

March 2022

Worldcom- complaint, consent, summary

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RECEIVED AND FILED
KENNEBEC SUPERIOR COURT

MAR 01 2007

NANCY DESJARDIN
CLERK OF COURTS

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. CV-00-140

STATE OF MAINE,)
)
 Plaintiff.)
)
 v.)
)
 MCI WORLDCOM COMMUNICATIONS,)
 INC., and WORLDCOM, INC.)
)
 Defendants)

CONSENT ORDER

WHEREAS, on or about July 20, 2000, Plaintiff, State of Maine, (“State”) filed a Complaint in this action against MCI WORLDCOM Communications, Inc. (“MCI WORLDCOM” or the “Company”) and WORLDCOM, INC. (collectively, the “Defendants”) alleging false advertising and other violations of Maine law;

WHEREAS, MCI WORLDCOM provides the telecommunications services at issue;

WHEREAS, MCI WORLDCOM is committed to lawfully providing telecommunications services within the State, and the Defendants deny the allegations in the Complaint;

WHEREAS, the Parties have consented to the entry of this Consent Decree and Order (the “Order”) for purposes of settlement only, without this Order constituting evidence against or any admission by any party, and without trial of any issue of fact or law;

NOW, THEREFORE, upon the consent of the Parties hereto **IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:**

JURISDICTION

1. The Court has jurisdiction over Plaintiff and Defendants and the subject matter of the action.

BACKGROUND

2. MCI WORLDCOM is a telecommunications carrier providing telecommunications products and services to consumers nationwide.
3. Beginning in or about August, 1999, the Attorneys General¹ reviewed MCI WORLDCOM's television advertisements for its dial 1 residential wireline long distance service plans. The State specifically reviewed these advertisements for compliance with Maine's consumer protection statute, 5 M.R.S.A. § 207 and subsequently filed the pending Complaint. The terms of this Consent Order apply to MCI WORLDCOM's long distance service, as defined in paragraph 6 below.

INJUNCTION

A. Definitions

4. A statement is "clear and conspicuous" if it is disclosed in such size, color, contrast, location, duration, and audibility that it is readily noticeable, readable, and understandable. A statement may not contradict or be inconsistent with any other information with which it is presented. If a statement modifies, explains, or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, in a manner that is readily noticeable, readable, and understandable, and it must not be obscured in any

¹ The States of Arkansas, Connecticut, District of Columbia, Georgia, Idaho, Illinois, Iowa, Kansas, Maine, Maryland, Michigan, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon,

manner. The audio disclosure shall be delivered in a volume and cadence sufficient for a consumer to hear and comprehend it. The visual disclosure shall be of a size and shade, and shall appear on the screen for duration, sufficient for a consumer to read and comprehend it. In a print advertisement or promotional material directed to consumers, the disclosure shall be in a type size and location sufficiently noticeable for a consumer to read and comprehend it, in print that contrasts with the background against which it appears.

a. There shall be a rebuttable presumption that the disclosures required by paragraph 9 of this Order are clear and conspicuous if, in addition to the foregoing, such disclosures comply with the following²:

i. in an advertisement communicated through an electronic medium (e.g., television, video, radio, and interactive media such as the Internet and online services), the disclosure shall be presented simultaneously in both the audio and visual portions of the advertisement. *Provided, however,* that in any advertisement presented through a solely visual medium or a solely audio medium, the disclosure may be made through the same means in which the ad is presented.

Pennsylvania, Tennessee, Texas, Vermont, and Wisconsin ("Participating States") participated in the investigation. States that did not file complaints are entering into Assurances of Voluntary Compliance with MCI WORLDCOM.

² If MCI WORLDCOM chooses to advertise using a television banner which travels across the television screen during a television program unrelated to the banner, and the banner contains no audio component, then subsection a. of paragraph 4 of this Order shall not apply.

- b. Disclosure pursuant to paragraph 4(a)(i) creates a rebuttable presumption that the disclosures required by paragraph 9 of this Order are clear and conspicuous, and is not a requirement under this Order.
5. "Taxes" means amounts that MCI WORLDCOM is required by law to collect directly from phone service consumers. This term does not include fees charged by MCI WORLDCOM to consumers that are based, directly or indirectly, on government imposed costs of doing business, such as the carrier access fee and the federal universal service fee.
6. "Long distance service" means intrastate residential plan voice toll service and dial one residential interstate voice toll service and does not include local exchange service or wireless service.
7. "Mandatory additional fees" means recurring charges and usage charges (including, but not limited to, any required minimum amount of toll charges, monthly service fee charges, carrier access fee and federal universal service fee) that a residential consumer must incur to use the long distance service plan, but does not include taxes.

B. Representations Concerning Rate

8. MCI WORLDCOM shall not misrepresent, in any manner, directly or by implication, the rate of its long distance service.
9. MCI WORLDCOM shall not represent in advertisements the rate of, or the rate of any portion of, any of its long distance service (including, but not limited to, per minute rate claims) unless MCI WORLDCOM discloses clearly and conspicuously the name and amount of all mandatory additional fees, except for the federal universal service fee, either itemized or in total, subject to subparagraph a. of paragraph 11.

10. MCI WORLDCOM shall disclose clearly and conspicuously the existence of the federal universal service fee.

C. Representations Concerning Limitations on Rate

11. MCI WORLDCOM shall not represent in advertisements the rate or the rate of any portion of its long distance service unless it discloses clearly and conspicuously all other material terms and conditions (excluding those set out in paragraphs 9 and 10 of this Assurance), including (if applicable), but not limited to:
- a. that in-state rates may be higher, and that additional in-state fees may apply;
 - b. where the rates apply, e.g., state-to-state or in-state;
 - c. when the rates apply, e.g., time or day restrictions;
 - d. in the case of a temporary promotion, the date the temporary promotion will expire;
 - e. the billing method a consumer is required to utilize, if different from the consumer's current billing method, in order to obtain the rate;
 - f. if only one rate component of the calling plan is represented, and the consumer must purchase the complete calling plan, the fact that other rate components of the plan may be higher;
 - g. any requirement that consumers subscribe over the Internet; and
 - h. other services that must be purchased in order to obtain the rate.
12. MCI WORLDCOM shall not misrepresent the times or days during which its stated rate is available.

D. Representations Concerning Rate Comparisons

13. MCI WORLDCOM shall not misrepresent, in any manner, directly or by implication, the basis of any rate comparison or savings claim.
14. MCI WORLDCOM shall disclose clearly and conspicuously the basis of any rate comparison or savings claim by naming the competitor's product or service to which the comparison is made.
15. MCI WORLDCOM shall not compare its rate with the rate at which another seller is offering any product or service unless both of the following are satisfied:
 - a. the other seller's product or service is currently being provided at the represented higher comparative rate; and
 - b. MCI WORLDCOM has not represented, expressly or by implication, that MCI WORLDCOM's long distance service is comparable to the other seller's product or service, unless such is the case. The mere presentation of the rate of another seller's product or service does not necessarily imply that the other seller's product or service is comparable to the advertised long distance service.
16. Where provided for by state law, MCI WORLDCOM shall not represent, directly or by implication, that its long distance service is being offered at a range of rates or at a range of percentage or fractional discounts (e.g., "Save up to 50%") unless the highest rate or lowest discount in the range is disclosed clearly and conspicuously.

17. If MCI WORLDCOM uses the representation “basic rate” or other similar term to make a rate comparison, MCI WORLDCOM shall disclose clearly and conspicuously that the basic rate is a non-discounted rate, if such is the case.

E. Telemarketing and Consumer Complaints

18. MCI WORLDCOM shall respond within a reasonable time and in good faith to all consumer complaints or requests for adjustments received by MCI WORLDCOM with respect to the matters set forth in this Order on an individual basis.
19. MCI WORLDCOM shall provide at least 25 days advance notice to its customers in Maine of any price increase or any change in terms and conditions that will result in a price increase. The notice must be in writing and must be clear and conspicuous.
20. MCI WORLDCOM shall provide Maine long distance service customers who call MCI WORLDCOM customer service with the option of speaking to a live customer service representative by pressing a directed number during the first level of prompts from an automated response menu; such customer service representative will be trained to be reasonably knowledgeable so they can either answer consumer inquiries or obtain the answer for the consumer and will have sufficient authority to remove charges and issue credits as appropriate. MCI WORLDCOM shall have ninety (90) days after the entry of this Order to implement the requirements of this paragraph.
21. MCI WORLDCOM shall also designate a point of contact with the Company to handle inquiries from the State.
22. For a period of two years from the date of this Order, MCI WORLDCOM shall:

- a) Maintain an Executive Review Panel to assess the efficacy of MCI WORLDCOM's sales quality controls during quarterly review sessions. As warranted, the Panel will review initiatives to ensure the integrity and quality of MCI WORLDCOM's telemarketing practices;
- b) Maintain a Telemarketing Code of Conduct ("Code") establishing a strict quality standard governing all MCI WORLDCOM telemarketing personnel. The Code will be reviewed and signed by all MCI WORLDCOM sales representatives. Additionally, all MCI WORLDCOM telemarketing personnel will reaffirm annually, in writing, that they have recently reviewed and fully understand the Code. The Code mandates, among other things, immediate termination of any MCI WORLDCOM sales representative who intentionally deceives a customer. Moreover, under the Code, if a MCI WORLDCOM sales representative is terminated for any telemarketing-related misconduct, he or she is not eligible for rehire; and
- c) Maintain performance incentives designed to foster consumer protection by rewarding sales representatives based on the quality of their sales and using financial disincentives for representatives and managers to discourage inappropriate sales conduct.

F. General Provisions

- 23. MCI WORLDCOM shall, within 14 calendar days of receiving notice of the switch of a subscriber's service to MCI WORLDCOM, mail written confirmation that describes the

long distance service being switched, the rates and fees for this service, and the existence and amount of any mandatory additional fees for this service.

