



California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

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PUC FINES QWEST COMMUNICATIONS FOR SLAMMING AND CRAMMING CALIFORNIA CONSUMERS

The California Public Utilities Commission (PUC) today ruled that Qwest Communications Corp. and its wholly owned subsidiary, LCI International Telecommunications Corp., violated Public Utilities Code in the course of their marketing activities, and fined the company \$20.3 million, plus refunds to customers.

Primarily in 1999 and 2000, Qwest “slammed” thousands of California consumers by failing to adequately supervise its sales agents, resulting in thousands of customers’ long-distance telephone service being switched without their permission. In some cases, the third-party verification tapes or letters of authorization confirming the switches were falsified, and Qwest failed to retain third-party verification tapes and make them available to the customer and the Commission.

Qwest also “crammed” thousands of California consumers, mostly those who indicated Spanish or Asian languages as their preferred language, by placing unauthorized charges on their telephone bills.

The Commission’s order requires Qwest to provide full refunds, including any administrative fees, within 90 days. If the customer paid charges to Qwest in excess of the amount that the subscriber would have paid for his or her carrier of choice, Qwest is ordered to refund the difference to the customers.

In addition to refunds and a \$20.3 million penalty, a variety of safeguards and changes to business practices are ordered to prevent Qwest from further slamming and cramming of consumers. The measures include requiring Qwest to inform customers of their rights to choose any long-distance carrier they request; to enhance oversight of third parties that market on Qwest’s behalf; and to provide more consumer protection information in the language in which Qwest markets.

The fine, refunds, and corrective actions are designed to provide Qwest with the clear message that slamming and cramming are not acceptable in California, and that Qwest must make substantial changes to its marketing policies and practices related to long-distance sales.

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