

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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Comprehensive Review of the
Revenue Requirements and Rate
Stabilization Plan of Southern
Bell Telephone & Telegraph Company

Docket No. 920260-TL
Filed: November 16, 1992

CONFIDENTIAL

DIRECT TESTIMONY

OF

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On Behalf of the Citizens of The State of Florida

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DIRECT TESTIMONY
R. EARL POUCHER
FOR
OFFICE OF PUBLIC COUNSEL
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 920260-TL

Q. Please state your name, business address and title.

A. My name is R. Earl Poucher. My business address is 111 West Madison St., Room 812, Tallahassee, Florida 32399-1400. My title is Legislative Analyst.

Q. Please state your business experience.

A. I graduated from the University of Florida in 1956 and I was employed by Southern Bell in July 1956 as a supervisor-trainee. I retired in 1987. During my career with Southern Bell, I held positions as Forecaster, Gainesville; Business Office Manager, Orlando; District Commercial Manager, Atlanta; General Commercial-Marketing Supervisor, Georgia; Supervisor-Rates and Tariffs, Florida; District Manager-Rates and Tariffs, Georgia; General Rate Administrator, Headquarters; Division Staff Manager--Business Services, Georgia; Profitability Manager-Southeast Region, Business Services; Distribution Manager-Installation, Construction & Maintenance,

1 Pensacola and LATA Planning Manager-Florida. In addi-
2 tion, I was assigned to AT&T in 1968 where I worked for
3 three years as Marketing Manager in the Market and
4 Service Plans organization. I joined the Office of
5 Public Counsel in October 1991.

6 Q. Have you ever appeared before this Commission?

7 A. Yes I have. I testified on behalf of Public Counsel in
8 United Telephone's Docket No. 910980 on rate case matters
9 and Docket No. 910725 on depreciation matters. I
10 testified in GTE Docket 920188-TL on Inside Wire
11 activities. I recently testified for Public Counsel in
12 BellSouth's depreciation Docket No. 920385-TL. In
13 addition, as an employee of Southern Bell I testified in
14 rate case and anti-trust dockets before the Public
15 Service Commissions in Georgia and North Carolina. I
16 also participated as the representative of Public Counsel
17 in the negotiations and settlement of the depreciation
18 rates established by the FCC for General Telephone and
19 BellSouth earlier this year and I negotiated the
20 stipulation which settled the General Telephone
21 depreciation docket in August of this year.

22 Q. What is the purpose of your testimony?

23 A. The purpose of my testimony is to recommend to the
24 Commission that it abandon the existing BellSouth Rate
25 Stabilization Plan and apply the existing and traditional

1 rate of return standards to the company. In addition, I
2 am proposing that the Commission impose an economic
3 penalty which would be directly applied to the
4 stockholders of the company in recognition of the
5 violation of the public trust on behalf of the company in
6 the conduct of its maintenance and sales activities
7 during the Rate Stabilization Trial.

8
9 Finally, because of its unethical behavior in the conduct
10 of its maintenance activities during the Rate
11 Stabilization Trial, I am recommending that the
12 Commission re-regulate BellSouth's installation, sale and
13 maintenance of Simple Inside Wire at the earliest
14 possible time. This recommendation is based on my belief
15 that BellSouth's actions demand that the Commission
16 regulate and closely monitor their future activities in
17 this area.

18 Q. What is the basis of your proposal to return to
19 traditional rate base regulation for the company and
20 impose an economic penalty?

21 A. The time for experiments is past. The Rate Stabilization
22 Plan should be abandoned by the Commission and the
23 company should be regulated under traditional rate base
24 regulation. It is my belief that the Rate Stabilization
25 Plan contributed to a management mind-set that encouraged

1 the widespread abuse of customers and the falsification
2 of reports to the Public Service Commission in order to
3 produce higher earnings while creating the false
4 impression that the company was meeting existing PSC
5 standards of service.

6
7 From the standpoint of the Florida consumers, the Rate
8 Stabilization Plan fell far short of reaching the goals
9 intended by this Commission and instead, produced a
10 "negative dividend" which penalized its customers. The
11 major impacts resulting from the implementation of the
12 Rate Stabilization Plan are as follows:

13 (1) It produced a large group of customers who
14 were abused by company practices which resulted in
15 maximized company profits and false quality of
16 service reports filed with the Commission.

17
18 (2) Based on procedures that violated company
19 practices, the company's management personnel were
20 able to enjoy excessive and undeserved salary
21 increases during the conduct of the Rate
22 Stabilization trial while customers were subjected
23 to fraudulent sales and unacceptable levels of
24 service which were not reported to the PSC.

25

1 (3) The company's stockholders enjoyed higher
2 return on their investment than justified by
3 traditional regulation during the conduct of the
4 Rate Stabilization trial, again, at the expense of
5 the general customer body.

6

7 (4) The company was never able to achieve earnings
8 it could "share" with its customers, despite the
9 fraudulent sales and false service reports to the
10 PSC.

