NEWS from the Federal Communications Commission

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**For Immediate Release**

# FCC PROPOSES $5.3 MILLION FINE ON PHONE COMPANY FOR SLAMMING, CRAMMING & PROVIDING FALSE EVIDENCE

***Consumer Complaints Prompted Investigation into Telecommunications Carrier***

WASHINGTON, April 27, 2018—The Federal Communications Commission today proposed a $5,323,322 fine against Tele Circuit Network Corporation. The Duluth, Georgia-based phone company apparently switched consumers from their preferred carrier to Tele Circuit without their permission, misled consumers into believing that telemarketing calls were from the consumer's current carrier, provided fabricated verification recordings of consumer consent to the FCC, added unauthorized charges to bills, and failed to fully respond to a Commission inquiry.

The FCC's investigation into Tele Circuit was prompted by consumer complaints to the Commission, state regulators, and the Better Business Bureau. A large percentage of the complaints came from low-income Americans and senior citizens or people filing complaints on behalf of their elderly or infirm relatives. Many Americans, especially senior citizens, low-income consumers, and citizens in rural areas, rely on local and long-distance calling services from landline phones to provide a critical link to safety services and their communities.

The FCC alleges that Tele Circuit's telemarketers misrepresented their identities by stating that they were calling on behalf of the consumer's current service provider. The telemarketers also apparently discussed a fictitious government program for low-income individuals and senior citizens as a way to solicit consumer consent.

Following such calls, the company switched consumers' local and long-distance service providers—often called slamming—and, in some cases, added unauthorized charges to the consumer's bill—often called cramming. Tele Circuit apparently disconnected local and long-distance service in some cases after not receiving payment for the unauthorized charges—with Tele Circuit allegedly refusing to reinstate service until the crammed charges were paid in full. This dangerous practice left vulnerable consumers without telephone service for extended periods of time.

In response to FCC requests, the company provided the agency with recordings that purported to verify consumer consent. The Commission followed up with the consumers supposedly on these recordings and was told that the recordings were fake or that the consumers did not have any such communications with Tele Circuit or its third-party verifier. Many of the third-party verification recordings provided to the Commission also failed to adequately confirm that the consumer wanted to change carriers and understood what was being asked. The company also apparently failed to fully respond to formal inquiries from the Commission as required.

The proposed action, a Notice of Apparent Liability for Forfeiture, or NAL, contains only allegations that advise a party on how it has apparently violated the law and sets forth a proposed monetary penalty.  The Commission may not impose a greater monetary penalty in this case than the amount proposed in the NAL.  Neither the allegations nor the proposed sanctions in the NAL are final Commission actions.  The party will be given an opportunity to respond and the Commission will consider the party's submission of evidence and legal arguments before acting further to resolve the matter.

Consumer complaints help the Commission in its enforcement and policy-making work.  Such complaints can be filed with the FCC at www.fcc.gov/complaints or by calling (888) CALL-FCC.

The Notice of Apparently Liability for Forfeiture can be found at:
https://apps.fcc.gov/edocs_public/attachmatch/FCC-18-54A1.pdf

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