

# PRISON

POLICY INITIATIVE

**ANDREA FENSTER**

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www.prisonpolicy.org  
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March 23, 2021

Marlene Dortch, Secretary  
Federal Communications Commission  
45 L St., NE  
Washington, DC 20554

**VIA ECFS ONLY**

Re: Ex Parte Submission  
WCB Dkt. No. 12-375  
Informal Complaints Regarding Improper Assessment of Ancillary Fees

Dear Ms. Dortch:

Pursuant to 47 C.F.R. § 1.1206(b), the Prison Policy Initiative submits this ex parte filing for inclusion in the record of the above-captioned proceeding. Attached are copies of five informal complaints that our organization filed on March 4, 2021, concerning the billing practices of Global Tel\*Link Corp.; Combined Public Communications, LLC; Encartele, Inc.; Reliance Telephone of Grand Forks, Inc.; and Prodigy Solutions, Inc.

Our complaints relate to ancillary fees charged in connection with customer payments made via the carriers' websites. Under the Commission's rules, carriers may charge an automated payment fee for "credit card payment, debit card payment, and bill processing fees, including fees for payments made by interactive voice response (IVR), web, or kiosk."<sup>1</sup> Automated payment fees are capped at \$3.<sup>2</sup> Alternatively, carriers may utilize third-party money transmitters and pass through the third-party fees to end users.<sup>3</sup>

The five ICS carriers referenced above charge both a \$3 automated payment fee *and* pass through credit- or debit-card processing costs to end users, resulting in total ancillary payment fees in excess of \$3 per transaction.

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<sup>1</sup> 47 C.F.R. § 64.6000(a)(1); see also WC Docket No. 12-375, [\*Enforcement Bureau Reminds Providers of Inmate Calling Services that They Are Responsible for Complying with the Commission's Rules Relating to Those Services\*](#), Public Notice, DA 20-1364 (hereinafter "Enforcement Advisory") (Nov. 20, 2020).

<sup>2</sup> 47 C.F.R. § 64.6020(b)(1).

<sup>3</sup> 47 C.F.R. §§ 64.6000(a)(5) and 64.6020(b)(5).

As explained in detail in the attached complaints, the Commission's record overwhelmingly indicates that carriers should not be allowed to double-dip by charging an automated payment fee and passing through third-party fees on the same transaction. At the very least, the ancillary fee rules contain an ambiguity that the Commission can and should eliminate as part of the above-referenced rulemaking.

Should there be any questions regarding this submission, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea Fenster", with a stylized flourish extending to the right.

Andrea Fenster  
Staff Attorney

Attachments (5)

cc (via email):

Hon. Jessica Rosenworcel, Acting Chair  
Hon. Brendan Carr, Commissioner  
Hon. Geoffrey Starks, Commissioner  
Hon. Nathan Simington, Commissioner  
Kris Monteith, Chief, Wireline Competition Bureau

Attachment 1

Informal Complaint re: Global Tel\*Link Corp.

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

|   |
|---|
| Informal Complaint re: Global<br>Tel*Link, FRN 0018519504 |
|---|

Pursuant to 47 U.S.C. § 208(a) and 47 C.F.R. § 1.716, the Prison Policy Initiative, Inc. submits this informal complaint regarding Global Tel\*Link (“GTL”), an inmate communications service (“ICS”) provider subject to the provisions of 47 C.F.R., part 64, subpart FF.

ICS providers are prohibited from charging ancillary fees other than those authorized by Commission rules.<sup>1</sup> Among the ancillary fees allowed by law is an automated payment fee that covers “credit card payment, debit card payment, and bill processing fees, including fees for payments made by interactive voice response (IVR), web, or kiosk.”<sup>2</sup>

In contravention of this rule, GTL is charging both an automated payment fees *and* passing through its credit- or debit-card processing costs, resulting in total ancillary payment fees in excess of \$3 per transaction. Our organization initially became aware of this practice in connection with a ratemaking proceeding conducted by the Iowa Utilities Board (“IUB”).<sup>3</sup> When initiating a test deposit of \$50 to a GTL “Advance Pay” prepaid account, GTL sought to impose an “Applicable Transaction and Payment Fee” of \$4.63. A copy of the evidence that we submitted to the IUB is attached hereto as **Exhibit 1** and is submitted here pursuant to 47 C.F.R. § 1.16. In response to our filing with the IUB, GTL admitted to charging both fees on the same payment.<sup>4</sup> We respectfully submit to the Commission that GTL’s practice of double-dipping contravenes two applicable rules, discussed in turn.

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<sup>1</sup> 47 C.F.R. § 64.6020(a); *see also* WC Docket No. 12-375, [Enforcement Bureau Reminds Providers of Inmate Calling Services that They Are Responsible for Complying with the Commission’s Rules Relating to Those Services](#), Public Notice, DA 20-1364 (hereinafter “Enforcement Advisory”) (rel. Nov. 20, 2020).

<sup>2</sup> 47 C.F.R. § 64.6000(a)(1); *see also* Enforcement Advisory at 3.

<sup>3</sup> IUB [Docket No. TF-2019-0039](#).

<sup>4</sup> [GTL Response to PPI](#) (Oct. 26, 2020) ¶¶ 6-7.

## **I. GTL Cannot Charge an Automated Payment Fee and Pass Through Fees for the Same Transaction**

Carriers should not be allowed to charge an automated payment fee under 47 C.F.R. § 64.6020(b)(1) while also passing through transaction fees under § 64.6020(b)(5). The Commission's record provides at least two indications that GTL's practice of double-dipping should not be allowed. First, the automated payment fee is already designed to compensate carriers for their own payment-card processing expenses. When the Commission initially proposed capping the automated payment fee at \$3, GTL's competitor Securus Technologies objected, alleging that its payment-card processing fees exceeded \$3 per transaction. The Commission rejected this argument, finding that Securus's alleged costs were an outlier, and that other companies were able to cover their processing costs under a \$3 fee cap.<sup>5</sup> The Commission's analysis here shows that carriers' card processing costs may be recovered only through the automated payment fee, not the pass-through provision for third-party fees.

Second, when it allowed carriers to pass through third-party fees under § 64.6020(b)(5), the Commission framed the rule as a matter of addressing "money transfer service fees" incurred by customers who "do not have bank accounts, and therefore rely on third-party money transfer services such as Western Union or MoneyGram to fund calls with inmates."<sup>6</sup> This background is reflected in the regulatory definition of "third party financial transaction fee," which is described as a fee "that Providers of Inmate Calling Services are charged by third parties to transfer money or process financial transactions to facilitate a Consumer's ability to *make account payments via a third party*."<sup>7</sup> But here, there is no third party involved in the transaction. A three-party transaction occurs when a customer (party 1) wishes to pay a carrier (party 2) and does so by initiating a transaction through a money transmitter like Western Union (party 3). But in this case, the customer makes a payment via GTL's website, thus making only two parties to the

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<sup>5</sup> Second Report & Order ¶ 167, 30 FCC Rcd. 12848.

