part and dissenting in part.

I. INTRODUCTION

1. We impose a penalty of \$3,460,000 against Central Telecom Long Distance, Inc. (Central or Company) for improperly changing the preferred long distance carriers of consumers, a practice commonly known as “slamming,” and charging consumers directly or through their local telephone companies for long distance service that they had never authorized, a practice commonly referred to as “cramming.” Central also deceptively marketed its services to consumers as part of its slamming and cramming scheme. In addition, where Central billed consumers directly, it failed to clearly and plainly describe the charges, in violation of the Commission’s truth-in-billing rules. Slamming and cramming are deceptive business practices that result in consumers paying for services they never requested and then expending great time and personal effort to return to their preferred carriers. These practices are made even more egregious where, as here, they are coupled with deceptive marketing. After reviewing Central’s response to the Notice of Apparent Liability for Forfeiture (*NAL*), we reduce the penalty proposed in the *NAL* and assess a \$3,460,000 forfeiture.

II. BACKGROUND

2. The Enforcement Bureau (Bureau) of the Federal Communications Commission (FCC or Commission) initiated an investigation of Central¹ after reviewing over one hundred consumer complaints filed against the Company. As discussed in more detail in the *NAL*,² many of the consumers who filed complaints contended that Central misrepresented that the Company was (or was affiliated with) the complainant’s existing long distance carrier and that the purpose of the Company’s marketing call was merely to obtain the complainant’s authorization to change the current service plan with his or her existing carrier—not to switch carriers.³ According to the complainants, after obtaining and recording their “authorization,” Central then attempted to switch their long distance carrier to Central.⁴ In some cases, Central successfully effected the carrier change and in other cases Central did not because, for

¹ Central, located at 102 S. Tejon Street, Suite 1100, Colorado Springs, CO 80903, is a non-facilities-based interexchange carrier.

² *Central Telecom Long Distance, Inc.*, Notice of Apparent Liability for Forfeiture, 29 FCC Rcd 5517 (2014) (*NAL*). The *NAL* contains a more complete discussion of the facts and history of this case and is incorporated herein by reference. See *NAL*, 29 FCC Rcd at 5517–5527, paras. 2–21. The Appendix to the *NAL* contains a list of complaints, including the complainant’s name, date of carrier change or billing date, and violation. *Id.* at 5535-36.

³ *Id.* at 5518, para. 3.

⁴ *Id.*

example, a consumer had taken the initiative through a “PIC freeze” to block unauthorized carrier changes.⁵ In both types of cases, Central charged the complainants for long distance services. The charges were billed directly to complainants or were placed on the complainants’ local exchange carrier (LEC)⁶ bill.⁷ For example, Complainant Bingham explained that after her grandmother (who did not use long distance service) died and Ms. Bingham had her telephone disconnected, Central continued to send bills for its “service” several months after the telephone was disconnected.⁸ Complainants alleged that they did not authorize Central’s service and that they had no need to pay Central for the same service that they had with another carrier. The *NAL* ordered Central to, within 30 days, either pay the proposed forfeiture amount or submit evidence or arguments in response to the *NAL* that no forfeiture should be imposed or that some lesser amount should be assessed. Central filed a response to the *NAL* on June 17, 2014.⁹

3. The slamming and cramming scheme in this case is very similar to that in two other recent cases: Consumer Telcom, Inc. (CTI),¹⁰ and U.S. Telecom Long Distance, Inc. (USTLD);¹¹ all three companies are operated by a fourth company, the “hub” of the operation, Data Integration Systems, Inc. (DIS) that handles the day-to-day operations of the three companies.¹² All three companies—USTLD, CTI, and Central—are managed from DIS’s offices at 17832 Gillette Ave., Irvine, CA 92416.¹³ DIS, whose sole owner, officer, and director is Craig Konrad (Konrad),¹⁴ provides billing, training, customer service, and other data management and retrieval services for Central¹⁵ as well as CTI and USTLD.¹⁶ According to Konrad, DIS would provide services pursuant to the contract with Central, including:

⁵ *Id.* A preferred or presubscribed interexchange carrier (PIC) freeze “prevents a change in a subscriber’s preferred carrier selection unless the subscriber gives the carrier from whom the freeze was requested his or her express consent.” See 47 CFR § 64.1190(a).

⁶ *E.g.*, AT&T, Verizon, or CenturyLink. “The term ‘local exchange carrier’ means any person that is engaged in the provision of telephone exchange service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under section 332 (c) of this title, except to the extent that the Commission finds that such service should be included in the definition of such term.” 47 U.S.C. § 153(32).

⁷ *NAL*, 29 FCC Rcd at 5518, para. 3.

⁸ Complaint from S. Bingham.

⁹ See Central Telecom Long Distance, Inc.’s Response to Notice of Apparent Liability for Forfeiture (June 17, 2014) (*NAL Response*) (on file in EB-TCD-13-00011651). Konrad provided the substantive information in the *NAL Response* regarding Central’s operations. See *NAL Response*, Exhibit 2, Affidavit of Craig Konrad.

¹⁰ *Consumer Telcom, Inc.*, Notice of Apparent Liability for Forfeiture, 28 FCC Rcd 17196 (2013) (*CTI NAL*).

¹¹ *U.S. Telecom Long Distance, Inc.*, Notice of Apparent Liability for Forfeiture, 29 FCC Rcd 823 (2014) (*USTLD NAL*).

¹² *NAL*, 29 FCC Rcd at 5517-18, para. 2.

¹³ Konrad provided a “declaration under penalty of perjury” to the Bureau’s letter of inquiry (LOI), stating that “[a]ll of the information requested by the Letter of Inquiry that is locatable and in CTLD’s possession, custody, control or knowledge has been produced.” In addition, Konrad provided the substantive responses to the LOI, and stated that “CTLD’s responses to the questions directed to CTLD . . . which DIS assisted CTLD in preparing its responses, are true and correct to the best of my personal knowledge and belief.” See “Responses of Central Telecom Long Distance, Inc. to Letter of Inquiry, Dated October 17, 2013, Issued by the Enforcement Bureau of the Federal Communications Commission” (Dec. 2, 2013) (on file in EB-TCD-13-00011651).

¹⁴ According to the 2015 FCC Form 499-A, filed Mar. 17, 2015, Konrad is also the chief executive officer of the toll reseller, Business Discount Plan, Inc.

¹⁵ See *NAL Response* at Exhibit 2, Affidavit of Craig Konrad.

¹⁶ *NAL*, 29 FCC Rcd at 5517, para. 2

collecting and managing data needed for billing and collect[ion] services; interfacing with billing aggregators, interexchange carriers and local exchange carriers; training telemarketers; providing software and software services; managing databases; reviewing services and other non-service contracts; and overseeing regulatory matters.”¹⁷

4. With respect to marketing, “CTLD, through its agent DIS, trains and instructs its sales representatives”¹⁸ and “also has a quality assurance monitoring program in which it, through its agent DIS, regularly listens in on the sales representative’s calls.”¹⁹ According to the Konrad affidavit, DIS provides the “telemarketers with CTLD’s training materials.”²⁰ After the third party verifier process, DIS “uses [the name and address of new customers] to prepare address labels.”²¹ DIS provides these address labels to its subcontractor, National Customer Service Center (NCSC), “who then affixes these address labels to envelopes. DIS pays for the postage that is loaded into a postage meter, and NCSC will then mail the customer various promotional materials. If the documents are undeliverable, “DIS will then double check the customer’s name and address and correct the address label, if necessary, and re-mail the envelope.”²² According to Konrad, NCSC prepares all of the responses to the consumer complaints.²³

5. The three companies, USTLD, CTI, and Central, have different owners, although the owner of CTI, Joseph Nicotra, was previously an officer of USTLD;²⁴ however, they are all operated by DIS. Konrad, the owner of DIS, is also the president of another toll reseller, Business Discount Plan, Inc.²⁵ This system of using multiple companies, all run by one person or company, is used to dilute the number of complaints against each specific reseller and to make it more difficult for regulatory and law enforcement agencies to know how much cramming (or slamming) is occurring.²⁶

6. On May 5, 2014, the Commission released the *NAL* proposing a \$3,960,000 forfeiture against Central for its apparently willful and repeated violations of Sections 201(b) and 258 of the Communications Act of 1934, as amended (Communications Act or Act),²⁷ and Sections 64.1120 and 64.2401(b) of the Commission’s rules (Rules).²⁸ The *NAL* found that the Company apparently violated Section 258 of the Act and Section 64.1120 of the Rules by changing the preferred carriers of three consumers without authorization (slams), and Section 201(b) of the Act by assessing 28 unauthorized charges (crams) on bills to consumers. In addition, Central apparently further violated Section 201(b) by

¹⁷ *NAL* Response at Exhibit 2, Affidavit of Craig Konrad at 1.

¹⁸ *Id.* at 7.

¹⁹ *Id.* at 8.

²⁰ *Id.*

²¹ *Id.* at 11.

²² *Id.* at 12.

²³ *Id.* at 19-20.

²⁴ *Id.* at Exhibit 5, p. 216.

²⁵ See *NAL*, 29 FCC Rcd at 5518 & n.5. Konrad is the President of toll reseller Business Discount Plan, Inc., a company the Commission had investigated for slamming and misrepresentation when he was the Vice President of that company. See *Bus. Disc. Plan, Inc.*, Notice of Apparent Liability for Forfeiture, 14 FCC Rcd 340 (1998) (*BDP NAL*), Order of Forfeiture, 15 FCC Rcd 14461 (2000) (*BDP Forfeiture Order*).

