

PRISON

POLICY INITIATIVE

PETER WAGNER

Executive Director

main: (413) 527-0845

direct: (413) 961-0002

pwagner@prisonpolicy.org

69 Garfield Ave Floor 1,
Easthampton MA 01027

www.prisonpolicy.org

www.prisonersofthecensus.org

July 17, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Ms. Dortch,

This submission presents updates on what we at the Prison Policy Initiative have learned since we published our report, “Please Deposit All of Your Money: Kickbacks, Rates, and Hidden Fees in the Jail Phone Industry,” and submitted it to the FCC on May 9, 2013.¹ In short, a few prison and jail telephone companies have subsequently improved their business practices, but several others are engaging in practices that are even more exploitative than we were aware of when we published our report.

I’ll start with the good news: **two of the smaller companies have clarified and improved their payment and refund policies.**²

- NCIC worked with the payment processing company Western Union to lower the fees charged to send payments to NCIC. The fee was lowered from \$9.95 to \$5, half what Western Union charges to send payments to the larger prison and jail phone companies.
- NCIC also quietly improved its refund policies, dropping the monthly inactive account fee from \$10 to \$5, and significantly increasing the amount of time before such a fee could be charged from 30 days to 180 days.
- Turnkey has revised its website information regarding refund policies to be consistent with the practices that the company says were already in place: people released from the jail are allowed take unspent funds with them at no charge.

¹ Our filing is available at: <http://apps.fcc.gov/ecfs/comment/view?id=6017338922>

² For more details, please see our blog post at: <http://www.prisonpolicy.org/blog/2013/05/28/policies/> .

The bad news is that the rates and fees that some companies charge are even more exorbitant than we originally understood.

The following summary provides details on these disturbing findings, organized by company.

Legacy:

In our May report, we reported that Legacy’s maximum call charge was a \$4.99 surcharge plus \$0.89 a minute. As we describe in footnote 10 of our report, we excluded several higher rates reported in Legacy’s tariffs because we were told by “Raphael” in Legacy’s “Regulatory Affairs Department” that the higher rates were old and incorrect.

Upon further investigation, we found that the rates reported in the tariffs are indeed incorrect, but for the opposite reason: the tariffed rates are *lower* than Legacy’s highest charges. (See attached Exhibit 1.) According to the tariff, the maximum charge for a 15-minute call would be \$23.01.³ But according to Legacy’s own website, a 15-minute collect call can cost as much as \$43.83. We found that Legacy has contracts with at least five facilities that charge rates and connection fees higher than those disclosed in Legacy’s tariff:

Facility	State	Type of Call	Connection Fee	Per Minute	15 min call
City of La Verne Jail	California	Interstate	\$13.98	\$1.99	\$43.83
Ocean County Juvenile Detention Center	New Jersey	Interstate	\$10.49	\$1.49	\$32.84
Springhill Jail	Louisiana	Interstate	\$7.50	\$1.15	\$24.75
Sommerville County Jail	Texas	Interstate	\$7.50	\$1.15	\$24.75
Terrell County Jail	Texas	Interstate	\$7.50	\$1.15	\$24.75

Global Tel*Link:

In our report, we describe how Global Tel*Link charges customers \$4.75 to make a web payment of \$25, and \$9.50 for a \$50 payment, and charges other fees for payments made via telephone or Western Union. At the time we published our report, we were not aware that these deposit fees were not charged *per account* but rather *per phone line*. For example, a mother who has both a landline and a cellphone and who never wants to miss a call from her incarcerated son – or two parents who both want their incarcerated child to be able to reach them on their individual cell phones – must therefore put money on *both* numbers in separate transactions to the same account, incurring separate deposit fees each time. There is only one reason why Global Tel*Link doesn’t let people prepay for a given account and then let individual numbers draw from that account balance: profit.

City Tele Coin:

In our report, we reviewed the refund policies of 11 prison and jail telephone companies, many of which make it difficult and, ironically, expensive for consumers to recoup unused funds. Since our report was submitted, however, we discovered that a different company has even worse refund policies: City Tele Coin. This Louisiana-based company not only charges a monthly fee on inactive accounts, but also appears to be blatantly disregarding unclaimed property laws. City Tele Coin charges

³ See “Contract #5” in § 3.3.5 in Legacy’s tariff, available at http://www.prisonpolicy.org/phones/Exhibit_40.pdf (last updated May 11 2012). Contract #5 includes a \$9.66 connection fee and a \$0.89 per minute rate.

customers \$10 a month if their accounts become inactive, and “[a]fter twelve months of inactivity, any remaining balance will become the property of City Tele Coin, Inc.”⁴ And the customers who are able to avoid the inactivity fee or balance seizure by closing out their accounts right away? City Tele Coin forces them to pay \$5 to receive a refund of their own money.