24. MCI WORLDCOM shall devise and adopt formal scripts for use in outbound telemarketing for MCI WORLDCOM long distance service that includes, at a minimum, an opening identifying the Company and the representative calling, a product description, providing all plan rates and plan fees, including minimum or monthly fees, as well as (as applicable) in-state rates, the existence of any mandatory additional fees or charges for which the subscriber will be billed. MCI WORLDCOM shall make applicable plan rates and fees for the long distance service readily available to telemarketing representatives. MCI WORLDCOM shall use its best efforts (including monitoring a random sample of the telemarketers to insure compliance with the script and taking appropriate disciplinary action, as necessary, if this mandatory policy is not followed) to insure that the plan rates and plan fees for the long distance service are being disclosed.
25. MCI WORLDCOM has agreed to pay a total of Five Hundred Thousand Dollars (\$500,000.00) to the Attorneys General of the participating states, including Maine, no later than fifteen (15) days after the effective date of this Order. Pursuant to 5 M.R.S.A. § 203-A, amounts paid to the State of Maine shall be used for enforcement of the Maine Unfair Trade Practices Act, 5 M.R.S.A. §§ 207 and 209.
26. This Order shall be effective upon entry. The Clerk is directed to incorporate this Order in the docket by reference pursuant to M.R. Civ. P. 79(a).
27. Nothing contained in this Order shall be construed to deprive any consumer or other person or entity of any private right under the law.

28. This Order (i) constitutes a complete settlement and release by the State of all claims and causes of action which were asserted by it in the Complaint or which could have been asserted by it against Defendants or any of their affiliates, predecessors, directors, officers, subsidiaries, employees, agents, successors, or assigns up to the date as of which this Order is filed; and (ii) resolves completely and finally the inquiry of the State into the subject matter of the Complaint. The State will not make a further claim against Defendants or any of their affiliates, predecessors, directors, officers, subsidiaries, employees, agents, successors, or assigns relating to the claims and causes of action asserted or which could have been asserted in the Complaint which occurred prior to the filing of this Order.

29. This Order contains the entire agreement among the parties. Except as otherwise provided herein, this Order shall be modified only by a written instrument signed by or on behalf of the State and MCI WORLDCOM. To seek a modification of this Order, MCI WORLDCOM shall send a written request for modification to the State of Maine. If MCI WORLDCOM's request is made to any state in addition to Maine, MCI WORLDCOM also shall send a copy of the request to the Attorney General of the State of Illinois. The Attorney General of the State of Maine shall coordinate its response to MCI WORLDCOM's request with the State of Illinois. Plaintiff shall respond within 30 days of receiving such request as follows:

- a) If the State or any of its agencies charged with the administration of the State's consumer protection statutes, subsequently enacts or promulgates any legislation, rule, or regulation with respect to the subject matter of this Order or if the

applicable law of Maine shall otherwise change so as to be inconsistent with any provision of this Order, the State shall agree to modify such provision to the extent necessary to eliminate such inconsistency.

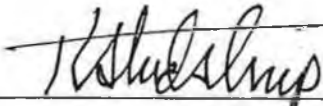
- b) If MCI WORLDCOM requests modification of this Order for any reason other than as set forth in subparagraph (a) above, Maine shall give such petition reasonable consideration.
- c) At the conclusion of the 30-day period reference above, MCI WORLDCOM reserves all rights to pursue any legal or equitable remedies that may be available to it.

G. Continuing Jurisdiction

- 30. Within thirty (30) days of a written request by the Attorneys General, MCI WORLDCOM shall provide to the Attorneys General records and documents as the Attorneys General shall from time to time determine are necessary to ensure compliance with this Order.
- 31. Jurisdiction is retained by this Court for the purpose of enabling any party to this Consent Decree and Order to apply to this Court at any time for such further orders as may be necessary for the construction, modification, or enforcement of any provision of this injunction, and for the imposition of punishment pursuant to 5 M.R.S.A. § 209, including civil penalties, for future violations of the provisions of this Consent Decree and Order.
- 32. Prior to bringing action to enforce this Order, the Attorney General shall provide at least 15 days written notice to MCI WORLDCOM.

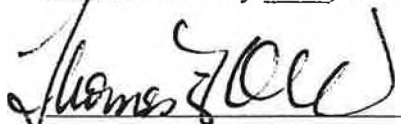
IT IS HEREBY ORDERED ADJUDGED AND DECREED

Dated: 3/7/02

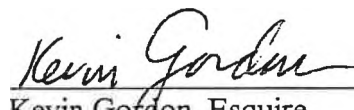

Justice of the Superior Court

WE CONSENT:

Dated: February 28, 2002



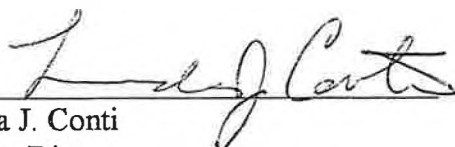
Thomas F. O'Neil, III
Senior Vice President
Chief Legal Counsel
William P. Donovan, Jr.
Senior Counsel



Kevin Gordon, Esquire
Pierce Atwood
One Monument Square
Portland, Maine 04101-4033
Bar Registration No. 3011

Attorneys for MCI WORLDCOM Communications, Inc. and WORLDCOM, INC.

Dated: March 1, 2002



Linda J. Conti
Carlos Diaz
Assistant Attorneys General
Office of the Attorney General
State House Station 6
Augusta, Maine 04333-0006

Attorneys for the State of Maine

COMPLAINT SUMMARY SHEET

Date Filed

This summary sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by the Maine Rules of Court or by law. This form is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet and attaching the appropriate party to the appropriate count or counts.
(SEE INSTRUCTIONS ON REVERSE)

(Note to Clerk: If this is not your court, do not enter this case)

I. County of Filing / Jurisdiction: Kennebec County

II. CAUSE OF ACTION (Cite the primary civil statutes under which you are filing, if any.) Pro se plaintiffs: If unsure, leave blank.
Unfair Trade Practices Act, 5 M.R.S.A. § 207

III. MOST DEFINITIVE NATURE OF ACTION. (Place an X in one box only) Pro se plaintiffs: If unsure, leave blank.

GENERAL CIVIL (CV)

Personal Injury Tort

- Property Negligence
- Auto Negligence
- Medical Malpractice
- Product Liability
- Assault/Battery
- Prelitigation Screening
- Domestic Torts
- Other Negligence
- Other Personal Injury Tort

Non-Personal Injury Tort

- Libel/Defamation
- Auto Negligence
- Other Negligence

Other Non-Personal Injury Tort

- Contract
- Contract
- Declaratory/Equitable Relief
- General Injunctive Relief
- Declaratory Judgment
- Constitutional/Civil Rights
- Constitutional/Civil Rights
- Statutory Actions
- Unfair Trade Practices
- Freedom of Access
- Miscellaneous Civil
- Drug Forfeitures
- Other Forfeitures/Property Libels

- Land Use Enforcement (80K)
- HIV Testing
- Arbitration Awards
- Appointment of Receiver
- Shareholders' Derivative Actions
- Foreign Deposition
- Pre-action Discovery
- Common Law Habeas Corpus
- Prisoner Transfers
- Foreign Judgments
- Minor Settlements
- Other Civil

FAMILY MATTERS (FM)

Domestic Relations

- Divorce
- Judicial Separation
- Register Foreign Judgment
- Support
- Parental Rights/Responsibilities
- Non DHS Term. Parental Rights
- Grandparents Rights
- Other Marriage Dissolution
- Other Domestic Relations

Paternity

- Paternity
- DHS Administrative Paternity
- Mental Health Actions
- Emergency Commitment
- Involuntary Hospitalization
- Judicial Certification
- Petition for Modified Release
- Petition for Release
- Sterilization

URESAs/UIFSA

- URESA/UIFSA
- Register Foreign Judgment
- Child Protective Custody
- DHS Protective Custody
- Non-DHS Protective Custody
- Miscellaneous Family Matters
- Other Family Matters

SPECIAL ACTIONS (SA)

Money Judgments

- Money Judgments
- Forcible Entry & Detainer
- Forcible Entry & Detainer

Emancipation

- Emancipation
- Protection Actions
- Protection From Abuse
- Protection From Harassment

Misc. Special Actions

- Marriage Waiver
- Consent to Abortion
- Other Special Actions

REAL ESTATE (RE)

Title Actions

- Quiet Title
- Eminent Domain
- Easements
- Boundaries

Foreclosure

- Foreclosure
- Trespass
- Trespass

Misc. Real Estate

- Equitable Remedies
- Mechanics Liens
- Partition
- Adverse Possession

- Prescriptive Easements
- Nuisance
- Abandoned Roads
- Other Real Estate

SMALL CLAIMS (SC)

- Original Action
- Disclosures

APPEALS (AP) (To be filed in Superior Court)

- Governmental Body (80C)
- Administrative Agency (80B)
- Other Appeals

STATE OF MAINE

SUPERIOR COURT
Kennebec, ss.
Docket No. CV-00-

DISTRICT COURT
Location
Docket No.

State of Maine Plaintiff

v.

SUMMONS

Worldcom, Inc. f/k/a MCI Worldcom Defendant
Thomas O'Neil, III, Esq.
1133 19th Street, N.W. Address
Washington, DC 20036

The Plaintiff has begun a lawsuit against you in the (District) (Superior) Court, which holds sessions at (street address) 95 State Street, in the Town/City of Augusta, County of Kennebec, Maine. If you wish to oppose this lawsuit, you or your attorney **MUST PREPARE AND SERVE A WRITTEN ANSWER** to the attached Complaint **WITHIN 20 DAYS** from the day this Summons was served upon you. You or your attorney must serve your Answer, by delivering a copy of it in person or by mail to the Plaintiff's attorney, or the Plaintiff, whose name and address appear below. You or your attorney must also file the original of your Answer with the court by mailing it to the following address: Clerk of (District) (Superior) Court, 95 State Street, Augusta, Maine 04330
(Mailing Address) (Town, City) (Zip)

before, or within a reasonable time after, it is served.

IMPORTANT WARNING

IF YOU FAIL TO SERVE AN ANSWER WITHIN THE TIME STATED ABOVE, OR IF, AFTER YOU ANSWER, YOU FAIL TO APPEAR AT ANY TIME THE COURT NOTIFIES YOU TO DO SO, A JUDGMENT BY DEFAULT MAY BE ENTERED AGAINST YOU IN YOUR ABSENCE FOR THE MONEY DAMAGES OR OTHER RELIEF DEMANDED IN THE COMPLAINT. IF THIS OCCURS, YOUR EMPLOYER MAY BE ORDERED TO PAY PART OF YOUR WAGES TO THE PLAINTIFF OR YOUR PERSONAL PROPERTY, INCLUDING BANK ACCOUNTS AND YOUR REAL ESTATE MAY BE TAKEN TO SATISFY THE JUDGMENT. IF YOU INTEND TO OPPOSE THIS LAWSUIT, DO NOT FAIL TO ANSWER WITHIN THE REQUIRED TIME.