²⁶ See United States Senate Committee on Commerce, Science, and Transportation, Office of Oversight and Investigations, “Unauthorized Charges on Telephone Bills,” Staff Report for Chairman Rockefeller, July 12, 2011 (Senate Report) at pp. 9-10, available at <http://apps.fcc.gov/ecfs/document/view?id=7021859847>.

²⁷ 47 U.S.C. §§ 201(b), 258.

²⁸ 47 CFR §§ 64.1120, 64.2401(b).

engaging in seven instances of misrepresentation, and apparently violated Section 64.2401(b) of the Rules by committing four truth-in-billing violations when sending bills directly to consumers.

7. Central makes a number of arguments in its NAL Response as to why the *NAL* should be canceled or reduced. The Company contends that: (i) it did not slam consumers because it complied with the Commission's verification rules for carrier changes; (ii) it did not cram consumers because the recurring charges it assessed were for "bundled services" authorized by consumers; (iii) it did not deceptively market its services because it has implemented telemarketer training and other safeguards; (iv) the Commission's reliance on unsworn consumer complaints was unreasonable and denied the Company due process; (v) it did not violate the Commission's truth-in-billing rules because the Company was billing consumers for a previous unpaid bill; and (vi) the *NAL* upward adjustments of the proposed forfeiture amount were arbitrary and capricious.²⁹ As we discuss below, we reject each of Central's arguments. However, we reduce the penalty proposed in the *NAL* and assess a forfeiture amount of \$3,460,000.

III. DISCUSSION

8. The Commission proposed a forfeiture in this case in accordance with Section 503(b) of the Act,³⁰ Section 1.80 of the Rules,³¹ and the Commission's *Forfeiture Policy Statement*.³² When we assess forfeitures, Section 503(b)(2)(E) requires that we take into account the "nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require."³³ As discussed below, we have fully considered Central's response to the *NAL*, but we do not find its arguments persuasive. Based on the preponderance of the evidence in the record, we assess a \$3,460,000 forfeiture.

A. Central Slammed Consumers in Violation of Section 258 of the Act and Section 64.1120 of the Rules

9. Section 258 of the Act makes it unlawful for any telecommunications carrier to "submit or execute a change in a subscriber's selection of a provider of telephone exchange service or telephone toll service except in accordance with such verification procedures as the Commission shall prescribe."³⁴ Section 64.1120 of the Commission's rules prohibits carriers from submitting a request to change a consumer's preferred provider of telecommunications services before verifying authorization from the consumer; carriers can verify that authorization in one of three specified ways, including "Third Party Verification" (TPV).³⁵ If a carrier relies on a TPV,³⁶ the verifier must be independent of the carrier and, among other things, must confirm that the consumer with whom the verifier is speaking: (i) has the authority to change the carrier associated with the telephone number in question; (ii) in fact wishes to

²⁹ In addition, the Company submitted three years of federal tax returns to support its claim that it was not able to pay the proposed forfeiture.

³⁰ 47 U.S.C. § 503(b).

³¹ 47 CFR § 1.80.

³² *The Commission's Forfeiture Policy Statement and Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines*, Report and Order, 12 FCC Rcd 17087 (1997) (*Forfeiture Policy Statement*), reconsideration denied, Memorandum Opinion and Order, 15 FCC Rcd 303 (1999).

³³ 47 U.S.C. § 503(b)(2)(E).

³⁴ *Id.* § 258(a).

³⁵ 47 CFR § 64.1120(c)(1)–(3).

³⁶ TPV is one method a carrier may use to verify and record a consumer's authorization to change his or her preferred long distance carrier. TPV must comply with Section 64.1120(c)(3) of the Commission's rules. 47 CFR § 64.1120(c)(3).

change carriers; and (iii) understands that he or she is authorizing a carrier change.³⁷ The Rules expressly prohibit verifiers from misleading consumers while attempting to obtain the required authorization (i.e., the rules require, *inter alia*, that a verifier's description of the carrier change not be misleading).³⁸ In its NAL Response, Central makes a number of arguments in an attempt to avoid its liability, but we find none of them persuasive and, based on the preponderance of the evidence in the record, affirm the NAL's finding of violations of Section 258 of the Act and Section 64.1120 of the Rules.

10. In the NAL we found that Central apparently violated Section 258 of the Act and Section 64.1120 of the Rules by switching three consumers' preferred providers of telecommunications services without proper authorization verified in accordance with the Rules.³⁹ Specifically, in all three cases the third party verifier's description of the carrier change was misleading in violation of the Rules, and failed to confirm that the consumer wished to change carriers and understood that they were authorizing such a change.⁴⁰ As consumers repeatedly described, Central's telemarketers initially led the consumers to believe that they were speaking to their existing carrier and that the purpose of the call was to discuss the consumer's *existing service*.⁴¹ After those misrepresentations were made by Central's telemarketers, the consumer's call was passed to the third party verifier, who told consumers that "[t]he reason we are speaking to you is to confirm the change in long distance service to Central Telecom Long Distance, Inc. as your long distance carrier."⁴² As we explained in the NAL, simply tacking on the words "as your long distance carrier" does not change the fact that the verifier stated that the purpose of the call was to change the consumer's "*service*," rather than the *carrier* providing that service, and that consumers believed their service would continue to be through their existing preferred carrier because of the initial misrepresentations made by Central's telemarketers (discussed in greater detail in the NAL and below).⁴³ The consumers had not agreed to change their carriers and there were no agreements for a carrier change to "confirm" with the third party verifier. It is well established law that changing service is not equivalent to changing carriers,⁴⁴ and Central's statements suggesting that it was seeking verification only for a

³⁷ *Id.* § 64.1120(c)(3)(iii).

³⁸ *Id.*

³⁹ NAL, 29 FCC Rcd at 5519–5523, paras. 6–13.

⁴⁰ *See id.* at 5522, paras. 10–11.

⁴¹ *Id.* at 5520–21, paras. 8–9.

⁴² *Id.* at 5521–22, para. 9.

⁴³ *Id.* at 5520–21, paras. 8–9 (citing *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers*, Fourth Report and Order, 23 FCC Rcd 493, 501, para. 19 (2008) (footnotes omitted) (*Slamming Fourth Report and Order*)).

⁴⁴ *See, e.g., Consumer Telecom, Inc.*, Order on Reconsideration, 27 FCC Rcd 5340, 5345, para. 17 (CGB 2012) (finding "the verifier's question, 'Do you have authority to make changes to your long distance service?' did not confirm that the person was authorizing a change that would result in receiving service *from a different carrier*") (emphasis in original); *Central Telecom Long Distance, Inc., Complaints Regarding Unauthorized Change of Subscriber's Telecommunications Carrier*, Order, 28 FCC Rcd 16653 (CGB 2013) (finding "the verifier's question, 'Do you have the authority to make changes to your long distance service?'" did not confirm that the person was authorizing a change that would result in receiving service *from a different carrier*); *Central Telecom Long Distance, Inc., Complaints Regarding Unauthorized Change of Subscriber's Telecommunications Carrier*, Order, 28 FCC Rcd 13353 (CGB 2013) (same, for two complaints); *Central Telecom Long Distance, Inc., Complaint Regarding Unauthorized Change of Subscriber's Telecommunications Carrier*, Order, 28 FCC Rcd 9276 (CGB 2013) (same); *Central Telecom Long Distance, Inc., Complaints Regarding Unauthorized Change of Subscriber's Telecommunications Carrier*, Order, 28 FCC Rcd 6537 (CGB 2013) (same, for two complaints); *Central Telecom Long Distance, Inc., Complaint Regarding Unauthorized Change of Subscriber's Telecommunications Carrier*, Order, 28 FCC Rcd 6241 (CGB 2013) (same); *Consumer Telecom, Inc., Complaints Regarding Unauthorized Change of Subscribers' Telecommunications Carrier*, Order, 25 FCC Rcd 3202 (CGB 2010) (same, two

(continued....)

change in “service” were misleading and in violation of Section 64.1120(c)(3), notwithstanding the addition of the phrase “as your long distance carrier” at the end of the sentence.⁴⁵

11. Central argues that the Commission should not focus on a single statement by the verifier, which it claims was taken “out of context,” and that its TPVs, when reviewed in their entirety “did not lead to consumer confusion concerning the true purpose of the solicitation call.”⁴⁶ According to Central, the verifications “confirmed that the person on the call understood that a *carrier change*, not an upgrade to existing service, bill consolidation, or other misleading description of the underlying transaction, was being authorized.”⁴⁷ The evidence shows otherwise. Notably, after the three consumers discovered that their carrier was changed without their authorization they immediately took steps to obtain a refund of the Central charges, and file complaints against Central due to the unauthorized carrier change and resulting unauthorized charges.⁴⁸

12. Further, Central is mistakenly focusing on one small part of the TPV—i.e., the reference to a consumer’s “long distance carrier”—to show that the TPV complied with our verification rules. The

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complaints); *U.S. Telecom Long Distance, Inc., Complaint Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 25 FCC Rcd 3135 (CGB 2010) (same).