11 Q. Why do you say the Rate Stabilization Plan produced the
12 "negative dividend" you described earlier.

13 A. Public Counsel has obtained documentation which, in my
14 opinion, clearly demonstrates that:

15 (1) In its frantic search for higher revenues, the
16 company engaged in outright fraud by adding additional
17 services to customer bills which were not ordered by its
18 customers.

19

20 (2) In its desire to continue to demonstrate that it was
21 meeting the established PSC standards of service while
22 dramatically reducing its service forces, the company
23 falsified its repair records and filed false and
24 misleading reports with the PSC.

25

1 (3) Higher management ignored clear and compelling
2 signals that company employees were engaging in the above
3 activities. These signals were largely ignored until
4 such time as the company was forced to acknowledge its
5 problems and belatedly begin to implement new standards
6 and controls to eliminate widespread abuse.

7 Q. Please discuss the fraudulent sales activities conducted
8 by the company.

9 A. Company employees added services to its customer's bills
10 which were not ordered by its customers and without their
11 knowledge. The company settled a recent action by the
12 Statewide Prosecutor (Exhibit No. REP-1) in an
13 investigation of the company's sales practices which
14 produced \$12.2 million in refunds as restitution.

15
16 The company's position is that they had a few bad apples
17 who committed improper acts which resulted in their
18 dismissal or discipline. However, it appears that the
19 corporation was in a "revenue feeding frenzy" when it
20 realized it had the opportunity to enjoy a higher rate of
21 return under the Rate Stabilization Plan.

22
23 The Statewide Grand Jury, in its Advisory Opinion filed
24 on September, 16, 1992 stated, "After careful
25 deliberation of the evidence produced, we have determined

1 that Southern Bell created, promoted, and sustained an
2 atmosphere that served to foster and reward certain
3 fraudulent practices. As one example: The Company
4 established an extensive sales incentive program that
5 included such prizes as cruises and appliances, which
6 amounted to an engraved invitation for both craft
7 employees and management alike to commit fraud on
8 unsuspecting and defenseless customers by selling them
9 services they did not need or want. The program was rife
10 with overt pressure on employees to produce sales, but
11 contained no provisions for verification of actual sales
12 activity. By this and similar actions, we believe that
13 the Company countenanced the conception of a culture that
14 allowed corporate executives to look the other way when
15 the specter of consumer fraud stared them in the face."

16
17 The priorities of the higher management of the company
18 placed revenue generation activities first and foremost,
19 and they failed to exercise their responsibilities on
20 behalf of their customers. Public Counsel will call as
21 witnesses, Mr. C. L. Cuthbertson, Jr., General Manager,
22 Human Resources, and Mr. C. J. Sanders, Vice-President,
23 Network-South Area, BellSouth Telecommunications Inc., to
24 describe the discipline which resulted from the company's
25 internal investigation into improper conduct by company

1 employees in repair service. Public Counsel witness Mark
2 Cooper provides the Commission with specific insight into
3 the area of sales fraud and excessive sales pressure
4 imposed by the improper use of monopoly power.

5
6 It is my opinion that we will never know the full
7 extent of the activities which occurred in the adding of
8 optional services such as custom calling and inside wire
9 maintenance to customer bills without their knowledge and
10 consent and in the submission of false quality of service
11 reports to the Commission. At this point, Public
12 Counsel's efforts to discover the facts of these matters
13 through document requests and depositions have been
14 vigorously opposed by the company. Until the Commission
15 resolves Public Counsel's outstanding discovery notions,
16 the full extent of these abuses will be known only to
17 BellSouth.

18
19 With over 29 years of experience in all phases of
20 Southern Bell operations, many of them in Florida, I have
21 never observed or heard of anything that remotely
22 compares to the customer abuse and deception of the PSC
23 that has been experienced during the Rate Stabilization
24 Trial. In my opinion, higher management must have either
25 been aware of the practices of its employees, suspicious

1 of them, or incredibly naive. Unless this Commission
2 compels BellSouth to render a full accounting of its
3 investigations, the extent of management's knowledge can
4 only be inferred from the discipline that was imposed,
5 existing discovery and external sources.

6 Q. What specific sales abuses occurred?

7 A. BellSouth employees have been involved in extensive
8 revenue-generating sales activities which resulted in
9 substantial numbers of customers having various services
10 added to their bills without their knowledge or consent.
11 Investigations by the company revealed that the
12 activities took place in multiple locations. As a
13 result, 50 company employees were subjected to various
14 disciplinary measures. Further, higher management was
15 either aware or should have been aware that the programs
16 involved customer abuse and fraud and failed to act in a
17 timely manner to deal with the problems.

18 Q. Do you have any proof of these actions?

19 A. Yes. The company discipline administered to its employees
20 for sales fraud is proof that it happened. Twenty-eight
21 (28) Service Representatives were disciplined and five of
22 them were terminated. In Network, three managers were
23 terminated, eleven others were disciplined and five
24 craftpersons were terminated.

