

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

<p>IN RE:</p> <p>OFFICE OF CONSUMER ADVOCATE,  Complainant,</p> <p>vs.</p> <p>VERIZON SELECT SERVICES, INC.,  Respondent.</p>	<p>DOCKET NO. FCU-05-57</p>
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**ORDER DOCKETING FOR FORMAL PROCEEDING AND  
SETTING DEADLINE FOR RESPONSE**

(Issued October 3, 2005)

On August 29, 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 Verizon Select Services, Inc. (Verizon). Based upon the record assembled in the informal complaint proceeding, the events to date can be summarized as follows:

On July 26, 2005, the Board received a complaint from Kerry Kirstein of Des Moines, Iowa, alleging that his telephone bill included unauthorized charges submitted by ILD Teleservices, Inc. (ILD), on behalf of Verizon. Board staff identified

the matter as C-05-148 and, pursuant to Board rules, on July 28, 2005, forwarded the complaint to Verizon for response.

The Board received Verizon's response on August 15, 2005. Verizon stated that it has an agreement with ILD for operator and directory assistance services and billing and collection services. Verizon stated that its investigation showed that the disputed charges resulted from a collect call initiated from a payphone in California. Verizon stated it contacted Mr. Kirstein regarding the disputed charges, he denied accepting the call, and that it agreed to issue a credit.

On August 18, 2005, Board staff issued a proposed resolution finding that cramming occurred in this matter. Board staff noted that in response to Verizon's inquiry, Mr. Kirstein denied accepting the call he was billed for and that Verizon had credited the charges.

In its August 29, 2005, petition, Consumer Advocate indicates that it supports the proposed resolution, but asserts it should be augmented with a civil monetary penalty. Consumer Advocate asserts that civil penalties are necessary because they will deter future violations and credits alone will not stop the unlawful practice of cramming. Verizon has not responded to Consumer Advocate's petition.

The Board has reviewed the record to date and finds there are reasonable grounds to warrant further investigation into this matter. The Board will grant Consumer Advocate's petition for proceeding to consider a civil penalty but will delay

establishing a procedural schedule to allow Verizon an opportunity to respond to Consumer Advocate's petition.

**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 August 29, 2005, is granted. File C-05-148 is docketed for formal proceeding, identified as Docket No. FCU-05-57.

2. Verizon Select Services, Inc., is directed to file a response to Consumer Advocate's petition within 30 days of the date of this order.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 3<sup>rd</sup> day of October, 2005.