<sup>6</sup> *Id.* ¶ 170, 30 FCC Rcd. 12849 (footnotes omitted).

<sup>7</sup> 47 C.F.R. § 64.6000(a)(5) (emphasis added).

transaction.<sup>8</sup> True, other entities may participate behind the scenes (such as the customer’s card issuer and GTL’s acquiring bank), but these entities are not third parties to the transaction; they are merely agents of the payor and payee.

## **II. GTL’s Aggregated Reporting of Different Types of Ancillary Fees Violates FCC Rules**

As a separate matter, GTL’s manner of disclosing transaction fees violates 47 C.F.R. § 64.6110, which specifies that carriers “must clearly, accurately, and conspicuously disclose their . . . [calling] rates and Ancillary Service Charges to customers.”<sup>9</sup> The screenshots submitted with PPI’s previous comments illustrate that GTL fails to make a clear and conspicuous disclosure of the fee structure that the company belatedly explains in its October 26 comments.

A clear and conspicuous fee disclosure would look something like this:

|                                  |                      |
|----------------------------------|----------------------|
| Automated payment fee .....      | 3.00                 |
| Third-party transaction fee..... | 1.63 (3% of payment) |
| TOTAL FEES .....                 | 4.63                 |

But instead of clearly labeling and itemizing applicable fees, GTL simply aggregates them and labels them as “Applicable Transaction and Payment Fees” (a descriptor that aligns with none of the ancillary fees allowed under 47 C.F.R. § 64.6020(a)). Customers have no way of knowing whether GTL is complying with federal fee caps and have no way of verifying the validity of the alleged third-party transaction fee, because the third party is never identified. GTL’s current method of disclosure is the antithesis of clear and conspicuous, and it leaves interested parties with no ability to gauge accuracy.

## **III. Conclusion and Request for Expedited Consideration**

Because GTL’s automated payment fees do not comply with applicable Commission rules, we submit this informal complaint and request that GTL cease passing through third-party transaction fees on any payment that is also subject to an automated-payment or live-agent fee.

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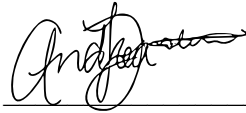
<sup>8</sup> Jones Decl. ¶¶ 2-3.

<sup>9</sup> 47 C.F.R. § 64.6110.

GTL is already well aware of this issue due to the Iowa proceedings, and we are also serving GTL with a copy of this complaint. We therefore request the Commission set a reply deadline under 47 C.F.R. § 1.717 of no more than 21 days from the date of this filing.

Dated: March 4, 2021

PRISON POLICY INITIATIVE, INC.

A handwritten signature in black ink, appearing to read "Andrea Fenster", with a horizontal line extending to the right.

Andrea Fenster, Staff Attorney  
Peter Wagner, Executive Director  
Stephen Raher, Pro Bono Counsel  
P.O. Box 127  
Northampton, MA 01060  
(413) 527-0845

**STATE OF IOWA  
DEPARTMENT OF COMMERCE  
BEFORE THE IOWA UTILITIES BOARD**

**IN RE GLOBAL TEL\*LINK  
CORPORATION**

**DOCKET NO. TF-2019-0039**

**DECLARATION OF ALEXI JONES**

I, Alexi Jones, declare as follows:

1. I am employed as a policy analyst at the Prison Policy Initiative. I am over the age of eighteen, and I make the following declaration based on my own personal knowledge. If called upon to testify concerning the matters expressed herein, I could and would competently do so under oath.

2. On October 1, 2020, I accessed the website web.connectnetwork.com, operated by Global Tel\*Link (“GTL”), and attempted to make a deposit to a GTL “Advance Pay” prepaid account for calling service to the Black Hawk County (Iowa) jail. The “applicable transaction and payment fee” for the transaction is displayed in the following screenshot:

The screenshot displays a web form titled "AdvancePay Phone: Review". It contains the following information:

|   |                               |
|---|-------------------------------|
| Phone Number:                           | (515) Redacted                |
| Facility:                               | Black Hawk County IA          |
| -----                                   |                               |
| Card Number:                            | Mastercard Ending in Redacted |
| Name on Card:                           | Alexi Jones                   |
| Card Expiration Date:                   | 07/2023                       |
| Billing Address Zip Code:               | 01060                         |
| -----                                   |                               |
| Total:                                  | \$50.00                       |
| Applicable Transaction and Payment Fee: | \$4.63                        |
| Deposit Amount:                         | \$45.37                       |
| -----                                   |                               |
| <input type="button" value="SUBMIT"/>   |                               |



I have redacted the phone number and payment-card digits associated with the transaction, but in all other respects the preceding screenshot is a true and accurate record of the information displayed by GTL's website

3. On October 1, 2020, I accessed the website web.connectnetwork.com and attempted to make a deposit to a GTL "Advance Pay" prepaid account for calling service to the Scott County (Iowa) jail. The "applicable transaction and payment fee" for the transaction is displayed in the following screenshot:

AdvancePay Phone: Review

Phone Number: (774) Redacted

Facility: Scott County IA-Jail

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Card Number: Mastercard Ending in Redacted

Name on Card: Alexi Jones

Card Expiration Date: 07/2023

Billing Address Zip Code: 01060

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Total: \$50.00

Applicable Transaction and Payment Fee: \$4.63

Deposit Amount: \$45.37

SUBMIT

I have redacted the phone number and payment-card digits associated with the transaction, but in all other respects the preceding screenshot is a true and accurate record of the information displayed by GTL's website.

///

///

I certify under penalty of perjury and pursuant to Iowa Code § 622.1 that the preceding is true and correct.