⁴⁵ Central contends that it is “incomprehensible” and “inconceivable” that we find fault with its TPVs because, according to Central, there have been numerous CGB orders that reviewed similar language used by Central which CGB found did not constitute a slam. NAL Response at 31. Central’s contention, however, is based entirely upon old CGB orders dating back to 2008. NAL Response at 17-19. Central conveniently ignores the subsequent CGB orders that supersede that prior precedent. In these more recent orders CGB specifically found Central violated the slamming rules because its TPVs asked consumers about a change in “service” and not a change in “carrier.” *See, e.g., supra* note 44. These orders put Central on notice prior to the slams at issue in the NAL that the old CGB precedent no longer applied following the Commission’s 2008 rulemaking and that Central needed to change its TPVs to bring them into compliance with the slamming rules. We find no merit in Central’s argument and affirm our findings in the NAL. CGB has released more recent orders with the same conclusion. *See, e.g., U.S. Telecom Long Distance, Inc., Complaints Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 29 FCC Rcd 5805 (CGB 2014) (finding that the statement that the purpose of the recorded conversation was “to confirm the change in long distance service to US Telecom Long Distance as your long distance carrier” was in violation of FCC carrier change rules); *Consumer Telcom, Inc., Complaints Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 29 FCC Rcd 5800 (CGB 2014) (same, regarding Consumer Telcom, Inc.); *Central Telecom Long Distance, Inc., Complaints Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 29 FCC Rcd 5795 (CGB 2014) (same, regarding Central); *Central Telecom Long Distance, Inc., Complaints Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 29 FCC Rcd 5790 (CGB 2014) (same); *Central Telecom Long Distance, Inc., Complaint Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 29 FCC Rcd 4839 (CGB 2014) (same).

⁴⁶ NAL Response at 30. Central argues that the TPVs complied with our rules and were not misleading, combining, to some extent, the slamming and misrepresentation issues.

⁴⁷ *Id.*

⁴⁸ *See, e.g.,* Complaint from C. Moore (she hung up during the TPV, yet there were charges from Central on her next AT&T bill and she immediately called to complain and “he said after I paid the charge on billing statement July 19th that there would be no more charges from them. Was not supposed to even be added to my AT&T account.” The following month she had Central charges on the next AT&T bill and she called again to complain.); Complaint from L. DeRoin (“I received a bill in the mail from Central Telecom . . . for long distance service. I did not authorize this company to be my long distance carrier. . . . I tried to call Central Telecom and there is no answer. I called them today and all I get is a voicemail message that they are not available. . . . When you call the number it states thank you for calling customer care, please hold on the line. No one comes on the line.”); Complaint from K. [REDACTED] (Mrs. [REDACTED] “called to complain that her long distance service was switched by USBI without her consent. Mrs. [REDACTED] claims that a month and a half ago, an individual representing themselves as a CenturyLink employee called her and advised her that they could save her money on her long distance. . . . Mrs. [REDACTED] would like the charges to be removed from her bill and to be switched back over to CenturyLink.”).

evidence shows that prior to the TPV, the Central telemarketer led consumers to believe that the purpose of the call was to discuss the existing service, *not* to change carriers. Consequently, the vague language of the TPV, “confirm the change in long distance service,” did not significantly contradict what the Central telemarketer had just said, i.e., that they were discussing a change in their current service (not a carrier change), and was misleading and therefore in violation of our verification rules. As the Commission stated in its *Slamming Fourth Report and Order*, “some carriers introduce ambiguity into what should be a straightforward interaction by describing the carrier change offer as a mere ‘upgrade’ to existing service or in other ways that obscure the true purpose.”⁴⁹ Here, the evidence demonstrates that Central “obscured the true purpose” of its interactions with consumers for the purpose of switching their carriers without their authorization.

13. Central also argues that instead of looking at the allegations of each complaint, including the statements and representations made to consumers *prior* to the TPV, if the TPV, standing alone, complies with our rules, then it “necessarily means that the customers were authorized to make a carrier change, wanted to make a carrier change, and understood that they were making a carrier change.”⁵⁰ Essentially, the Company’s position is that as long as there is a “valid” TPV, the associated carrier change is justified regardless of what a telemarketer may have told the consumer.⁵¹ As discussed above, we have reviewed the relevant Central TPVs and determined that they do not comply with our verification rules and thus, do not prove authorization. Even if we were to accept Central’s argument (that a valid TPV alone proves authorization), it would be of no avail in the instant case. Central’s TPV argument also fails because the misrepresentations told to consumers by Central’s telemarketers alone invalidate the TPVs, making the subsequent carrier changes invalid.⁵² Moreover, a falsified TPV⁵³ could make it appear that a complainant had agreed to a carrier change when no such agreement had occurred.⁵⁴ Accordingly, we reject the contention that we should look no further than the TPV in determining whether a particular carrier change comports with the Act and our Rules.

14. For all these reasons, and based upon a preponderance of evidence in the record, we affirm the finding in the *NAL* that Central, in violation of Section 258 of the Act and Section 64.1120 of the Commission’s rules, changed the preferred carriers of three consumers without proper authorization verified in accordance with the Commission’s rules.

⁴⁹ *Slamming Fourth Report and Order*, 23 FCC Rcd at 501, para. 19 (footnotes omitted). Moreover, the Commission has previously stated that third party verifier scripts “should clearly and conspicuously confirm that the subscriber has previously authorized a carrier change.” *Id.* (citing *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers’ Long Distance Carriers*, Second Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 1508, 1553, para. 72 (1998)).

⁵⁰ *NAL* Response at 39.

⁵¹ *Id.*

⁵² *See supra* para. 10. *See also NAL*, 29 FCC Rcd at 5522, para. 11 (explaining that due to the misrepresentations by the telemarketer, the Company cannot demonstrate the complainants wanted to make a carrier change and understood that they were authorizing a carrier change.).

⁵³ *See NAL*, 29 FCC Rcd at 5530, para. 26 & n.86.

⁵⁴ This is consistent with *AT&T Corporation v. FCC*, 323 F.3d 1081, 1086 (DC Cir. 2003) (*AT&T v. FCC*). In *AT&T v. FCC*, the court agreed with AT&T that “carriers seeking new customers via telemarketing have little choice but to depend on the veracity of the person answering the phone.” The matter of a falsified TPV was not at issue in the two slamming instances before the court; in fact, the court repeatedly noted that the telemarketer following our verification procedures would have to rely on the person who answered the telephone call. Our position here, however, is that a falsified TPV cannot comply with our verification rules because it is not the subscriber’s verification but a faked recording created solely to mislead state and/or federal agencies that the subscriber agreed to the carrier change.

B. Central Placed Unauthorized Charges on Consumers' Telephone Bills ("Cramming")

15. Central also violated Section 201(b) of the Act by placing 28 unauthorized charges on consumers' telephone bills.⁵⁵ The Commission has previously held that the placement of unauthorized charges and fees on consumers' telephone bills—known as “cramming”—is an “unjust and unreasonable” practice under Section 201(b).⁵⁶ Cramming can occur either when third parties place unauthorized charges on consumers' existing carriers' telephone bills or when carriers place unauthorized charges on their own customers' telephone bills.⁵⁷ Any assessment of an unauthorized charge on a telephone bill or for a telecommunications service is an “unjust and unreasonable” practice under Section 201(b) of the Act.⁵⁸ Central argues in its NAL Response that: (1) it did not cram consumers, but instead charged them for a “bundled” service that the consumers had authorized;⁵⁹ and (2) by failing to comply with Central's complaint procedures, consumers authorized any charges billed by Central.⁶⁰ For the reasons discussed below, we reject these arguments and, based on a preponderance of the evidence in the record, affirm the NAL's finding that Central violated Section 201(b) of the Act by placing 28 unauthorized charges on consumers' telephone bills.

1. Complainants did not authorize Central's “bundled” services

16. In the NAL we found that Central apparently violated Section 201(b) of the Act by placing 28 unauthorized charges on consumers' telephone bills, in some cases multiple charges on the same consumer's bills.⁶¹ When Central was able to change a consumer's long distance carrier to itself, it would charge the consumer for itemized long distance calls as well as a monthly recurring charge. When Central was unable to change a consumer's carrier (such as when the consumer had a PIC freeze in place), or when a consumer discovered the unauthorized carrier change to Central and switched back to his or her original carrier, Central nonetheless assessed the same monthly recurring charge even though Central was not the consumer's presubscribed long distance carrier. Central contends that it sells a “bundle” of services and thus did not cram these consumers because it was billing them for its “bundled long distance service,” not just for the long distance service that the consumer either was never subscribed to (i.e., because a PIC freeze was in place) or that was canceled (because the consumer switched back to

⁵⁵ Central's process for third party billing generally involves three parties: Central; its billing aggregator, Billing Services Group (known as BSG or USBI); and the LEC that issues the consumer's bill. *See NAL*, 29 FCC Rcd at 5523, n.41. As we described in the NAL, the underlying carriers, Level 3 or Global Crossing Telecommunications, Inc. and CenturyLink send Central information on the traffic on a customer's billing telephone number which Central rates and sends to its billing aggregator to aggregate its billing and send to the applicable LEC for billing Central's charges to the end user. *Id.*, 29 FCC Rcd at 5527, n.65.

⁵⁶ *See, e.g., Long Distance Direct, Inc., Apparent Liability for Forfeiture*, Memorandum Opinion and Order, 15 FCC Rcd 3297, 3302, para. 14 (2000) (*LDDI MO&O*) (finding that the company's practice of cramming membership and other unauthorized fees on consumer telephone bills was an unjust and unreasonable practice in connection with communication services).

