

Statement of Susan Eppley
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Before the United States Senate Committee on Commerce, Science, and Transportation
“Unauthorized Charges on Telephone Bills: Why Crammers Win and Consumers Lose”

July 13, 2011

Chairman Rockefeller, Ranking Member Hutchison, and Members of the Committee, thank you for having me here today. Good morning. My name is Susan Eppley and I am from Decatur, GA. I am here today to tell you about my personal experience with “cramming.”

In early 2011 I worked for a successful franchisee of 32 quick service restaurants including Popeyes, Burger King and Krispy Kreme Doughnuts restaurants. I was the Accounts Payable representative and I entered invoices for the restaurants. This company, even in tough times, offers incentives to managers and crew including, but not limited to, bonuses paid to managers for “hitting” their numbers based on Profit and Loss statements.

In October 2010, as I was entering the Popeyes’ AT&T invoices, I got curious about how different the bills were from store to store. Upon investigation, I noticed that there were charges for services that were not from AT&T. On one such bill, on the last page, the charges were from ILD Teleservices, Inc. The charge was \$49.95 for “Efax SVC MNTHLY FEE.”

I called AT&T and spoke with a customer service representative who recognized the problem. She explained that AT&T was billing on behalf of a 3rd party company. When I asked further, she said it is the customer’s responsibility to block phone bills from such charges. She told me that she takes a lot of calls like mine.

I contacted the 3rd party company at the phone number provided on the bill and spoke to a customer service representative who stated that we requested the service. I then contacted the Area Manager for the store location and he said the charge was not requested. Back and forth I went from Area Manager to the company until I insisted that the charges were never requested as only Area Managers have authorization to request services. Upon my insistence, the representative offered to take three months of the charges off and credit the AT&T bill for the next month but I insisted that all \$1,900 be credited back. The representative then stated he could not do that and that he had a recording of the request. I asked to hear it. I was transferred to a supervisor who then removed all the charges. I never heard a recording.

For the next two months, I combed through every AT&T bill for all of our accounts, set up a block on each account to prevent future cramming and to my best estimation, I spent 15 hours dedicated to this issue alone. Those hours do not include the time our Accounting Department and Area Managers have spent on it.

Throughout this process I wrote the Better Business Bureau and did some on-line research about cramming. I was amazed to find how many small businesses are being taken advantage of by New Link Network. I learned that employees of small businesses who answer the phone are asked by fast-taking sales representative if they would like to optimize their sales by being listed in a free directory (or something similar). If the employee responds, “yes” at any point, the sales rep considers that a contract and begins the billing after a 1-3 month free trial.

In the end, six of our 33 accounts were affected. Popeyes, Krispy Kreme and even our corporate office accounts were crammed. The estimated total amount “crammed” onto our phone bills was about \$4,200. Upon my persistence and insistence that amount has been credited back. And even though each time the 3rd party company told me that they had a recording proving that we requested each charge, they never played that recording for me.

It certainly is annoying and a hassle to deal with additional administrative paperwork, making additional phone calls and keeping information organized especially for charges not requested. Our already busy Accounting Department had to deal with their own administrative issues such as re-adjusting Profit and Loss statements, etc. But the inconvenience and cost of administrative work on this issue pales in comparison to what it has taken away from the managers of the restaurants.

Quick service restaurant managers work long hours in a busy, demanding environment all with a smile on their faces. They have a tremendous job juggling employee relations, customer satisfaction, serving safe food and controlling costs. As I mentioned earlier in my statement, great managers are rewarded with bonuses and some of our managers, no matter how hard they worked and no matter how much they earned it, did NOT receive their bonuses because of the practice of “cramming.”

It is infuriating to me that it is legal for companies to, without authorization, charge our businesses and skew our Profit and Loss statements and, in effect, take money out of the hands of hard working, deserving men and women.

I shudder to think that citizens, especially senior citizens who are often on a fixed budget, are falling victim to cramming because they don't have an Accounts Payable Representative to check their phone bills for unauthorized charges.

It is my hope that our lawmakers will prevent businesses and individuals from being a victim to “cramming” by making it illegal for AT&T and other companies to allow 3rd party billing.

Thank you.