If you believe the plaintiff is not entitled to all or part of the claim set forth in the Complaint or if you believe you have a claim of your own against the Plaintiff, you should talk to a lawyer. If you feel you cannot afford to pay a fee to a lawyer, you may ask the clerk of court for information as to places where you may seek legal assistance.

(Seal of Court)

Date: July 20, 2000

Nancy A. Dugardin
Clerk

Linda J. Conti, A A G.
(Attorney for) Plaintiff
State House Station 6 Address
Augusta, Maine 04333-0006
(207) 626-8800 Telephone

STATE OF MAINE

SUPERIOR COURT

DISTRICT COURT

JAMES BEC, ss.
Docket No. _____

Location _____
Docket No. _____

STATE OF MAINE Plaintiff

v.

SUMMONS

MCI WORLDCOM COMMUNICATIONS, INC Defendant

9 Lockerman Street Address
Dover, Delaware 19901

The Plaintiff has begun a lawsuit against you in the ~~(District)~~ (Superior) Court, which holds sessions at (street address) 95 State Street, in the Town/City of Augusta, County of Kennebec, Maine. If you wish to oppose this lawsuit, you or your attorney **MUST PREPARE AND SERVE A WRITTEN ANSWER** to the attached Complaint **WITHIN 20 DAYS** from the day this Summons was served upon you. You or your attorney must serve your Answer, by delivering a copy of it in person or by mail to the Plaintiff's attorney, or the Plaintiff, whose name and address appear below. You or your attorney must also file the original of your Answer with the court by mailing it to the following address: Clerk of (~~District~~) (Superior) Court, 95 State Street, Augusta, Maine 04330
(Mailing Address) (Town, City) (Zip)

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If you believe the plaintiff is not entitled to all or part of the claim set forth in the Complaint or if you believe you have a claim of your own against the Plaintiff, you should talk to a lawyer. If you feel you cannot afford to pay a fee to a lawyer, you may ask the clerk of court for information as to places where you may seek legal assistance.

(Seal of Court)

Date: March 16, 2001

Nancy A. Desjardins
Clerk

Linda J. Conti, A.A.G.
(Attorney for) Plaintiff
State House Station 6 Address
Augusta, Maine 04333-0006
(207) 626-8800 Telephone

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. CV-00-140

STATE OF MAINE,)
ATTORNEY GENERAL,)
)
Plaintiff,)
)
v.)
)
WORLDCOM, INC. and)
MCI WORLDCOM COMMUNICATIONS, INC.,)
)
Defendants.)

AMENDED
COMPLAINT

INTRODUCTION

This action is brought by the Plaintiff State of Maine, by and through its Attorney General, against the Defendants seeking injunctive relief and civil penalties in connection with Defendants’ unfair and deceptive advertising, solicitation, and telemarketing practices and other unfair and deceptive trade practices.

PARTIES

1. Plaintiff, State of Maine is a sovereign state and brings this action by and through its Attorney General G. Steven Rowe who is authorized, and has the duty pursuant to 5 M.R.S.A. § 209 and the powers vested in him by common law to investigate and prosecute violations of the Unfair Trade Practices Act on behalf of the people of the State of Maine.

2. Defendant, WorldCom, Inc. (formerly MCI Worldcom) is, upon information and belief, a Georgia corporation which does business under its own name as well as under the names of various affiliates and subsidiaries. Defendant MCI WorldCom Communications, Inc. is a Delaware corporation and a subsidiary of WorldCom, Inc. The Defendants solicit potential

customers in Maine through the use of direct mail, television, radio, internet and print advertising as well as telemarketing. These two Defendants are referred to in this Complaint collectively as ("MCI").

JURISDICTION

3. This Court has subject matter jurisdiction pursuant to 4 M.R.S.A. § 105 and 5 M.R.S.A. § 209.

4. MCI has previously been given a reasonable opportunity to address concerns with its business practices and has declined to do so.

5. MCI has and is transacting business within the State of Maine and is subject to personal jurisdiction in this State.

MCI'S DECEPTIVE AND MISLEADING ADVERTISING

6. MCI transacts business in Maine as a provider of long distance and other telecommunications services.

7. MCI's long distance services may be utilized by Maine consumers through a number of different methods. For instance:

a. A consumer may choose MCI as the consumer's preferred long distance carrier and subscribe to one of MCI's long distance calling plans. Under this method, the consumer chooses to have MCI provide long distance service from a particular phone number and makes use of MCI's long distance service when he or she dials one (1) plus a long distance phone number from that telephone. MCI provides various pricing plans for consumers who choose to use its long distance service in this fashion.

b. A consumer may also use MCI's "dial-around" services to make long distance calls, even if the consumer has chosen another preferred long distance carrier, by dialing an MCI access code (a "10-10-XXX" or "dial-around" number) to access MCI's service. Dialing the MCI dial-around code (e.g., 10-10-321) enables the consumer to bypass the selected preferred long distance carrier of the telephone being used. When a consumer dials MCI's dial-around code before dialing the area code and number to be reached, the consumer is connected to MCI's service and billed at MCI's dial-around rates for the calls made.

c. A consumer may call MCI's information services (e.g., 10-10-9000) in order to obtain a phone number the consumer wants to call and be connected by the MCI information operator to MCI's long distance service to place the call.

8. A consumer who wants to use MCI as his or her preferred long distance carrier, but does not currently use MCI, can switch from his or her current preferred carrier to MCI. To accomplish a long distance carrier switch (called a primary interexchange carrier change or a ("PIC change"), the consumer's local exchange carrier (LEC), such as Bell Atlantic or GTE, is instructed by the new long distance carrier -- MCI -- to make the change. Thereafter, the consumer is no longer served by his or her previous long distance carrier and the consumer's telephone bill from the consumer's LEC will, from the date of the PIC change, reflect the consumer's long distance service by the new carrier -- MCI -- at MCI's prices.

9. MCI offers its telecommunications products and services to consumers in Maine by advertising its products on television and through other types of media and through the use of telemarketing. MCI has solicited prospective Maine customers for its long distance calling plans, dial-around long distance services, and other telecommunications services by, *inter alia*, the

following methods: (a) running television advertisements in Maine; (b) mailing print advertisements and solicitations directly to Maine consumers; (c) running print advertisements in publications with national distributions; (d) advertising and hosting a web site on the Internet; and (e) making unsolicited telemarketing calls to Maine consumers and encouraging Maine consumers to contact telemarketers through advertised 1-800 numbers. MCI represents that by subscribing to one of MCI's services consumers can utilize MCI's services at specified rates and prices.

COUNT ONE -- DECEPTIVE ADVERTISING AND TELEMARKETING

10. Beginning at a date unknown and continuing to the present, MCI has made untrue and misleading statements in its advertising and solicitations regarding its services.

11. MCI's advertisements are deceptive and misleading in a number of ways. Several themes are common to these practices. MCI's advertisements claim low per-minute rates, but fail to clearly and conspicuously disclose, and sometimes fail to disclose at all, substantial monthly charges that apply. In addition, MCI fails to adequately disclose other material restrictions, such as location restrictions and time of day restrictions, that apply to its advertised services. As a result of these deceptive and misleading advertisements, Maine consumers incur charges substantially in excess of the advertised rate.

12. The following paragraphs set forth examples of the deceptive advertisements used to induce consumers to utilize MCI's services. The examples discussed below are not intended to be all-inclusive. Other MCI advertisements and solicitations regarding these and other services have been deceptive in similar ways.

MCI'S FIVE CENTS EVERYDAY CALLING PLAN

13. MCI's advertisements and solicitations regarding its "Five Cents Everyday" calling plan emphasize a purported five (5) cents per minute rate.

14. However, MCI also imposes additional charges on its "Five Cents Everyday" calling plan customers which result in consumers paying more than five (5) cents per minute for long distance calls they make using the calling plan. MCI does not adequately disclose these additional charges, if it discloses them at all. Among these additional charges are the following:

a. MCI charges a monthly "Carrier Access Charge" that can be as much as \$1.46.

b. MCI charges a "Federal Universal Service Fee" that can be as much as 7.2% of the total cost of the customer's interstate and international long distance calls for the month;

c. MCI charges another monthly fee that can be as much as \$4.95;

d. MCI charges a five-dollar (\$5.00) monthly minimum under the plan which is imposed regardless of whether a subscriber makes any long distance calls under the plan.

15. Neither the "Carrier Access Charge" nor the "Federal Universal Service Fee" is a tax or surcharge that the government requires MCI to collect from consumers. Instead, MCI imposes these charges solely at its own discretion.

16. MCI also imposes additional restrictions on its "Five Cents Everyday" calling plan customers. Among these additional restrictions are the following:

a. Customers cannot obtain the five (5) cents a minute rate for intrastate long distance calls, i.e., long distance calls made within Maine.

b. Customers can only obtain the five (5) cents a minute rate during certain times of the day. Specifically, the five (5) cents a minute rate only applies on weekends and on weekday nights from seven o'clock (7:00) p.m. to six fifty-nine o'clock (6:59) a.m. The weekday rate MCI charges during the day, from six fifty-nine o'clock (6:59) a.m. to seven o'clock (7:00) p.m., is substantially in excess of five cents per minute.

17. All of the additional charges and other restrictions set forth above significantly impact the price consumers pay for service under MCI's calling plan and are material terms and conditions when MCI's offers its plan to prospective customers. These additional charges are frequently substantially larger charges to the consumer than the total of all per minute charges.

18. MCI does not clearly and conspicuously disclose these additional charges and restrictions in its advertisements and solicitations. In some instances, MCI does not disclose the restrictions **at all** in its advertisements and solicitations. Examples of MCI advertisements containing inadequate disclosures regarding these charges and restrictions include MCI's "Billboard of the Millennium" and "Jordan Calls Bugs" television advertisements, attached to the Complaint as Exhibits A and B respectively and are described in the following paragraphs. Many other MCI advertisements for the "Five Cents Everyday" plan, and for its other calling plans, also have contained similar inadequate disclosures.