⁵⁷ *See Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges (“Cramming”)*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 4436, 4437, paras. 1–2 (2012); *see also Advantage Telecommunications Corp.*, Notice of Apparent Liability for Forfeiture, 28 FCC Rcd 6843, 6850, para. 17 (2013) (*Advantage NAL*).

⁵⁸ *See Advantage NAL*, 28 FCC Rcd at 6850, para. 17 (regardless of the method used to bill consumers, “any assessment of an unauthorized charge billed to consumers is an ‘unjust and unreasonable’ practice under Section 201(b)”).

⁵⁹ NAL Response at 50–69.

⁶⁰ *Id.* at 52–69.

⁶¹ *NAL*, 29 FCC Rcd at 5523–27, paras. 14–21.

their preferred carrier).⁶² As discussed below, however, the evidence demonstrates that the complainants had not authorized Central to charge them for any service, including this “bundled” service.

17. Central states that its bundled service includes “subscribed casual calling, calling card, and directory assistance long-distance service.”⁶³ We understand that the “casual calling”⁶⁴ service Central is referring to is a dial around service, i.e., the caller would dial 10-10 followed by the carrier identification code, or CIC, for the underlying carrier.⁶⁵ Despite Central’s claims that these recurring charges are “valid accrued charges for long distance service provided”⁶⁶ the evidence shows that complainants had not authorized or used such “bundled long-distance service.”⁶⁷ As we discussed in the *NAL*, the bundle is not mentioned in the TPV and is not described or listed on the telephone bills from the LEC or from Central.⁶⁸ Central admits that the TPV transcript does not “refer to a bundled package of services that includes casual calling, free directory assistance minutes, and a calling card.”⁶⁹

18. The complainants all contended that Central billed them for services they did not authorize.⁷⁰ In most cases, Central initially switched their service away from their carrier to Central. Then, once the complainants had returned to their original carriers, Central continued to bill them for monthly service and other fees and taxes—either through their LEC bills or on bills sent to them directly by Central. Numerous complainants described discovering unauthorized charges from Central on their local telephone bills, or on bills sent to them directly by Central, for long distance service they did not authorize and Central did not provide.⁷¹ Central has not offered any evidence to dispute the record evidence and justify its practice of continuing to bill consumers for several months after the unauthorized service was cancelled. Central explains that after a consumer had cancelled the Central service and the underlying carrier (Global Crossing/Level 3 or CenturyLink) has deactivated the account—due to the consumer’s request for a PIC change back to the previous carrier—Konrad would “activate the line if it had been deactivated.”⁷² Thus, after the service was cancelled by both the consumer and the underlying wholesale carrier, Central would “go back in and click that back to active”⁷³ to continue billing the consumer unauthorized charges. The complainants’ assertions that such charges were unauthorized,

⁶² *NAL* Response at 50.

⁶³ *Id.*

⁶⁴ Casual calling services are those services that do not require the calling party to establish an account with an interexchange carrier or otherwise subscribe to a service. A casual calling service is not a subscribed service and the caller using a casual calling service would not have an account with the interexchange carrier. Therefore, if Central offered a casual calling service, it would not charge a recurring fee for such service because a casual calling service, by definition, does not have subscribed customers.

⁶⁵ Dial around long distance can be an economical service in certain circumstances, in lieu of a 1+ long distance service. For example, some carriers offer discounted international services to certain countries on a dial around basis that consumers may prefer to the international service offered by the consumer’s PIC-ed carrier. There is no evidence in the record that Central offers any such discounted services.

⁶⁶ *NAL* Response at 51.

⁶⁷ *NAL*, 29 FCC Rcd at 5526–27, paras. 17–21.

⁶⁸ *Id.* at 5526, para. 18.

⁶⁹ *NAL* Response at Exhibit 5, 478-79.

⁷⁰ *NAL*, 29 FCC Rcd at 5526–27, paras. 17–21.

⁷¹ *Id.* at 5523–26, paras. 15–16 & n.52.

⁷² *NAL* Response at Exhibit 5, pp. 463-470. Specifically, Konrad said that this would be done by himself “or somebody that works for Data Integration Systems, and we have subsequently handed that over to Priscilla’s company here just recently.” *Id.* at 465.

⁷³ *Id.* at 466.

described in detail in the *NAL*, are not credibly refuted. Therefore, we find, based on the preponderance of the evidence in the record, that Central did not have the complainants' authorization to charge for any service and thus crammed consumers by charging complainants for those unauthorized services.⁷⁴

19. In its *NAL* Response, Central first tries to establish that consumers authorized the recurring charges by providing two undated rate cards describing Alabama and Missouri calling plans.⁷⁵ Central has failed to show that the complainants received an Alabama or Missouri rate card, or any rate card, containing information about the bundle of services.⁷⁶ Central also provided an undated "General Service Agreement."⁷⁷ Central has not shown that the Agreement was in effect in 2013 or 2014, the time period during which the apparent violations relevant to the *NAL* occurred, or that the complainants received this Agreement. Further, Central has not explained why a consumer, already paying his or her presubscribed carrier for 1+ long distance service, would knowingly pay Central a monthly recurring charge for its dial around long distance service. We do not find that Central's evidence refutes the complainants' assertions that they did not sign up for these services and that the charges were unauthorized.

20. With respect to the casual calling service element of the bundle, Central speculates that the casual calling service would be a "convenient service for customers who are away from their presubscribed phone."⁷⁸ However, this explanation appears to confuse casual calling, pay-per-call dial around long distance service, and a subscribed calling card service because it fails to take into account that the call would be charged to the person whose telephone is used for the call, not the customer who made the call. Assuming Central was referring to a subscribed calling card service using a toll free number and a PIN, also allegedly part of the bundle, Central fails to show that any customer authorized the service or, in fact, even used the service. Central also contends that subscribers could use the casual calling service if they "want to use CTLD's deeply discounted international rates to make international calls."⁷⁹ However, there is no evidence in the record that Central had "deeply discounted" international rates, that any consumers were aware of international rates offered by the Company, or that any consumers had used this service. Central has not given any examples of the complainants, or any other person, using the casual calling dial around service.⁸⁰

21. Finally, Central contends that the invoice from Level 3 provided in the *NAL* Response shows that consumers had used its directory assistance and calling card services.⁸¹ After reviewing this invoice we conclude that Central has not provided persuasive evidence that the complainants used these two services or authorized them. The only invoice provided is for May 15, 2014 (the "Effectuated Invoice

⁷⁴ In addition to the above described unauthorized charges, Central's position is that after cancellation of its service by a consumer, the Company will still bill a consumer for several months—despite the fact that no charges were ever authorized. Central states that "[i]n order to cancel service correctly with Central Telecom the customer must contact Central Telecom customer service directly. That is why these procedures are clearly outlined in the General Service Agreement that was mailed to the customer as well as the Company's Public Disclosure Document." *See, e.g.*, Central's response to Complaint from S. Bingham; Central's response to Complaint from D. Honnas.

⁷⁵ *NAL* Response at Attachment 2.

⁷⁶ The rate cards do not list directory assistance as part of the bundled plan. *See* *NAL* Response at Attachment 2. Twenty-six of the complainants are from states other than Alabama or Missouri.

⁷⁷ *See* *NAL* Response at Attachment 4.

⁷⁸ *NAL* Response at Exhibit 2, para. 14.

⁷⁹ *NAL* Response at 55.

⁸⁰ The wholesale invoice provided by Central does not categorize the dial around calls separately; there is no evidence in the record that any consumer used Central's dial around service at any time. *See* *NAL* Response, Attachment 5.

⁸¹ *NAL* Response at 67.

Date”); however, the complaints at issue were for slams and crams that occurred long before that date.⁸² The invoice shows that no calling card calls were made that month.⁸³ Central contends that it charges its customers for directory assistance calls after a certain number of free directory assistance calls;⁸⁴ therefore, Central should be able to identify which customers made directory assistance calls, and how many calls were made by those customers, yet the Company has failed to provide such information in its NAL Response. Central did not submit any evidence in the record that the complainants made any directory assistance calls. Based on these facts, we are not persuaded that directory assistance calls made by unknown persons after the last cram date at issue in the *NAL* shows that the complainants authorized Central’s bundle of services as Central would have us believe. Further, none of Central’s bills (neither those issued by the LEC nor those issued by Central directly) identifies or even reflects any charges for a “bundled service” or mentions a bundle of services at all.⁸⁵ Accordingly, based on the preponderance of the evidence in the record, we conclude that Central has failed to show that the complainants authorized the bundled services.

2. Complainants’ failure to follow Central’s “cancellation procedures” is not a substitute for authorization to be billed

22. Central further argues that the recurring charges described above were authorized because consumers must contact the Company directly in order to cancel its services and stop Central from continuing to charge them.⁸⁶ Otherwise, according to Central, it bills the consumer monthly fees regardless of whether Central is the preferred carrier.⁸⁷ Thus, a consumer who discovered an unauthorized carrier change to Central and charges on his or her telephone bill and complained to the LEC to have the carrier changed back and the charges removed would, according to the argument put forth by Central, be authorizing further Central charges because the cancellation was not performed in accordance with Central’s procedures, of which the consumer was unaware having never sought service by Central in the first place. The LEC bills upon which Central was billing the consumers specifically instructed the consumers to contact the LEC with any billing questions.⁸⁸ A consumer faced with an unauthorized charge from Central on his or her telephone bill would therefore reasonably follow the instructions on the telephone bill and contact the LEC to have the charge removed. According to Central, after a consumer canceled Central’s service through his or her LEC, and Central received the cancellation

⁸² There were only three slams or crams in 2014, and the most recent was April 15, 2014. The remaining slams and crams listed in the Appendix occurred in 2013.