25

1 The Statewide Grand Jury advisory opinion clearly states
2 that the company was engaging in (improper) activities
3 and that the company culture countenanced the conception
4 of a culture that allowed corporate executives to look
5 the other way. In his deposition to Public Counsel on
6 September 14, 1992, Operations Manager L. E. Mixon,
7 stated that he had encountered sales fraud in West Palm
8 Beach in 1989 and had referred it to General Manager L.E.
9 Spradlin by telephone. He also brought it up in a
10 subsequent group meeting with Mr. Spradlin's managers.
11 Nothing happened as a result of his revelations. The
12 company looked the other way, just as the Grand Jury
13 concluded.

14 Q. How did the company's repair activities impact customers
15 during the Rate Stabilization Trial?

16 A. During the Rate Stabilization Trial, the company
17 maintenance forces engaged in a wide variety of practices
18 which subverted existing quality of service standards
19 required by Commission rule. The company was thereby
20 reporting acceptable levels of service to the PSC while
21 actually delivering a lower level of service to its
22 customers.

1

2 Q. Did the deviations you have identified involve just a few
3 "bad apples" as you described earlier, or was it more
4 pervasive?

5 A. Based on company data, 85 of the existing 297 managers
6 with maintenance responsibilities were formally
7 disciplined as a result of their activities (EXHIBIT NO.
8 REP-3). Several others received Informal Discussions.
9 Eighteen additional managers were identified for
10 disciplinary measures, but they retired EXHIBIT NO. REP-
11 4). In total, the discipline of Florida's maintenance
12 management structure exceeds anything that I have ever
13 observed, based on my 29 years of experience in the
14 industry and my knowledge of the history of telephony in
15 general.

16 Q. Was the discipline confined to just the lower levels of
17 management?

18 A. No, it was not. All levels of management were
19 disciplined, from the lowest to the very top of the
20 organization.

21

22 For instance, Vice-President Sanders disciplined a number
23 of top level Network managers because as he stated:

24 "...they were responsible for organizations and the
25 operations of organizations over a period of time,

1 which I felt inappropriate activities were taking
2 place and were not dealt with in a timely manner.
3 You can sum it up by saying they were on your watch
4 managers during a period of time, and I felt that
5 they had responsibility for their organizations and
6 making sure that appropriate activities were taking
7 place during that time."

8
9 The managers who were disciplined because they should
10 have dealt with the problems included

11
12 and
13 throughout the state.

14 Q. What circumstances caused such a large number of
15 personnel to be subjected to discipline at the same time?
16 Isn't that unusual?

17 A. Yes, it is. The investigations of maintenance operations
18 were conducted by the company as an outgrowth of a
19 complaint by the Office of Public Counsel filed with the
20 Commission on February 18, 1991. The Office of Public
21 Counsel maintained that the company was engaging in the
22 systematic falsification of quality of service reports to
23 the PSC. Despite continuing and persistent efforts by
24 the Office of Public Counsel to obtain information
25 regarding its actions, it was not until mid-1992 that the

1 company addressed its problems and demonstrated that it
2 was only then beginning to take strong steps to change
3 its ways of doing business.

4 Q. What steps did the company take?

5 A. The company first disciplined 85 maintenance management
6 personnel. Second, major revisions of maintenance
7 policies and procedures were also implemented to tighten
8 the controls on the system. EXHIBIT NO. REP-6 is the
9 primary document which directed the network organization
10 to implement new, tightened procedures to prevent the
11 kind of abuse that occurred in Florida. There was a
12 tightening of the rules to classify out-of-service
13 troubles. "Wet Rules" for treating trouble
14 classifications differently when it rained were
15 eliminated. CON (Carried Over Not Scored) was eliminated
16 as a transaction. Access to the data base for creating
17 and closing trouble reports was limited. The machine
18 time was implemented as the clear time on a trouble, as
19 opposed to a manual entry which could be backed up. Many
20 of these changes relate directly to the reasons cited in
21 the discipline of management.

22

23 Q. Did the company also agree to make changes as a result of
24 the settlement with the Grand Jury?

25 A. Yes, EXHIBIT REP-7 is the Southern Bell Review Program,

1 part of the Grand Jury settlement, that provides for the
2 implementation of an Ethics Program, creation of a
3 Corporate Responsibilities and Compliance Office, Service
4 Sales Changes, Maintenance System Changes and PSC
5 Reporting procedures.

6 Q. Specifically, what types of discipline were administered?

7 A. The discipline ranged from termination, to the
8 withholding of pay raises, to personnel entries in the
9 form of reprimands, warnings or counseling entries. In
10 the case of salary treatment, the penalties, in some
11 cases, amounted to thousands of dollars. EXHIBIT NO.
12 REP-5 shows the extent of the discipline administered to
13 the individuals in the middle management of the
14 maintenance organization. Higher managements would have
15 received significantly larger financial penalties.