/s/ Alexi Jones  
Alexi Jones

10/5/2020  
Date

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

**CERTIFICATE OF SERVICE**

I certify that on the date indicated below, I filed the following document with the Federal Communications Commission, using the online consumer complaint form, located at [https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket\\_form\\_id=39744](https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket_form_id=39744):

**INFORMAL COMPLAINT RE: GLOBAL TEL\*LINK, FRN 0018519504**

and I also served a copy of the above-referenced document on the following recipient by first-class mail and email:

Global Tel Link  
Attn: Dorothy Cukier, Director of Regulatory Affairs  
12021 Sunset Hills Rd. Suite 100  
Reston, VA 21206  
[dcukier@gtl.net](mailto:dcukier@gtl.net)

Dated: March 4, 2021

/s/ Andrea L. Fenster  
Andrea L. Fenster  
Staff Attorney  
Prison Policy Initiative, Inc.  
P.O. Box 127  
Northampton, MA 01060

## Attachment 2

Informal Complaint re: Combined Public  
Communications, LLC

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

Informal Complaint re: Combined  
Public Communications, LLC, FRN  
0004327656

Pursuant to 47 U.S.C. § 208(a) and 47 C.F.R. § 1.716, the Prison Policy Initiative, Inc. submits this informal complaint regarding Combined Public Communications, LLC (“CPC”), an inmate communications service (“ICS”) provider subject to the provisions of 47 C.F.R., part 64, subpart FF.

ICS providers are prohibited from charging ancillary fees other than those authorized by Commission rules.<sup>1</sup> Among the ancillary fees allowed by law is an automated payment fee that covers “credit card payment, debit card payment, and bill processing fees, including fees for payments made by interactive voice response (IVR), web, or kiosk.”<sup>2</sup> This automated payment fee is capped at \$3.<sup>3</sup> Alternatively, a carrier may accept payments facilitated by third party processors, and pass through those processors’ fees to the end-user.<sup>4</sup>

In contravention of this rule, CPC is charging an automated payment fee of \$3 *and* passing through its credit- or debit-card processing costs, resulting in total ancillary payment fees in excess of \$3 per transaction. Our organization initially became aware of this practice in connection with a ratemaking proceeding conducted by the Iowa Utilities Board (“IUB”). This practice is disclosed in CPC’s filed tariff, the relevant portion of which is attached hereto as **Exhibit 1**.

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<sup>1</sup> 47 C.F.R. § 64.6020(a); *see also* WC Docket No. 12-375, [Enforcement Bureau Reminds Providers of Inmate Calling Services that They Are Responsible for Complying with the Commission’s Rules Relating to Those Services](#), Public Notice, DA 20-1364 (hereinafter “Enforcement Advisory”) (rel. Nov. 20, 2020).

<sup>2</sup> 47 C.F.R. § 64.6000(a)(1); *see also* Enforcement Advisory at 3.

<sup>3</sup> *Id.* § 64.6020(b)(3).

<sup>4</sup> *Id.* § 64.6020(b)(5).

Carriers should not be allowed to charge an automated payment fee under 47 C.F.R. § 64.6020(b)(1) while also passing through transaction fees under § 64.6020(b)(5). The Commission's record provides at least two indications that CPC's practice of double-dipping should not be allowed. First, the automated payment fee is already designed to compensate carriers for their own payment-card processing expenses. When the Commission initially proposed capping the automated payment fee at \$3, one of the dominant ICS carriers (Securus Technologies) objected, alleging that its payment-card processing fees exceeded \$3 per transaction. The Commission rejected this argument, finding that Securus's alleged costs were an outlier, and that other companies were able to cover their processing costs under a \$3 fee cap.<sup>5</sup> The Commission's analysis here shows that carriers' card processing costs may be recovered only through the automated payment fee, not the pass-through provision for third-party fees.

Second, when it allowed carriers to pass through third-party fees under § 64.6020(b)(5), the Commission framed the rule as a matter of addressing "money transfer service fees" incurred by customers who "do not have bank accounts, and therefore rely on third-party money transfer services such as Western Union or MoneyGram to fund calls with inmates."<sup>6</sup> This background is reflected in the regulatory definition of "third party financial transaction fee," which is described as a fee "that Providers of Inmate Calling Services are charged by third parties to transfer money or process financial transactions to facilitate a Consumer's ability to *make account payments via a third party*."<sup>7</sup> But here, there is no third party involved in the transaction. A three-party transaction occurs when a customer (party 1) wishes to pay a carrier (party 2) and does so by initiating a transaction through a money transmitter like Western Union (party 3). When a customer makes a payment via CPC's website, there are only two parties to the transaction. True, other entities may participate behind the scenes (such as the customer's card issuer and

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<sup>5</sup> Second Report & Order ¶ 167, 30 FCC Rcd. 12848.

<sup>6</sup> *Id.* ¶ 170, 30 FCC Rcd. 12849 (footnotes omitted).

<sup>7</sup> 47 C.F.R. § 64.6000(a)(5) (emphasis added).

CPC's acquiring bank), but these entities are not third parties to the transaction; they are merely agents of the payor and payee.

Because CPC's ancillary fees do not comply with applicable Commission rules, we submit this informal complaint and request that CPC cease passing through third-party transaction fees on any payment that is also subject to an automated payment fee.

We are serving CPC with a copy of this complaint, and therefore request the Commission set a reply deadline under 47 C.F.R. § 1.717 of no more than 21 days from the date of this filing.

Dated: March 4, 2021

PRISON POLICY INITIATIVE, INC.

A handwritten signature in black ink, appearing to read "Andrea Fenster", is written over a horizontal line.

Andrea Fenster, Staff Attorney  
Peter Wagner, Executive Director  
Stephen Rahe, Pro Bono Counsel  
P.O. Box 127  
Northampton, MA 01060  
(413) 527-0845

**INMATE TELECOMMUNICATIONS SERVICES TARIFF**

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**SECTION 3 - DESCRIPTION OF SERVICES AND RATES, (CONT'D.)**

**3.6 Ancillary Service Charges**

- 3.6.1 Automated Payment Fees (where available)** – Credit Card payment, debit card payment, and bill processing fees, including fees for payments made by interactive voice response (IVR), web, or kiosk (where available).

Automated payment fees                      \$3.00

Third-party transaction fees, including credit card processing fees, shall be passed through to the customers with no markup. The Company receives no payment from a third-party vendor's transaction fees. (N)  
(N)  
(N)

- 3.6.2 Live Agent Fee** – A fee associated with the optional use of a live operator to complete Inmate Calling Services transactions.

Live Agent Fee                                      \$5.95

- 3.6.3 Paper Bill/Statement Fees** – Fees associated with providing customers of Inmate Calling Services an optional paper billing statement.

