

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Barbara Vlamis,

Complainant,

vs.

MCI Communications Services, Inc., dba  
Verizon Business Services (U5378C),

Defendant.

(ECP)

Case 12-10-015

(Filed October 26, 2012)

**DECISION DENYING RELIEF**

**Summary**

Complainant, Barbara Vlamis, requests that Defendant, MCI Communications Services, Inc., dba Verizon Business Services (MCI/VBS), allow the Complainant to purchase additional minutes for her MCI prepaid calling card, issue a public apology for the treatment she allegedly received, give advance notification to all of Defendant’s prepaid calling card holders of the date that Defendant intends to discontinue all prepaid calling cards services, and make a donation to The Utility Reform Network to assist in educating consumers about the types of problems she alleges she experienced in attempting to purchase more minutes. Complainant has failed to demonstrate that MCI/VBS has violated any applicable rule, law or tariff of the Commission. The Complainant’s request for relief is denied and the case is dismissed.

**Complainant's Contention**

Complainant contends that the Defendant obstructed a legitimate transaction she attempted to undertake in purchasing a product MCI/VBS offered to the public. Complainant states that she purchased a prepaid calling card from MCI in 2003 and consistently recharged it without problems until soon after she learned, in March 2012, that Defendant was discontinuing its offering of this prepaid calling card. Complainant states that she normally recharged the card in \$50 increments, but attempted a \$600 recharge on April 15, 2012.

Complainant states that, on April 15, 2012 she used the same procedure for recharging that she had previously used many times, however on April 15, 2012 she was required to provide the last four digits of her Social Security number.

Complainant refused to provide this information to the first three Customer Service Representatives (CSRs) she talked to that day because Complainant considered this information to be private and unnecessary to completing the transaction. Complainant eventually relented and provided the requested information to the 4th of Defendant's CSRs she talked with that day.

Complainant states that this 4th CSR (and subsequently, a Supervisor) then required that Complainant provide even more identifying information by faxing a copy of Complainant's driver's license or a copy of one of Complainant's utility bills to the CSR.

Complainant states that she attempted to telephonically recharge her card again on April 16, 2012, this time insisting upon and participating in a three-way conference call with her bank. Complainant states that her banking representative advised her not to give Defendant's representative any further information, but Defendant's representative nonetheless refused to proceed without the further identifying information. Complainant states that it was at

this point that she discovered that she was not dealing directly with Defendant, but with its contractor, Vesta Corporation (Vesta). Complainant states that she then undertook new approaches. First she went to a local Verizon store, but was unable to complete the transaction there without acceding to the requirement to provide more identifying information to Vesta. Next, she unsuccessfully attempted to telephonically recharge the prepaid calling card at progressively lower amounts of \$500, \$200, \$100, and \$50. On April 23, 2012 she wrote to Lowell McAdams, known to her as Defendant's Chief Executive Officer, but to date has received no response from Mr. McAdams.

### **Defendant's Contention**

MCI/VBS does not dispute the Complainant's facts or time line of events. Defendant asserts that this Complaint should be denied because Complainant is not entitled to purchase minutes from a discontinued service and has not suffered any quantifiable damages. Defendant further asserts Complainant has failed to state a cognizable claim on either the facts or the law.

Defendant asserts that, in this case, Complainant sought to add minutes to her card, but the unusually high amount she requested triggered a review from Defendant's third party credit card processing vendor's (Vesta) fraud prevention unit. Vesta, using their own methodology, establishes the criteria used for assessing fraud and validating charges. Verification of a customer's identity is based on Vesta's confidential algorithms which Defendant asserts it is not privy to. Based on Vesta's algorithms, additional identification may be requested from a customer.

Defendant asserts that the amount Complainant requested was over 10 times the amount she had in the past spent on recharging her card and over 20 times the average amount that other customers would recharge their cards.

The Vesta fraud prevention unit therefore requested information to verify the legitimacy of the purchase, but Complainant unreasonably refused to provide all of the required fraud prevention identification. This resulted in Vesta denying her transaction. It also resulted in her failure to purchase minutes on or prior to April 17, the cut-off date.

Defendant asserts that Complainant's initial recharge request of \$600 triggered the requirement for additional identification. Complainant's refusal to provide the required identification resulted in Vesta's denial of the transaction. Subsequent requests to reload at reduced amounts had no effect on the validation condition placed on Complainant's prepaid card. At this point, the requirement to provide additional identification had been flagged on Complainant's account as a result of the initial request.

Defendant asserts that had Complainant provided the required identification prior to April 18, the date the recharge option was withdrawn, the purchase could have been validated and processed appropriately, but once the recharge option was withdrawn the ability to add minutes to the Verizon Prepaid Card was no longer possible.

### **Discussion**

The actions of Defendant's third party credit card processing vendor's fraud detection unit were reasonable in light of the April 15, 2012 attempt to use a credit card to make an unusually large purchase and Complainant's continuing refusal to provide identifying information. Credit card fraud and identity theft are significant problems encountered daily by consumers, credit card companies and merchants. The Complainant's actions were unreasonable. Complainant has made no cognizable claim before this Commission.

**Assignment of Proceeding**

Catherine J.K. Sandoval is the assigned Commissioner and Richard W. Clark is the assigned Administrative Law Judge in this proceeding.

**O R D E R**

**IT IS ORDERED** that:

1. The Complaint of Barbara Vlamis vs. MCI Communication Services, Inc., dba Verizon Business Services request for relief is denied.
2. The case is dismissed.
3. Case 12-10-015 is closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.