

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of CenturyTel of Missouri, LLC and)	
Spectra Communications Group, LLC, d/b/a)	<u>Case No. TC-2007-0307</u>
CenturyTel Tariff Filings to Grandfather Remote)	Tariff Nos. JI-2007-0498
Call Forward Services to Existing Customers and)	JI-2007-0499
Existing Locations.)	

**JOINT BRIEF
OF CENTURYTEL OF MISSOURI, LLC AND
SPECTRA COMMUNICATIONS GROUP, LLC, D/B/A CENTURYTEL**

COME NOW CenturyTel of Missouri, LLC and Spectra Communications Group, LLC, d/b/a CenturyTel (collectively "CenturyTel"), and pursuant to the Commission's *Order Granting Joint Motion to Cancel Hearing* ("Order")¹ issued on October 16, 2007, respectfully submit their Joint Brief in the above-captioned proceeding.

I. EXECUTIVE SUMMARY

This proceeding involves the lawful business decision and resulting tariff filings of two telecommunications carriers to grandfather a non-essential telecommunications service – Remote Call Forward ("RCF") – to existing customers (less than one half of one percent of total customers) at existing locations and, as the evidence clearly shows, these tariff filings should be approved. Existing telecommunications customers will be kept whole and new customers may subscribe to other tariffed services that are less subject to the types of abuse that RCF service invites. (Ex. 2, Martinez Direct, pages 7-11, 13-15; Ex. 7, Martinez Rebuttal, page 12.)

The instant filings are necessary to stem abuse and violations of the tariff provisions that specifically restrict RCF service to one voice call at a time (as compared

¹ The Commission's Order, in addition to directing that the parties file briefs on October 31, 2007, admitted into evidence the prefiled testimony submitted by the parties, and assigned exhibit numbers to that testimony which will be referenced herein.

to data calls) and prohibit the use of RCF service for toll by-pass. Such violations and abuse of this non-essential telecommunications service by Internet Service Providers ("ISPs") who place multiple simultaneous dial-up Internet calling on a ported RCF service number can cause network congestion on the toll network and negatively impact other telecommunications consumers trying to make toll voice calls for which this network was designed. (Ex. 2, Martinez Direct, pages 5-7, 9-11, 15; Ex. 3, Teasley Direct, pages 5-6, 6-10, 11; Ex. 7, Martinez Rebuttal, pages 2-4, 8; Ex. 6, Teasley Rebuttal, pages 2-3; Ex. 9, Martinez Surrebuttal, pages 2, 3, 7, 8; Ex. 10, Teasley Surrebuttal, pages 2-3.)

Regarding the claim that RCF can be useful in response to natural or man-made disasters, CenturyTel has demonstrated its ability to meet the requirements of the Commission's Rule concerning the provision of service in emergency situations, and the evidence shows that CenturyTel has other means of providing service in the event of an emergency or disaster. (Ex. 7, Martinez Rebuttal, pages 9-12; Ex. 6, Teasley Rebuttal, page 4; Ex. 9, Martinez Surrebuttal, pages 7-9.)

Given CenturyTel's experience in the state of Washington, RCF service is subject to serious fraud perpetrated by prison inmates and their co-conspirators causing large revenue losses to the Company. Such fraud and abuse of RCF service by prison inmates and their co-conspirators provides further justification for grandfathering CenturyTel's RCF service, especially in light of the fact that so few legitimate CenturyTel customers subscribe to the service. (Ex. 2, Martinez Direct, pages 8-9.)

Subsequent to the filing of the tariffs to grandfather RCF service, Socket Internet submitted a request for RCF service in 61 exchanges. As Socket Internet readily admits

in its prefiled testimony, Socket Internet is attempting to purchase CenturyTel's RCF service **in conjunction with** a subsequent Socket Telecom porting order. This is simply a scheme by Socket to take advantage of regulatory arbitrage, whereby it uses RCF service for multiple simultaneous calls, toll by-pass and data traffic, all in violation of CenturyTel's tariff. Based on the tariff restrictions for RCF Service, as well as general tariff provisions that allow CenturyTel to refuse to provision services because of fraud and abuse, CenturyTel may legitimately refuse to grant the 61 additional RCF service numbers requested by Socket. (Ex. 2, Martinez Direct, pages 12-13; Ex. 3, Teasley Direct, pages 6-10, 11; Ex. 7, Martinez Rebuttal, pages 2-4; Ex. 9, Martinez Surrebuttal, pages 2, 3, 4-5, 6-7; Ex. 10, Teasley Surrebuttal, page 4.)

In filing its request to suspend/reject the proposed tariffs and to require CenturyTel to fulfill Socket's post-tariff filing orders, Socket simply wants to shift the cost of transport and facility augmentation (*i.e.*, its costs of doing business) to CenturyTel, so that CenturyTel inappropriately bears the burden of providing service to Socket ISP customers. CenturyTel's testimony details the problems with placing ISP-bound traffic on the common trunk group and how ISP-bound traffic causes network congestion. (Ex. 2, Martinez Direct, pages 15-16; Ex. 3, Teasley Direct, pages 6-10, 11; Ex. 7, Martinez Rebuttal, pages 2-4, 8; Ex. 9, Martinez Surrebuttal, pages 2, 3; Ex. 10, Teasley Surrebuttal, pages 2-4.)

Socket Internet, to the extent that it needs Remote Call Forward services, has the ability to purchase these services from Socket Telecom's tariffed services. The claimed need for CenturyTel numbers because there would be less confusion for its customers is unfounded. CenturyTel routinely introduces new NPA/NXXs to its customers without

any resulting confusion. (Ex. 2, Martinez Direct, pages 13-16; Ex. 3, Teasley Direct, page 6; Ex. 7, Martinez Rebuttal, pages 5-6.)

II. INTRODUCTION

RCF service is a local switch-based telephone number forwarding service. With RCF, the end user has no actual telephone or telephone equipment associated with the telephone number assigned to the end user. Rather, any call to the number terminates in the CenturyTel switch to which the number is assigned, and then CenturyTel automatically forwards the call to the telephone number associated with a distant end user location specified by the customer. Like Foreign Exchange Service (FX), RCF is typically used by businesses that want to provide a local number for customers to call without actually having a physical presence in the local area. With RCF the customer pays for the local service, the RCF feature and for any applicable toll charges on all calls terminating to the RCF'd number outside the local exchange from which the call originates. (Ex. 2, pp. 4-5, *See* Ex. 2, Schedule APM 1.)

