



Telephone Slamming

From the Office of Minnesota Attorney General Keith Ellison

Slamming is the unauthorized switching of a consumer's local or long distance telephone service to a different company, and it can result in higher rates and unnecessary fees.

Is Slamming Illegal?

Slamming is illegal. 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 can use several tactics to change your provider. Long distance companies might implement an unauthorized switch by submitting a fraudulent change order to a local telephone company. Companies may try to trick you by concealing the fact that they are asking you to change your telephone service provider by using confusing language, claiming that they are associated with your current provider, or suggesting that you are agreeing to a lower price rather than a new service provider. Similarly, a consumer can 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.

Are There Requirements for Verifying That a Carrier Switch was Authorized?

Yes. Telephone carriers must comply with federal requirements for obtaining consent, and those requirements are incorporated into Minnesota law. See Minn. Stat. § 325F.693, subd. 2 (c) (2); 47 Code of Federal Regulations (C.F.R.) § 64.1120. Telephone carriers can demonstrate consent to a change in carrier

by obtaining your written or electronic authorization or by having a third-party verification system validate your oral authorization. Written or electronic consent can be hidden in fine print on "free" gift offers or other communications from telephone companies, which is why it is very important to carefully read solicitations before responding. Third-party verification often takes place immediately following a sales call, when consumers are transferred to another individual or a computer system in order to complete the verification. 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.
- Be wary of calls offering to reduce your rates for telephone service or asserting that they are part of, related to, or working with your current

provider. Make sure you confirm who the caller represents, and what they are asking you to agree to.

- 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, which can sometimes include both disconnection and reconnection costs, 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** provides 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
TTY: (866) 653-4261
www.ftccomplaintassistant.gov

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

Office of Minnesota Attorney General

Keith Ellison
445 Minnesota Street, Suite 1400
St. Paul, MN 55101
(651) 296-3353 (Twin Cities Calling Area)
(800) 657-3787 (Outside the Twin Cities)
www.ag.state.mn.us

