|  |
| --- |
| ***FCC - News from the Federal Communications Commission*****Media Contact:** Will Wiquist, (202) 418-0509will.wiquist@fcc.gov**For Immediate Release****FCC FINES FLORIDA COMPANIES & OWNER OVER $3.4 MILLION FOR UNAUTHORIZED CHARGES, DECEPTIVE MARKETING, AND NON-PAYMENT OF FEES** ***Carriers Billed Consumers for Unauthorized Charges*** ***and Misled Consumers about Service Costs*** WASHINGTON, February 18, 2016 – The Federal Communications Commission today fined related companies Calling 10 and Telseven, as well as their owner, Patrick Hines, more than $3.4 million. The companies deceived consumers who mistakenly called their toll-free numbers about their purported services and then subsequently billed those consumers for services that were neither provided nor requested, a practice known as “cramming.” The Commission is committed to combating such cramming and deceptive marketing because these unjust and unreasonable practices result in consumers paying for services they never requested or received, forcing them to expend significant time and effort to request refunds and reverse unauthorized charges. The Commission also fined Telseven and Mr. Hines for non-payment of required fees.   At the direction of Mr. Hines, the companies, based in the Jacksonville, Florida area, acquired approximately one million toll-free numbers, some of which were similar to existing working numbers or formerly used by well-known entities such as Chase Bank and other financial institutions. These acquisitions served no apparent purpose other than to increase the likelihood that consumers would dial one of these numbers and reach Telseven or Calling 10 by mistake. The companies failed to notify consumers that they tried to reach an inactive or incorrect number and falsely implied that their service was related to the party the caller tried to reach. In addition, the companies charged consumers approximately seven dollars for service that the consumers never authorized and the companies never provided.  The companies did not deny the violations, but Mr. Hines argued that he should not be held personally liable for his companies’ wrongdoing.  In today’s order, the Commission rejected Mr. Hines’s arguments, finding that he personally participated in cramming and deceptive marketing activities while forming sham companies to facilitate the scheme.Today’s action came in the form of two separate fines. The Commission fined Telseven, Calling 10, and Mr. Hines $1.68 million for billing consumers for unauthorized charges and fees and for deceptive marketing. The agency also fined Telseven and Mr. Hines over $1.75 million for failing to pay regulatory fees, make required contributions to FCC programs, and provide good faith estimates of its projected revenues. By law, companies like Telseven are required to pay regulatory fees, provide accurate revenue information to the FCC, and make required contributions to FCC programs, including payments for the Universal Service Fund, Local Number Portability, and North American Numbering Plan. Telseven and Mr. Hines are jointly and severally liable for both fines, totaling over $3.4 million. For more information about the FCC’s rules protecting consumers from unauthorized charges on telephone bills, see the FCC consumer guides regarding “cramming” at <http://go.usa.gov/cyvhH>.To file a complaint with the FCC, go to <https://consumercomplaints.fcc.gov/hc/en-us> or contact the FCC’s Consumer Center by calling 1-888-CALL-FCC (1-888-225-5322) voice or 1-888-TELL-FCC (1-888-835-5322) TTY; faxing 1-866-418-0232; or by writing to:Federal Communications CommissionConsumer and Governmental Affairs BureauConsumer Inquiries and Complaints Division445 12th Street, SWWashington, DC 20554The fines, formally known as Forfeiture Orders, are available at: <https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-20A1.pdf> and <https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-21A1.pdf>Action by the Commission February 18, 2016 by Forfeiture Orders (FCC 16-20, FCC 16-21). Chairman Wheeler, Commissioners Clyburn, Rosenworcel, and Pai approving; Commissioner O’Rielly concurring in part and dissenting in part.###**Office of Media Relations: (202) 418-0500****TTY: (888) 835-5322****Twitter: @FCC**[**www.fcc.gov/office-media-relations**](http://www.fcc.gov/office-media-relations)*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).* |
|  |