16 Q. Is it normal for management personnel to be disciplined
17 in BellSouth?

18 A. It's almost unheard of for a management person to be
19 subjected to discipline in BellSouth. Sometimes they are
20 incompetent. But that only affects their ratings.
21 Historically, a management person subjected to discipline
22 could anticipate that their career progress had come to
23 a total halt.

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Q. Please describe the climate that existed in the maintenance organization at that time.

A. When the company entered into the Rate Stabilization Plan with the PSC in 1989, it basically agreed to certain rate changes and to maintain service at satisfactory levels. As an incentive, it was allowed to share revenues above certain allowed rates of return with its customers. The company had made significant efforts in the early 1980's to introduce new and better outside plant facilities and procedures and its overall level of service was perceived to be satisfactory. The major challenges to the company came from managing the load during bad weather and in meeting PSC standards, particularly in the area of timely repair of Out-of-Service trouble reports.

With the advent of the Rate Stabilization Plan, the company was motivated to reduce expense to produce higher earnings and to maintain existing levels of service. The company did just that. It reduced expense by imposing large cuts in its craft and management forces. Its management personnel were given flat ultimatums to maintain PSC service standards. It is my opinion that lower management delivered exactly what higher management had demanded--the appearance of good service. But in

1 order to do so, it was necessary for them to compromise
2 the system at the expense of its customers.

3 Q. You mentioned discipline of management. What about
4 discipline of craft personnel?

5 A. To the best of my knowledge, minimal discipline of craft
6 personnel has occurred, except for isolated
7 circumstances. Over 85 craft personnel were targeted as
8 committing improper acts. But it is doubtful that the
9 company would prevail in disciplining its craft
10 personnel, since there is evidence to indicate they were
11 acting at the direction of management.

12 Q. So, the result of these actions was that the company
13 reported good results to the PSC and the customers
14 actually received lower levels of service?

15 A. Yes, the company went to extreme lengths to avoid having
16 trouble reports fall into the category that would count
17 against them with the PSC Out-of-Service over 24 hours.
18 This was the single measurement among the PSC objectives
19 which was most difficult to achieve. In compromising the
20 system and company directives, they were able to avoid
21 missing the PSC objective, but they also failed to
22 provide refunds to customers which were required by PSC
23 rules when service was out of order beyond the 24-hour
24 time period. So the PSC was not only deceived, but
25 customers were cheated.

1 Q. Please describe the activities of the company.

2 A. First, company personnel introduced false trouble reports
3 into the system in order to inflate the Out-of-Service
4 base and produce percentage results that achieved the
5 objectives of the PSC.

6
7 Second, company personnel classified trouble reports as
8 Service Affecting during the duration of the initial
9 processing, thus allowing selective and arbitrary
10 classification in the final stages of repair based on
11 whether PSC objectives were missed or met. In other
12 words, if repaired within the objective 24 hour time
13 frame, a trouble might be closed as Out-of-Service. If
14 repaired later, the same trouble might be classified as
15 Service Affecting.

16
17 Third, the company closed trouble reports which were
18 counted in the PSC rule within the time frames of the 24
19 hour standard, even if the repairs were not complete and
20 subsequently generated Employee Reports to complete
21 repairs. The Employee Report was not measured by the PSC
22 rule.

23
24 Fourth, company personnel were directed to back up
25 closing times in order to achieve compliance with the PSC

1 24 hour standards.

2

3 Numerous other practices and procedures were implemented
4 by the company to achieve levels of performance that
5 statistically satisfied the requirements of the PSC
6 rules, but worked to the disadvantage of their customers.
7 These practices and procedures will, I believe, be best
8 dealt with in other dockets. However, Public Counsel's
9 position is that BellSouth personnel regularly and
10 consistently have followed procedures which produced bad
11 service for customers and the appearance of good
12 statistical results for the company in fulfilling PSC
13 standards.

14

15 Q. What evidence have you accumulated to support your
16 allegations?

17 A. Public Counsel, through the course of this investigation
18 has received and processed a large volume of documents
19 which pertain to the company's various systems, including
20 samples of trouble reports, internal reviews and
21 investigations and depositions of BellSouth personnel.
22 It would be impossible for Public Counsel to determine
23 the total extent of the failures of the company since it
24 handles millions of trouble reports annually. Neither
25 Public Counsel nor the company can precisely calculate

1 the total number of errors, omissions and falsifications
2 which have occurred over the past four years by company
3 employees. What is certain is that 35 management
4 employees were disciplined in 1992 for acts which
5 violated company practices and procedures in providing
6 maintenance service to its customers. In addition, 50
7 employees have been disciplined for sales practices which
8 primarily involved unauthorized services being placed on
9 customer bills without their prior approval.

10 Q. Can you provide more details regarding the discipline
11 cases involving the maintenance organization?

12 A. Yes. As a result of the investigation by Public Counsel,
13 the establishment of Docket No. 910963-TL by the Public
14 Service Commission and the launching of a statewide Grand
15 Jury investigation by the Office of the Attorney General,
16 the company, on its own behalf, launched an extensive
17 internal investigation. The company maintains this
18 investigation is exempt from discovery under a claim of
19 attorney-client and work product privilege. Hence, the
20 findings of the company's investigation have been
21 withheld from Public Counsel. What we have are the
22 results--a massive top-to-bottom disciplinary action
23 which affected the lives and careers of almost one-third
24 of the management in the maintenance organization.