19. First, MCI does not disclose in its advertisements and solicitations the MCI "Carrier Access Charge." For instance, this charge is not disclosed at all in MCI's "Billboard of the Millennium" advertisement (Exhibit A) or "Jordan Calls Bugs" advertisement (Exhibit B).

20. Second, MCI does not disclose in its advertisements and solicitations the MCI "Federal Universal Service Charge." For instance, as with the "Carrier Access Charge," this

charge is not disclosed at all in MCI's "Billboard of the Millennium" advertisement (Exhibit A) or "Jordan Calls Bugs" advertisement (Exhibit B).

21. Third, MCI does not clearly and conspicuously disclose in its advertisements and solicitations its other "monthly fee." For instance, in the "Billboard of the Millennium" advertisement (Exhibit A), a \$1.95 monthly fee is flashed across the bottom of the television screen, for a brief period of time, in fine print against a varied and light background with considerable movement and/or distraction. Likewise, in the "Jordan Calls Bugs" advertisement (Exhibit B), a \$4.95 monthly fee is not disclosed clearly and conspicuously but instead is flashed across the bottom of the television screen, for a brief period of time, in fine print while Michael Jordan is speaking and a cartoon character, is moving about on a basketball court accompanied by distracting special effects.

22. Fourth, MCI does not clearly and conspicuously disclose in its advertisements and solicitations its \$5.00 monthly minimum charge. For instance, in MCI's "Billboard of the Millennium" advertisement (Exhibit A), a phrase reading "\$5 monthly minimum" is flashed across the bottom of the television screen, for a brief period of time, in fine print against a varied and light background with considerable movement and/or distraction.

23. Fifth, MCI does not clearly and conspicuously disclose in its advertisements and solicitations that the advertised rates under the plan do not apply to intrastate long distance calls. For instance, in MCI's "Billboard of the Millennium" advertisement (Exhibit A) and "Jordan Calls Bugs" advertisement (Exhibit B), a phrase reading "For Interstate Calls from Home" is flashed across the bottom of the television screen, for a brief period of time, in fine print against a varied and light background with considerable movement and/or distraction.

24. Sixth, MCI does not clearly and conspicuously disclose in its advertisements and solicitations that the five (5) cents a minute rate only applies on weekends and weekday nights. Nonetheless, MCI touts and emphasizes that the five (5) cents per minute rate is available “everyday” even though the five (5) cents per minute rate is not available during the day Monday through Friday but instead is only available at night on those days. For instance, in MCI's “Billboard of the Millennium” advertisement (Exhibit A) advertisement (Exhibit B), a phrase reading “7PM-7AM” is flashed across the bottom of the television screen, for a brief period of time, in fine print. Moreover, at the same time this information is flashed across the bottom of the screen, Michael Jordan is speaking to the audience and a cartoon character is moving about the screen, distracting the consumer's attention away from the fine print. Throughout the advertisement, a large, neon-lit sign emphasizes “five cents everyday.” Likewise, in the “Jordan Calls Bugs” advertisement (Exhibit B), a phrase reading “7PM-7AM” is flashed across the bottom of the television screen, for a brief period of time, in fine print. Nonetheless, the advertisement emphasizes on numerous occasions “five cents everyday” and the spokesperson states that “thanks to five cents everyday” other persons can be called at “anytime.”

25. MCI's bold and dramatic emphasis on its five (5) cents per-minute rate and its intentional effort to withhold from potential customers the additional costs and restrictions of its plan is unfair and deceptive, has the tendency and capacity to mislead consumers, and does in fact mislead consumers.

26. Each consumer pays substantially more than what MCI represented its services would cost. In addition, by failing to adequately disclose these restrictions in its advertisements and solicitations, MCI has prevented consumers from making fully informed choices regarding

their choice of long distance carrier and their choice of long distance calling plan. Consumers have been induced to switch their long distance carrier to MCI and/or to subscribe to an MCI calling plan based on misrepresentations and inadequate representations made by MCI. In short, consumers have been assigned and billed under MCI calling plans that were substantially different plans than those that were advertised to them and, as a result, incurred charges substantially in excess of the advertised rates.

MCI'S 10-10-9000 DIRECTORY ASSISTANCE

27. MCI offers a nationwide directory assistance service whereby consumers may call 10-10-9000 to be connected to an MCI operator in order to obtain telephone listings.

28. MCI's advertisements for its 10-10-9000 service emphasize that for 99 cents consumers obtain two listings or two numbers per call.

29. In addition, MCI's 10-10-9000 advertisements emphasize that once the MCI operator has found the requested number, the operator will connect the caller to the requested number "with no connection charge." An example of a 10-10-9000 television advertisement containing such a statement, "Cooking," is attached as Exhibit C.

30. In practice, MCI's 10-10-9000 service works as follows. Consumers are charged 99 cents for up to two **requests** for listings made to the 10-10-9000 operator. In other words, a consumer gets charged 99 cents even when a consumer requests listings for two persons and the 10-10-9000 operator cannot find listings for either of those persons. If a consumer makes three requests, the consumer is charged \$1.98 by MCI.

31. In addition, MCI directory assistance operators solicit callers to connect directly to the number requested, purportedly at no additional charge. If the caller is a pre-subscribed MCI

customer, MCI applies the rates of the customer's MCI calling plan to the connected call. However, if the caller is not a pre-subscribed MCI customer, MCI does not use the caller's own carrier or apply a similar MCI rate. Instead, MCI applies a "casual billing" rate -- a non-discounted per minute rate which can be as much as twenty-five (25) to twenty-eight (28) cents per minute -- to the connected call. MCI also applies its 7.2% "Federal Universal Service Fee" to connected calls regardless of whether the caller is a pre-subscribed MCI customer or not. As a result, many consumers pay a substantially greater charge than they would have paid had they placed the call themselves.

32. The terms set forth above in the preceding two paragraphs significantly impact the price consumers pay for MCI's 10-10-9000 service and are material terms and conditions when MCI's offers its service to prospective customers.

33. As set forth in greater detail below, MCI does not clearly and conspicuously disclose these terms and conditions in its advertisements and solicitations. Moreover, statements contained in MCI's advertisements mislead the consumer as to the true nature of MCI's 10-10-9000 service. "Cooking" (Exhibit C hereto), an example of an MCI advertisement containing inadequate disclosures and misleading statements, is discussed in the following paragraphs, along with some examples of MCI print advertisements. Many other MCI advertisements for its 10-10-9000 service also contain similar inadequate disclosures and misleading statements.

34. MCI's 10-10-9000 advertisements do not clearly and conspicuously disclose that consumers are charged based on the amount of requests they make to the MCI operator. Instead, by representing that the consumer is charged based on the amount of phone numbers they receive from the MCI operator (instead of the amount of requests made) the advertisements deceive

consumers. For example, in Exhibit D, the MCI print advertisement states that 10-10-9000 costs “99 cents for two numbers.” This deception is compounded by MCI’s failure to inform consumers in its advertisements that its database is incomplete and does not contain listings for all persons. In fact, MCI’s 10-10-9000 advertisements, such as Exhibit E, give the opposite impression by representing that consumers can use 10-10-9000 to “get any phone listing in America.”

35. Furthermore, MCI’s 10-10-9000 advertisements do not clearly and conspicuously disclose the cost of the connected calls. For example, in its “Cooking” television advertisement (Exhibit C), MCI merely states, in fine print that flashes across the screen for a brief period of time, that “[l]ow per minute toll rates apply for connected calls.”

a. First, this advertisement deceives consumers by emphasizing that there is “no connection charge” and then stating only in fine print that toll rates apply to connected calls.

b. Second, the advertisement does not clearly and conspicuously disclose that MCI applies its own long distance rates to the connected call as opposed to the rates of the consumer’s pre-subscribed long distance carrier if such carrier is not MCI. Absent such a disclosure, many consumers might reasonably assume that the rates of their own long distance carrier would apply to the connected call.

c. Third, the advertisement does not disclose what rates, or range of rates, apply to the connected call. Instead, MCI merely represents, in fine print, that “low” rates apply. Notwithstanding the fact that this disclosure is not clear and conspicuous, this representation is also affirmatively deceiving because the “casual billing” rates that MCI applies to such calls are

among MCI's highest rates. Moreover, these rates are significantly higher than competitive rates under a long distance calling plan.

d. Fourth, the advertisement does not disclose, at all, that additional charges such as the "Federal Universal Service Fee" apply to the price of the connected call.

36. MCI's intentional effort to mislead consumers regarding the nature of its 10-10-9000 service and to withhold from potential customers the costs of connected calls under such service is unfair and deceptive, and has the tendency and capacity to mislead consumers.

37. Consumers cannot necessarily obtain two phone listings or numbers for 99 cents, as MCI represents. As set forth above, a consumer who makes three requests and obtains two numbers is charged \$1.98, not \$.99. Consumers are also deceived in numerous ways, as set forth above, as to the price of connected calls. By failing to adequately disclose these terms in its advertisements and solicitations, MCI has prevented consumers from making fully informed choices regarding their use of directory assistance services. Consumers have been induced to use MCI's 10-10-9000 directory assistance service based on misrepresentations and inadequate representations made by MCI.

MCI'S 10-10-321 DIAL-AROUND SERVICE

38. MCI offers a dial-around service whereby callers may dial 10-10-321 to access MCI to make long distance calls regardless of whether the caller is a pre-subscribed MCI customer or not. MCI's advertisements regarding its 10-10-321 service are deceptive and misleading.

39. For example, MCI's advertisements for its 10-10-321 service claim that when consumers use 10-10-321 they can save over AT&T on every call in the United States.

Examples of such MCI television advertisements, "Husband and Wife," and "Brotherly Love," are attached to the Complaint as Exhibits F and G respectively. An example of an MCI print advertisement making this claim, and claims of savings of "up to 50%," is attached as Exhibit H. However, MCI's claims are misleading because the AT&T rates to which MCI is making the comparison are AT&T's "casual billing" rates -- non-discounted rates that are much higher than rates under an AT&T long distance calling plan. MCI does not compare its 10-10-321 rates with AT&T's comparable "Lucky Dog" dial-around service (or even an AT&T long distance calling plan), but instead compares its 10-10-321 rates with AT&T rates that are more comparable to MCI's "casual billing" rates. MCI's advertisements do not clearly and conspicuously disclose the basis of this comparison. Instead, the fine print in MCI's advertisements merely states "vs. AT&T basic rates." MCI does not disclose what is meant by "basic rates" and consumers might reasonably assume that such term refers to an AT&T calling plan, especially when MCI represents that consumers can "save over AT&T on every call." Other MCI advertisements simply represent that 10-10-321 costs \$2.80 while AT&T costs \$5.60 with no disclosure at all regarding the basis for the rate comparison (Exhibit I).

