

IURC News Release

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LCR CITED FOR VIOLATIONS OF INDIANA'S SLAMMING LAWS

The Indiana Utility Regulatory Commission (IURC) today approved a plan that means LCR Telecommunications LLC (LCR) will pay more than \$100,000 in penalties to provide heating assistance to Hoosiers in need, in addition to the nearly \$15,000 in payments and credits the company has already paid to customers.

In Cause No. 41546-SC04, the Commissioners approved a settlement agreement between Indiana Office of Utility Consumer Counselor (OUCC), and LCR for violations of the state's slamming law.

Slamming is the transfer of a customer's telephone service to a new provider without authorization. While there is no determination reached as to whether LCR violated Indiana's slamming law in this case, the Commission is convinced that customers who were allegedly wronged were fairly compensated as the bill amounts in dispute have been credited or payments made.

The IURC opened an investigation into LCR's telemarketing practices March 30, 2004, at the request of the OUCC, after more than 150 complaints were leveled against the company with the IURC's Consumer Affairs Division. The company suspended all direct marketing practices pending the resolution of this cause.

Under the terms of the settlement:

- LCR will make a voluntary payment of \$100,000 to an Indiana Community Action Program (CAP) agency or other non-profit entity chosen by the OUCC, which provides low income heating assistance to Indiana consumers. The first \$25,000 will be paid within 10-business days of this order, the remaining \$75,000 will be spread out in 12 monthly payments beginning in January 2005 and ending in October 2007. The company may pay off the balance owed earlier if it chooses.
- LCR agrees to train marketing agents and third party verifiers to ensure that its telemarketing is conducted lawfully and ethically in the future.
- LCR will not resume telemarketing until the \$100,000 dollars is paid in full.

In 1998 the Indiana Legislature recognized slamming and cramming as illegal acts and gave the Commission authority to implement appropriate rules. In 1999 the legislature gave the Commission authority to impose sanctions in the form of fines against companies that violate the rule.

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