Paper Bill/Statement Fees                      \$2.00

Issued: February 1, 2021  
Issued by:

Cathleen Engle, President  
100 Aqua Drive  
Cold Spring, KY 41076

Effective: February 1, 2021



**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

**CERTIFICATE OF SERVICE**

I certify that on the date indicated below, I filed the following document with the Federal Communications Commission, using the online consumer complaint form, located at [https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket\\_form\\_id=39744](https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket_form_id=39744):

**INFORMAL COMPLAINT RE: COMBINED PUBLIC COMMUNICATIONS,  
LLC, FRN 0004327656**

and I also served a copy of the above-referenced document on the following recipient by first-class mail and email:

Combined Public Communications, LLC  
Attn: Vicky Moody, Regulatory Manager  
P.O. Box 76573  
Highland Heights, KY 41076  
[regulatory@combinedpublic.com](mailto:regulatory@combinedpublic.com)

Dated: March 4, 2021

/s/ Andrea L. Fenster  
Andrea L. Fenster  
Staff Attorney  
Prison Policy Initiative, Inc.  
P.O. Box 127  
Northampton, MA 01060

## Attachment 3

Informal Complaint re: Encartele, Inc.

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

|   |
|---|
| Informal Complaint re: Encartele, Inc.,<br>FRN 0015341019 |
|---|

Pursuant to 47 U.S.C. § 208(a) and 47 C.F.R. § 1.716, the Prison Policy Initiative, Inc. submits this informal complaint regarding Encartele, Inc. (“Encartele”), an inmate communications service (“ICS”) provider subject to the provisions of 47 C.F.R., part 64, subpart FF.

ICS providers are prohibited from charging ancillary fees other than those authorized by Commission rules.<sup>1</sup> Among the ancillary fees allowed by law is an automated payment fee that covers “credit card payment, debit card payment, and bill processing fees, including fees for payments made by interactive voice response (IVR), web, or kiosk.”<sup>2</sup> This automated payment fee is capped at \$3.<sup>3</sup> Alternatively, a carrier may accept payments facilitated by third party processors, and pass through those processors’ fees to the end-user.<sup>4</sup>

In contravention of this rule, Encartele is charging both an automated payment fee of \$3 *and* passing through its credit- or debit-card processing costs, resulting in total ancillary payment fees in excess of \$3 per transaction. Our organization initially became aware of Encartele’s practices in connection with a ratemaking proceeding conducted by the Iowa Utilities Board (“IUB”).<sup>5</sup> Encartele’s website discloses that the company charges a “convenience fee” of \$2.99 for payments, in addition to a “credit card processing fee” equal to 5% of the total deposit amount. Consistent with this disclosure, when our organization initiated a test deposit of \$18.90,

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<sup>1</sup> 47 C.F.R. § 64.6020(a); *see also* WC Docket No. 12-375, [Enforcement Bureau Reminds Providers of Inmate Calling Services that They Are Responsible for Complying with the Commission’s Rules Relating to Those Services](#), Public Notice, DA 20-1364 (hereinafter “Enforcement Advisory”) (rel. Nov. 20, 2020).

<sup>2</sup> 47 C.F.R. § 64.6000(a)(1); *see also* Enforcement Advisory at 3.

<sup>3</sup> *Id.* § 64.6020(b)(3).

<sup>4</sup> *Id.* § 64.6020(b)(5).

<sup>5</sup> IUB [Docket No. TF-2019-0270](#).

Encartele sought to impose a “Convenience Fee” of \$2.99 and addition to credit card processing fees of \$1.09. A copy of the evidence that we submitted to the IUB is attached hereto as **Exhibit 1**<sup>6</sup> and is submitted here pursuant to 47 C.F.R. § 1.16.

As explained below, we believe that Encartele’s practices violate two applicable Commission regulations.

**I. Encartele Cannot Charge an Automated Payment Fee and Pass Through Fees for the Same Transaction**

Carriers should not be allowed to charge an automated payment fee under 47 C.F.R. § 64.6020(b)(1) while also passing through transaction fees under § 64.6020(b)(5). The Commission’s record provides at least two indications that Encartele’s practice of double-dipping should not be allowed. First, the automated payment fee is already designed to compensate carriers for their own payment-card processing expenses. When the Commission initially proposed capping the automated payment fee at \$3, one of the dominant ICS carriers (Securus Technologies) objected, alleging that its payment-card processing fees exceeded \$3 per transaction. The Commission rejected this argument, finding that Securus’s alleged costs were an outlier, and that other companies were able to cover their processing costs under a \$3 fee cap.<sup>7</sup> The Commission’s analysis here shows that carriers’ card processing costs may be recovered only through the automated payment fee, not the pass-through provision for third-party fees.

Second, when it allowed carriers to pass through third-party fees under § 64.6020(b)(5), the Commission framed the rule as a matter of addressing “money transfer service fees” incurred by customers who “do not have bank accounts, and therefore rely on third-party money transfer services such as Western Union or MoneyGram to fund calls with inmates.”<sup>8</sup> This background is reflected in the regulatory definition of “third party financial transaction fee,” which is described as a fee “that Providers of Inmate Calling Services are charged by third parties to transfer money

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<sup>6</sup> Note that the caption of the attached declaration inadvertently contains the incorrect proceeding number. As indicated in the filing stamp, Encartele’s tariff proceeding before the IUB is being conducted as Docket Number TF-2019-0270.

<sup>7</sup> Second Report & Order ¶ 167, 30 FCC Rcd. 12848.

<sup>8</sup> *Id.* ¶ 170, 30 FCC Rcd. 12849 (footnotes omitted).

or process financial transactions to facilitate a Consumer's ability to *make account payments via a third party*.”<sup>9</sup> But here, there is no third party involved in the transaction. A three-party transaction occurs when a customer (party 1) wishes to pay a carrier (party 2) and does so by initiating a transaction through a money transmitter like Western Union (party 3). When a customer makes a payment via Encartele's website, there are only two parties to the transaction. True, other entities may participate behind the scenes (such as the customer's card issuer and Encartele's acquiring bank), but these entities are not third parties to the transaction; they are merely agents of the payor and payee.

## **II. Encartele's Practice of Pricing Telephone Service by Megabytes Violates the Commission's System of ICS Rate Regulation**

As noted in the attached declaration, Encartele requires customers to prepay for telephone calls by “purchasing” megabytes of data. On Encartele's website, a customer must enter the amount of calling time they would like to pay for, and translate that duration of time into an “approximate” amount of data that the customer must then pay for. *See* Exh. 1, ¶ 6. We believe that this convoluted manner of pricing violates the Commission's rule that ICS carriers must “clearly accurately, and conspicuously disclose their interstate, intrastate, and international rates . . . to consumers on their Web sites.”<sup>10</sup>

## **III. Conclusion and Request for Expedited Consideration**

Because Encartele's ancillary fees and published rates do not comply with applicable Commission rules, we submit this informal complaint and request that Encartele cease passing through third-party transaction fees on any payment that is also subject to an automated-payment or live-agent fee and publish its rates based on the per-minute cost of voice calling.