⁸³ NAL Response at Attachment 5.

⁸⁴ See Affidavit of Craig Konrad, NAL Response at Exhibit 2, p. 6 (“Depending on the rate plan to which the customer has subscribed, the customer is allowed a certain number of free directory assistance calls.”).

⁸⁵ See direct bills sent to Complainants J. Hudson, C. ██████, A. Trembley, and A. Stanley. The direct bills list “Central Telecom Long Distance, Inc. Charges” beside a line for “Adjusted Long Distance Charges” or “Long Distance Charges.” On the bottom of the bill Central states: “This letter is being sent to inform you of charges that were sent back to Central Telecom Long Distance, Inc., by your local carrier. These are charges that you contacted your local phone company about, that you were not aware of, or did not understand.” There is no other description of the service or the charges or any mention of “bundled services,” such as a travel card, directory assistance, or casual calling long distance, on the bill.

⁸⁶ NAL Response at 52. Central contends that this cancellation policy is explained during the “initial sales call.” *Id.*

⁸⁷ The complainants’ telephone bills do not mention the bundled services or the particular requirements for cancelling Central services.

⁸⁸ See, e.g., Verizon bill attached to Complaint from J. Hudson; AT&T bill attached to Complaint from F. ██████ (under “Billing Summary” there are instructions to “Visit att.com/billing” with “Billing Questions” as well as toll free numbers to call with billing questions).

information from its underlying carrier,⁸⁹ instead of honoring the consumer's request for cancellation of the unauthorized service, it continued to send the consumer a direct bill for "services."⁹⁰ Thus, Central, on notice of the cancellations, continued to bill consumers on the pretext that the consumers failed to follow Central's cancellation procedure, which Central contends was explained to consumers during the course of its initial sales call.⁹¹ Central has not provided a recording of its initial sales call to any of the complainants or any other evidence to support this contention.

23. Notwithstanding Central's unsubstantiated claim that it notified consumers of its cancellation policy, Central cannot deliberately ignore the consumers' cancellations and expect them to follow particular Central procedures to cancel a bundled service they had not previously ordered and of which, according to the available evidence, they were unaware. Indeed, Central has not shown that the complainants had any information about the Company's particular cancellation procedures. We find it unjust and unreasonable to expect a consumer to do anything more to cancel a service on his or her telephone bill than what the consumer is instructed to do on the bill containing the charge. Moreover, as discussed in the *NAL*, the initial sales call misrepresented the services and the purpose of the call and thus, the consumer acting reasonably at the time of cancellation would have no reason to refer back to that initial call for clarity as to his or her obligation in cancelling a service that was never authorized in the first instance.⁹²

24. We therefore, affirm the finding in the *NAL* and find that the record here establishes that Central placed charges on consumers' local telephone bills or billed them directly for service without the consumers' authorization. Any carrier that charges consumers for services without authorization from the consumer is in violation of Section 201(b) of the Communications Act and that violation is even more egregious when, as in this case, the carrier has actual knowledge that the charge is not authorized through a cancellation notice.

C. Central Deceptively Marketed its Services to Consumers

25. As stated in the *NAL*, Central violated Section 201(b) of the Act by misrepresenting its identity to consumers.⁹³ The Company makes two arguments in an attempt to refute this finding. Central argues: (i) that its training of telemarketers makes it unlikely that they misrepresented the identity or affiliation of the Company to consumers, and (ii) that the TPVs and unsigned responses to complaints prove that no misrepresentations took place. We reject these arguments and find that Central violated Section 201(b) of the Act by engaging in misrepresentations of its identity to consumers.

1. Telemarketer Training Does Not Refute the Findings in the *NAL* that the Company Deceptively Marketed its Services

26. We found in the *NAL* that Central's telemarketers apparently misrepresented that the Company was (or was affiliated with) complainants' existing long distance carriers. For example, Ms. Honnas explained:

I received a phone call from a woman who said she was with CenturyLink and the reason for her call was that CenturyLink did not want to lose any more landline customers . . . [and] they were offering a discount for customers that have a record of small use of long distance [I said that]

⁸⁹ Central gathers information on the customers' usage for billing purposes. *See* Office of Consumer Advocate v. Consumer Telcom, Inc., State of Iowa Department of Commerce Utilities Board, Docket No. FCU-2012-0011c (FCU-2012-0001, FCU-2012-0007), Global Crossing Telecommunications, Inc., Direct Testimony of Diane L. Peters (Feb. 25, 2013) (explaining the Global Crossing procedure for providing end-user information to resellers).

⁹⁰ *See NAL*, 29 FCC Rcd at 5535 for the list of complainants who received direct bills from Central.

⁹¹ *NAL* Response at 57–59.

⁹² *NAL*, 29 FCC Rcd at 5520–22, paras. 7–9.

⁹³ *Id.* at 5520–21, paras. 7–8.

I do not want to change [my] phone company. . . . [T]hen I received a bill from Central Telecom Long Distance for \$16 I never use long distance so why would I ever want their service.⁹⁴

27. Central argues that it is highly improbable that the Company tricked any of its customers into believing the telemarketer was calling from their own carriers because Central instructs telemarketers that “they must advise prospective customers during the telemarketing call that they are with ‘Central Telecom Long Distance, Inc.’” the telemarketers must sign a marketing practices agreement; Central has a quality assurance monitoring program; and the dialing software program has a 17 second delay before the telemarketer is shown the customer’s telephone number and address, making it “extremely difficult” to misrepresent that the telemarketer is affiliated with or actually is the consumer’s long distance carrier.⁹⁵

28. We are not persuaded that the existence of a telemarketing agreement prevented Central’s telemarketers from the acts of misrepresentation described above and in the *NAL*. The record reflects, for example, that Complainant Millard was led to believe that the telemarketer was calling from AT&T. He explains:

[Central] called and posed as my AT&T provider [and] made a sales pitch stating my phone bill would go down by \$10 if I agreed to their new terms and conditions so I did[,] thinking it was AT&T. . . . I have two cell phones so I do not even use my home phone for long distance.⁹⁶

29. Other complainants described similar instances of misrepresentation.⁹⁷ We also disagree that the 17 second delay described by Central⁹⁸ precludes a telemarketer from misrepresenting his or her identity to consumers. Central has not shown that during the 17 seconds before the telemarketer is shown the consumer’s telephone number and address,⁹⁹ the telemarketer would be prevented from saying that he or she was calling from the consumer’s long distance carrier. With respect to the “quality assurance monitoring program,”¹⁰⁰ we do not find that the allegation that DIS “regularly listens in on the sales representative’s calls”¹⁰¹ refutes the misrepresentations described by the complainants. Central has not provided recordings of the telemarketer for the specific complaints at issue to refute the evidence of misrepresentation. Based on the evidence in the record, we find that the multiple consumers who took the time to file complaints against Central describing instances of misrepresentation to be far more persuasive than the Central allegation that a telemarketer has signed a marketing practices agreement and that some calls are monitored.

30. We reject the argument that Central’s telemarketing safeguards, anti-slamming policies, and telemarketer contracts prevented misrepresentations, cramming, or slamming, or in any way alleviated Central of its statutory and rule obligations.

⁹⁴ Complaint from D. Honnas.

⁹⁵ *NAL* Response at 42–44.

⁹⁶ Complaint from B. Millard.

⁹⁷ *See, e.g.*, Complaint from K. [REDACTED] (“[A]n individual representing themselves as a CenturyLink employee called her and advised her that they could save her money.”); Complaint from K. Josephsen (“Back in September [2013] USBI called . . . and claimed that they were with CenturyLink.”); Complaint from M. Thompson (“received a call stating that they were Verizon. . . . Then she received a bill showing charges from U.S.B.I. and Central. . . . Verizon [told] her that they did not call her and that they would see that this was cancelled. However, she is still getting billed.”).

⁹⁸ *NAL* Response at 43–44.

⁹⁹ Although not explained in the *NAL* Response, presumably the issue is that once the telemarketer has this information he or she can do an internet search to determine the consumer’s carrier.

¹⁰⁰ *NAL* Response at 43.

¹⁰¹ *Id.* at 44.

2. Central Has Not Refuted Evidence that it Misrepresented Itself to Consumers

31. As discussed above, in the *NAL* we found that Central apparently misrepresented itself to consumers by claiming that it was their existing long distance carrier and that the purpose of its call was to modify the consumers' current service plan. Central contends that it did not misrepresent itself to consumers.¹⁰² Central uses the unsigned response it sent to each consumer complaint, with some revisions, as support for its arguments.¹⁰³ Central fails to provide any evidence to refute the specific allegations of misrepresentation described in the complaints.

