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For Immediate Release

FCC REJECTS RECONSIDERATION OF FINES FOR MISLEADING CONSUMERS OF PREPAID CALLING CARDS

WASHINGTON, October 27, 2016 – The Federal Communications Commission today rejected petitions for reconsideration of \$20 million in fines issued against four prepaid calling card companies for deceptively marketing their products.

In October 2015, the Commission issued separate \$5 million fines against four calling card companies, Locus Telecommunications, Lyca Tel, NobelTel, and Touch-Tel USA, following an investigation by the FCC's Enforcement Bureau. Each of the companies formally asked the Commission to reconsider those fines in four, separate petitions for reconsideration. With today's votes, the Commission dismisses and denies those requests and continues to seek payment of the fines. The Commission has referred these matters to the U.S. Department of Justice, which leads the process of collecting outstanding fines in federal court.

The companies' advertisements, apparently targeting immigrant communities, suggested that their calling cards could be used for hundreds or thousands of minutes of international calls. Multiple fees and surcharges added by the companies, however, caused the actual calling minutes available to consumers to be much fewer than advertised.

Action by the Commission October 27, 2016 by Memorandum Opinion and Order (FCC 16-144, FCC 16-145, FCC 16-146, FCC 16-147). Chairman Wheeler, Commissioners Clyburn and Rosenworcel approving. Commissioners Pai and O'Rielly dissenting. Chairman Wheeler, Commissioners Pai and O'Rielly issuing separate statements.

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).