Encartele is already aware of this issue due to the Iowa proceedings, and we are also serving Encartele with a copy of this complaint. We therefore request the Commission set a reply deadline under 47 C.F.R. § 1.717 of no more than 21 days from the date of this filing.

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<sup>9</sup> 47 C.F.R. § 64.6000(a)(5) (emphasis added).

<sup>10</sup> 47 C.F.R. § 64.6110.

Dated: March 4, 2021

PRISON POLICY INITIATIVE, INC.

A handwritten signature in black ink, appearing to read "Andrea Fenster", written over a horizontal line.

Andrea Fenster, Staff Attorney

Peter Wagner, Executive Director

Stephen Rahe, Pro Bono Counsel

P.O. Box 127

Northampton, MA 01060

(413) 527-0845

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
BEFORE THE IOWA UTILITIES BOARD

IN RE: ENCARTELE, INC.

DOCKET NO. TF-2019-0039

**DECLARATION OF ANDREA L. FENSTER**

I, Andrea L. Fenster, declare as follows:

1. I am employed as a policy analyst at the Prison Policy Initiative. I am over the age of eighteen, and I make the following declaration based on my own personal knowledge. If called upon to testify concerning the matters expressed herein, I could and would competently do so under oath.

2. On November 13, 2020, I accessed the website <https://cidnet.net/friends-and-family-portal/>, operated by Encartele, Inc., for the purpose of initiating a prepayment for inmate calling service.

3. In order to make a prepayment, Encartele requires customers to create an account at the domain <https://customer.cidnet.net>. As part of the account creation process, customers are required to agree to Encartele's "Terms of Use." A true and accurate copy of the Terms of Use is attached hereto as **Exhibit 1**.

4. According to the Terms of Use, Encartele charges a "convenience fee" of \$2.99 for deposits, in addition to a "credit card processing fee" equal to 5% of the total deposit amount. Exh. 1 at 2-3.

5. I initiated a deposit via Encartele's website, and found that the fee calculation is consistent with the Terms of Use, as noted above.

///

///

///

///

///

6. For voice calling, Encartele requires customers to convert the amount of calling time into “data.” As illustrated in the following screenshot, to prepay for 100 minutes of voice calling service, a customer must purchase 63 megabytes of data:

**Purchase Data**

① Amount    ② Payment    ③ Terms    ④ Confirm

Our services are based on the amount of data transmitted. A standard voice call transmits approximately 0.66 MB for every minute. Enter the MB of data you wish to purchase, then click Next.

**Data Calculator**

Voice Minutes: 100

63 MB  
\$18.90

All data can be used for all of our services. The calculator above is to help determine how much data you want to purchase, it does not limit you to only using the data for a particular service.

Megabytes to Purchase: 63 MB

Next >

7. A purchase of data equivalent to 100 minutes of calling costs \$18.90. To make a prepayment of this amount, Encartele’s website quoted me a convenience fee of \$2.99 plus a credit card processing fee of \$1.09. The \$1.09 appears to be 5% of the principal amount plus the convenience fee (i.e.,  $(18.90 + 2.99) \times .05 = 1.09$ ). The details of the applicable fees are displayed in the following screenshot:

**Purchase Data**

① Amount    ② Payment    ③ Terms    ④ Confirm

Review the details of your purchase, then click Submit to process your transaction.

|                               |         |
|-------------------------------|---------|
| Current Data Balance:         | 0 MB    |
| Purchased Data:               | 63 MB   |
| After Purchase:               | 63 MB   |
| Total:                        | \$18.90 |
| * Convenience Fee:            | \$2.99  |
| * Credit Card Processing Fee: | \$1.09  |
| Transaction Amount:           | \$22.98 |

Billing Details: amex \*\*\*\*\* Redacted  
Andrea Fenster Redacted  
Easthampton, MA Redacted

\* Fees are non-refundable.

< Previous    Submit



I have redacted the payment-card digits and billing associated with the transaction, but in all other respects the preceding screenshot is a true and accurate record of the information displayed by Encartele's website.

I certify under penalty of perjury and pursuant to Iowa Code § 622.1 that the preceding is true and correct.

/s/ Andrea L. Fenster  
Andrea L. Fenster

11/13/2020  
Date

## Terms of Use

### Scroll Down to Agree

Please read these Terms of Service carefully. Your access to services and data will be authorized upon your acceptance of and compliance with these terms. These Terms shall also apply equally to any party using the account for which you will be responsible.

THIS IS AN AGREEMENT BETWEEN YOU AND ENCARTELE INC.

## Acceptance of the Terms

You must be of legal age to enter into this binding agreement and accept its Terms. If you do not agree to the General Terms, you may not use any of our Services. If you agree to the General Terms and do not agree to any Service Specific Terms, you may not use the corresponding Service.

## Definitions

Data: bandwidth that can be transmitted for the use of Encartele services available for your use.

Services: applications in which data can be transmitted to communicate with your family or friend confined in a correctional institute.

## Description of Service

We provide an array of services for online communication with your friends or family members who are incarcerated in a jail that is contracted to provide Encartele. With Encartele you must purchase data to use the services available. When data is purchased it becomes your data that can be used in any way you choose as it relates to the available services. Abusing any service available on your account can lead to account termination at any time at our discretion.

## Modification of Terms of Service

We may modify the Terms upon notice to you at any time through a service announcement or by sending email to your primary email address. Your continued use of the Service after the effective date of any change to the Terms will be deemed to be your agreement to the modified Terms.

## Communications from Encartele Inc.

The Service may include certain communications from Encartele Inc., such as service announcements, receipts, or account updates. You understand that these communications shall be

considered part of the available Services. You will not be able to opt-out from receiving service announcements.

## Fees and Payments

You acknowledge that the Payment Method and other information you provide is true, accurate, current, and complete, and promise to maintain and promptly update that information to keep it true, accurate, current, and complete. If you provide any information that is untrue, inaccurate, not current or incomplete, or Encartele Inc. has reason to suspect that such information is untrue, inaccurate, not current or incomplete, that you have otherwise acted in a fraudulent manner, or that your account is otherwise subject to fraud or misrepresentation, Encartele Inc. has the right to terminate your account and refuse all current or future access to or use of your account and data. You also authorize Encartele Inc. to update your Payment Method information with data Encartele Inc. may obtain from the issuer of your Payment Method.