32. For example, Central quotes a portion of Ms. Josephsen's complaint where she states that the telemarketer "deceived" her by claiming that she would save "close to \$10.00 per month by switching to them," but disingenuously omits her statement that the telemarketer "claimed that they were with Centurylink (our current provider). . . ."¹⁰⁴ Central disputes Complainant Richards' claim that the TPV Central provided as proof of her authorization was "doctored up" because, according to Central, the TPV "is virtually identical to all of [Central's] TPVs"¹⁰⁵ Central also relies on the affidavit of the owner of its third party verification company, Molly Cook, who stated that "[o]nce the recordings are made, they are preserved intact and cannot be altered in any way."¹⁰⁶ Ms. Cook's affidavit, however, does not refute that Central misrepresented itself to consumers. Further, whether the TPV was "virtually identical" to the other TPVs does not refute Ms. Richards contention that it was "a dubbed tape and . . . doctored up."¹⁰⁷ Central argues that the complaint filed by Ms. Millard fails to show misrepresentation because of the TPV;¹⁰⁸ however, in its response Central has omitted to address Ms. Millard's claim that the telemarketer "posed as my AT&T provider."¹⁰⁹

33. Central also discusses other complaints alleging misrepresentation and relies on the fact that there was a TPV to support its contention that there was no misrepresentation. We find these arguments unconvincing as well, for the same reasons discussed above. Bureau staff reviewed many misrepresentation complaints lodged against Central, although only the complaints that were within our 12 month statute of limitations were included in the *NAL*'s proposed forfeiture. Our review of the record, the complaints outlined in the *NAL*, as well as the other evidence described in this proceeding, all support the findings in the *NAL*, including the finding that the Central telemarketers engaged in misrepresentations. We conclude that Central has not refuted the evidence of misrepresentations as described in the *NAL* and, based on the evidence in the record, we affirm the findings and conclusions in the *NAL*.

D. The *NAL*'s Reliance on Consumer Complaints was Reasonable and Central was not Denied Due Process

34. Central contends that the Commission's reliance on consumer complaints, instead of a "sworn statement" is "suspect."¹¹⁰ We disagree. There is no requirement in the Act¹¹¹ or in the

¹⁰² *Id.* at 38–50.

¹⁰³ *See id.*, Appendix.

¹⁰⁴ Complaint from K. Josephsen.

¹⁰⁵ *NAL* Response at 41.

¹⁰⁶ *Id.*, Exhibit 4.

¹⁰⁷ Complaint from J. Richards.

¹⁰⁸ *NAL* Response at 41.

¹⁰⁹ Complaint from B. Millard.

¹¹⁰ *NAL* Response at 44–45. Central's responses to the consumer complaints were all unsigned and Central has never identified the employee(s) or contractor(s) who provided the information for those letters.

Commission's rules¹¹² that we use sworn statements or even that we base our investigations on consumer complaints. Further, the Commission decides on a case-by-case basis whether to obtain declarations in support of complaints.¹¹³ The *NAL* was primarily based on consumer complaints the Bureau reviewed and followed a similar process used in other recent slamming and cramming investigations.¹¹⁴ In this investigation, the Bureau reviewed over one hundred complaints and interviewed many of the complainants. The complaints, all of which stated that the carrier change and/or charges were unauthorized, were filed with the Commission, various state regulatory agencies,¹¹⁵ the Federal Trade Commission, or the Better Business Bureau. In investigating the other two companies that were part of this operation, USTLD and CTI, the Bureau found similar complaints from consumers, i.e., that the carrier change to USTLD or CTI and/or charges assessed by those companies were not authorized.¹¹⁶ Central had more than enough information about the complaints upon which the *NAL*'s proposed forfeiture was based to allow it to rebut the *NAL*'s findings and contest the complainants' veracity in its *NAL* Response. Nonetheless, the Company did not submit any evidence disputing the veracity of the complainants. Central has not offered any evidence that the complainants are not truthful.

35. We also reject Central's claim that it was denied due process because the complaints were "unsworn" and there are "numerous reasons why a customer would mistakenly describe the substance of his telephone conversation with a telemarketer" or "intentionally falsely describe" the telemarketing call.¹¹⁷ Central was on notice that its actions were in violation of our Rules and the Act¹¹⁸ and of the allegations in each complaint. Central had contacted each of the complainants to address their complaints, and had also sent some of the complainants direct bills.¹¹⁹ The consumer complaints were all initially served on Central; the Company had ample opportunity to investigate any complaint regardless of

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¹¹¹ See Section 403 of the Act, providing, in pertinent part, that "[t]he Commission shall have full authority and power at any time to institute an inquiry, on its own motion, in any case and as to any matter or thing ... concerning which any question may arise under any of the provisions of this Act, or relating to the enforcement of any of the provisions of this Act." 47 U.S.C. § 403.

¹¹² Central erroneously cites to 47 CFR § 1.351, for the proposition that using consumer complaints in lieu of sworn statements was "afoul" of our rules. *NAL* Response at 45. Section 1.351, however, specifically pertains to formal hearings. The rule section also states that "[s]uch rules may be relaxed if the ends of justice will be better served by so doing." 47 CFR § 1.351.

¹¹³ See *Business Discount Plan, Inc.*, Order on Reconsideration, 15 FCC Rcd 24396, 24401, para. 12 (2000).

¹¹⁴ See, e.g., *USTLD NAL*, 29 FCC Rcd at 824, para. 3; *CTI NAL*, 28 FCC Rcd at 17197, para. 4; *Advantage NAL*, 28 FCC Rcd at 6845, para. 6; *United Telecom, Inc.*, Notice of Apparent Liability for Forfeiture, 27 FCC Rcd 16499, 16500, para. 3 (2012) (*United NAL*); *Preferred Long Distance, Inc.*, Notice of Apparent Liability for Forfeiture, 27 FCC Rcd 16489, 16489, para. 2 (2012) (*Preferred NAL*), Forfeiture Order, 30 FCC Rcd 13711 (2015); *Silv Communication Inc.*, Notice of Apparent Liability for Forfeiture, 25 FCC Rcd 5178, 5179, para. 2 (2010) (*Silv NAL*).

¹¹⁵ Central provided complaints that consumers had filed against Central with the Alabama Public Service Commission, the Arizona Corporation Commission, the California Public Utilities Commission, the Michigan Public Service Commission, the Attorney General of Missouri, the New York State Public Service Commission, the Public Utility Commission of Texas, and the Washington Utilities and Transportation Commission.

¹¹⁶ See *USTLD NAL*, 29 FCC Rcd at 824, para. 3 (reviewed over 60 complaints); *CTI NAL*, 29 FCC Rcd at 17197, para. 4 (reviewed over 100 complaints).

¹¹⁷ *NAL* Response at 49.

¹¹⁸ See, e.g., *BDP Forfeiture Order*, 15 FCC Rcd at 14469, para. 17; *USTLD NAL*, 29 FCC Rcd at 825–26, para. 7; *CTI NAL*, 28 FCC Rcd at 17198–99, para. 7; *Advantage NAL*, 28 FCC Rcd at 6849, para. 16; *United NAL*, 27 FCC Rcd at 16502, para. 9; *Preferred NAL*, 27 FCC Rcd at 16491, para. 7; *Silv NAL*, 25 FCC Rcd at 5180–82, paras. 5–7.

¹¹⁹ As we discuss in more detail below, on several occasions after consumers complained about Central's unauthorized charges and the LEC removed the charges, Central then billed the consumers directly.

whether the complaint contained a sworn declaration. With respect to the notice aspect of due process, Central had advance notice that slamming, cramming, and misrepresentation were in violation of the Act and our Rules. Prior to the time frame of the complaints at issue here, the Commission had released one forfeiture order and several notices of apparent liability that address the very same practices and actions we find in this case to be in violation of the Act and our Rules.¹²⁰ Further, the *NAL*, as a notice of proposed forfeiture liability, affords Central the due process right to respond and offer any evidence to rebut the apparent findings of the *NAL*. Accordingly, we reject this argument and find that the *NAL* is appropriately supported.

E. Central Violated the Commission's Truth-in-Billing Rules

36. We found in the *NAL* that where Central billed consumers directly, it failed to clearly and plainly describe the charges, in violation of the Commission's truth-in-billing rules. Under these rules, "[c]harges contained on telephone bills must be accompanied by a brief, clear, non-misleading, plain language description of the service or services rendered. The description must be sufficiently clear in presentation and specific enough in content so that customers can accurately assess that the services for which they are billed correspond to those that they have requested and received"¹²¹ The purpose of the truth-in-billing rules is "to reduce slamming and other telecommunications fraud by setting standards for bills for telecommunications service."¹²² In addition, the rules are "intended to aid customers in understanding their telecommunications bills, and to provide them with the tools they need to make informed choices in the market for telecommunications service."¹²³

37. In the *NAL*, we concluded that the bills Central issued to customers directly were neither sufficiently clear nor specific enough to aid customers in assessing their bills.¹²⁴ In particular, the monthly recurring charge for Central's "bundled" services was not described as such on either the LEC bill or on the Central bill. The Central bills were not dated, included no payment due date, and lacked a brief, clear, and non-misleading description of the service or services rendered.¹²⁵ They included a line item charge for "Long Distance Charges" or "Adjusted Long Distance Charges" but had no information about what was included in that amount or what time period was covered by the alleged charge. The bills did not identify any long distance calls made (such as numbers called, dates, or length of such calls), did not list any fees or taxes, and failed to identify any specific services that Central claims are part of its "bundled package of services."¹²⁶ Central contends that the bills complied with our truth-in-billing rules because they were merely billing consumers for unpaid bills, analogous to a carrier billing for a previous unpaid charge.¹²⁷ We reject this argument for the reasons discussed below and affirm the *NAL*'s findings.