On January 19, 2007, CenturyTel filed proposed tariff sheets to grandfather its RCF service to existing customers at existing locations. These tariff sheets reflect an effective date of February 18, 2007. On January 31, 2007, the Staff of the Commission stated that it did not object to the tariffs.²

Grandfathering the service will allow current subscribers to continue to use existing RCF services at existing locations under current tariff rates, terms and conditions. However, the RCF service will not be offered to new customers, nor will additional new RCF service be available to existing customers. Existing RCF service

² *Order Suspending Tariffs and Scheduling Prehearing Conference*, February 15, 2007, page 1.

customers will not be able to make changes to their existing service. (Ex. 2, p.7.) As noted previously, the number of CenturyTel customers purchasing RCF in Missouri represents only one half of one percent. (Ex. 2, p. 14.)

On February 14, 2007, Socket Telecom, LLC and Socket Holdings Corporation d/b/a Socket Internet (collectively "Socket") filed a Request to Suspend or Reject Proposed Tariff Sheet. On that same date after the Socket motion was filed, Staff filed a responsive pleading asking the Commission to suspend the tariffs to permit further investigation. "To allow sufficient time to study the effect of the proposed tariffs and establish an evidentiary record," the Commission suspended the proposed tariff sheets to December 18, 2007, or until otherwise ordered by the Commission. (*Order Suspending Tariffs and Scheduling Prehearing Conference*, February 15, 2007, page 2.)

III. ARGUMENT³

A. The Commission should approve CenturyTel's tariff filings to grandfather Remote Call Forward service to existing customers and existing locations.

1. It is a lawful and sound management decision, within CenturyTel's prerogative, to grandfather its RCF service – a non-essential telecommunications service – to existing customers and existing locations.

As CenturyTel's Witness Arthur Martinez, Director of Government Relations, observes in his Direct Testimony:

³ The parties proposed the following list of issues in this proceeding:

Issue 1. *Should the Commission approve CenturyTel of Missouri, LLC's and Spectra Communications Group, LLC d/b/a CenturyTel's (collectively "CenturyTel") tariff filings to grandfather Remote Call Forward ("RCF") service to existing customers and existing locations?*

Issue 2. *Should the Commission require CenturyTel to fulfill Socket Internet's orders for RCF service submitted after the tariff filings, before being allowed to grandfather that service?* ("Proposed List of Issues, List of Witnesses, Order of Cross-Examination, and Order of Opening Statements," filed August 7, 2007.)

It is my opinion that utilities must be allowed to make determinations on how best to manage utility business, so long as those decisions do not interfere with utilities' responsibility to provide safe, adequate and reliable service. Given the abuse of the RCF service that we have presented in our testimony, and the potential for harm to our network and our customers if CenturyTel is required to leave its RCF service in place, CenturyTel has an obligation to discontinue offering this service as it jeopardizes our network, our business, and most importantly our duty to our customers. It is a sound management decision to grandfather the RCF tariff and Socket should not be able to dictate otherwise, simply so it can continue its highly improper use of CenturyTel's network. (Ex. 2, pp. 14-15).

The Public Service Commission "is purely a creature of statute" and its "powers are limited to those conferred by the [Missouri] statutes, either expressly, or by clear implication as necessary to carry out the powers specifically granted." State ex rel. Utility Consumers Council of Missouri, Inc. v. Public Service Commission, 585 S.W.2d 41, 47 (Mo. banc 1979); State ex rel. City of West Plains v. Public Service Commission, 310 S.W.2d 925, 928 (Mo. banc 1958). While early case law provided that the Commission has "plenary power to coerce a public utility corporation into a safe and adequate service,"⁴ no one can reasonably suggest that such an issue is presented in this proceeding, particularly in today's competitive telecommunications environment. Indeed, no party has pointed to any authority that prevents CenturyTel from withdrawing, let alone grandfathering, its RCF service.⁵

Clearly, RCF service is not a technology or service feature constituting the minimum elements necessary for basic local and interexchange telecommunications service (4 CSR 240-32.100(2)), nor is it a service feature required under the

⁴ State ex rel. Missouri Southern R. Co. v. Public Service Commission, 259 Mo. 704, ___, 168 S.W. 1156, 1163 (banc 1914).

⁵ Socket's blanket assertions regarding "public interest" concerns, notwithstanding. See, Case No. IT-2002-1165, 11 Mo. P.S.C. 3d 385 ("Public Counsel has not pointed to any authority that prevents Bell from withdrawing its Local Plus and Designated Number services.")

Commission's Eligible Telecommunications Carriers' ("ETC's") service requirements rule (4 CSR 240-3.570(3)).

In describing RCF service, Staff Witness William Voight states that RCF service "can also be useful in response to natural or man-made disasters,"⁶ suggesting that the service is "indispensable for emergency and disaster contingency planning purposes." (Ex. 5, pp. 2-3.) However, as CenturyTel's witnesses testified, "[w]hile Mr. Voight's intentions are well placed, the reality of the situation renders his testimony moot in this regard." (Ex. 9, p. 7.)

First, of the more than 420,000 customers served by CenturyTel in Missouri, less than 1,300 of those customers (less than one half of one percent), scattered throughout Missouri, purchase RCF service. In the event of a disaster, it is likely that most, if not all, of the affected customers would not be subscribed to RCF service. However, CenturyTel is grandfathering the service – not withdrawing the service. As the features of the service remain a functioning part of the network, the service could be provided instantaneously with the emergence of a disaster situation. (As CenturyTel's witnesses point out, one should assume that the Company and the Commission would take immediate action to ensure RCF, or any other possible service configuration, would receive the appropriate, expedited regulatory treatment as a result of a catastrophe.) (Ex 7, pp. 10-12; Ex. 9, pp. 7-8.)

Second, as CenturyTel Witness Ralph Teasley, Manager of Network Support Centers for CenturyTel Service Group, points out, CenturyTel has other means of readily providing service in the event of an emergency or disaster.

⁶ Socket Witness Kohly also seizes this purported rationale as another reason to reject CenturyTel's tariffs. (Ex. 1, pp. 16-17).

I would agree that assisting customers who are affected by emergencies or disasters to reestablish communications is very important. But there are other means to meet this need. For example, CenturyTel could activate a fixed call-forwarding service on the customer's line on the customer's behalf rather than using the RCF Service. I personally have a great deal of experience in dealing with outages caused by disasters during my 36-year career. I have no doubt, based on first hand experience with dealing with the aftermath of hurricanes Rita and Katrina, that CenturyTel will use all possible tools available to meet customer needs during an emergency or disaster. (Ex. 6, p. 4.)

Third, CenturyTel has demonstrated that it meets the standards of the Commission's own rules setting forth the requirements for all telecommunications carriers in the case of emergency situations. Commission Rule 4 CSR 240-32.060, Engineering and Maintenance, Subsection (5) provides, "Each company shall make reasonable provisions to meet emergencies resulting from lightning or power service failures, unusual and prolonged increases in traffic, absence of personnel, fire, storm or other natural disasters and shall inform its employees of procedures to be followed in the event of emergency in order to prevent or minimize interruption or impairment of telecommunications service. . . ." The Commission's ETC Rule requires that each applicant include "[a] demonstration of the carrier's ability to remain functional in emergency situations, including a demonstration that the carrier has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities and is capable of managing traffic spikes resulting from emergency situations." (4 CSR 240-3.570(2)(A)(4).)