When you supply Encartele Inc. with a Payment Method, you authorize Encartele Inc. to bill that Payment Method for all charges and fees incurred relating to the selected Data. The terms of your Payment Method are determined by an agreement(s) between you and your financial institution. If Encartele Inc. is unable to receive payment from your Payment Method successfully, or if Encartele Inc. does not otherwise receive timely payment, you will pay all amounts then owing to Encartele Inc. upon demand and, in addition to other rights, Encartele Inc. may suspend or terminate the Services and the associated terms, and all the information contained within your account may be deleted permanently. Encartele Inc. accepts no liability for information that is deleted due to an invalid Payment Method.

Encartele Inc. is PCI compliant, and to protect against potential fraud, Encartele Inc. may take steps to verify the validity of the credit card information you provide. The verification process may include asking you to verify the amount debited to confirm that you are in possession of your credit card, AVS checks, and tokenization. Encartele Inc. will only use this process to screen for fraud.

Your Payment Method will automatically be charged the fees for the Data that you choose. All payments will be made in US dollars. When your payment is processed you will immediately receive a receipt to your email for your records. This receipt can also be found under your account history. Each payment will be identified as CIDNET 402-378-9020 on your credit card statement for you to reference.

The types of Payment Methods that we accept and the timing for billing of any fees may vary, and Encartele Inc. may, upon notice required by applicable laws, at any time change: (a) the amount of or basis for determining any fee or charge, (b) institute new fees or charges with respect to the Data and Services, (c) Payment Methods that we accept, or (d) the timing for billing of any fees.

## Calculation of Fees

A convenience fee of \$2.99 will be charged at the time data is purchased. There will also be a credit card processing fee 5% of your total purchase.

## Sale of Unused Data

For data that is purchased and not used, Encartele allows you to sell back your data at the price then in effect. If you agree to sell back your unused data at the price then in effect, funds will be paid via check sent to you in the mail.

## Restrictions on Use

In addition to all other terms and conditions of this Agreement, you shall not: transfer the Services or otherwise make it available to any third party; post links to third party sites or use the Cidnet logo, company name, etc. without their prior written permission; violate any applicable local, state, national or international law; and create a false identity to mislead any person as to the identity or origin of any communication.

## Trademark

Cidnet, Cidnet logo, the names of individual Services and their logos are trademarks of Encartele Inc. You agree not to display or use, in any manner, the Encartele Inc. trademarks, without Encartele's prior permission.

## Disclaimer of Warranties

YOU EXPRESSLY UNDERSTAND AND AGREE THAT THE USE OF THE SERVICES IS AT YOUR SOLE RISK. THE SERVICES ARE PROVIDED ON AN AS-IS-AND-AS-AVAILABLE BASIS. Encartele Inc. EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, Encartele Inc. MAKES NO WARRANTY THAT THE SERVICES WILL BE UNINTERRUPTED, OR ERROR FREE. NO ADVICE OR INFORMATION, WHETHER WRITTEN OR ORAL, OBTAINED BY YOU FROM Encartele Inc., ITS EMPLOYEES OR REPRESENTATIVES SHALL CREATE ANY WARRANTY NOT EXPRESSLY STATED IN THE TERMS.

## Limitation of Liability

YOU AGREE THAT Encartele Inc. SHALL, IN NO EVENT, BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, OR OTHER LOSS CAUSED BY YOUR USE OF OR INABILITY TO USE THE SERVICE.

Cidnet © 2020 Encartele, Inc. All Rights Reserved

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

**CERTIFICATE OF SERVICE**

I certify that on the date indicated below, I filed the following document with the Federal Communications Commission, using the online consumer complaint form, located at [https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket\\_form\\_id=39744](https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket_form_id=39744):

**INFORMAL COMPLAINT RE: ENCARTELE, INC., FRN 0015341019**

and I also served a copy of the above-referenced document on the following recipient by first-class mail and email:

Encartele, Inc.  
Attn: Brenda Cortez, Exec. Assistant  
PO Box 540547  
Omaha, NE 68154  
[nancy.clausen@hotmail.com](mailto:nancy.clausen@hotmail.com)

Dated: March 4, 2021

/s/ Andrea L. Fenster  
Andrea L. Fenster  
Staff Attorney  
Prison Policy Initiative, Inc.  
P.O. Box 127  
Northampton, MA 01060

Attachment 4

Informal Complaint re: Reliance Telephone of  
Grand Forks, Inc.

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

|  |
|--|
| Informal Complaint re: Reliance<br>Telephone of Grand Forks, Inc., FRN<br>0018007864 |
|--|

Pursuant to 47 U.S.C. § 208(a) and 47 C.F.R. § 1.716, the Prison Policy Initiative, Inc. submits this informal complaint regarding Reliance Telephone of Grand Forks, Inc. (“Reliance”), an inmate communications service (“ICS”) provider subject to the provisions of 47 C.F.R., part 64, subpart FF.

ICS providers are prohibited from charging ancillary fees other than those authorized by Commission rules.<sup>1</sup> Among the ancillary fees allowed by law are two types of fees for payment transactions facilitated by the ICS provider. First, a provider may charge an automated payment fee that covers “credit card payment, debit card payment, and bill processing fees, including fees for payments made by interactive voice response (IVR), web, or kiosk.”<sup>2</sup> Second, if the customer completes the transaction with the assistance of an operator, the carrier may impose a live agent fee for “the optional use of a live operator to complete Inmate Calling Services transactions.”<sup>3</sup> The automated payment fee is capped at \$3, while the live agent fee is capped at \$5.95.<sup>4</sup>

Alternatively, a carrier may accept payments facilitated by third party processors, and pass through those processors’ fees to the end-user.<sup>5</sup>

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<sup>1</sup> 47 C.F.R. § 64.6020(a); *see also* WC Docket No. 12-375, [Enforcement Bureau Reminds Providers of Inmate Calling Services that They Are Responsible for Complying with the Commission’s Rules Relating to Those Services](#), Public Notice, DA 20-1364 (hereinafter “Enforcement Advisory”) (rel. Nov. 20, 2020).

<sup>2</sup> 47 C.F.R. § 64.6000(a)(1); *see also* Enforcement Advisory at 3.

<sup>3</sup> 47 C.F.R. § 64.6000(a)(3).

<sup>4</sup> *Id.* § 64.6020(b).

<sup>5</sup> *Id.* § 64.6020(b)(5).

In contravention of this rule, Reliance is charging both an automated-payment or live-agent fee *and* passing through its credit- or debit-card processing costs, resulting in total ancillary payment fees in excess of the \$3 and \$5.95 caps. Our organization initially became aware of this practice in connection with a ratemaking proceeding conducted by the Iowa Utilities Board (“IUB”).<sup>6</sup> This practice is disclosed in Reliance’s filed tariff, the relevant portion of which is attached hereto as **Exhibit 1**.