38. Central's argument fails to recognize that in the instant case, the bill or charge received by the consumer was from a carrier other than the consumer's preferred carrier and was an unauthorized charge. Complainants were initially charged on their LEC bill by Central, an unauthorized carrier, which

¹²⁰ See, e.g., *BDP Forfeiture Order*, 15 FCC Rcd at 14469, para. 17 (Business Discount Plan's telemarketers unlawfully deceived consumers about the identity of the carrier and the nature of the service offering); *Advantage NAL*, 28 FCC Rcd at 6849, para. 16 (same); *United NAL*, 27 FCC Rcd at 16502, para. 9 (same); *Preferred NAL*, 27 FCC Rcd at 16491, para. 7 (same); *Silv NAL*, 25 FCC Rcd at 5180-82, paras. 5-7 (same).

¹²¹ 47 CFR § 64.2401(b).

¹²² *Id.* § 64.2400.

¹²³ *Id.*

¹²⁴ *NAL*, 29 FCC Rcd at 5527-28, paras. 22-23. See also *USTLD NAL*, 29 FCC Rcd at 834-35, paras. 21-22; *CTI NAL*, 28 FCC Rcd at 5527-28, paras. 23-24; *Advantage NAL*, 28 FCC Rcd at 6854-55, paras. 26-27.

¹²⁵ *NAL*, 29 FCC Rcd at 5527, para. 22.

¹²⁶ *Id.*

¹²⁷ *NAL Response* at 69-72.

the consumers then complained about, had the Central service cancelled, and received a credit for the unauthorized charges. The unauthorized charges thus remained rightfully unpaid by consumers. After Central received information about the cancellations and billing credits the Company nonetheless continued to pursue payment by directly sending the consumers bills for these disputed charges. The Central bills (mailed long after the initial LEC bill containing the unauthorized charges) had no information about the specific charges and in some cases were sent many months after the consumers had received a credit from the LEC for the unauthorized charges. This failure to include a non-misleading plain language description of the charges sufficiently clear so as to allow consumers the ability to ascertain what the charges were for is in direct violation of Section 64.2401 of the Commission's "truth-in-billing" rules. Accordingly, we find Central's unpaid bill argument to be unpersuasive and we affirm the finding that Central has failed to clearly and plainly describe charges appearing on its telephone bills, in violation of Section 64.2401(b) of the Commission's rules.¹²⁸

F. Forfeiture Amount

39. In the *Central NAL*, we found that after considering the relevant statutory factors and the Commission's *Forfeiture Policy Statement*, Central was liable for a proposed total forfeiture amount of \$3,960,000. As we explained in the *NAL*,¹²⁹ this proposed amount resulted from a \$40,000 forfeiture for the 31 instances of slamming and cramming¹³⁰ and the four truth-in-billing violations, as well as an upward adjustment of \$80,000 for each of the seven instances of misrepresentation, and other upward adjustments based on the egregious circumstances presented in the record here. Central argues that the forfeiture amount is not supported by the facts and that it is unable to pay the proposed forfeiture.¹³¹

40. As discussed at length above, Central has failed to refute the evidence in the record in support of the slamming, cramming, misrepresentation, and truth-in-billing violations. In particular, it does not address the fact that the Commission reviewed over 100 complaints from consumers who alleged improper conduct on the part of Central, and determined that this conduct was extensive and repeated. For example, Central's slamming actions were particularly egregious because the Consumer & Governmental Affairs Bureau repeatedly notified Central that its verification practices (the same that are at issue here) violated the Commission's slamming rules.¹³² Further, Konrad, Central's agent, testified

¹²⁸ *NAL*, 29 FCC Rcd at 5527–28, paras. 22–23; see also *Advantage NAL*, 28 FCC Rcd at 6854–55, paras. 26–27 (discussing apparent Section 64.2401 violations in that investigation).

¹²⁹ *NAL*, 29 FCC Rcd at 5529–5533, paras. 25–30.

¹³⁰ Although the forfeiture guidelines do not provide a base forfeiture amount for cramming, we have established a base forfeiture of \$40,000 for cramming violations. See *LDDI MO&O*, 15 FCC Rcd at 3304, para. 19 (“The imposition of charges on a telephone bill for ‘services’ the consumer has not authorized is sufficiently egregious to warrant a forfeiture in an amount equal to that for slamming.”).

¹³¹ *NAL Response* at 73–80.

¹³² See, e.g., *Consumer Telcom, Inc.*, Order on Reconsideration, 27 FCC Rcd 5340, 5345, para. 17 (CGB 2012) (finding “the verifier’s question, ‘Do you have authority to make changes to your long distance service?’ did not confirm that the person was authorizing a change that would result in receiving service from a different carrier”); *Central Telecom Long Distance, Inc., Complaints Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 28 FCC Rcd 16653 (CGB 2013) (same, for two complaints); *Central Telecom Long Distance, Inc., Complaints Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 28 FCC Rcd 13353 (CGB 2013) (same, for two complaints); *Central Telecom Long Distance, Inc., Complaint Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 28 FCC Rcd 9276 (CGB 2013) (same); *Central Telecom Long Distance, Inc., Complaints Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 28 FCC Rcd 6537 (CGB 2013) (same, for two complaints); *Central Telecom Long Distance, Inc., Complaint Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 28 FCC Rcd 6241 (CGB 2013) (same); *Consumer Telcom, Inc., Complaints Regarding Unauthorized Change of Subscribers’ Telecommunications Carrier*, Order, 25 FCC Rcd 3202 (CGB

(continued....)

that after a consumer had cancelled the Central service and the underlying carrier deactivated the account, Konrad would activate the line if it had been deactivated and “go back in, and click that back to active”¹³³ to continue billing the unauthorized charges. Konrad would continue to bill consumers after they had already cancelled, conduct that we find particularly egregious. In addition, Central, as a carrier, is responsible for the conduct of third parties acting on its behalf, such as Konrad.¹³⁴ Konrad, an agent of Central, was responsible for the day-to-day running of the Company.¹³⁵ In addition to owning DIS, Konrad is the president of toll reseller BDP.¹³⁶ The Commission investigated BDP for slamming and misrepresentation¹³⁷ and described, in the *BDP Forfeiture Order*, that “[b]etween December 1997 and October 1998, the Commission processed thousands of written consumer complaints alleging slamming by BDP Each complainant contended that BDP had converted his or her designated PIC without authorization, and that BDP used unjust and unreasonable telemarketing practices in effecting these unauthorized PIC changes.”¹³⁸ At the time of the BDP investigation, Konrad was the Vice President of BDP, and, as such, was served with a copy of the *BDP NAL*.¹³⁹ In operating USTLD, CTI, and Central, as the agent of these three companies, Konrad engaged in the same practices as discussed in the *BDP Forfeiture Order*.

41. In the *NAL*, the Commission also alleged that Central and its telemarketers and third party verifiers “deliberately exploited elderly or disabled consumers’ obvious confusion and inability to understand the sales pitch they heard and understand the questions they were asked.”¹⁴⁰ Due to the egregious nature of Central’s conduct, the Commission proposed an upward adjustment of \$1,500,000 and an additional upward adjustment of \$500,000 for substantial consumer harm and Central’s exploitation of the elderly and infirm.¹⁴¹ Central argues that the upward adjustments were not supported by facts because it “did not engage in any slamming or cramming misconduct,”¹⁴² and “it would be virtually impossible for CTLD to exploit the elderly.”¹⁴³ Specifically, Central claims it purchases lists of land line telephone numbers from several sources, including Info USA, which contain numbers in the states where Central provides long distance service.¹⁴⁴ Central has the burden of providing evidence to disprove the allegation in the *NAL*. We find that the evidence in the record on this point is inconclusive. Accordingly, we conclude that the upward adjustment of \$1,500,000 is sufficient to deter further egregious conduct by Central and do not impose an additional upward adjustment of \$500,000.”

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2010) (same, two complaints); *U.S. Telecom Long Distance, Inc., Complaint Regarding Unauthorized Change of Subscriber’s Telecommunications Carrier*, Order, 25 FCC Rcd 3135 (CGB 2010) (same).

¹³³ *NAL* Response at Exhibit 5, p. 466.

¹³⁴ See 47 U.S.C. § 217 (“ . . . the act, omission, or failure of any . . . agent [] or other person acting for or employed by any common carrier . . . , acting within the scope of his employment, shall in every case be also deemed to be the act, omission, or failure of such carrier”); see also *LDDI MO&O*, 15 FCC Rcd at 3300, para. 9; *Silv NAL*, 25 FCC Rcd at 5180, para. 5 & n.18.

¹³⁵ *NAL*, 29 FCC Rcd at 5517, para. 2.

¹³⁶ See FCC Form 499-A, filed by Business Discount Plan, Inc. on Apr. 1, 2015.

¹³⁷ *BDP NAL*, 14 FCC Rcd at 353-363, paras. 27-44.

¹³⁸ See *BDP Forfeiture Order*, 15 FCC Rcd at 14461-62, para. 2.

¹³⁹ *BDP NAL*, 14 FCC Rcd at 364, para. 49.

¹⁴⁰ *NAL*, 29 FCC Rcd at 5531, para. 29.

¹⁴¹ *NAL*, 29 FCC Rcd at 5530-33, paras. 27-30.

¹⁴² *NAL* Response at 76.

¹⁴³ *Id.* at 79.