25

1 Q. Please describe the types of discipline that were
2 administered.

3 A. The discipline included counseling entries, reprimands
4 and financial penalties. No employees were suspended as
5 a result of the investigation. However, there were
6 severe financial penalties imposed on a number of
7 management personnel in lieu of suspensions. Some of the
8 management personnel were disciplined because of specific
9 acts, while others were disciplined because they were "on
10 the watch," which meant they should have been aware of
11 the improper activities which were taking place in their
12 organizations and should have taken appropriate steps to
13 correct them.

14

15 EXHIBIT NO. REP-8 contains the procedures used by the
16 Personnel and Network organizations to impose the various
17 types of discipline. EXHIBIT NO. REP-9 are copies of the
18 personnel entries for most of the managers disciplined.

19 Q. What specific activities were identified as a result of
20 the investigation?

21 A. In some cases we do not know exactly. For instance,

22 and

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24 were both disciplined but they claim that they
25 do not know why. was disciplined because of

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testified in his deposition that he had no direct or second hand knowledge of "any Southern Bell employee that may have falsified customer repair records in any manner." This deposition was taken in July after approximately 90 fellow managers and supervisors in

organization had been subjected to discipline, including his General Manager. Is it conceivable that no one discussed the reasons or sources of the discipline for over four months?

Will we ever know the truth? With this lack of candid response on the part of BellSouth, how can Public Counsel or the Commission ever hope to know the entire story. Only _____ knows for sure whether he or his fellow managers and his supervisor, who was also disciplined, have discussed these matters. But it is totally inconceivable that _____ would have

1 been unaware of a 1991 Security investigation in North
2 Florida which resulted in two suspensions and one
3 dismissal due to the generation of fictitious trouble
4 reports. One of his own employees was investigated
5 extensively and would have received
6 complete details of the investigation. However, his
7 response in his deposition denies knowledge of even this
8 activity.

9
10 The North Florida investigation was launched after a
11 similar investigation in South Florida revealed that it
12 was fairly simple for a technician to create work for
13 himself by calling in trouble reports into the mechanized
14 trouble reporting system. Prior to 1991, there were
15 apparently no controls in place to alert management to
16 the potential for this problem. This problem is
17 symptomatic of the entire system, which allowed company
18 personnel to easily bend the rules to produce desired
19 results.

20
21 The Operations Managers in charge of maintenance
22 throughout Florida had an obligation to be thoroughly
23 knowledgeable of any falsifications, misconduct or
24 compromises which may have resulted in failure to provide
25 rebates to customers or inaccurate reporting of repair

1 results to the PSC. They would have been negligent in
2 their responsibilities had they not thoroughly pursued
3 the problems and corrected them. And yet, they have not
4 discussed the largest discipline case in the history of
5 the company, according to the testimony of

6
7
8 However, on the same day in Pensacola, Public Counsel
9 took the deposition of a craft person with
10 the title of Maintenance Administrator who works for

11 She freely admitted that until the past year it
12 was their practice to back up clearing times if out of
13 service troubles were cleared within 15 minutes of the
14 24-hour objective which is the PSC requirement. This
15 practice was in force in Pensacola since 1987 and was
16 halted in 1992. She was instructed to follow this
17 procedure by her supervisor who is now
18 retired.

19
20 The procedure uncovered in Pensacola could have happened
21 anywhere. And it probably did.
22 deposition taken by Public Counsel and the various
23 disciplines administered to Network personnel supports
24 this conclusion. Employees responsible for the
25 completion of trouble reports were constantly pressed by

1 higher management to insure that out-of-service troubles
2 were cleared within the PSC objectives. Management
3 personnel were required to be notified when maintenance
4 administrators were closing troubles that failed to meet
5 the Commission standards. The attitude of higher
6 management was that the objectives must be met, whatever
7 it takes. (See Exhibit No. REP 10).

8 Q. What other problems were uncovered?

9 A. One of the more pervasive problems was the addition of
10 fictitious trouble reports into the system in order to
11 achieve PSC objectives for out-of-service troubles. The
12 intent of the PSC rule is that 95% of all out-of-service
13 troubles should be cleared in 24 hours for each exchange.
14 The requirement for a measurement on each exchange is to
15 prevent masking over poor service in the rural areas with
16 service results from the major metropolitan areas.

17
18 The preferred method of achieving the PSC rule is to
19 clear all troubles within 24 hours. The other way is to
20 introduce fictitious out-of-service troubles into system
21 and clear them, thus expanding the base to achieve 95%.

22 , was
23 disciplined because of "record keeping in the repair
24 department." In his deposition by Public Counsel on
25 July 22, 1992 admitted in his deposition to

1 adding fictitious trouble reports to the base in order to
2 achieve the 95% objective in Hobe Sound.

