

Agenda Date: April 24, 2002  
Item Number: 2B

**Docket:** UT-010633  
Company Name: WebNet Communications, Inc.

Staff: Carlene Hughes, Compliance Program Coordinator  
Vicki Elliott, Assistant Director, Consumer Affairs

**Recommendation:**

Issue a Complaint against WebNet Communications, Inc., and accept the proposed Settlement Agreement to resolve the Complaint.

**Discussion:**

The proposed Complaint and Settlement Agreement in this matter comes from an investigation into WebNet Communications, Inc. (WebNet) changing consumers' presubscribed long distance telephone service providers without authorization, a process commonly known as "slamming".

This investigation was prompted by twenty-five complaints received at the Commission from September 22, 2000, through July 31, 2001, from consumers who claimed their long distance telecommunications service providers were changed from their preferred carriers to WebNet without their authorization in violation of WAC 480-120-139. The Commission issued an Order Instituting Investigation on May 8, 2001.

In November 2001, Staff notified WebNet of its findings and invited the company to enter into discussions to resolve these issues. Staff and WebNet shared information and discussed a possible resolution. These discussions resulted in the proposed Settlement Agreement presented today.

Briefly, in the Agreement, WebNet has agreed to total penalties of \$5,000.00 for twenty-five violations of WAC 480-120-139(1) (slamming) and twenty-five violations of WAC 480-120-139(2) (verification process). In addition, WebNet will:

- Cease telemarketing in the state of Washington effective the date of this agreement;
- Refund all amounts charged to customers who have a valid slamming complaint filed with the Commission; and,
- Cease business operations in the state of Washington within forty-five days of this agreement, cancel its telecommunication's registration, and, notify its customers that it is ceasing operations in accordance with WAC 480-120-083(2)(c).

**Recommendation**

Staff recommends the Commission issue a Complaint against WebNet Communications, Inc., and accept the proposed Settlement Agreement to resolve the Complaint.