



NEWS

Federal Communications Commission
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See MCI v. FCC, 515 F 2d 385 (D.C. Cir. 1974).

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FCC PROPOSES \$3.56 MILLION FINE AGAINST CONSUMER TELCOM, INC., FOR DECEPTIVE SLAMMING, CRAMMING, AND BILLING PRACTICES

Washington, D.C. – The Federal Communications Commission has proposed \$3.56 million in fines against Consumer Telcom, Inc. (CTI), for apparently engaging in deceptive marketing practices, changing consumers’ preferred long distance carriers without their authorization (“slamming”), billing consumers for unauthorized charges (“cramming”), and failing to describe telephone charges plainly and clearly as required by federal law.

Numerous consumers complained that CTI’s telemarketers had tricked them into believing that the telemarketers were calling on behalf of the consumers’ existing long distance providers. The consumers were then shocked to learn that CTI had switched their preferred long distance carrier and billed them for charges they had not authorized. In many cases, CTI apparently took advantage of consumers by masking the true purpose of the call and then profiting from their obvious confusion about the questions they were asked. Many of the deceived consumers were elderly, hearing impaired, or infirm.

The Commission had previously warned carriers that it would take swift and decisive enforcement action against companies that engaged in slamming, cramming, and misrepresentation. Today’s proposed forfeiture includes upward adjustments of \$2 million that reflect the seriousness of CTI’s apparent violations, as well as the fact that many of the consumers appeared particularly vulnerable due to their age or disability.

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