



Telephone Slamming

From the Office of Minnesota Attorney General Lori Swanson

Slamming is the unauthorized switching of a consumer's local or long distance telephone service to a different company and often at higher rates.

Is slamming illegal?

Yes. Minnesota Statutes § 325F.693 states that it is illegal to request a change of a consumer's local or long distance carrier without the customer's verified consent. The new local or long distance company bears the burden of showing that the customer authorized the switch.

How can a company change my local or long distance provider without my consent?

Unscrupulous telephone companies might include a fraudulent change order as part of processing the customer's authorized upgrade or change as to other aspects of telephone service. Similarly, long distance companies might implement an unauthorized switch by submitting a fraudulent change order to a local telephone company. Additionally, a consumer may unknowingly and inadvertently cause a change of local or long distance provider by responding to a survey or to a notice of a "free" gift, only to learn later that the fine print on the bottom or on the back of the gift said that response would result in a change of providers.

Does a local telephone company get paid for changing my long distance provider?

Yes. Most slamming appears to involve unauthorized switching of long distance providers. Carriers are known for their unique carrier identification code or "PIC" code, and local carriers charge a fee for processing a PIC change. That is, a local telephone company may charge for changing a consumer's long distance provider as well as for changing the account back to the original long distance carrier.

Are there requirements for a company's verification that a carrier switch was authorized?

Yes. Minnesota law incorporates the verification methods required under federal law. *See* Minn. Stat. § 325F.693, subd. 2 (c) (2). Federal rules set forth the ways that a carrier may show that a consumer consented to a change of carrier. *See* Code of Federal Regulations (C.F.R.) § 64.1120. Essentially, a consumer's written consent constitutes authorization--which is why you should carefully read solicitations or "free" gift offers to ensure that your signature acceptance will not also result in a change of carriers. Two other verification methods include that a third party company may call the consumer and ask for an oral confirmation that the consumer in fact authorized a carrier change, or the new carrier may provide the consumer with a toll-free number to call from his or her wireline phone to confirm the carrier switch. Carriers must retain all recordings or written records regarding verification of a carrier change for at least two years.

How can you avoid being slammed?

You can protect against slamming by calling your local telephone company to request that your account includes a "**PIC freeze**" and other consumer-protection features such as a **third-party billing block**. A PIC freeze prevents your phone company from changing your long distance company without your express approval. A third party billing block prevents your local phone company from acting as a "billing company" and adding another company's charges to your phone bill. These features will ensure that your long distance carrier cannot be changed without your written or verbal consent, and it discourages slamming because carriers other than your chosen carrier cannot bill you for services by placing their charges on your local telephone bill. Other actions to consider include:

- Carefully examine your entire telephone bill. Be particularly vigilant for unauthorized charges after you have contacted your local or long distance carrier

for any reason or after a company has contacted you. Ask your carrier to explain any unfamiliar charge.

- Beware of “free” gifts, checks, awards or other prizes. Read the fine print to determine if your acceptance constitutes consent to change your local or long distance provider.
- Choose not to answer telephone survey questions or use an affirmative statement other than “yes.” Slammers may cut and paste your recorded “yes” response to fraudulently suggest that you agreed to a change of carriers.
- If you receive an unsolicited call about changing local or long distance telephone service, state clearly that you do not want a new carrier, ask to be put on the calling company’s “Do Not Call” list, and ask that it strike your name from its database.
- If you receive mail that asks you to confirm a carrier change that neither you nor members of your household made, call the requesting company immediately and state clearly that you do not consent to such a change. Ask to be put on the calling company’s “Do Not Call” list and ask that the requesting carrier strike your name from its database.
- Verify your current authorized local and in-state long distance provider by dialing toll-free **1 +your area code +700-4141**, and verify your authorized state to state long distance provider or international carrier by dialing toll-free **700-555-4141**

What are your rights if you have been slammed?

State and federal laws prohibit slamming and give protection against unauthorized charges. For example, Minnesota law requires that the slamming carrier *bear all costs* of immediately returning the customer to the customer’s original carrier and must bear all costs of serving that customer *during the entire period* of unauthorized service. In contrast, federal law allows only the first 30 days of unauthorized service to be free to the consumer. **Minnesota law** requires that the carrier

is liable for slamming unless it provides evidence of the consumer’s knowing and intelligent consent to a change in carrier.

If you have not paid your bill, federal law allows for no payment to the slamming company for up to 30 days after the unauthorized switch and that the consumer need not pay for any services provided by the slamming. After the first 30 days of unauthorized service, federal law requires the consumer to pay the unauthorized provider but only at the rates and charges that would have been charged by the original carrier.

If you have paid your bill, federal law requires the slamming company to pay your authorized company 150 percent of the charges you paid the slamming company, and then your authorized company must refund to you 50 percent of the charges you paid the slamming company or, alternatively, federal law allows you to ask your carrier to recalculate your bill using the slamming company’s rates (which you may wish to do if the rates were lower than your authorized carrier’s rates).

How do I know if Minnesota or federal laws apply?

Often, Minnesota as well as federal laws apply because the slamming carrier may be regulated by state as well as by federal law, and the bills may include calls that are governed by both laws. Minnesota law applies to companies providing local telephone service as well as to carriers that handle long distance calls made entirely within the state. Federal law applies to companies that provide wireline service and carry only calls made between states or international service. Because Minnesota law incorporates the most stringent provisions of federal slamming law as a part of the state’s slamming law, if your bill includes mixed charges or if you are unsure whether state or federal laws apply, it is wise to follow the complaint procedures that will ensure that you receive the best protections of both laws, as detailed below.

What should I do if I have been slammed?

Immediately notify each of the phone carriers involved if you learn you have been slammed, as follows.

- Call your local telephone company, state that you did not consent to the switch, and ask that it return you to your chosen local or long distance company at no charge (no charge for the switch or for the switch back to your chosen carrier). Request a PIC freeze to avoid future slamming.
- Call your chosen long distance company to confirm your choice of carriers and that you did not authorize the switch. Ask it to restore your account if necessary, and to do so at no charge.
- Call the slamming carrier, state that you did not authorize the change and ask that the carrier confirm that it will remove all switching charges (no charge for the switch or for the switch back to your chosen carrier).

What complaint procedures are available?

If you have been a victim of slamming, you may file a complaint with the state and federal agencies that regulate carriers, as follows:

Minnesota Public Utilities Commission

121 Seventh Place East, Suite 350
St. Paul, MN 55101
651-296-0406 or 800-657-3782
www.mn.gov/puc

Federal Communications Commission

445 12th Street SW
Washington, DC 20554
888-225-5322
www.consumercomplaints.fcc.gov

Be sure to include a copy of the bill you are complaining about and note the name of the slamming carrier as well as the specific charges that you object to. It is also important to provide the name of your original carrier.

Also consider notifying the Federal Trade Commission (FTC), which is the federal agency that is concerned generally with false and deceptive trade practices, as follows:

Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
877-382-4357
www.ftccomplaintassistant.gov

You may also file a complaint with the Minnesota Attorney General's Office, as follows:

Office of Minnesota Attorney General
Lori Swanson
445 Minnesota Street, Suite 1400
St. Paul, MN 55101
651-296-3353 or 800-657-3787
TTY: 651-297-7206 or 800-366-4812
www.ag.state.mn.us