Conclusion

In conclusion, we hope that these updates with additional information are helpful to you as you consider regulating the broken prison and jail telephone industry.

We are encouraged by the progress two companies are making towards treating their customers fairly and allowing families to stay in touch. However, the new information we have uncovered on other companies’ egregious price gouging only strengthens the evidence that this market cannot — or will not — fix itself.

Until the FCC intervenes, prisons and jails will benefit from commissions, telephone corporations will rake in the proceeds of gargantuan fees, and poor families will continue to struggle to stay in touch.

Thank you for your attention to this critical issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Wagner', with a stylized, cursive script.

Peter Wagner
Executive Director

⁴ Fee information is available in the last three questions of the company’s FAQ page, available at <http://www.citytelecoin.com/ctefaq.html> and reproduced and attached here as Exhibit 2. We note that City Tele Coin does not publish account set-up and funding fees. We attempted to obtain the fee information by calling their customer service line but were told that the company could not provide the information we requested because the fees and taxes would only be determined when someone from one of their facilities attempted to call our number.

EXHIBIT 1

Legacy rate quotes from its website

PRISON
POLICY INITIATIVE



**Where Communications
and Corrections Converge.**

FRIEND & FAMILY LIVE CUSTOMER SERVICES AVAILABLE 24/7 (888)-729-4326

Home

Friends & Family

Facilities Serve by
Legacy

Establish A Prepaid
Account

Schedule A Video Visit
Appointment

Phone Call Rate
Information

Video Visitation Rate
Information

FAQs

CALLING RATE, FEES, TAXES

* Facility State:

* Facility Name:

* Bill To Phone:

STANDARD COLLECT CALLING

Calling Rate

Call Type:	Inter-State
Connection Fee:	\$13.9800
Call Per Minute:	\$1.9900

* Does not include local, county, state and federal taxes, regulatory fees and billing fees.

PREPAID SERVICES

Fees, Taxes

Establishment Fee:	\$10.9900
Replenishment Fee:	\$5.5000

Get Rate Quote



Where Communications
and Corrections Converge.

FRIEND & FAMILY LIVE CUSTOMER SERVICES AVAILABLE 24/7 (888)-729-4326

Home

Friends & Family

Facilities Serve by
Legacy

Establish A Prepaid
Account

Schedule A Video Visit
Appointment

Phone Call Rate
Information

Video Visitation Rate
Information

FAQs

CALLING RATE, FEES, TAXES

* Facility State:

* Facility Name:

* Bill To Phone:

STANDARD COLLECT CALLING

Calling Rate

Call Type:	Inter-State
Connection Fee:	\$7.5000
Call Per Minute:	\$1.1500

* Does not include local, county, state and federal taxes, regulatory fees and billing fees.

PREPAID SERVICES

Fees, Taxes

Establishment Fee:	\$10.9900
Replenishment Fee:	\$5.5000

[Get Rate Quote](#)



Where Communications
and Corrections Converge.

FRIEND & FAMILY LIVE CUSTOMER SERVICES AVAILABLE 24/7 (888)-729-4326

Home

Friends & Family

Facilities Serve by
Legacy

Establish A Prepaid
Account

Schedule A Video Visit
Appointment

Phone Call Rate
Information

Video Visitation Rate
Information

FAQs

CALLING RATE, FEES, TAXES

* Facility State:

* Facility Name:

* Bill To Phone:

STANDARD COLLECT CALLING

Calling Rate

Call Type:	Inter-State
Connection Fee:	\$10.4900
Call Per Minute:	\$1.4900

* Does not include local, county, state and federal taxes, regulatory fees and billing fees.

PREPAID SERVICES

Fees, Taxes

Establishment Fee:	\$4.9900
Replenishment Fee:	\$5.5000

[Get Rate Quote](#)



Where Communications
and Corrections Converge.