40. In addition, MCI advertisements represent that, with respect to per cents a minute rate under 10-10-321, there are: "No restrictions -- all day, every day, any time." An example of a print advertisement containing such a representation is attached as Exhibit J. Other MCI 10-10-321 advertisements emphasize "No If's, And's Or Fine Print." (Exhibit K). In fact, MCI imposes a location restriction on its prices. Consumers who use MCI's 10-10-321 service pay sixteen (16) cents a minute for interstate long distance calls (i.e., calls between states) that are ten (10) minutes or less in length. Consumers pay eight (8) cents a minute for interstate long

distance calls that are over ten (10) minutes. However, for intrastate long distance calls (i.e., calls within the state) made in Maine using 10-10-321, MCI charges significantly higher rates of up to twenty-three (23) cents a minute. This restriction significantly impacts the price consumers pay and is a material term and condition when MCI offers its 10-10-321 service to prospective customers. Nonetheless, MCI's 10-10-321 advertisements fail to clearly and conspicuously disclose that the eight (8) cents a minute rate does not apply to intrastate calls. In fact, by claiming that there are "no restrictions" and that the eight (8) cents a minute rate applies "at any time," the advertisements are simply untrue and deceive consumers as to the price that they will pay for intrastate long distance calls.

41. MCI's intentional effort to withhold from potential customers the basis for its price comparison and savings claim and to withhold from potential customers restrictions applicable to its 10-10-321 rates is unfair and deceptive, has the tendency and capacity to mislead consumers.

42. MCI's failure to make appropriate disclosures regarding the basis for its price comparison deceives consumers as to the nature of the purported savings that MCI touts. Consumers receive savings which are illusory or, at the very least, far less than what MCI represents and implies. In addition, by failing to make adequate disclosures regarding location restrictions consumers pay substantially more for intrastate calls than what MCI represented such calls would cost.

43. MCI has repeatedly run print advertisements and aired television advertisements in violation of the Unfair Trade Practices Act. Each time one of those advertisements described

in paragraphs 13 through 42 was printed or aired constitutes a separate violation for purposes of awarding civil penalties pursuant to 5 M.R.S.A. § 209.

DECEPTION BY MCI TELEMARETERS

44. MCI has made unsolicited telemarketing calls to Maine consumers in order to solicit its services. MCI, through its telemarketing agents, has made numerous untrue and/or misleading statements regarding many of MCI's services. MCI's telemarketing practices have deceived and misled consumers in that such practices have falsely represented MCI's calling plan rates, including but not limited to, the rates for the consumer's long distance service, the rates for the consumer's international calls, and the rates for calls made by the consumer using an MCI calling card. In addition, MCI, through its telemarketing agents, has failed to disclose material terms and conditions of MCI calling plans including but not limited to, monthly recurring charges, monthly minimum charges, location restrictions, and time of day restrictions.

45. For example, among the deceptive statements made by MCI telemarketers are the following:

a. MCI promised certain per minute rates on international calls using MCI's calling card for all calls from Europe to the United States when, in fact, the promised per minute rate only applied to calling card calls made to the MCI customer's home telephone

number;

b. MCI misrepresented the nature of its frequent flier promotion by, *inter alia*, falsely representing that consumers would get 10,000 frequent flier miles up front when they signed up with MCI's service, when in fact, such was not the case. Moreover, MCI failed to

provide consumers with the promised frequent flier miles after the consumer has signed up for the service offered in conjunction with the frequent flier mile offer;

c. MCI misrepresented the nature of its rebate offer by promising MCI customers who stayed with MCI for one year a 20% rebate of the amount they spent in one year, when, in fact, not all customers received the rebate as promised.

46. The untrue and misleading statements made by MCI's telemarketers are unfair and deceptive, have the tendency and capacity to mislead consumers, and do in fact mislead consumers.

47. Consumers pay substantially more than what MCI represented its services would cost. In addition, by misrepresenting and failing to adequately disclose other restrictions in its solicitations, MCI has prevented consumers from making fully informed choices regarding their choice of long distance carrier and their choice of long distance calling plan. Consumers have been induced to switch their long distance carrier to MCI and/or to subscribe to an MCI calling plan based on misrepresentations and inadequate representations made by MCI. In short, consumers have been assigned and billed under MCI calling plans that were substantially different plans than those that were marketed to them and, as a result, incurred charges substantially in excess of the represented rates.

48. MCI has received complaints from Maine consumers regarding the inadequate disclosures and misrepresentations discussed above. Notwithstanding MCI's notice of the disputes and consumer complaints in Maine involving the activities set forth above, MCI's unfair and deceptive practices persist.

COUNT TWO -- OTHER UNFAIR AND DECEPTIVE PRACTICES

49. When consumers complain to MCI regarding some of MCI's deceptive practices set forth above, MCI has engaged in a variety of additional unfair and deceptive practices in its dealings with such consumers. Some of these practices are described below.

50. Consumers have contacted MCI and have asked MCI to disconnect their service due to their dissatisfaction with MCI over rate representations and other matters. MCI has initially agreed to disconnect service and then, later, failed to honor its agreements.

51. In addition, MCI has continued to bill consumers for its "Carrier Access Charge," "Federal Universal Service Fee," and other MCI charges even though the consumer was no longer an MCI customer. In some instances, consumers had canceled service with MCI and had not used MCI's services for months and yet MCI continued to bill the consumer for MCI charges.

52. MCI offers a "satisfaction guarantee" when it offers services such as its "Five Cents Everyday" plan. Yet, consumers who contact MCI in order to inform MCI of their dissatisfaction regarding MCI rate representations, or other matters with which they are dissatisfied, have been subjected to mistreatment and harassment by MCI. Consumers who contact MCI by telephone with questions and disputes have been unable to reach a person to speak with about their complaint. On some occasions MCI representatives have promised credits to consumers credits and other items such as frequent flyer miles but failed to provide the promised items.

53. The above-alleged acts, representations and practices constitute unfair, deceptive, and misleading practices in violation of 5 M.R.S.A. § 207 and are intentional.

**FIRST CLAIM FOR RELIEF: UNFAIR AND DECEPTIVE TRADE
PRACTICES; 5 M.R.S.A. § 207
DECEPTIVE ADVERTISING AND TELEMARKETING**

54. MCI's above alleged activities are unfair and deceptive acts and practices in trade or commerce in Maine and violate 5 M.R.S.A. § 207 by virtue of the following:

- a. Failing to clearly and conspicuously disclose the MCI "Carrier Access Charge" in its advertisements and solicitations;
- b. Failing to clearly and conspicuously disclose the MCI "Federal Universal Service Fee" in its advertisements and solicitations;
- c. Failing to clearly and conspicuously disclose other MCI monthly fees in its advertisements and solicitations;
- d. Failing to clearly and conspicuously disclose the MCI monthly minimum charge in its advertisements and solicitations;
- e. Failing to clearly and conspicuously disclose restrictions pertaining to location (e.g., intrastate long distance calls) in its advertisements and solicitations;
- f. Failing to clearly and conspicuously disclose time of day restrictions in its advertisements and solicitations;
- g. Labeling an MCI charge a "Federal Universal Service Fee" when said charge is not imposed on consumers by the federal government and the federal government does not require MCI to collect this charge from consumers;
- h. Representing a rate of five (5) cents "everyday" when in fact the rate does not apply during daytime hours Monday through Friday;
- i. Failing to clearly and conspicuously disclose in its 10-10-9000 advertisements and solicitations that consumers are charged based on the amount of requests they make to the operator, not on the amount of numbers they receive;

j. Falsely representing or implying in its 10-10-9000 advertisements and solicitations that consumers receive two numbers for 99 cents when in fact many consumers cannot receive two numbers for 99 cents because MCI charges consumers based on requests made and MCI's database does not contain numbers for all persons requested;

k. Failing to clearly and conspicuously disclose the cost of connected calls in its advertisements and solicitations regarding its 10-10-9000 service;

l. Failing to clearly and conspicuously disclose in its advertisements and solicitations regarding its 10-10-9000 service that MCI's rates apply to connected calls;

m. Falsely representing in its advertisements and solicitations regarding its 10-10-9000 service that low rates apply to connected calls when in fact the rates MCI applies to non-MCI subscribers are among MCI's highest rates and are significantly higher than competitive rates under a long distance calling plan;

n. Failing to clearly and conspicuously disclose in its dial-around advertisements and solicitations the basis for MCI's price comparison or savings claim;

o. Failing to clearly and conspicuously disclose in its dial-around advertisements and solicitations that the rates to which MCI is making its comparison are AT&T's high "casual billing" rates, as opposed to rates under an AT&T long distance calling plan or under the comparable dial-around service offered by AT&T;

p. Falsely representing or implying in its advertisements and solicitations that no restrictions apply to MCI's 10-10-321 rate when in fact the rate is significantly higher for intrastate calls;

q. Misrepresenting the nature of its frequent flier promotion;

- r. Failing to provide consumers with promised frequent flier miles;
- s. Misrepresenting in numerous ways the nature of its services and the price

of its services through telemarketing agents;

55. By virtue of the foregoing violations of law, Plaintiff is entitled to the relief provided for below.

SECOND CLAIM FOR RELIEF: UNFAIR AND DECEPTIVE TRADE PRACTICES; 5 M.R.S.A. § 207
OTHER UNFAIR AND DECEPTIVE TRADE PRACTICES BY MCI

56. MCI's above alleged activities are unfair and deceptive acts and practices in or affecting commerce in Maine and violate 5 M.R.S.A. § 207 by virtue of the following:

- a. Failing to honor its promises to disconnect service;
- b. Billing consumers for its "Carrier Access Charge," "Federal

Universal Service Fee," and other MCI charges even though the consumer was not an MCI customer;

- c. Offering a "satisfaction guarantee" and then subjecting consumers to mistreatment and harassment when consumers contact MCI to inform MCI of their dissatisfaction regarding rate representations or other matters;

57. By virtue of the foregoing violations of law, Plaintiff is entitled to the relief provided for below.

REQUEST FOR RELIEF

Wherefore, Plaintiff respectfully requests the Court order the following relief:

- a. That a permanent injunction be entered requiring Defendants, their agents, servants, employees, and attorneys, and those persons in active concert or participation with them

who receive actual notice of the injunction, *inter alia*, to clearly and conspicuously disclose in its advertisements and solicitations all information affecting the total cost of a particular calling plan or service, including but not limited to all mandatory fees (excluding taxes which MCI is required by law to collect from phone service subscribers) the consumer must pay in order to obtain the advertised price; to clearly and conspicuously disclose in its advertisements and solicitations all other material restrictions pertaining to the calling plan or service; and granting other appropriate relief;

b. That the Court order Defendants to take such other corrective actions as necessary to remedy the unfair and deceptive practices by the Defendants;

c. That Defendants be required to pay civil penalties up to \$10,000.00 per intentional violation, as allowed by 5 M.R.S.A. § 209;

d. That Defendants pay plaintiff State of Maine's legal fees and costs, in accordance with 5 M.R.S.A. § 209; and

e. That the Court grant such other relief as it may deem just and proper.

