

Media Contact:

Will Wiquist, (202) 418-0509
will.wiquist@fcc.gov

For Immediate Release

FCC PROPOSES \$3.9 MILLION FINE AGAINST NEON PHONE SERVICE FOR SLAMMING AND CRAMMING

Neon Apparently Used Deceptive Marketing Practices & Provided the Commission with False Information

WASHINGTON, October 3, 2017—The Federal Communications Commission today proposed a nearly \$4 million fine against Neon Phone Service of Rockledge, Florida for “slamming” and “cramming.” The company appears to have violated Commission rules by switching customers’ long distance carriers without obtaining proper, verified authorization—an illegal practice called slamming. It also apparently added unauthorized charges onto consumers’ telephone bills—often referred to as cramming.

The Commission received numerous consumer complaints claiming that Neon had switched their long distance service providers without authorization and added unauthorized charges to their bills. As is FCC practice, the agency’s Consumer and Governmental Affairs Bureau served Neon with these complaints and asked for a response from the company. In response, Neon provided the agency with apparently fabricated audio recordings as evidence that the consumers had agreed to switch to Neon’s service. The Commission’s Enforcement Bureau then formally inquired about the consumer complaints, and Neon failed to respond to the Bureau’s request for information or provide any type of proof that the carrier changes were authorized.

The Enforcement Bureau’s investigation also found that, in at least one case, Neon’s telemarketer deceptively claimed to be calling on behalf of the consumer’s existing provider to trick the consumer into switching carriers.

Due to Neon’s apparent violations of the Communication Act and FCC rules for these actions, the Commission is proposing a \$3,963,722 fine against Neon. Neon will have 30 days to respond to this proposed fine, formally called a Notice of Apparent Liability for Forfeiture. The Commission will then review the response and any additional evidence, and may then proceed to issue a final forfeiture order.

For more information about the FCC’s rules protecting consumers from unauthorized charges on telephone bills, see the FCC consumer guides regarding [cramming](#) and [slamming](#).

The Notice of Apparent Liability for Forfeiture is available at:
https://apps.fcc.gov/edocs_public/attachmatch/FCC-17-128A1.pdf

Action by the Commission October 3, 2017 by Notice of Apparent Liability for Forfeiture (FCC 17-128). Chairman Pai, Commissioners Clyburn, Carr and Rosenworcel approving. Commissioner O’Rielly approving in part and dissenting in part. Chairman Pai and Commissioner Clyburn issuing a joint statement. Commissioner Rosenworcel issuing a statement.

###

Office of Media Relations: (202) 418-0500
ASL Videophone: (844) 432-2275
TTY: (888) 835-5322
Twitter: @FCC
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).