CenturyTel is not aware of any additional requirements imposed on all carriers relating to emergency situations and, as the testimony in this proceeding clearly shows, CenturyTel has demonstrated its ability to meet the requirements of the rule for some

time, most recently in 2006 during the wind and ice storms that left tens of thousands of Missourians without power and, in some instances, without water. (Ex. 9, pp. 8-9).

Technological obsolescence also is a factor in CenturyTel's decision to grandfather RCF service. As Mr. Martinez points out:

Due to rapidly changing technology, RCF is becoming an antiquated service with wireline and wireless providers offering national unlimited calling. Add to this mix the Voice Over Internet Protocol ("VoIP") services offered by companies such as Vonage, and it quickly becomes apparent that the available competitive alternatives far exceed CenturyTel's RCF service both in scope and in price. The availability of these types of "any distance" plans negates the need for antiquated wide area calling plans or foreign exchange service. In fact, customers actually pay more for less when they buy these outdated services. CenturyTel, itself offers nationwide calling plans in several exchanges throughout Missouri ranging from \$40 to \$50 including local service, while RCF alone costs \$20. (Ex. 2, p. 14.)

In explaining Staff's general approach to requests to grandfather tariffed services, Staff Witness Voight testifies, "In all instances that I am aware of, if customers have viable alternatives, the Staff would recommend approval of grandfathering." (Ex. 5, p. 4.) Commenting on CenturyTel's direct testimony, above, concerning unlimited calling plans and VoIP service, Mr. Voight opines: "Absent further explanation, it is difficult to see how these plans and services can replace Remote Call Forwarding service if a business wants to provide a local number for customers to call without actually having a physical presence in the local area." Regrettably, at that point in time Mr. Voight did not have the rebuttal and surrebuttal testimony of CenturyTel's witnesses that provide the "further explanation" he appeared to be seeking.

In responding to the question of whether CenturyTel's RCF service is the only means available for business customers who want to appear to have a presence in a location for customers to make local calls, Mr. Teasley explains:

No. While the RCF Service is useful in these rare instances, there are other alternatives. A business customer could easily set up FX Service or establish a physical line with the Call Forward, No Answer option. In fact, RCF Service may not be most attractive option for businesses as it can only handle one call at a time; and for a busy enterprise, the per minute toll charges can be more expensive than the flat-rated FX circuit. (Ex. 6, p. 4.)

Accordingly, customers clearly have viable alternatives to the RCF services that CenturyTel seeks to grandfather in this proceeding. Again, only one-half of one percent of CenturyTel's customers purchase its RCF service, and these customers will not be losing their existing service.

2. By grandfathering its RCF service, CenturyTel is exercising its lawful right to stem expressly prohibited and abusive uses of a service upon its network that has implications for other CenturyTel customers.

The instant tariff filings are necessary to stem abuse and violations of the RCF tariff provisions that specifically restrict RCF service to one voice call at a time (as compared to data calls) and prohibit the use of RCF service for toll bypass. The RCF service offered by CenturyTel specifically restricts a customer's ability to use the service as a means to bypass toll charges, and this restriction is described in detail in CenturyTel's tariff. (Ex. 2, Schedule APM-1; Ex. 3, p. 5.) In addition, CenturyTel's RCF service specifically restricts a customer's ability to use the number for more than one telephone call at a time. Again, this restriction is described in detail in CenturyTel's tariff. RCF numbers are programmed to forward one call at a time because each forwarded call is tying up an individual call path on the network. (*Id.*)

As explained in the testimony of CenturyTel's witnesses, under no circumstances is it appropriate to use RCF for dial-up Internet access. RCF service is not intended for this type of data traffic because it causes network congestion on the toll network (as fully

explained by Mr. Teasley). Consistent with CenturyTel's tariff, RCF service may not be used for multiple simultaneous calls as in the case of a modem pool to facilitate dial-up access to the Internet. An ISP's router may contain multiple modems capable of handling several simultaneous online sessions. ISPs, especially those in rural areas, are capable of serving hundreds of customers using one local or toll-free number as customers' modems dialing that number are routed to a modem bank. Only if all the available modems in the ISP's modem bank are being used will a dial-up customer receive a busy signal. Moreover, dial-up Internet users' hold-time, the duration of the seizure of the phone company's access line, often exceeds that of a normal phone conversation. As previously discussed, the purpose of CenturyTel's RCF service was intended as a way to provide customers with a means to allow others to make voice calls from foreign exchanges. (Ex. 2, pp. 9-12; Ex. 3, pp. 6-11.)

Socket Internet has in the past requested CenturyTel RCF service in several exchanges and has requested that the RCF number be initially forwarded to a toll-free number, 888-720-4045, that directs callers to a voice prompt, which places callers into a queue for such things as customer service or technical support. CenturyTel collected switching, transport and other access charges for the use of its switch(es) and facilities. (Ex. 2, pp. 10-11.) Before CenturyTel recognized that Socket Telecom was submitting port requests that move the RCF Service number outside of its original rate center, CenturyTel ported RCF Service numbers that have created congestion on its network. As CenturyTel's expert witness, responsible for the daily operational duties of CenturyTel's Network Support Center in Wentzville, Missouri, Mr. Teasley provided substantive testimony addressing how the increase in traffic volume could jeopardize CenturyTel's

network and impair or inhibit meeting the needs of its end-user customers if its toll trunks are overloaded with ISP-bound traffic. His Direct Testimony described the problems with placing ISP-bound traffic on the common trunk group, disrupting pre-basic 911 service, disrupting calls placed by both CenturyTel *and* Socket customers (and sometimes Embarq and AT&T customers), and gave clear, real-world examples of how ISP-bound traffic causes network congestion. Indeed, Mr. Teasley provided a specific example concerning the impacts of Socket's request to port out two RCF Service lines in the Rockville, Missouri office. As Mr. Teasley testified, it was necessary for not only CenturyTel, but also for Embarq (since the intraLATA trunk group terminates in Warrensburg, which is the tandem switch for the Rockville exchange) to install facilities to increase the size of the trunk group to eliminate blockage that the increased traffic created following the completion of these porting requests. (Ex. 6, p. 3; Ex. 10, p. 2.)

While Socket Witness Kohly attempted to minimize these real concerns with a purported traffic analysis of his own (which appears to be strictly confined to measuring simultaneous calls and not based on any industry-standard traffic study methodology), Mr. Teasley rebuts such testimony as misleading, discussing how blockage occurs after the number is publicized for ISP access and the dial-up ISP traffic ramps up. (Ex. 10, pp. 3-4.)