3 in
4 refused to answer any questions
5 regarding his actions in the maintenance center or even
6 regarding the nature of his job duties, asserting his
7 rights against self incrimination under the Fifth
8 Amendment. But

9 admitted to adding fictitious reports into the
10 system to build the out-of-service base.

11 were all disciplined by the
12 company.

13
14 In Gainesville, a 1991 security investigation revealed
15 that trouble reports had been originated from the
16 telephone book, apparently for the purpose of adding to
17 the base to insure that the 95% standard was achieved.
18 No one admitted to the activity. But the following
19 Gainesville managers were subjected to discipline in
20 1992:

21
22
23

24 In South Dade, , a management employee,
25 testified that she observed a management person in the

1 maintenance center using telephone books to originate
2 trouble reports in the Keys in 1990. She reported the
3 problem to the employee's supervisor and to
4 her and to the best of her knowledge,
5 no action was taken following the incident.
6 and were both disciplined by the company.

7
8 In fact, it is note that you will find on
9 Exhibit No. REP-10 which states, It is
10 your responsibility to meet this important result-
11 Whatever it takes."(Underline added) And it is
12 note on Exhibit No. REP-11, page 1 which states,
13 ..We can't miss these." Page 2 of the same
14 exhibit includes the note from that states, "We
15 must meet these." All of references are to
16 PSC standards for Out-of-Service(OOS) repair within 24
17 hours. who reports
18 directly to You might
19 look closely at report as well in this same
20 exhibit. It is a report that tells the maintenance
21 center the number of OOS troubles which missed the 24
22 hour objective, the total number of OOS troubles, the
23 percentage and the number of additional oos troubles
24 required to be added to the base in order for them to
25 achieve the 95% objective. The final line on this report

1 has no use whatsoever in the maintenance organization,
2 since they do not control the total number of reports.
3 But it is the key number if you were actively engaged in
4 adding reports to the system in order to achieve the
5 objective or if you were reclassifying troubles from
6 Service Affecting to OOS in order to achieve the same
7 goal. Is this an isolated report? Hardly. According to
8 and in their panel deposition on
9 July 19, 1992, this report was available to all of the
10 maintenance centers on a daily basis. The question is,
11 did they all use it like South Dade and Gainesville?
12 Former employee who worked in Orlando
13 maintained in his deposition taken on October 10, 1991
14 that he called in his clerks on overtime to generate
15 false trouble reports from names they got from the phone
16 book in order to build the OOS base in Brooksville.

17
18 Babair said he was advised of this procedure by
19 who was on the North Florida Network staff at the
20 time. It is safe to conclude that this procedure, which
21 served to thwart the PSC measurement system, was not
22 isolated and confined to a few bad apples. More
23 importantly, this inventive solution to a corporate
24 problem may have originated with the Vice-President's
25 staff person, who stated "you better not

1 let ' down on this" while he was instructing
2 Babair on how to build the base.

3 Q. You have mentioned backing up times and adding to the
4 out-of-service base. Were there other problems?

5 A. Yes. who worked in South Dade and Miami
6 Metro, was disciplined by the company because she was
7 accused of improper use of the CON (Carried over not
8 scored) transaction code. So was an
9 and

10 This procedure involved using a code which
11 classified a trouble report as CON (Carried over not
12 scored), which was the company code for delay in repairs
13 which were caused by a customer request. This code could
14 be used to eliminate a trouble report which could not be
15 cleared in 24 hours from both the PSC measurement and
16 from a rebate to the customer. The company eliminated
17 the use of the CON code in its major system-wide overhaul
18 in January 1992. However, EXHIBIT NO. REP-12 is the
19 company's response that indicates clearly that improper
20 use of the CON code would result in the PSC Schedule 11
21 report being incorrect.

22

23 Another method to enlarge the base was to input non-
24 existent Out-of-Service troubles into the system as I
25 have described earlier or to classify less severe service

1 affecting troubles as out-of-service when they were
2 cleared within the 24 hour objective. For example,
3 provided information that she observed
4 five Ft. Pierce managers in a group discussion involving
5 the failure of one of their maintenance administrators to
6 status a cable failure as out-of-service and she refused
7 to do so. According to deposition, the
8 managers were upset, even though the employee was
9 following the practices properly. This group involved
10 and
11 all of whom were disciplined. It is easy to
12 conclude that company management personnel were highly
13 motivated to achieve the PSC objectives, even to the
14 extent that they ignored existing company practices.

15 Q. Was the Ft. Pierce situation unique?

16 A. Not at all. was disciplined for backing up
17 times in the closing of trouble reports while he was a
18 supervisor in Coral Springs based on his deposition dated
19 July 30, 1992. He was also aware that

20
21 had also been disciplined, all management employees of
22 the

23
24 was disciplined for classifying trouble
25 reports cleared over 24 hours as Service Affecting and

1 classifying those cleared within 24 hours as Out-of-
2 Service based on his deposition dated July 27, 1992.
3 These activities occurred when he was in Miami Metro.