Respectfully submitted,

G. STEVEN ROWE
ATTORNEY GENERAL



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Dated: March 16, 2001

Attorneys for the State of Maine

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. CV-00-

STATE OF MAINE,
ATTORNEY GENERAL,

Plaintiff,

v.

WORLDCOM, INC. f/k/a MCI WORLDCOM,

Defendant.

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COMPLAINT

INTRODUCTION

This action is brought by the Plaintiff State of Maine, by and through its Attorney General, against the Defendant seeking injunctive relief and civil penalties in connection with Defendant's unfair and deceptive advertising, solicitation, and telemarketing practices and other unfair and deceptive trade practices.

PARTIES

1. Plaintiff, State of Maine is a sovereign state and brings this action by and through its Attorney General Andrew Ketterer who is authorized, and has the duty pursuant to 5 M.R.S.A. § 209 and the powers vested in him by common law to investigate and prosecute violations of the Unfair Trade Practices Act on behalf of the people of the State of Maine.

2. Defendant, WorldCom, Inc. (formerly MCI Worldcom and hereinafter "MCI" or "Defendant"), is, upon information and belief, a Georgia corporation which does business in Maine under its own name as well as under the names of subsidiaries of MCI. Defendant does business in Maine as a provider of telecommunications products and services. The Defendant

solicits potential customers in Maine through the use of direct mail, television, radio, internet and print advertising as well as telemarketing.

JURISDICTION

3. This Court has subject matter jurisdiction pursuant to 4 M.R.S.A. § 105 and 5 M.R.S.A. § 209.

4. MCI Worldcom has previously been given a reasonable opportunity to address concerns with its business practices and has declined to do so.

5. MCI has and is transacting business within the State of Maine and is subject to personal jurisdiction in this State.

MCI'S DECEPTIVE AND MISLEADING ADVERTISING

6. MCI transacts business in Maine as a provider of long distance and other telecommunications services.

7. MCI's long distance services may be utilized by Maine consumers through a number of different methods. For instance:

a. A consumer may choose MCI as the consumer's preferred long distance carrier and subscribe to one of MCI's long distance calling plans. Under this method, the consumer chooses to have MCI provide long distance service from a particular phone number and makes use of MCI's long distance service when he or she dials one (1) plus a long distance phone number from that telephone. MCI provides various pricing plans for consumers who choose to use its long distance service in this fashion.

b. A consumer may also use MCI's "dial-around" services to make long distance calls, even if the consumer has chosen another preferred long distance carrier, by dialing

an MCI access code (a "10-10-XXX" or "dial-around" number) to access MCI's service. Dialing the MCI dial-around code (e.g., 10-10-321) enables the consumer to bypass the selected preferred long distance carrier of the telephone being used. When a consumer dials MCI's dial-around code before dialing the area code and number to be reached, the consumer is connected to MCI's service and billed at MCI's dial-around rates for the calls made.

c. A consumer may call MCI's information services (e.g., 10-10-9000) in order to obtain a phone number the consumer wants to call and be connected by the MCI information operator to MCI's long distance service to place the call.

8. A consumer who wants to use MCI as his or her preferred long distance carrier, but does not currently use MCI, can switch from his or her current preferred carrier to MCI. To accomplish a long distance carrier switch (called a primary interexchange carrier change or a ("PIC change"), the consumer's local exchange carrier (LEC), such as Bell Atlantic or GTE, is instructed by the new long distance carrier -- MCI -- to make the change. Thereafter, the consumer is no longer served by his or her previous long distance carrier and the consumer's telephone bill from the consumer's LEC will, from the date of the PIC change, reflect the consumer's long distance service by the new carrier -- MCI -- at MCI's prices.

9. MCI offers its telecommunications products and services to consumers in Maine by advertising its products on television and through other types of media and through the use of telemarketing. MCI has solicited prospective Maine customers for its long distance calling plans, dial-around long distance services, and other telecommunications services by, *inter alia*, the following methods: (a) running television advertisements in Maine; (b) mailing print advertisements and solicitations directly to Maine consumers; (c) running print advertisements in

publications with national distributions; (d) advertising and hosting a web site on the Internet; and (e) making unsolicited telemarketing calls to Maine consumers and encouraging Maine consumers to contact telemarketers through advertised 1-800 numbers. MCI represents that by subscribing to one of MCI's services consumers can utilize MCI's services at specified rates and prices.

COUNT ONE -- DECEPTIVE ADVERTISING AND TELEMARKETING

10. Beginning at a date unknown and continuing to the present, MCI has made untrue and misleading statements in its advertising and solicitations regarding its services.

11. MCI's advertisements are deceptive and misleading in a number of ways. Several themes are common to these practices. MCI's advertisements claim low per-minute rates, but fail to clearly and conspicuously disclose, and sometimes fail to disclose at all, substantial monthly charges that apply. In addition, MCI fails to adequately disclose other material restrictions, such as location restrictions and time of day restrictions, that apply to its advertised services. As a result of these deceptive and misleading advertisements, Maine consumers incur charges substantially in excess of the advertised rate.

12. The following paragraphs set forth examples of the deceptive advertisements used to induce consumers to utilize MCI's services. The examples discussed below are not intended to be all-inclusive. Other MCI advertisements and solicitations regarding these and other services have been deceptive in similar ways.

MCI'S FIVE CENTS EVERYDAY CALLING PLAN

13. MCI's advertisements and solicitations regarding its "Five Cents Everyday" calling plan emphasize a purported five (5) cents per minute rate.

14. However, MCI also imposes additional charges on its "Five Cents Everyday" calling plan customers which result in consumers paying more than five (5) cents per minute for long distance calls they make using the calling plan. MCI does not adequately disclose these additional charges, if it discloses them at all. Among these additional charges are the following:

- a. MCI charges a monthly "Carrier Access Charge" that can be as much as \$1.46.
- b. MCI charges a "Federal Universal Service Fee" that can be as much as 7.2% of the total cost of the customer's interstate and international long distance calls for the month;
- c. MCI charges another monthly fee that can be as much as \$4.95;
- d. MCI charges a five-dollar (\$5.00) monthly minimum under the plan which is imposed regardless of whether a subscriber makes any long distance calls under the plan.

15. Neither the "Carrier Access Charge" nor the "Federal Universal Service Fee" is a tax or surcharge that the government requires MCI to collect from consumers. Instead, MCI imposes these charges solely at its own discretion.

16. MCI also imposes additional restrictions on its "Five Cents Everyday" calling plan customers. Among these additional restrictions are the following:

- a. Customers cannot obtain the five (5) cents a minute rate for intrastate long distance calls, i.e., long distance calls made within Maine.
- b. Customers can only obtain the five (5) cents a minute rate during certain times of the day. Specifically, the five (5) cents a minute rate only applies on weekends and on weekday nights from seven o'clock (7:00) p.m. to six fifty-nine o'clock (6:59) a.m. The

weekday rate MCI charges during the day, from six fifty-nine o'clock (6:59) a.m. to seven o'clock (7:00) p.m., is substantially in excess of five cents per minute.

17. All of the additional charges and other restrictions set forth above significantly impact the price consumers pay for service under MCI's calling plan and are material terms and conditions when MCI's offers its plan to prospective customers. These additional charges are frequently substantially larger charges to the consumer than the total of all per minute charges.

18. MCI does not clearly and conspicuously disclose these additional charges and restrictions in its advertisements and solicitations. In some instances, MCI does not disclose the restrictions **at all** in its advertisements and solicitations. Examples of MCI advertisements containing inadequate disclosures regarding these charges and restrictions include MCI's "Billboard of the Millennium" and "Jordan Calls Bugs" television advertisements, attached to the Complaint as Exhibits A and B respectively and are described in the following paragraphs. Many other MCI advertisements for the "Five Cents Everyday" plan, and for its other calling plans, also have contained similar inadequate disclosures.

19. First, MCI does not disclose in its advertisements and solicitations the MCI "Carrier Access Charge." For instance, this charge is not disclosed at all in MCI's "Billboard of the Millennium" advertisement (Exhibit A) or "Jordan Calls Bugs" advertisement (Exhibit B).

20. Second, MCI does not disclose in its advertisements and solicitations the MCI "Federal Universal Service Charge." For instance, as with the "Carrier Access Charge," this charge is not disclosed at all in MCI's "Billboard of the Millennium" advertisement (Exhibit A) or "Jordan Calls Bugs" advertisement (Exhibit B).

21. Third, MCI does not clearly and conspicuously disclose in its advertisements and solicitations its other “monthly fee.” For instance, in the “Billboard of the Millennium” advertisement (Exhibit A), a \$1.95 monthly fee is flashed across the bottom of the television screen, for a brief period of time, in fine print against a varied and light background with considerable movement and/or distraction. Likewise, in the “Jordan Calls Bugs” advertisement (Exhibit B), a \$4.95 monthly fee is not disclosed clearly and conspicuously but instead is flashed across the bottom of the television screen, for a brief period of time, in fine print while Michael Jordan is speaking and a cartoon character, is moving about on a basketball court accompanied by distracting special effects.