In addition, Socket's inappropriate use of RCF service allows it to bypass toll charges. When Socket Internet requests that the RCF number be forwarded to a toll-free number for the purpose of providing its customers with a toll-free way to make voice calls to Socket Internet's Customer Service center, any calls outside the local calling area will be properly compensated to both CenturyTel and the toll-free number provider such

as AT&T or MCI; and each call would have a separate call path for each call. The toll-free number provider will assess Socket Internet for the use of its toll-free calling service, while the toll-free provider will compensate CenturyTel for the use of its network. When the RCF number is ported by its affiliate CLEC, Socket Telecom, calls continue to use the exact same CenturyTel switch(es) and facilities; calls continue to terminate to the same customer located outside the local calling area; however, CenturyTel no longer receives compensation. In fact, CenturyTel now becomes responsible for significant increases in facilities associated with multiple simultaneous dial-up ISP calls with significantly longer holding times, with absolutely no opportunity for cost recovery; while Socket Internet has bypassed toll costs or network investment. (Ex. 2, pp. 11-12.)

Another form of abuse utilizing RCF to deceptively avoid lawfully imposed toll charges involves prison inmates and a "burn line" scam, specifically described in the Direct Testimony of Mr. Martinez addressing the rationale for grandfathering RCF service in the state of Washington. "Prisoners, with assistance from someone outside of prison, would use a stolen social security number and a false billing address to set up a "burn line." A prisoner would set up an RCF service line and forward the number just about anywhere in the United States; many of which were determined to be cell phones." (Ex. 2, pp. 8-9; Schedule APM 2.) According to Mr. Voight's testimony, Staff "is unable to understand the prison phone scam example proffered by Mr. Martinez," and "simply finds the example unpersuasive." (Ex. 5, p. 4.) Ironically, at the end of the month that Mr. Voight filed his testimony in this matter, in Case No. 07-04026-01/07-CR-C-SOW, in the United States District Court for the Western District of Missouri, Central Division, two Jefferson City women appeared in federal court in Jefferson City to plead guilty

before U.S. District Judge Scott O. Wright to charges contained in a May 31 federal indictment – an indictment involving a fraud conspiracy that included stealing the identities of other people and using them to provide cell phone calls from state prison inmates. “At all times material, local calls from the prison could be directed and forwarded from a local number to a cellular phone, and the holders of those cellular phones were able to accept the charges for the call. This would result in a charge for the local call from the prison, and further additional and different charge for the call, and air-time, to the cellular phone.” (Grand Jury Indictment, Count I, Paragraph 4.) (*See*, **Exhibit “A”** attached hereto.) While one cannot determine from the information available whether the “forwarded” call utilized RCF or some other similar service option, the point, of course, is clear – not only are there opportunities for such fraud and abuse due to the “chat lines” sharing of information regarding such schemes, it was taking place “right here in River City!”

B. The Commission should not require CenturyTel to fulfill Socket Internet’s orders for RCF service submitted after the tariff filings, before being allowed to grandfather that service.

Subsequent to the filing of the tariffs to grandfather RCF service, on February 8, 2007 Socket submitted a request for RCF service in 61 exchanges. As Socket Internet readily admits in its prefiled testimony, Socket Internet is attempting to purchase CenturyTel’s RCF service **in conjunction with** a subsequent Socket Telecom porting order. This is simply a scheme by Socket to take advantage of regulatory arbitrage, whereby it uses RCF service for multiple simultaneous calls, toll by-pass and data traffic, all in violation of CenturyTel’s tariff. Based on the tariff restrictions for RCF Service, as well as general tariff provisions that allow CenturyTel to refuse to provision services

because of fraud and abuse, CenturyTel may legitimately refuse to grant the 61 additional RCF service numbers requested by Socket.⁷ (Ex. 2, pages 12-13; Ex. 3, pages 6-10, 11; Ex. 7, pages 2-4; Ex. 9, pages 2, 3, 4-5, 6-7; Ex. 10, page 4.)

1. By Socket's own admission, Socket Internet's proposed orders for RCF service are simply a stalking horse for Socket Telecom ports, thereby enabling Socket to facilitate express violations of the RCF tariff terms.

Socket Witness Kohly testifies to this scheme in his Direct Testimony where, in addressing the order for 61 RCF numbers, he states:

In order to obtain numbers to port to Socket Telecom, Socket Internet attempted to subscribe to CenturyTel's Remote Call Forward Service. Once those services were provisioned, Socket Internet was going to request that Socket Telecom add those numbers to its existing service from Socket Telecom by porting the numbers. (Ex. 1, pp. 6-7, emphasis added.)

Again, this "continuum" of action permits Socket to take advantage of regulatory arbitrage, whereby it uses RCF service for multiple simultaneous calls, toll by-pass and data traffic, all in violation of CenturyTel's tariff. As described previously, once the RCF number is ported, the number is subsequently terminated to the ISP's modem, where it allows multiple customers calls to have simultaneous access to the modem. Consistent

⁷ As fully discussed in the testimony of CenturyTel's witnesses, any CenturyTel customer, whether retail or wholesale, must comply with the terms by which the Company makes its services available, including restrictions on use. CenturyTel denied Socket's request for 61 additional RCF service lines pursuant to Section 6.B.10 of CenturyTel's local exchange tariff, because in CenturyTel's judgment, providing Socket's request for additional RCF service would interfere with and impede CenturyTel's ability to provide service to other customers. CenturyTel also noted that the tariff (Section 6.B.11) requires that RCF service be taken for a minimum three month period.

In discussing the general restrictions on use, CenturyTel's witnesses noted that CenturyTel's tariff allows the company to disconnect services, without notice when any transmission service is used "in a manner as to interfere unreasonably with other services or service of another user, constitute abuse, fraud or tend to injuriously affect the efficiency of the Company's plant, property or service." (CenturyTel of Missouri, LLC, PSC MO. NO. 1, § 2, Original Sheet 9; Spectra Communications Group, LLC d/b/a CenturyTel, PSC MO NO. 1, § 2, Original Sheet 9.) In addition, CenturyTel's tariff allows the company to refuse to furnish service and/or disconnect existing service for a customer who, "demonstrates fraudulent means of obtaining, or attempting to obtain, or assisting another to obtain, service by any trick, scheme, false representation, false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or in part, of the charge for such service." (*Id.*)

with CenturyTel's tariff, RCF service may not be used for multiple simultaneous calls such as this, as it causes network congestion on the toll network and negatively impacts consumers trying to make toll calls for which the network was designed. Regarding toll bypass, porting the number allows Socket to avoid the expense of paying for toll-free service for interexchange calls to its own customer support functions while shifting the cost to CenturyTel of transporting these calls from CenturyTel's central office to the tandem. This occurs because customers are dialing a local number that previously was RCF'd to a toll-free number, but now has been ported to a non-RCF "local" number. (Ex. 7, p. 3.)