Carriers should not be allowed to charge an automated or live-agent fee under 47 C.F.R. § 64.6020(b)(1) and (3) while also passing through transaction fees under § 64.6020(b)(5). The Commission’s record provides at least two indications that Reliance’s practice of double-dipping should not be allowed. First, the automated payment fee is already designed to compensate carriers for their own payment-card processing expenses. When the Commission initially proposed capping the automated payment fee at \$3, one of the dominant ICS carriers (Securus Technologies) objected, alleging that its payment-card processing fees exceeded \$3 per transaction. The Commission rejected this argument, finding that Securus’s alleged costs were an outlier, and that other companies were able to cover their processing costs under a \$3 fee cap.<sup>7</sup> The Commission’s analysis here shows that carriers’ card processing costs may be recovered only through the automated payment fee, not the pass-through provision for third-party fees. Similarly, the Commission’s explanation of the live-agent fee expresses an intent to allow a fee up to \$5.95 to cover all expenses related to processing transactions through a carrier’s customer service agents.<sup>8</sup>

Second, when it allowed carriers to pass through third-party fees under § 64.6020(b)(5), the Commission framed the rule as a matter of addressing “money transfer service fees” incurred by customers who “do not have bank accounts, and therefore rely on third-party money transfer

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<sup>6</sup> IUB [Docket No. TF-2019-0026](#).

<sup>7</sup> Second Report & Order ¶ 167, 30 FCC Rcd. 12848.

<sup>8</sup> *Id.* ¶ 168, 30 FCC Rcd. 12848.



services such as Western Union or MoneyGram to fund calls with inmates.”<sup>9</sup> This background is reflected in the regulatory definition of “third party financial transaction fee,” which is described as a fee “that Providers of Inmate Calling Services are charged by third parties to transfer money or process financial transactions to facilitate a Consumer’s ability to *make account payments via a third party*.”<sup>10</sup> But here, there is no third party involved in the transaction. A three-party transaction occurs when a customer (party 1) wishes to pay a carrier (party 2) and does so by initiating a transaction through a money transmitter like Western Union (party 3). When a customer makes a payment via Reliance’s website, there are only two parties to the transaction. True, other entities may participate behind the scenes (such as the customer’s card issuer and Reliance’s acquiring bank), but these entities are not third parties to the transaction; they are merely agents of the payor and payee.

Because Reliance’s ancillary fees do not comply with applicable Commission rules, we submit this informal complaint and request that Reliance cease passing through third-party transaction fees on any payment that is also subject to an automated-payment or live-agent fee.

Reliance is already aware of this issue due to the Iowa proceedings, and we are also serving Reliance with a copy of this complaint. We therefore request the Commission set a reply deadline under 47 C.F.R. § 1.717 of no more than 21 days from the date of this letter.

Dated: March 4, 2021

PRISON POLICY INITIATIVE, INC.



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Andrea Fenster, Staff Attorney  
Peter Wagner, Executive Director  
Stephen Rahe, Pro Bono Counsel  
P.O. Box 127  
Northampton, MA 01060  
(413) 527-0845

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<sup>9</sup> *Id.* ¶ 170, 30 FCC Rcd. 12849 (footnotes omitted).

<sup>10</sup> 47 C.F.R. § 64.6000(a)(5) (emphasis added).

Reliance Telephone of Grand Forks, Inc.

Telephone Tariff

Filed with the Iowa Utilities Board

Original Sheet No. 15

**SECTION 4 – RATES (Cont'd)**

**4.3 Ancillary Service Charges**

- 4.3.1 Automated Payment Fees (where available)** – Credit Card payment, debit card payment, and bill processing fees, including fees for payments made by interactive voice response (IVR), web, or kiosk (where available).

|                              |                         |
|------------------------------|-------------------------|
| Automated Payment Fees       | \$3.00                  |
| Third-party transaction fees | Passed through at cost. |

- 4.3.2 Live Agent Fee** – A fee associated with the optional use of a live operator to complete Inmate Calling Services transactions.

|                              |                        |
|------------------------------|------------------------|
| Live Agent Fee               | \$5.95                 |
| Third-party transaction fees | Passed through at cost |

ISSUED: January 05, 2021  
Issued by: Dave Hangsleben, President  
1533 South 42<sup>nd</sup> Street  
Grand Forks, ND 58201

EFFECTIVE: \_\_\_\_\_

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

**CERTIFICATE OF SERVICE**

I certify that on the date indicated below, I filed the following document with the Federal Communications Commission, using the online consumer complaint form, located at [https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket\\_form\\_id=39744](https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket_form_id=39744):

**INFORMAL COMPLAINT RE: RELIANCE TELEPHONE OF GRAND FORKS,  
INC., FRN 0018007864**

and I also served a copy of the above-referenced document on the following recipient by first-class mail and email:

Reliance Telephone of Grand Forks, Inc.  
Attn: Dave W Hangsleben, President  
118 Gateway Drive  
East Grand Forks, MN 56721  
[dave@reliancetelephone.com](mailto:dave@reliancetelephone.com)

Dated: March 4, 2021

/s/ Andrea L. Fenster  
Andrea L. Fenster  
Staff Attorney  
Prison Policy Initiative, Inc.  
P.O. Box 127  
Northampton, MA 01060

## Attachment 5

Informal Complaint re: Prodigy Solutions, Inc.

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

|   |
|---|
| Informal Complaint re: Prodigy<br>Solutions, Inc., FRN 0025078304 |
|---|

Pursuant to 47 U.S.C. § 208(a) and 47 C.F.R. § 1.716, the Prison Policy Initiative, Inc. submits this informal complaint regarding Prodigy Solutions, Inc. (“Prodigy”), an inmate communications service (“ICS”) provider subject to the provisions of 47 C.F.R., part 64, subpart FF.