4 other managers in were also disciplined-

5

6 was also aware of the improper use of the CON
7 codes, of improper use of autoscreen rules, improper
8 backing-up of clearing times and Test O.K. troubles being
9 classified as Out-of-Service.

10

11 Q. Do you have other proof to document the extent of the
12 problem?

13 A.

14

15

16

17

18 Q. Was higher management aware of the extent of the
19 deviations which were occurring in the test centers?

20 A. It is my opinion that under the incentive regulation plan
21 the focus of the corporation was on higher profits, force
22 cuts and maintaining results that were required by the
23 PSC. Higher management had to be aware of the shortcuts
24 that were being taken in the maintenance centers.
25 EXHIBIT NO. REP-16 includes excerpts from five South

1 Florida operational reviews in 1990 that showed amazingly
2 consistent results. There were up to 82.5% error rates
3 on handling of employee reports, up to 100% error rates
4 on improperly classifying Out-of-Service reports, and up
5 to 28% deviations on use of CON status codes. The
6 operational reviews should have alerted higher management
7 that they had major problems to deal with in the
8 maintenance centers.

9 Q. How can you be certain?

10 A. Of the three General Managers in the state,
11 and the third retired. The
12 Vice-President--Network, also retired,
13 without being subjected to disciplinary measures.

14 brought the improper use of CON codes to the
15 attention of in 1990.

16 was also aware of strong allegations of fraud in
17 the maintenance centers by Frank Falsetti in 1990. Mr.
18 Falsetti's allegations were the source of the OPC
19 complaint that started this investigation.

20

21 I am quoting Nancy D'Alessio's letter to

22 on November 29, 1990 following her abrupt
23 dismissal (EXHIBIT NO. REP-13):

24 "I merely acted on what was common practice for
25 everyone in the North Dade Turf...It was done on a

1 daily basis per our instructions...In the midst of
2 all of this Lesko was in a panic over his
3 index...Lesko demanded that I have one of our best
4 and trustful MA's close the TOK file because she
5 always did it this way for _____. It
6 was also common knowledge that had
7 and several other MA's close their TOK's to
8 OOS. That is the way it's been done since I came
9 to the IMC."

10

11 On December 26, 1990, Ms. D'Alessio wrote
12 to again appeal for mercy from the corporation, stating
13 the following (EXHIBIT NO. REP-14):

14 "I took a direct order from my boss, a direct and
15 threatening order. The company put him in that
16 position...I told the truth everyone else lied and
17 I'm fired. Is this the integrity problem I had??"

18

19 the replacement for
20 who retired, stated in his deposition that he brought
21 to his new assignment a shift in emphasis from meeting the PSC
22 standards to integrity of service and placing the customer
23 first.

24 Q. Can you quantify the number of customers who were
25 affected by the various improper practices of the

1 company?

2 A. I don't believe that's possible. Our position is that
3 the LMOS (Loop Maintenance Operation System) trouble
4 reporting system lacked proper controls to regulate the
5 activities of the maintenance centers. But in
6 retrospective analysis, it is impossible to identify
7 which transactions were legitimate and which were not.
8 If a test center was faced with a trouble report that was
9 not going to be repaired in 24 hours, there was a wide
10 variety of actions which could be taken (and were) to
11 avoid missing the measurement.

12
13 The management style enforced in almost every test center
14 lent itself to potential abuse. For instance, troubles
15 were routinely not classified as Out-of-Service until
16 they were closed out, therefore allowing the maintenance
17 center personnel total flexibility to classify the
18 trouble most favorably for the company.

19
20 There is clear evidence of practices requiring that if an
21 Out-of-Service trouble was over 24 hours and about to be
22 closed out that it had to be referred to a manager. In
23 Gainesville, it was done in the back room. Even if an
24 Out-of-Service trouble was cleared after 24 hours, there
25 were a variety of codes that were used to exclude the

1 report from measurement. EXHIBIT NO. REP-19 is one of
2 many notes emphasizing to the MA's which specific codes
3 excluded reports from the PSC measurement. In addition,
4 the management style intimidated many craftpersons to
5 falsify reports.

6 Q. How can you be assured there was a problem?

7 A. One doesn't discipline approximately 90 managers and
8 virtually destroy their careers on the basis of a minor
9 problem. The problem was real. It happened. Large
10 numbers of customers were abused in the process and good
11 employees were compromised in their desire to produce the
12 results demanded of them by higher management.

13 Q. Please discuss your proposals for penalizing the company
14 because of its sales and maintenance activities.

15 A. One of the major problems facing Public Counsel has been
16 the extreme difficulty in obtaining hard data to quantify
17 the impact on customers which resulted from the various
18 falsifications and departures from company policies which
19 the company engaged in over the past several years.

20
21 The company has vigorously fought every effort of Public
22 Counsel to develop full information. For example, the
23 company vigorously denied that closeout times were backed
24 up by maintenance center personnel in the clearing of
25 troubles and then disciplined a large number of its

1 management people for engaging in the practice.