In attempting to justify its ability to perpetuate these violations of the RCF tariff, Socket would ask the Commission to ignore the completely transparent nature of its sequential acts, and buy Mr. Kohly's argument that once the port occurs, the RCF tariff provisions simply do not apply. Admitting that prior to the port (which is clearly contemplated and an integral component of Socket's RCF service request – by his own words) the RCF service is provided by CenturyTel and, therefore, governed by CenturyTel's tariff, once the second component occurs ("Socket Internet exercising its right to change service providers"), Mr. Kohly opines that "CenturyTel is no longer providing service to the customer and CenturyTel's tariffs are no longer applicable. Since CenturyTel is not the service provider and its tariffs are no longer applicable, CenturyTel cannot claim its tariffs are somehow being violated." (Ex. 1, pp. 11-12). Obviously, Socket Internet would not be able to perpetrate this abuse on its own because CenturyTel, in accordance with its tariff, would not allow Socket Internet to use RCF service lines for multiple dialers sending data transmissions simultaneously.

As its Position Statement reveals, "Socket Internet has and will fully comply with the CenturyTel tariffs **while it is a CenturyTel customer subject to those tariffs**, including fulfilling the financial obligations of the applicable term commitment." (Emphasis added.) However, this magnanimous gesture rings hollow when it is followed by, "Moreover, contrary to CenturyTel's efforts to confuse the Commission, CenturyTel's tariffs have no application after Socket Internet has ported a number and is being served by Socket Telecom." CenturyTel respectfully would take issue with who is attempting to interject confusion. Rather than a "Texas two-step," this scheme could be labeled the "Socket Spin." CenturyTel isn't buying; nor should this Commission.

2. Contrary to Socket's unfounded assertions, CenturyTel is not trying to re-litigate the existing Interconnection Agreements ("ICAs").

Hoping to cloud the real issues and divert attention from its abusive scheme, Socket trots out its baseless allegations that CenturyTel is simply trying to circumvent and re-litigate the Commission's arbitration decision in Case No. TO-2006-0299. (Ex. 4, p. 7; Socket Position Statement, p. 1.)

CenturyTel acknowledges that the subject ICAs contain specific terms for the porting of RCF numbers. As Mr. Martinez explains in his Surrebuttal Testimony, during the course of the arbitration Socket intentionally used examples of normal voice customers to support its arguments that this Commission should require CenturyTel to port RCF numbers. Moreover, and more importantly, they used examples of customers who were already purchasing and using RCF from CenturyTel.

However, the circumstances by which Socket is utilizing CenturyTel's RCF service today and the reason why CenturyTel elected to grandfather the service are entirely different. As Mr. Martinez explains:

Today Socket solicits CenturyTel customers who are not currently purchasing RCF service and in all probability offers such customers enticements to get them to now purchase a service (RCF) from CenturyTel for which the customer had no need before. The customer then elects to have its local service provided by Socket who requests that CenturyTel port the customer's number shortly after RCF service has been provisioned. This is a scheme by Socket to take advantage of regulatory arbitrage. Socket Telecom could have just as easily ported the number of the customer prior to the customer having to order RCF service from CenturyTel. At which point, Socket Telecom could offer its own RCF service to the customer. (Ex. 9, p. 5.)

As the record reveals, the type of customers that Socket Telecom is enticing to purchase RCF service from CenturyTel are mainly ISPs, and for the most part Socket Telecom's own ISP affiliate, Socket Internet.

As fully discussed above, Socket's use of the ported number has a significant bearing on the CenturyTel network. Again, as Mr. Martinez explains:

The network supports all of a carrier's services simultaneously much like a transportation system supports multiple forms of transportation. The pricing and provisioning of services vary in proportion to each services use of the network. An improper use of a service may not only impede that service but will likely have an impact on other services use of the network in a discriminatory manner. For example, if RCF service is allowed to be used in this manner, customers who purchase toll-free 800 service either from CenturyTel or another carrier will be paying CenturyTel for the cost of originating the toll-free 800 traffic and thereby placing such carriers in a position of unnecessarily subsidizing Socket's cost of operation. In other words, both the toll-free 800 subscribers and Socket's ISP traffic are riding the same transport network with other toll customers; but Socket, by refusing to pay its share of the transport costs, is being subsidized by all other paying customers using this common network. (Ex. 9, pp. 6-7.)

And while Staff Witness Voight appears to suggest that network congestion problems resulting from Socket's improper use of RCF numbers can be remedied by the interconnection agreement between the parties (discussing requirements for Points of Interconnection or POIs, should the traffic in question reach certain predetermined levels over three consecutive months)⁹, Socket's actions in interpreting those agreements clearly belies any such "remedy." As CenturyTel's witnesses explain, "Before the ink was dry on the arbitrated agreement, Socket Telecom began ignoring the arbitrator's decision on this issue [establishing Points of Interconnection] and disputing its obligations to establish POIs in exchanges where it met or exceeded the thresholds. (Footnoting Case No. TC-2007-0341, Transcript, Volume 3, pp. 288-295.)" (Ex. 9, p. 3.) In some instances, Socket Telecom notified CenturyTel of its intent to decommission existing POIs. Socket Telecom's refusal to directly interconnect and establish POIs as required by the interconnection agreement clearly foists the costs of transporting Socket Internet's data traffic over CenturyTel's interexchange network without just compensation.

One only has to briefly examine the issue of "indirect interconnection" to understand Socket's strategies. In the above-referenced Case No. TC-2007-0341 (the porting complaint case), Staff clearly took issue with Socket's position that the POI thresholds do not apply to indirect interconnection. "In surrebuttal testimony, Socket witness Kohly states Socket's position that the POI thresholds do not apply to indirect interconnections. (citation omitted). **Socket's position is incorrect.** Although Section 4.1 begins, "When the Parties directly interconnect. . .," this clause does not modify nor is it repeated in Sections 4.3, 4.3.3, and 4.3.4, which require Socket to establish additional POIs as traffic exchanged between the parties reaches the threshold." (Staff's Proposed

⁹ Ex. 5, p. 5.

Findings of Fact, Conclusions of Law, and Order, Case No. TC-2007-0341, September 10, 2007, p. 4, emphasis added.)

Lest one believe that Staff should not be concerned with Socket's continued intentions in this regard, a careful reading of Mr. Kohly's elaboration on his statement – "Where required under the interconnection agreement, Socket Telecom will establish additional Points of Interconnection" – should confirm the serious concerns confronting CenturyTel and this Commission as Socket continues to dismantle the terms of the ICAs. Mr. Kohly devotes three pages of his Surrebuttal Testimony in attempting to support his erroneous and unlawful position on this one ICA issue alone.