22. Fourth, MCI does not clearly and conspicuously disclose in its advertisements and solicitations its \$5.00 monthly minimum charge. For instance, in MCI’s “Billboard of the Millennium” advertisement (Exhibit A), a phrase reading “\$5 monthly minimum” is flashed across the bottom of the television screen, for a brief period of time, in fine print against a varied and light background with considerable movement and/or distraction.

23. Fifth, MCI does not clearly and conspicuously disclose in its advertisements and solicitations that the advertised rates under the plan do not apply to intrastate long distance calls. For instance, in MCI’s “Billboard of the Millennium” advertisement (Exhibit A) and “Jordan Calls Bugs” advertisement (Exhibit B), a phrase reading “For Interstate Calls from Home” is flashed across the bottom of the television screen, for a brief period of time, in fine print against a varied and light background with considerable movement and/or distraction.

24. Sixth, MCI does not clearly and conspicuously disclose in its advertisements and solicitations that the five (5) cents a minute rate only applies on weekends and weekday nights.

Nonetheless, MCI touts and emphasizes that the five (5) cents per minute rate is available “everyday” even though the five (5) cents per minute rate is not available during the day Monday through Friday but instead is only available at night on those days. For instance, in MCI's “Billboard of the Millennium” advertisement (Exhibit A) advertisement (Exhibit B), a phrase reading “7PM-7AM” is flashed across the bottom of the television screen, for a brief period of time, in fine print. Moreover, at the same time this information is flashed across the bottom of the screen, Michael Jordan is speaking to the audience and a cartoon character is moving about the screen, distracting the consumer’s attention away from the fine print. Throughout the advertisement, a large, neon-lit sign emphasizes “five cents everyday.” Likewise, in the “Jordan Calls Bugs” advertisement (Exhibit B), a phrase reading “7PM-7AM” is flashed across the bottom of the television screen, for a brief period of time, in fine print. Nonetheless, the advertisement emphasizes on numerous occasions “five cents everyday” and the spokesperson states that “thanks to five cents everyday” other persons can be called at “anytime.”

25. MCI’s bold and dramatic emphasis on its five (5) cents per-minute rate and its intentional effort to withhold from potential customers the additional costs and restrictions of its plan is unfair and deceptive, has the tendency and capacity to mislead consumers, and does in fact mislead consumers.

26. Each consumer pays substantially more than what MCI represented its services would cost. In addition, by failing to adequately disclose these restrictions in its advertisements and solicitations, MCI has prevented consumers from making fully informed choices regarding their choice of long distance carrier and their choice of long distance calling plan. Consumers have been induced to switch their long distance carrier to MCI and/or to subscribe to an MCI

calling plan based on misrepresentations and inadequate representations made by MCI. In short, consumers have been assigned and billed under MCI calling plans that were substantially different plans than those that were advertised to them and, as a result, incurred charges substantially in excess of the advertised rates.

MCI'S 10-10-9000 DIRECTORY ASSISTANCE

27. MCI offers a nationwide directory assistance service whereby consumers may call 10-10-9000 to be connected to an MCI operator in order to obtain telephone listings.

28. MCI's advertisements for its 10-10-9000 service emphasize that for 99 cents consumers obtain two listings or two numbers per call.

29. In addition, MCI's 10-10-9000 advertisements emphasize that once the MCI operator has found the requested number, the operator will connect the caller to the requested number "with no connection charge." An example of a 10-10-9000 television advertisement containing such a statement, "Cooking," is attached as Exhibit C.

30. In practice, MCI's 10-10-9000 service works as follows. Consumers are charged 99 cents for up to two requests for listings made to the 10-10-9000 operator. In other words, a consumer gets charged 99 cents even when a consumer requests listings for two persons and the 10-10-9000 operator cannot find listings for either of those persons. If a consumer makes three requests, the consumer is charged \$1.98 by MCI.

31. In addition, MCI directory assistance operators solicit callers to connect directly to the number requested, purportedly at no additional charge. If the caller is a pre-subscribed MCI customer, MCI applies the rates of the customer's MCI calling plan to the connected call. However, if the caller is not a pre-subscribed MCI customer, MCI does not use the caller's own

carrier or apply a similar MCI rate. Instead, MCI applies a "casual billing" rate -- a non-discounted per minute rate which can be as much as twenty-five (25) to twenty-eight (28) cents per minute -- to the connected call. MCI also applies its 7.2% "Federal Universal Service Fee" to connected calls regardless of whether the caller is a pre-subscribed MCI customer or not. As a result, many consumers pay a substantially greater charge than they would have paid had they placed the call themselves.

32. The terms set forth above in the preceding two paragraphs significantly impact the price consumers pay for MCI's 10-10-9000 service and are material terms and conditions when MCI's offers its service to prospective customers.

33. As set forth in greater detail below, MCI does not clearly and conspicuously disclose these terms and conditions in its advertisements and solicitations. Moreover, statements contained in MCI's advertisements mislead the consumer as to the true nature of MCI's 10-10-9000 service. "Cooking" (Exhibit C hereto), an example of an MCI advertisement containing inadequate disclosures and misleading statements, is discussed in the following paragraphs, along with some examples of MCI print advertisements. Many other MCI advertisements for its 10-10-9000 service also contain similar inadequate disclosures and misleading statements.

34. MCI's 10-10-9000 advertisements do not clearly and conspicuously disclose that consumers are charged based on the amount of requests they make to the MCI operator. Instead, by representing that the consumer is charged based on the amount of phone numbers they receive from the MCI operator (instead of the amount of requests made) the advertisements deceive consumers. For example, in Exhibit D, the MCI print advertisement states that 10-10-9000 costs "99 cents for two numbers." This deception is compounded by MCI's failure to inform

consumers in its advertisements that its database is incomplete and does not contain listings for all persons. In fact, MCI's 10-10-9000 advertisements, such as Exhibit E, give the opposite impression by representing that consumers can use 10-10-9000 to "get any phone listing in America."

35. Furthermore, MCI's 10-10-9000 advertisements do not clearly and conspicuously disclose the cost of the connected calls. For example, in its "Cooking" television advertisement (Exhibit C), MCI merely states, in fine print that flashes across the screen for a brief period of time, that "[l]ow per minute toll rates apply for connected calls."

a. First, this advertisement deceives consumers by emphasizing that there is "no connection charge" and then stating only in fine print that toll rates apply to connected calls.

b. Second, the advertisement does not clearly and conspicuously disclose that MCI applies its own long distance rates to the connected call as opposed to the rates of the consumer's pre-subscribed long distance carrier if such carrier is not MCI. Absent such a disclosure, many consumers might reasonably assume that the rates of their own long distance carrier would apply to the connected call.

c. Third, the advertisement does not disclose what rates, or range of rates, apply to the connected call. Instead, MCI merely represents, in fine print, that "low" rates apply. Notwithstanding the fact that this disclosure is not clear and conspicuous, this representation is also affirmatively deceiving because the "casual billing" rates that MCI applies to such calls are among MCI's highest rates. Moreover, these rates are significantly higher than competitive rates under a long distance calling plan.

d. Fourth, the advertisement does not disclose, at all, that additional charges such as the "Federal Universal Service Fee" apply to the price of the connected call.

36. MCI's intentional effort to mislead consumers regarding the nature of its 10-10-9000 service and to withhold from potential customers the costs of connected calls under such service is unfair and deceptive, and has the tendency and capacity to mislead consumers.

37. Consumers cannot necessarily obtain two phone listings or numbers for 99 cents, as MCI represents. As set forth above, a consumer who makes three requests and obtains two numbers is charged \$1.98, not \$.99. Consumers are also deceived in numerous ways, as set forth above, as to the price of connected calls. By failing to adequately disclose these terms in its advertisements and solicitations, MCI has prevented consumers from making fully informed choices regarding their use of directory assistance services. Consumers have been induced to use MCI's 10-10-9000 directory assistance service based on misrepresentations and inadequate representations made by MCI.

MCI'S 10-10-321 DIAL-AROUND SERVICE

38. MCI offers a dial-around service whereby callers may dial 10-10-321 to access MCI to make long distance calls regardless of whether the caller is a pre-subscribed MCI customer or not. MCI's advertisements regarding its 10-10-321 service are deceptive and misleading.

39. For example, MCI's advertisements for its 10-10-321 service claim that when consumers use 10-10-321 they can save over AT&T on every call in the United States.

Examples of such MCI television advertisements, "Husband and Wife," and "Brotherly Love," are attached to the Complaint as Exhibits F and G respectively. An example of an MCI print advertisement making this claim, and claims of savings of "up to 50%," is attached as Exhibit H. However, MCI's claims are misleading because the AT&T rates to which MCI is making the comparison are AT&T's "casual billing" rates -- non-discounted rates that are much higher than rates under an AT&T long distance calling plan. MCI does not compare its 10-10-321 rates with AT&T's comparable "Lucky Dog" dial-around service (or even an AT&T long distance calling plan), but instead compares its 10-10-321 rates with AT&T rates that are more comparable to MCI's "casual billing" rates. MCI's advertisements do not clearly and conspicuously disclose the basis of this comparison. Instead, the fine print in MCI's advertisements merely states "vs. AT&T basic rates." MCI does not disclose what is meant by "basic rates" and consumers might reasonably assume that such term refers to an AT&T calling plan, especially when MCI represents that consumers can "save over AT&T on every call." Other MCI advertisements simply represent that 10-10-321 costs \$2.80 while AT&T costs \$5.60 with no disclosure at all regarding the basis for the rate comparison (Exhibit I).

40. In addition, MCI advertisements represent that, with respect to per cents a minute rate under 10-10-321, there are: "No restrictions -- all day, every day, any time." An example of a print advertisement containing such a representation is attached as Exhibit J. Other MCI 10-10-321 advertisements emphasize "No If's, And's Or Fine Print." (Exhibit K). In fact, MCI imposes a location restriction on its prices. Consumers who use MCI's 10-10-321 service pay sixteen (16) cents a minute for interstate long distance calls (i.e., calls between states) that are ten (10) minutes or less in length. Consumers pay eight (8) cents a minute for interstate long

distance calls that are over ten (10) minutes. However, for intrastate long distance calls (i.e., calls within the state) made in Maine using 10-10-321, MCI charges significantly higher rates of up to twenty-three (23) cents a minute. This restriction significantly impacts the price consumers pay and is a material term and condition when MCI offers its 10-10-321 service to prospective customers. Nonetheless, MCI's 10-10-321 advertisements fail to clearly and conspicuously disclose that the eight (8) cents a minute rate does not apply to intrastate calls. In fact, by claiming that there are "no restrictions" and that the eight (8) cents a minute rate applies "at any time," the advertisements are simply untrue and deceive consumers as to the price that they will pay for intrastate long distance calls.

