

Board staff identified the matter as C-06-24 and, on February 6, 2006, forwarded the complaint to ILD for response. ILD did not respond to the complaint within the required time period.

On February 21, 2006, Board staff issued a proposed resolution finding that because ILD did not respond to the complaint, it was in violation of the Board's rules. Staff directed the company to close the account and credit all charges.

On February 27, 2006, the Board received a response from ILD stating it billed the charges for one of its clients, a company identified as Website on Demand. ILD stated it had issued a credit of \$34.95 plus applicable taxes and had requested a copy of the verification from Website on Demand.

In its March 7, 2006, petition, Consumer Advocate indicates that the proposed resolution should be expanded to clarify that companies cannot escape civil penalties by ignoring allegations of violation. Consumer Advocate asserts a civil penalty is necessary to deter future violations and because a credit alone will not stop the unlawful practice of cramming. ILD 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 of 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 ILD 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 March 7, 2006, is granted. File C-06-24 is docketed for formal proceeding, identified as Docket No. FCU-06-26.

2. ILD Telecommunications, 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 13th day of April, 2006.