3. Socket's arguments regarding its "preferred" use of CenturyTel telephone numbers is a red herring, which should be summarily dismissed by the Commission.

As the evidence clearly reveals, CenturyTel's tariff filing does nothing to prevent Socket from offering RCF to local exchange customers. It does not prevent Socket Telecom, LLC from obtaining its own numbering resources and establishing its own RCF service for sale to local exchange customers. In fact, Socket Telecom, LLC already has numbering resources in several of CenturyTel's exchanges and the Commission should take notice of the fact that Socket Telecom's tariff contains RCF service on a retail basis. (Ex. 2, pp. 13-14.)

Nevertheless, in attempting to camouflage its true intent of using its scheme to push its legitimate costs onto CenturyTel, Socket appears to suggest that it "prefers" to use CenturyTel telephone numbers because of purported customer confusion associated with any new NPA/NXX code. CenturyTel has experienced numerous situations where

NPA/NXXs have been exhausted in its exchanges, without its customers becoming confused over the resulting assignment of a new NPA/NXX to the exchange. Socket wants this Commission to believe that these very same customers are incapable of realizing that the new NPA/NXX assigned to Socket is a local number. With appropriate efforts to educate its consumers, Socket customers would experience few, if any, problems. Of course, this is another legitimate cost of doing business that Socket may be trying to avoid through regulatory arbitrage. (Ex. 7, p. 5.)

IV. CONCLUSION

The subject tariff filings to grandfather Remote Call Forward services to existing customers at existing locations were suspended by the Commission "to allow sufficient time to study the effect of the proposed tariffs and establish an evidentiary record."¹⁰ Based on the foregoing, CenturyTel respectfully submits that there is a clear and convincing evidentiary basis for approving these tariff filings. Existing customers will be kept whole, and new customers may subscribe to other tariffed services that are less subject to the types of abuse that RCF service invites. As the record evidence demonstrates, the instant filings are necessary to stem abuses and violations of the tariff provisions, and based on the tariff restrictions for RCF service as well as general tariff provisions that allow CenturyTel to refuse to provide services because of fraud and abuse, the Commission should not require CenturyTel to fulfill Socket Internet's orders for RCF services submitted after the tariff filings, before being allowed to grandfather those services.

¹⁰ *Order Suspending Tariffs and Scheduling Prehearing Conference*, February 15, 2007, p. 2.

Respectfully submitted,

/s/ Larry W. Dority

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 31st day of October, 2007.

/s/ Larry W. Dority

Larry W. Dority

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
CENTRAL DIVISION

UNITED STATES OF AMERICA,	)	No. 07-04026-01/07-CR-C-SOW
)	
Plaintiff,	)	<u>Count 1:</u> (All defendants)
	)	18 U.S.C. § 371
v.	)	NMT 20 years and/or \$250,000
	)	Supervised Release: NMT 3 years
CLAYTON J. DEARDORFF,)	
[DOB: 1978]	)	<u>Counts 2-5:</u> (Deardorffs ONLY)
ROBIN LYNNETTE DEARDORFF,	)	18 U.S.C. § 1028A
[DOB: 1975]	)	NLT 2 years; NMT 15 years
ANGIE MARIE ROARK,	)	and/or \$250,000
[DOB: 1977]	)	Supervised Release: NMT 2 years
ERICA DANIECE KELLEY,)	
[DOB: 1979]	)	\$100 mandatory penalty
KRYSTAL GAIL STEPHENS,	)	assessment, each count,
[DOB: 1985]	)	each defendant therein
ANNA MARY STEPHENS)	
[DOB: 1977])	
and)	
BRENDA MCKAY ADAMS,)	
[DOB: 1973])	
)	
Defendants.)	

I N D I C T M E N T

THE GRAND JURY CHARGES THAT:

COUNT 1
(Conspiracy)

The Scheme to Defraud

1. From an unknown date, but beginning at least as early as in or about January 2002, and continuing until on or about December 14, 2006, CLAYTON J. DEARDORFF, ROBIN LYNNETTE DEARDORFF, ANGIE MARIE ROARK, ERICA DANIECE KELLEY, KRYSTAL GAIL STEPHENS, ANNA MARY STEPHENS and BRENDA MCKAY ADAMS, defendants, and others, known and

unknown to the Grand Jury, knowingly, willfully and unlawfully devised a scheme and artifice to defraud and to obtain money and property from phone companies and credit card companies by means of false and fraudulent pretenses, representations and promises, knowing that the pretenses, representations and promises were false and fraudulent when made. In furtherance of the scheme, the defendants used interstate wire communications, the U.S. mail, and commercial and private carriers.

2. As a part of the scheme, the defendants unlawfully appropriated and used, and caused to be unlawfully appropriated and used, identification information, including names, Social Security Numbers, and dates of birth, of other persons.

3. At all times material, prisoners in the Missouri Department of Corrections were allowed to make phone calls while confined, but had to have a method to pay for the calls. Generally, this was accomplished by making a collect call, which had to be accepted by the recipient of the call in order for a connection to be made.

4. At all times material, local calls from the prison could be directed and forwarded from a local number to a cellular phone, and the holders of those cellular phones were able to accept the charges for the call. This would result in a charge for the local call from the prison, and further additional and different charge for the call, and air-time, to the cellular phone.

5. It was a part of the scheme for CLAYTON J. DEARDORFF, ROBIN LYNNETTE DEARDORFF, ANGIE MARIE ROARK, ERICA DANIECE KELLEY, KRYSTAL GAIL STEPHENS, ANNA MARY STEPHENS and BRENDA MCKAY ADAMS, defendants, to obtain things of value, including but not limited to, cellular telephones and local and long distance telephone service, through fraud, theft and other unlawful means.

6. It was a further part of the scheme that the defendants would enlist others to steal and otherwise unlawfully acquire, and would steal and otherwise unlawfully acquire, identification information of other persons, including names, Social Security Numbers, and dates of birth, in order to start and use local and long distance phone service, and to acquire cellular telephones, at no cost to the defendants. The defendants would use or pass on and sell the cellular telephones to others.

7. Through the use of fraudulently stolen identities and identification information of other persons, including names, Social Security Numbers, and dates of birth, the defendants opened and caused to be opened accounts for telephone service and credit card service, causing bills to be sent to the fraudulently assigned names at addresses given to the telephone companies by the defendants. The defendants would intercept and receive cellular telephones which were mailed to these addresses, and would also cause landline telephone service to be installed at some of these addresses.

8. Generally, the fraudulently opened telephone services, whether landline or cellular, would continue until the telephone company cancelled the service for non-payment. The charges would go unpaid by the defendants, and be listed against the individuals whose names had been used to set up the service. As a result of the scheme to defraud, the defendants caused a total unpaid balance to be owed the telephone companies of more than \$80,000.