41. MCI's intentional effort to withhold from potential customers the basis for its price comparison and savings claim and to withhold from potential customers restrictions applicable to its 10-10-321 rates is unfair and deceptive, has the tendency and capacity to mislead consumers.

42. MCI's failure to make appropriate disclosures regarding the basis for its price comparison deceives consumers as to the nature of the purported savings that MCI touts. Consumers receive savings which are illusory or, at the very least, far less than what MCI represents and implies. In addition, by failing to make adequate disclosures regarding location restrictions consumers pay substantially more for intrastate calls than what MCI represented such calls would cost.

43. MCI has repeatedly run print advertisements and aired television advertisements in violation of the Unfair Trade Practices Act. Each time one of those advertisements described

in paragraphs 13 through 42 was printed or aired constitutes a separate violation for purposes of awarding civil penalties pursuant to 5 M.R.S.A. § 209.

DECEPTION BY MCI TELEMARETERS

44. MCI has made unsolicited telemarketing calls to Maine consumers in order to solicit its services. MCI, through its telemarketing agents, has made numerous-untrue and/or misleading statements regarding many of MCI's services. MCI's telemarketing practices have deceived and misled consumers in that such practices have falsely represented MCI's calling plan rates, including but not limited to, the rates for the consumer's long distance service, the rates for the consumer's international calls, and the rates for calls made by the consumer using an MCI calling card. In addition, MCI, through its telemarketing agents, has failed to disclose material terms and conditions of MCI calling plans including but not limited to, monthly recurring charges, monthly minimum charges, location restrictions, and time of day restrictions.

45. For example, among the deceptive statements made by MCI telemarketers are the following:

a. MCI promised certain per minute rates on international calls using MCI's calling card for all calls from Europe to the United States when, in fact, the promised per minute rate only applied to calling card calls made to the MCI customer's home telephone number;

b. MCI misrepresented the nature of its frequent flier promotion by, *inter alia*, falsely representing that consumers would get 10,000 frequent flier miles up front when they signed up with MCI's service, when in fact, such was not the case. Moreover, MCI failed to

provide consumers with the promised frequent flier miles after the consumer has signed up for the service offered in conjunction with the frequent flier mile offer;

c. MCI misrepresented the nature of its rebate offer by promising MCI customers who stayed with MCI for one year a 20% rebate of the amount they spent in one year, when, in fact, not all customers received the rebate as promised.

46. The untrue and misleading statements made by MCI's telemarketers are unfair and deceptive, have the tendency and capacity to mislead consumers, and do in fact mislead consumers.

47. Consumers pay substantially more than what MCI represented its services would cost. In addition, by misrepresenting and failing to adequately disclose other restrictions in its solicitations, MCI has prevented consumers from making fully informed choices regarding their choice of long distance carrier and their choice of long distance calling plan. Consumers have been induced to switch their long distance carrier to MCI and/or to subscribe to an MCI calling plan based on misrepresentations and inadequate representations made by MCI. In short, consumers have been assigned and billed under MCI calling plans that were substantially different plans than those that were marketed to them and, as a result, incurred charges substantially in excess of the represented rates.

48. MCI has received complaints from Maine consumers regarding the inadequate disclosures and misrepresentations discussed above. Notwithstanding MCI's notice of the disputes and consumer complaints in Maine involving the activities set forth above, MCI's unfair and deceptive practices persist.

COUNT TWO -- OTHER UNFAIR AND DECEPTIVE PRACTICES

49. When consumers complain to MCI regarding some of MCI's deceptive practices set forth above, MCI has engaged in a variety of additional unfair and deceptive practices in its dealings with such consumers. Some of these practices are described below.

50. Consumers have contacted MCI and have asked MCI to disconnect their service due to their dissatisfaction with MCI over rate representations and other matters. MCI has initially agreed to disconnect service and then, later, failed to honor its agreements.

51. In addition, MCI has continued to bill consumers for its "Carrier Access Charge," "Federal Universal Service Fee," and other MCI charges even though the consumer was no longer an MCI customer. In some instances, consumers had canceled service with MCI and had not used MCI's services for months and yet MCI continued to bill the consumer for MCI charges.

52. MCI offers a "satisfaction guarantee" when it offers services such as its "Five Cents Everyday" plan. Yet, consumers who contact MCI in order to inform MCI of their dissatisfaction regarding MCI rate representations, or other matters with which they are dissatisfied, have been subjected to mistreatment and harassment by MCI. Consumers who contact MCI by telephone with questions and disputes have been unable to reach a person to speak with about their complaint. On some occasions MCI representatives have promised credits to consumers credits and other items such as frequent flyer miles but failed to provide the promised items.

53. The above-alleged acts, representations and practices constitute unfair, deceptive, and misleading practices in violation of 5 M.R.S.A. § 207 and are intentional.

**FIRST CLAIM FOR RELIEF: UNFAIR AND DECEPTIVE TRADE
PRACTICES; 5 M.R.S.A. § 207
DECEPTIVE ADVERTISING AND TELEMARKETING**

54. MCI's above alleged activities are unfair and deceptive acts and practices in trade or commerce in Maine and violate 5 M.R.S.A. § 207 by virtue of the following:

a. Failing to clearly and conspicuously disclose the MCI "Carrier Access Charge" in its advertisements and solicitations;

b. Failing to clearly and conspicuously disclose the MCI "Federal Universal Service Fee" in its advertisements and solicitations;

c. Failing to clearly and conspicuously disclose other MCI monthly fees in its advertisements and solicitations;

d. Failing to clearly and conspicuously disclose the MCI monthly minimum charge in its advertisements and solicitations;

e. Failing to clearly and conspicuously disclose restrictions pertaining to location (e.g., intrastate long distance calls) in its advertisements and solicitations;

f. Failing to clearly and conspicuously disclose time of day restrictions in its advertisements and solicitations;

g. Labeling an MCI charge a "Federal Universal Service Fee" when said charge is not imposed on consumers by the federal government and the federal government does not require MCI to collect this charge from consumers;

h. Representing a rate of five (5) cents "everyday" when in fact the rate does not apply during daytime hours Monday through Friday;

i. Failing to clearly and conspicuously disclose in its 10-10-9000 advertisements and solicitations that consumers are charged based on the amount of requests they make to the operator, not on the amount of numbers they receive;

- j. Falsely representing or implying in its 10-10-9000 advertisements and solicitations that consumers receive two numbers for 99 cents when in fact many consumers cannot receive two numbers for 99 cents because MCI charges consumers based on requests made and MCI's database does not contain numbers for all persons requested;
- k. Failing to clearly and conspicuously disclose the cost of-connected calls in its advertisements and solicitations regarding its 10-10-9000 service;
- l. Failing to clearly and conspicuously disclose in its advertisements and solicitations regarding its 10-10-9000 service that MCI's rates apply to connected calls;
- m. Falsely representing in its advertisements and solicitations regarding its 10-10-9000 service that low rates apply to connected calls when in fact the rates MCI applies to non-MCI subscribers are among MCI's highest rates and are significantly higher than competitive rates under a long distance calling plan;
- n. Failing to clearly and conspicuously disclose in its dial-around advertisements and solicitations the basis for MCI's price comparison or savings claim;
- o. Failing to clearly and conspicuously disclose in its dial-around advertisements and solicitations that the rates to which MCI is making its comparison are AT&T's high "casual billing" rates, as opposed to rates under an AT&T long distance calling plan or under the comparable dial-around service offered by AT&T;
- p. Falsely representing or implying in its advertisements and solicitations that no restrictions apply to MCI's 10-10-321 rate when in fact the rate is significantly higher for intrastate calls;
- q. Misrepresenting the nature of its frequent flier promotion;

- r. Failing to provide consumers with promised frequent flier miles;
- s. Misrepresenting in numerous ways the nature of its services and the price of its services through telemarketing agents;

55. By virtue of the foregoing violations of law, Plaintiff is entitled to the relief provided for below.

SECOND CLAIM FOR RELIEF: UNFAIR AND DECEPTIVE TRADE PRACTICES; 5 M.R.S.A. § 207
OTHER UNFAIR AND DECEPTIVE TRADE PRACTICES BY MCI

56. MCI's above alleged activities are unfair and deceptive acts and practices in or affecting commerce in Maine and violate 5 M.R.S.A. § 207 by virtue of the following:

- a. Failing to honor its promises to disconnect service;
- b. Billing consumers for its "Carrier Access Charge," "Federal Universal Service Fee," and other MCI charges even though the consumer was not an MCI customer;
- c. Offering a "satisfaction guarantee" and then subjecting consumers to mistreatment and harassment when consumers contact MCI to inform MCI of their dissatisfaction regarding rate representations or other matters;

57. By virtue of the foregoing violations of law, Plaintiff is entitled to the relief provided for below.

REOUEST FOR RELIEF

Wherefore, Plaintiff respectfully requests the Court order the following relief:

- a. That a permanent injunction be entered requiring Defendant MCI Worldcom, its agents, servants, employees, and attorneys, and those persons in active concert or participation

with them who receive actual notice of the injunction, *inter alia*, to clearly and conspicuously disclose in its advertisements and solicitations all information affecting the total cost of a particular calling plan or service, including but not limited to all mandatory fees (excluding taxes which MCI is required by law to collect from phone service subscribers) the consumer must pay in order to obtain the advertised price; to clearly and conspicuously disclose in its advertisements and solicitations all other material restrictions pertaining to the calling plan or service; and granting other appropriate relief;

b. That the Court order Defendant to take such other corrective actions as necessary to remedy the unfair and deceptive practices by the Defendant;

c. That Defendant be required to pay civil penalties up to \$10,000.00 per intentional violation, as allowed by 5 M.R.S.A. § 209;

d. That Defendant pay plaintiff State of Maine's legal fees and costs, in accordance with 5 M.R.S.A. § 209; and

e. That the Court grant such other relief as it may deem just and proper.

Respectfully submitted,

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Dated: July 20, 2000

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