¹⁴⁴ *Id.*

42. Finally, Central states that it “is not financially able to pay the proposed forfeiture” and in support, submits federal income tax returns for the years 2010, 2011, and 2012.¹⁴⁵ The NAL stated that

[t]he Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices; or (3) some other reliable and objective documentation that accurately reflects the petitioner’s current financial status.¹⁴⁶

Upon review of Central’s financial information, and the totality of the circumstances presented here, we decline to reduce the forfeiture amount further. Section 503(b)(2)(B) of the Act empowers the Commission to assess a forfeiture of up to \$150,000 for each willful or repeated violation in this case of the Act or of any rule, regulation, or order issued by the Commission under the Act.¹⁴⁷ In exercising our forfeiture authority, we are required to take into account “the nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.”¹⁴⁸

43. With regard to an individual’s or entity’s inability to pay claim, the Commission has determined that, in general, gross income or revenues are the best indicator of an ability to pay a forfeiture.¹⁴⁹ However, a party’s inability to pay is only one factor in our forfeiture calculation analysis, and is not dispositive in setting a forfeiture.¹⁵⁰ The other four factors are: (i) the nature, circumstances, extent, and gravity of the violation; (ii) the degree of culpability; (iii) any history of prior offenses; and (iv) and such other matters as justice may require. With respect to the nature, circumstances, extent, and gravity of the violation and the degree of culpability, in particular, we have described the large number of consumer complaints against the Company for slamming and cramming and misrepresentation.¹⁵¹ The NAL also describes the nature of the misrepresentations by Central.¹⁵² In addition, Central continued to bill consumers for the unauthorized charges after the consumers had canceled the Central “service” that they never authorized in the first place and returned to their prior carriers.¹⁵³ In some cases, Central sent

¹⁴⁵ NAL Response at 81 & Exhibit 10.

¹⁴⁶ NAL, 29 FCC Rcd at 5534, para. 37.

¹⁴⁷ 47 U.S.C. § 503(b)(2)(B); *see also* 47 CFR § 1.80(b)(2). The Federal Civil Penalties Inflation Adjustment Act of 1990, Pub. L. No. 101-410, 104 Stat. 890, as amended by the Debt Collection Improvement Act of 1996, Pub. L. No. 104-134, Sec. 31001, 110 Stat. 1321 (DCIA), requires the Commission to adjust its forfeiture penalties periodically for inflation. *See* 28 U.S.C. § 2461 note (4). The Commission most recently adjusted its penalties to account for inflation in 2013. *See Amendment of Section 1.80(b) of the Commission’s Rules, Adjustment of Civil Monetary Penalties to Reflect Inflation*, 28 FCC Rcd 10785 (EB 2013); *see also Inflation Adjustment of Monetary Penalties*, 78 Fed. Reg. 49,370-01 (Aug. 14, 2013) (setting Sept. 13, 2013, as the effective date for the increases). Because the DCIA specifies that any inflationary adjustment “shall apply only to violations that occur after the date the increase takes effect,” however, we apply the forfeiture penalties in effect at the time the apparent violation took place. 28 U.S.C. § 2461 note (6).

¹⁴⁸ *See* 47 U.S.C. § 503(b)(2)(E); *see also Forfeiture Policy Statement*, 12 FCC Rcd at 17100–01, para. 27..

¹⁴⁹ *See Local Long Distance, Inc.*, Order of Forfeiture, 15 FCC Rcd 24385 (2000) (forfeiture not deemed excessive where it represented approximately 7.9 percent of the violator’s gross revenues).

¹⁵⁰ *See* 47 U.S.C. § 503(b)(2)(E).

¹⁵¹ *See* NAL, 29 FCC Rcd at 5518, para. 3 (“over one hundred complaints filed”).

¹⁵² *Id.* at 5520-21, para. 8.

¹⁵³ *Id.* at 5523-27, paras. 14-20.

consumers a direct bill for the unauthorized service after the consumers' LEC had credited the unauthorized Central charges.¹⁵⁴

44. We have previously rejected inability to pay claims in cases of repeated or otherwise egregious violations.¹⁵⁵ Given the record evidence here that Central willfully and repeatedly violated the Act and the Commission's rules, and the egregious nature of its misrepresentations and exploitive tactics, we find that these factors outweigh any inability to pay claim raised by Central and that therefore, the record does not warrant any further mitigation of the proposed forfeiture amount. Accordingly, after consideration of the entire record and the factors listed above, we find that a forfeiture in the amount of \$3,460,000 is warranted.

IV. CONCLUSION

45. We have reviewed Central's arguments and reduce the proposed forfeiture amount by \$500,000. We find that the preponderance of the evidence in the record establishes that Central changed the preferred carriers of three consumers without authorization, assessed unauthorized charges on 28 occasions, and that in seven of those slamming and cramming instances made misrepresentations to those consumers. In addition, we find that the preponderance of the evidence in the record establishes that Central violated the truth-in-billing rules when in four instances it sent consumers bills that were not accompanied by a brief, clear, non-misleading, plain language description of the service or services rendered. We conclude that the evidence cited in the *NAL* was not refuted by Central. Accordingly, the Commission finds that Central violated Sections 201(b) and 258 of the Act and Sections 64.1120 and 64.2401 of the Commission's rules and we assess a forfeiture of \$3,460,000.

V. ORDERING CLAUSES

46. Accordingly, **IT IS ORDERED** that, pursuant to Section 503(b) of the Act¹⁵⁶ and Section 1.80 of the Commission's rules,¹⁵⁷ Central Telecom Long Distance, Inc. **IS LIABLE FOR A MONETARY FORFEITURE** in the amount of three million four hundred sixty thousand dollars (\$3,460,000) for willfully and repeatedly violating Sections 201(b) and 258 of the Act and Sections 64.1120 and 64.2401(b) of the Commission's rules.¹⁵⁸

47. Payment of the forfeiture shall be made in the manner provided for in Section 1.80 of the rules within thirty (30) calendar days after the release date of this Forfeiture Order.¹⁵⁹ If the forfeiture is not paid within the period specified, the case may be referred to the U.S. Department of Justice for enforcement of the forfeiture pursuant to Section 504(a) of the Act.¹⁶⁰

48. Payment of the forfeiture must be made by check or similar instrument, wire transfer, or credit card, and must include the *NAL*/Account Number and FRN referenced above. Central Telecom

¹⁵⁴ *Id.* at 5527-28, paras. 22-23.

¹⁵⁵ *See, e.g., TV Max, Inc., et al.*, Forfeiture Order, 29 FCC Rcd 8648, 8661, para. 25 (2014) (noting that the Commission "has previously rejected inability to pay claims in cases of repeated or otherwise egregious violations"); *Kevin W. Bondy*, Forfeiture Order, 26 FCC Rcd 7840 (EB 2011) (holding that violator's repeated acts of malicious and intentional interference outweighed evidence concerning his ability to pay), *aff'd*, Memorandum Opinion and Order, 28 FCC Rcd 1170 (EB 2013), *aff'd*, Memorandum Opinion and Order, 28 FCC Rcd 16815 (EB 2013); *Whisler Fleurinor*, Forfeiture Order, 28 FCC Rcd 1087, 1090, para. 9 (EB 2013) (violator's demonstrated inability to pay outweighed by gravity of multiple intentional violations).

¹⁵⁶ 47 U.S.C. § 503(b).

¹⁵⁷ 47 CFR § 1.80.

¹⁵⁸ *Id.* §§ 64.1120, 64.2401(b).

¹⁵⁹ *Id.* § 1.80.

¹⁶⁰ 47 U.S.C. § 504(a).

Long Distance, Inc. shall send electronic notification of payment to Johnny Drake at Johnny.Drake@fcc.gov on the date said payment is made. Regardless of the form of payment, a completed FCC Form 159 (Remittance Advice) must be submitted.¹⁶¹ When completing the FCC Form 159, Central Telecom Long Distance, Inc. should enter the Account Number in block number 23A (call sign/other ID) and the letters “FORF” in block number 24A (payment type code). Below are additional instructions that should be followed based on the form of payment selected:

- Payment by check or money order must be made payable to the order of the Federal Communications Commission. Such payments (along with the completed Form 159) must be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank—Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.
- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. To complete the wire transfer and ensure appropriate crediting of the wired funds, a completed Form 159 must be faxed to U.S. Bank at (314) 418-4232 on the same business day the wire transfer is initiated.
- Payment by credit card must be made by providing the required credit card information on FCC Form 159 and signing and dating the Form 159 to authorize the credit card payment. The completed Form 159 must then be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank—Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.

49. Any request for full payment over time under an installment plan should be sent to: Chief Financial Officer—Financial Operations, Federal Communications Commission, 445 12th Street, SW, Room 1-A625, Washington, DC 20554.¹⁶² Questions regarding payment procedures should be directed to the Financial Operations Group Help Desk by telephone, 1-877-480-3201, or by e-mail, ARINQUIRIES@fcc.gov.

50. **IT IS FURTHER ORDERED** that a copy of this Order for Forfeiture shall be sent by Certified Mail Return Receipt Requested and First Class Mail to Central Telecom Long Distance, Inc.’s attorneys, Michael L. Glaser and Michael D. Murphy, 1720 S. Bellaire St., Suite 607, Denver, CO 80222.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

¹⁶¹ An FCC Form 159 and detailed instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

¹⁶² See 47 CFR § 1.1914.