9. It was a further part of the scheme that the defendants used unlawfully acquired identities in order to avoid detection, arrest and prosecution.

10. It was a further part of the scheme that the defendants would and did use landline and cellular telephones and the U.S. mails in order to communicate with each other, and to pass the phone numbers to prisoners and others, which numbers were for long distance and local phone service and cellular telephone usage which had been fraudulently initiated by one of the defendants.

The Defendants and Their Role in the Scheme

11. CLAYTON J. DEARDORFF was a prisoner confined at various locations in the State of Missouri, including Tipton Correctional Facility in Moniteau County. He recruited his wife, ROBIN LYNNETTE DEARDORFF, and others to steal and unlawfully acquire identification information so that local and long distance telephone service and cellular telephone service could be started for his use and that of other, unauthorized persons.

12. ROBIN LYNNETTE DEARDORFF (nee Sidney) was the girlfriend and wife of CLAYTON J. DEARDORFF. She lived at various locations in Cole County, including 993 Pike Street, Jefferson City, Missouri; 1029-A East High Street, Jefferson City, Missouri; and 217-C Benton, Jefferson City, Missouri. ROBIN LYNNETTE DEARDORFF worked at a nursing home, where she had access to identification information of the resident patients. She unlawfully took and stole identification information of the resident patients, and used this information to start local and long distance phone service and cellular telephone service. ROBIN LYNNETTE DEARDORFF also recruited others to participate in the scheme to defraud. In addition, she had landlines installed at and cellular telephones delivered to her residence address, all of which had been ordered utilizing unlawfully appropriated identification information, in furtherance of the scheme to defraud.

13. At various times, ANGIE MARIE ROARK was an employee of Sprint PCS. By virtue of her employment, she had access to the identification information of Sprint customers, including their names, Social Security Numbers, and dates of birth, and unlawfully appropriated and used that information, in furtherance of the scheme to defraud. Her employment by and knowledge of Sprint, its methods and operating procedures, assisted the conspirators in their unlawful scheme to defraud. In addition, she had landlines installed at and cellular telephones delivered to her residence

address, all of which had been ordered utilizing unlawfully appropriated identification information, in furtherance of the scheme to defraud.

14. From 1998 to on or about January 3, 2003, ERICA DANIECE KELLEY was an employee of the Missouri Department of Revenue, Motor Vehicle Bureau, in Jefferson City, Cole County, Missouri. She held various positions within the Department of Revenue, including Revenue Licensing Tech II when she resigned. By virtue of her employment, she had access to the identification information of Motor Vehicle Bureau customers, including their names, Social Security Numbers, and dates of birth, and unlawfully appropriated and delivered that information to ROBIN LYNNETTE DEARDORFF and others, in furtherance of the scheme to defraud.

15. Between on or about March 3, 2003, and on or about May 11, 2005, KRYSTAL GAIL STEPHENS was a part-time employee of the Missouri Department of Revenue, Division of Taxation and Collection, Jefferson City, Cole County, Missouri. Her job title was Tax Season Assistant - Temporary. By virtue of her employment, she had access to identification information of Division of Taxation and Collection customers, including their names, Social Security Numbers, and dates of birth, and unlawfully appropriated and delivered that information to one of the defendants and others, in furtherance of the scheme to defraud.

16. At various times, ANNA MARY STEPHENS was an employee of

United Telephone Company (Sprint). By virtue of her employment, she had access to the identification information of United Telephone/Sprint customers, including their names, Social Security Numbers, and dates of birth, and checked the status of the fraudulent telephone service accounts, in furtherance of the scheme to defraud. Her employment by and knowledge of United Telephone/Sprint, its methods and operating procedures, assisted the conspirators in their unlawful scheme to defraud. In addition, she had landlines installed at and cellular telephones delivered to her residence address, all of which had been ordered utilizing unlawfully appropriated identification information, in furtherance of the scheme to defraud.

17. At various times in 2005 and 2006, BRENDA MCKAY ADAMS used and allowed others to utilize her residence address to have landlines installed at and cellular telephones delivered there, all of which had been ordered utilizing unlawfully appropriated identification information, in furtherance of the scheme to defraud.

The Conspiracy

18. From an unknown date, but beginning at least as early as in or about January 2002, and continuing until on or about December 14, 2006, in Cole County, in the Western District of Missouri, and elsewhere, CLAYTON J. DEARDORFF, ROBIN LYNNETTE DEARDORFF, ANGIE MARIE ROARK, ERICA DANIECE KELLEY, KRYSTAL GAIL STEPHENS, ANNA MARY

STEPHENS and BRENDA McKAY ADAMS, defendants, did knowingly and willfully combine, conspire, confederate and agree to commit offenses against the United States, that is:

a. to knowingly devise a scheme and artifice to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice and attempting to execute the scheme, transmits and causes to be transmitted by means of wire communication in interstate commerce, and writings, sounds and signals, in violation of Title 18, United States Code, Section 1343;

b. to knowingly devise a scheme and artifice to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice and attempting to execute the scheme, places in any post office and authorized depository for mail matter, any matter and thing whatever to be sent and delivered by the Postal Service, or deposits and causes to be deposited any matter and thing whatever to be sent and delivered by any private and commercial interstate carrier, any such matter or thing, in violation of Title 18, United States Code, Section 1341;

c. to knowingly transfer, possess and use, without lawful authority, a means of identification of another person with the intent to commit a crime, that is, any unlawful activity that constitutes a violation of federal law or a felony under Missouri state law, including felony stealing, in violation of Title 18, United States Code, Section 1028(a)(7);

d. with intent to deceive, to falsely represent a number to be the Social Security account number assigned by the Commissioner of Social Security to them or to another person, when in fact such number is not the Social Security account number assigned by the Commissioner of Social Security to them or to such other person, for the purpose of obtaining (for themselves or any other person), or for the purpose of obtaining anything of value from any person, or for any other purpose, in violation of Title 42, United States Code, Section 408(a)(7)(B); and

e. to disclose, use and compel the disclosure of the Social Security Number of any person in violation of the laws of the United States, in violation of Title 42, United States

Code, Section 408(a)(8).

19. The object of the conspiracy, as alleged in paragraphs 5-6 above, are realleged and incorporated herein as if fully set forth again.

20. The manner and means of the conspiracy, as alleged in paragraphs 7-10 above, are realleged and incorporated herein as if fully set forth again.