FRIEND & FAMILY LIVE CUSTOMER SERVICES AVAILABLE 24/7 (888)-729-4326

Home

Friends & Family

Facilities Serve by
Legacy

Establish A Prepaid
Account

Schedule A Video Visit
Appointment

Phone Call Rate
Information

Video Visitation Rate
Information

FAQs

CALLING RATE, FEES, TAXES

* Facility State:

* Facility Name:

* Bill To Phone:

STANDARD COLLECT CALLING

Calling Rate

Call Type:	Inter-State
Connection Fee:	\$7.5000
Call Per Minute:	\$1.1500

* Does not include local, county, state and federal taxes, regulatory fees and billing fees.

PREPAID SERVICES

Fees, Taxes

Establishment Fee:	\$10.9900
Replenishment Fee:	\$5.5000

[Get Rate Quote](#)



Where Communications
and Corrections Converge.

FRIEND & FAMILY LIVE CUSTOMER SERVICES AVAILABLE 24/7 (888)-729-4326

Home

Friends & Family

Facilities Serve by
Legacy

Establish A Prepaid
Account

Schedule A Video Visit
Appointment

Phone Call Rate
Information

Video Visitation Rate
Information

FAQs

CALLING RATE, FEES, TAXES

* Facility State:

* Facility Name:

* Bill To Phone:

STANDARD COLLECT CALLING

Calling Rate

Call Type:	Inter-State
Connection Fee:	\$7.5000
Call Per Minute:	\$1.1500

* Does not include local, county, state and federal taxes, regulatory fees and billing fees.

PREPAID SERVICES

Fees, Taxes

Establishment Fee:	\$10.9900
Replenishment Fee:	\$5.5000

[Get Rate Quote](#)

EXHIBIT 2

*City Tele Coin FAQ
from <http://www.citytelecoin.com/ctcfaq.html>
(See last three questions for fee information.)*

PRISON
POLICY INITIATIVE



City Tele Coin, Inc.

4501 Marlena Street / Bossier City, LA / 71111

www.citytelecoin.com

800 / 682 / 0707

[HOME](#) [LOGIN](#) [SERVICES](#) [FAQ](#)

Questions?

Here are some of the questions we get asked most often. Click on the question in order to make the answer visible.

Frequently Asked Questions

HELP! I am pressing 1 to accept calls, but nothing happens. Can you help ?

Why should I use DirectPay ?

How can I purchase DirectPay ?

Can I block my number from unwanted calls ?

Will I be able to call the person ?

Can I receive calls on my cell phone from a person at a Correctional Facility ?

I am with a billable phone company so why can't I get billed for collect calls ?

I have a DirectPay account with City Tele Coin so why can't I receive calls ?

If I purchase DirectPay, will the person be able to place calls to other numbers ?

What happens when my DirectPay account balance runs out ?

I have more than one person calling my number. Can more than one person call me if I have a DirectPay account ?

If my number changes, or I get a new number, how will it affect my DirectPay account ?

DirectPay accounts are phone number specific. You can transfer the balance to another number. When you call us for this service, please be aware:

- There is a \$2.50 transfer fee, plus taxes, which will be deducted from the balance, for processing

What happens to my DirectPay account when the person is transferred or released ?

- If the person is transferred to another of our facilities, your account will operate normally once the person has moved. DirectPay accounts are good at any of our facilities.
- Contact one of our representatives and request a refund. When requesting a refund:
 - You must have at least \$7.00 balance
 - There will be a \$5.00 refund fee, plus taxes, deducted from the balance, for processing
 - Any remaining balance will be refunded to you
 - The process may take up to 120 days from the date you make the request
 - Once the refund request is made, all further attempts to dial the number, from any of our facilities, will be blocked

Are there other Fees and Taxes associated with

We Have Answers

Please, do not hesitate to call our representatives if you can not find the answer you are looking for here!

DirectPay ?**Yes.**

There is also an **Inactivity Service Fee**.

After six months of inactivity on a DirectPay Account: (no call attempts, and no communication from account holder)

- a \$10.00 fee will be deducted from the account balance
- and the same \$10.00 fee will be deducted for each successive month of inactivity
- if there is insufficient funds to cover the fee, the remaining balance becomes the property of City Tele Coin, Inc.
- After twelve months of inactivity, any remaining balance will become the property of City Tele Coin, Inc.

©2011 City Tele Coin, Inc. All Rights Reserved.