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John Norris, Chairman *Curt Stamp, Member*

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IUB orders Buzz Telecom be denied service and billing access in Iowa

The Iowa Utilities Board (IUB) has acted to protect Iowa consumers from Buzz Telecom after determining in a formal complaint proceeding that the company committed billing fraud against Iowa customers. The IUB has ordered all telecommunications service providers in Iowa to stop billing charges to Iowa customers on behalf of Buzz Telecom and to deny the company exchange access services.

Since Buzz Telecom is no longer allowed to provide long distance telecommunications service in Iowa, customers should not receive any further charges from the company on their monthly bills. All customers should carefully review their telephone bills for anything suspicious. Any new charges from Buzz Telecom, or any other unauthorized charges, should be reported to the IUB at 1-877-565-4450 (toll free) before they are paid.

In its first formal complaint proceeding against Buzz Telecom, the IUB decided that the company made unauthorized changes to the long distance service of customers in 12 separate instances. This Board decision finalizes just a handful of the 295 Buzz Telecom complaints that the IUB has received to date. The remaining complaints are still in litigation.

The IUB also penalized Buzz Telecom for failing to appear and participate in the formal complaint proceeding. The Office of Consumer Advocate, which represents customers in all cases brought before the IUB, first filed petitions to formally review the complaints. On December 15, 2006, the IUB ordered Buzz Telecom to respond to Consumer Advocate's petitions, but the company failed to do so. The IUB issued its decision after finding that Buzz Telecom was in default for failing to respond. Further, it was determined that Buzz Telecom demonstrated a pattern of violations of the IUB rules prohibiting unauthorized changes in telecommunications services (199 IAC 22.23).

The IUB rules prohibit slamming, which is the act of switching a customer's local or long-distance provider without the customer's knowledge or permission, and cramming, which is the act of adding or charging optional services to a customer's account without the customer's knowledge or permission.

On December 13, 2006, Iowa Attorney General Tom Miller and Consumer Advocate first issued an advisory urging Iowans to check their phone bills for improper charges. It appears that Buzz Telecom made many kinds of misrepresentations in a large number of cases, targeting many elderly residential customers in Iowa.

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