Overt Acts

21. In furtherance of the conspiracy and to effect its aims and objects, there was committed by one or more of the defendants, in the Western District of Missouri, and elsewhere, at least one of the following overt acts:

a. On or about September 2, 2002, new phone service was started at ROBIN LYNNETTE DEARDORFF's residence.

b. On or about September 10, 2002, ROBIN LYNNETTE DEARDORFF sent a letter to CLAYTON J. DEARDORFF at Tipton Correctional Facility using the U.S. mail.

c. On or about September 18, 2002, ROBIN LYNNETTE DEARDORFF and CLAYTON J. DEARDORFF spoke on the phone.

d. On or about June 21, 2004, a defendant caused a shipment of a cell phone to be delivered to 993 Pike Street, Jefferson City, Cole County, Missouri.

e. On or about February 11, 2005, a defendant caused a shipment of a cell phone to be delivered to 1307 St. Mary's

Boulevard, Jefferson City, Cole County, Missouri.

f. On or about May 27, 2005, a defendant caused a shipment of three (3) cell phones to be delivered to 993 Pike Street, Jefferson City, Cole County, Missouri.

g. On or about July 20, 2005, a defendant caused a shipment of three (3) cell phones to be delivered to 993 Pike Street, Jefferson City, Cole County, Missouri.

h. On or about July 25, 2005, a defendant caused a shipment of three (3) cell phones to be delivered to 418-B Hutton Lane, Jefferson City, Cole County, Missouri.

i. On or about July 27, 2005, a defendant caused a shipment of three (3) cell phones to be delivered to 418-B Hutton Lane, Jefferson City, Cole County, Missouri.

j. On or about November 22, 2005, a defendant caused a shipment of a cell phone to be delivered to 418-B Hutton Lane, Jefferson City, Cole County, Missouri.

k. On or about March 8, 2006, ROBIN LYNNETTE DEARDORFF sent a letter to CLAYTON J. DEARDORFF at Tipton Correctional Facility using the U.S. mail.

l. On or about March 8, 2006, a defendant caused a shipment of two (2) cell phones to be delivered to 418-B Hutton Lane, Jefferson City, Cole County, Missouri.

All in violation of Title 18, United States Code, Sections 371 and 1349.

COUNTS 2-5
(Identity Theft)

22. The allegations of paragraphs 1-17 above are realleged and incorporated herein as if fully set forth again.

23. On or about the dates enumerated below as to each count, in Jefferson City, in Cole County, in the Western District of Missouri, CLAYTON J. DEARDORFF and ROBIN LYNNETTE DEARDORFF, defendants, did knowingly transfer, possess and use, without lawful authority, a means of identification of another person, including a name, Social Security Number, and date of birth, during and in relation to, wire fraud, mail fraud, fraudulent use of a Social Security Number, and disclosure of a Social Security Number, in violation of Title 18, United States Code, Sections 1341 and 1343, and Title 42, United States Code, Sections 408(a)(7)(B) and 408(a)(8), as more particularly described for each count below:

<u>COUNT</u>	<u>DATE</u>	<u>TRANSFER AND TRANSPORTATION</u>
2	June 21, 2004	A shipment of a cell phone was delivered to 993 Pike Street, Jefferson City, Cole County, Missouri
3	May 27, 2005	A shipment of three (3) cellular telephones was delivered to 993 Pike Street, Jefferson City, Cole County, Missouri
4	July 20, 2005	A shipment of three (3) cellular telephones was delivered to 993 Pike Street, Jefferson City, Cole County, Missouri

5

November 22, 2005

A shipment of a cellular
telephone was delivered
to 418-B Hutton Lane,
Jefferson City, Cole
County, Missouri

All in violation of Title 18, United States Code, Section
1028A.

A TRUE BILL.

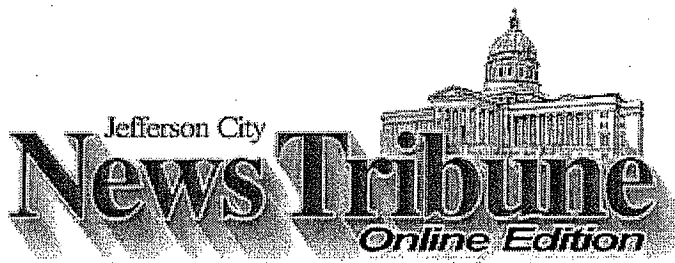
/s/

FOREPERSON OF THE GRAND JURY

/s/

ANTHONY P. GONZALEZ

Assistant United States Attorney
Missouri Bar No. 29922



Print Page

Posted: Tuesday, Jul 31, 2007 - 04:07:32 pm CDT

Two local women plead guilty in federal court to identity theft

By Jeff Haldiman
jhaldiman@newstribune.com

Two Jefferson City women, one of whom is a former employee of the Missouri Department of Revenue, pleaded guilty Monday to a fraud conspiracy that involved stealing the identities of other people and using them to provide cell phone calls to state prison inmates.

Erica Daniece Kelley, 28, and Brenda McKay Adams, 33, pleaded guilty before U.S. District Judge Scott O. Wright to the charge contained in a May 31 federal indictment. They appeared in federal court in Jefferson City.

According to the U.S. Attorney's Office for the Western District of Missouri, Kelley was an employee of the Missouri Department of Revenue, Motor Vehicle Bureau, until January 2003.

In this position, she had access to identification of Motor Vehicle Bureau customers, which she delivered to co-conspirators during the scheme that began in January 2002. Kelley admitted that she provided conspirators with personal information from 10 to 15 individuals.

Adams participated in the conspiracy during 2005 and 2006 by using her home address to have telephone lines installed and cell phones delivered, all of which had been ordered as part of the fraud scheme.

By pleading guilty, Kelley and Adams admitted that they used stolen identity information from mid-Missourians to set up phone service so co-conspirators could communicate with inmates at state corrections facilities.

The fraud scheme resulted in more than \$80,000 in telephone charges, as well as additional losses for credit card accounts that were opened using stolen identities.

According to the plea agreements, conspirators used identity information, such as names, birthdates and Social Security numbers, from residents of Mid-Missouri to set up multiple accounts for cell phones and telephone service. Those cell phones and phone lines were then used so inmates at state corrections facilities in Central Missouri could communicate with the conspirators and others outside prison. Those cell phones and phone lines were also used by conspirators for other personal use.

Prisoners in the Missouri Department of Corrections are allowed to make calls while confined, but must have a method to pay for the calls. Often this is done by making collect calls.

Conspirators set up phone lines and purchased cell phones using the stolen identities, according to the plea agreements, so that inmates could make the collect calls. The calls from the prison would then be automatically directed and forwarded from that local number to a cell phone. Generally, the fraudulently opened telephone services would continue until the telephone company canceled the service for non-payment.

Under federal statutes, Kelley and Adams could each be subject to a sentence of up to 20 years in federal prison without parole, plus a fine up to \$250,000. Sentencing hearings will be scheduled after the completion of presentence investigations by the United States Probation Office.