

IURC Announcement
Indiana Utility Regulatory Commission
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ACCXX and Virtual Reach Fined for Slamming and Cramming

The IURC orders carriers to pay \$230K

INDIANAPOLIS – The Indiana Utility Regulatory Commission (“IURC” or “Commission”) recently ended its investigation into allegations against ACCXX Communications LLC, Quest Communications Corp., Telrite Corp. and Virtual Reach Corp. for slamming. While Quest and Telrite were found to be in compliance with regulations, ACCXX and Virtual Reach were fined \$230,000.

The investigation was initiated on October 10, 2007 after the IURC’s Consumer Affairs Division noticed a spike in the number of complaints against the carriers for “slamming,” which is the practice of switching a telephone customer’s long distance supplier without obtaining permission from the customer.

While the Commission had previously granted ACCXX a certificate of territorial authority (“CTA”), the Commission discovered that the Indiana Secretary of State had since revoked the company’s authorization to do business in the state of Indiana. The Commission also determined that Virtual Reach was unauthorized to do business and that the carrier did not have a CTA, which is needed to offer telecommunications services in Indiana. ACCXX’s CTA was revoked as a part of the Commission’s order fining the company.

While ACCXX and Virtual Reach are owned by the same person and appear to be the same entity, the companies were identified as separate in the complaints received by the Commission and were fined in their individual capacities. The Commission found that one or both of the companies slammed more than 60 Indiana customers, submitting some of these customer’s bills to collection. ACCXX claimed that inactive customers’ old telephone numbers in the company database were re-activated by an error, resulting in a change from their then current long distance service provider to ACCXX Communications.

ACCXX has been ordered to pay \$165,000 as a penalty for 66 incidents of slamming at \$2,500 per incident; whereas, Virtual Reach has been fined \$65,000 for 26 incidents of slamming at \$2,500 each. This is not the first judgment to be handed down to companies. The Iowa Utilities Board, Florida Public Service Commission and Kentucky Public Service Commission have imposed fines on the companies as well.

ACCXX and Virtual Reach did not respond to the Commission's investigation and failed to present evidence in their defense. Consequently, both companies have been ordered to cease all billing and services in Indiana unless Commission authorization is obtained.

Cause No. 43365 can be accessed through the electronic filing system on our homepage: www.in.gov/iurc.

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The Commission is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the IURC is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide adequate and reliable service at reasonable prices.