ICS providers are prohibited from charging ancillary fees other than those authorized by Commission rules.<sup>1</sup> Among the ancillary fees allowed by law are two types of fees for payment transactions facilitated by the ICS provider. First, a provider may charge an automated payment fee that covers “credit card payment, debit card payment, and bill processing fees, including fees for payments made by interactive voice response (IVR), web, or kiosk.”<sup>2</sup> Second, if the customer completes the transaction with the assistance of an operator, the carrier may impose a live agent fee for “the optional use of a live operator to complete Inmate Calling Services transactions.”<sup>3</sup> The automated payment fee is capped at \$3, while the live agent fee is capped at \$5.95.<sup>4</sup>

Alternatively, a carrier may accept payments facilitated by third party processors, and pass through those processors’ fees to the end-user.<sup>5</sup>

In contravention of this system of rules, Prodigy is charging both an automated-payment or live-agent fee *and* passing through its credit- or debit-card processing costs, resulting in total

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<sup>1</sup> 47 C.F.R. § 64.6020(a); *see also* WC Docket No. 12-375, [Enforcement Bureau Reminds Providers of Inmate Calling Services that They Are Responsible for Complying with the Commission’s Rules Relating to Those Services](#), Public Notice, DA 20-1364 (hereinafter “Enforcement Advisory”) (rel. Nov. 20, 2020).

<sup>2</sup> 47 C.F.R. § 64.6000(a)(1); *see also* Enforcement Advisory at 3.

<sup>3</sup> 47 C.F.R. § 64.6000(a)(3).

<sup>4</sup> *Id.* § 64.6020(b).

<sup>5</sup> *Id.* § 64.6020(b)(5).

ancillary payment fees in excess of the \$3 and \$5.95 caps. Our organization initially became aware of this practice in connection with a ratemaking proceeding conducted by the Iowa Utilities Board (“IUB”).<sup>6</sup> Prodigy has admitted to this practice, and it is memorialized in Prodigy’s filed tariff, the relevant portion of which is attached hereto as **Exhibit 1**.

Carriers should not be allowed to charge an automated or live-agent fee under 47 C.F.R. § 64.6020(b)(1) and (3) while also passing through transaction fees under § 64.6020(b)(5). The Commission’s record provides at least two indications that Prodigy’s practice of double-dipping should not be allowed. First, the automated payment fee is already designed to compensate carriers for their own payment-card processing expenses. When the Commission initially proposed capping the automated payment fee at \$3, one of the dominant ICS carriers (Securus Technologies) objected, alleging that its payment-card processing fees exceeded \$3 per transaction. The Commission rejected this argument, finding that Securus’s alleged costs were an outlier, and that other companies were able to cover their processing costs under a \$3 fee cap.<sup>7</sup> The Commission’s analysis here shows that carriers’ card processing costs may be recovered only through the automated payment fee, not the pass-through provision for third-party fees. Similarly, the Commission’s explanation of the live-agent fee expresses an intent to allow a fee up to \$5.95 to cover all expenses related to processing transactions through a carrier’s customer service agents.<sup>8</sup>

Second, when it allowed carriers to pass through third-party fees under § 64.6020(b)(5), the Commission framed the rule as a matter of addressing “money transfer service fees” incurred by customers who “do not have bank accounts, and therefore rely on third-party money transfer services such as Western Union or MoneyGram to fund calls with inmates.”<sup>9</sup> This background is reflected in the regulatory definition of “third party financial transaction fee,” which is described

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<sup>6</sup> IUB [Docket No. TF-2019-0032](#).

<sup>7</sup> Second Report & Order ¶ 167, 30 FCC Rcd. 12848.

<sup>8</sup> *Id.* ¶ 168, 30 FCC Rcd. 12848.

<sup>9</sup> *Id.* ¶ 170, 30 FCC Rcd. 12849 (footnotes omitted).

as a fee “that Providers of Inmate Calling Services are charged by third parties to transfer money or process financial transactions to facilitate a Consumer’s ability to *make account payments via a third party*.”<sup>10</sup> But here, there is no third party involved in the transaction. A three-party transaction occurs when a customer (party 1) wishes to pay a carrier (party 2) and does so by initiating a transaction through a money transmitter like Western Union (party 3). When a customer makes a payment via Prodigy’s website, there are only two parties to the transaction. True, other entities may participate behind the scenes (such as the customer’s card issuer and Prodigy’s acquiring bank), but these entities are not third parties to the transaction; they are merely agents of the payor and payee.

Because Prodigy’s ancillary fees do not comply with applicable Commission rules, we submit this informal complaint and request that Prodigy cease passing through third-party transaction fees on any payment that is also subject to an automated-payment or live-agent fee.

We are serving Prodigy with a copy of this complaint, and therefore request the Commission set a reply deadline under 47 C.F.R. § 1.717 of no more than 21 days from the date of this letter.

Dated: March 4, 2021

PRISON POLICY INITIATIVE, INC.



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Andrea Fenster, Staff Attorney  
Peter Wagner, Executive Director  
Stephen Rahe, Pro Bono Counsel  
P.O. Box 127  
Northampton, MA 01060  
(413) 527-0845

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<sup>10</sup> 47 C.F.R. § 64.6000(a)(5) (emphasis added).

**SECTION 4 - RATES, (CONT'D.)**

**4.4 Miscellaneous Charges**

**4.4.1 Ancillary Service Charges**

- A. Automated Payment Fees (where available)** – Credit Card payment, debit card payment, and bill processing fees, including fees for payments made by interactive voice response (IVR), web, or kiosk (where available).

Automated payment fees                      \$3.00

- B. Live Agent Fee** – A fee associated with the optional use of a live operator to complete Inmate Calling Services transactions.

Live Agent Fee                                      \$5.95

- C. Paper Bill/Statement Fees** – Fees associated with providing customers of Inmate Calling Services an optional paper billing statement.

Paper Bill/Statement Fees                      \$2.00

- D. Third-Party Transaction Fees** – Third-Party transaction fees, including credit card processing fees, shall be passed through to customers with no mark-up. The Company receives no payment from a third-party vendor's transaction fees.

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Issued: October 5, 2020

Effective: February 12, 2021

Issued By: J. Brian Hartman, CEO  
6000 Midlantic Drive, Suite 705  
Mount Laurel, NJ 08054



**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

**CERTIFICATE OF SERVICE**

I certify that on the date indicated below, I filed the following document with the Federal Communications Commission, using the online consumer complaint form, located at [https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket\\_form\\_id=39744](https://consumercomplaints.fcc.gov/hc/en-us/requests/new?ticket_form_id=39744):

**INFORMAL COMPLAINT RE: PRODIGY SOLUTIONS, INC., FRN 0025078304**  
and I also served a copy of the above-referenced document on the following recipient by first-class mail and email:

Prodigy Solutions, Inc.  
Attn: James B Hartman, President  
33 Lenox Drive  
Hainesport, NJ 08036  
[bhartman@prodigytel.com](mailto:bhartman@prodigytel.com)

Dated: March 4, 2021

/s/ Andrea L. Fenster  
Andrea L. Fenster  
Staff Attorney  
Prison Policy Initiative, Inc.  
P.O. Box 127  
Northampton, MA 01060