

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

<p>IN RE:</p> <p>OFFICE OF CONSUMER ADVOCATE,</p> <p style="text-align:center">Complainant,</p> <p>vs.</p> <p>NATIONWIDE CONNECTIONS, INC.,</p> <p style="text-align:center">Respondent.</p>	<p style="text-align:center">DOCKET NO. FCU-05-40</p>
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**ORDER DOCKETING FOR FORMAL PROCEEDING AND
SETTING DEADLINE FOR RESPONSE**

(Issued July 11, 2005)

On June 6, 2005, pursuant to Iowa Code §§ 476.3 and 476.103, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed with the Utilities Board (Board) a petition for a proceeding to consider a civil penalty for an alleged cramming violation committed by Nationwide Connections, Inc. (Nationwide). Based upon the record assembled in the informal complaint proceeding, the events to date can be summarized as follows:

On May 2, 2005, the Board received a complaint from Mr. Ted McElderry of Council Bluffs, Iowa, disputing a charge of \$7.00 on his local telephone bill for a collect call he says he did not accept. The charge was submitted on behalf of Nationwide.

Board staff identified the matter as C-05-103 and, pursuant to Board rules, on May 11, 2005, forwarded the complaint to Nationwide for response. Nationwide did not respond to the complaint.

On May 27, 2005, Board staff issued a proposed resolution finding Nationwide in violation of Board rules by default. Staff directed Nationwide to fully credit the charges.

In its June 6, 2005, petition, Consumer Advocate asserts the proposed resolution should be expanded to clarify that companies cannot escape civil penalties by ignoring allegations of violation. Consumer Advocate argues that civil penalties are necessary because they will deter future violations and credits alone will not stop the unlawful practice of cramming.

On June 7, 2005, Board staff received a letter from Nationwide dated June 6, 2005, in which the company explains that it is a billing agent for long distance carriers and that it has issued a credit of \$6.80 plus tax, for a total of \$7.00.

The Board has reviewed the record to date and finds there are reasonable grounds for further investigation of this matter. Nationwide has not yet responded directly to Consumer Advocate's allegation that the disputed charge was unauthorized. The Board will docket this matter for formal proceeding, but will delay establishing a procedural schedule to allow Nationwide an opportunity to respond to the allegations raised in Consumer Advocate's petition.

The Board cautions Nationwide that failure to respond to Board inquiries and orders is a serious violation. The degree to which a party participates in the Board's investigation of informal complaints and provides timely responses to Board orders is an important factor in determining the size of the penalty for any violation. The Board urges Nationwide to respond to this and future Board orders and inquiries on a timely basis.

IT IS THEREFORE ORDERED:

1. The "Petition for Proceeding to Consider Civil Penalty" filed by the Consumer Advocate Division of the Department of Justice on June 6, 2005, is granted. File C-05-103 is docketed for formal proceedings, identified as Docket No. FCU-05-40.

2. Nationwide Connections, Inc., is directed to file a response to Consumer Advocate's petition on or before 30 days from the date of this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 11th day of July, 2005.