2 responses in deposition were
3 typical of the responses of others. With this lack of
4 candor on the part of the company, it is no wonder that
5 OPC was unable to quantify the number of customers who
6 were harmed and the exact number of incorrect reports
7 which were provided to this Commission.

8
9 The company, however, couldn't sweep under the rug the
10 report of the Statewide Grand Jury. It cannot describe
11 the largest discipline problem in the history of the
12 company as "just a few bad apples." Many, many customers
13 were abused. The PSC was deceived. And the question is,
14 "What is the appropriate penalty to be passed on to this
15 company to insure that others are not encouraged to
16 follow the same path in the future?"

17
18 My recommendation to the Commission is that it should
19 treat BellSouth's activities under the incentive
20 regulation period as an insult to the regulatory process
21 and a violation of the public trust. I recommend six
22 specific solutions to insure that this never happens
23 again in the State of Florida.

24 Q. What are your proposals?

25 A. My proposals are as follows:

1 (1) Return the company to traditional rate of return
2 regulation. It has demonstrated fully and completely
3 that it cannot be trusted to manage its operations for
4 the benefit of its general body of customers under a
5 system which allows for looser regulation.

6
7 (2) Once the Commission has determined the allowable
8 rate of return for the company and has decided upon an
9 appropriate range of earnings, the Commission should
10 approve rate schedules that will set the company's
11 earnings at the bottom of the allowable range for 1993-
12 1995. Then, require the company to return early in 1995
13 to demonstrate that it has corrected all of its problems
14 and is meeting the PSC standards before authorizing rates
15 to be established to produce earnings at the middle of
16 the authorized range starting January 1, 1996.

17 (3) Hold this docket open to provide continuing
18 oversight and follow up. Direct the PSC Staff to
19 intensify and broaden its surveillance of the company's
20 levels of service to insure that the reports of the
21 company are valid and that force reductions are not
22 producing bad service.

23
24 (4) Re-regulate the Inside Wire activities of the
25 company as soon as possible to insure that the Commission

1 fully protects customers from abuse in the future as they
2 have suffered in the past. The Commission has indicated
3 in its United Telephone decision it wants to initiate
4 rule-making to deal with this issue, but as of this date
5 we still have no docket.

6
7 (5) Include the revenues and expenses from Inside Wire
8 into the regulated revenues and expenses of the company
9 to insure the general body of customers receives
10 equitable benefits from these activities.

11
12 (6) Require that the company itemize all services on a
13 monthly basis and that it clearly separate and identify
14 basic services from optional services in its
15 itemizations.

16 Q. Didn't the company recently settle with the Statewide
17 Prosecutor in regard to the same problems you have
18 identified?

19 A. The company did settle with the Statewide Prosecutor, but
20 the settlement was intended only to return to those
21 customers that could be identified the money they lost
22 due to the improper activities of the company. The Final
23 Report of the Statewide Grand Jury (Exhibit No. REP-2,
24 Page 2) states,

25 "In closing, it must be noted that the proposed

1 settlement agreement does not contain any
2 'punishment', per se, of the Company for its
3 alleged failure to properly report to the Public
4 Service Commission actual repair time for
5 restoration of telephone service to customers whose
6 telephones were out of service....We specifically
7 note, however, that the Florida Public Service
8 Commission has both the jurisdiction and the
9 concomitant discretion to impose severe monetary
10 penalties on the Company if it finds that the
11 Company has falsified reports required by PSC
12 rules. We therefore strongly recommend that the
13 Public Service Commission, in conjunction with its
14 publicly mandated responsibility, investigate this
15 matter, exercise its penal authority, and take into
16 consideration this possible fraudulent conduct on
17 the part of the Company in determining an
18 appropriate rate of return."

19 Q. Does the quality of service the company has rendered
20 deserve application of your recommended penalty?

21 A. That's the point. The Commission can't possibly know
22 what the real quality of service for BellSouth's
23 customers has been over the past several years due to the
24 compromises introduced into the system. The fact that
25 the company has filed reports with this Commission which

1 are erroneous, overstated and self-serving, is reason
2 enough alone to impose the penalty. The Commission
3 should note that the most recent service evaluation of
4 the company produced unsatisfactory results for Out-of-
5 Service restorals on the same day and within the 24 hour
6 objective interval. In addition, the recommended penalty
7 is based not only on company abuse of the repair process,
8 but sales abuses and fraud as well.

9 Q. Please describe your proposals regarding inside wire
10 installation, sales and maintenance.

1 A. I propose that the Commission impute the income and
2 expenses from inside wire installation, sales and
3 maintenance activities of the company, which are pres-
4 ently deregulated, into the regulated portion of the
5 income statement and re-regulate the terms and conditions
6 of providing simple inside wire as soon as possible.

7 Q. Please explain the basis for your proposal.

8 A. Due to a recent order by the FCC, it is now reasonable to
9 conclude that the revenues and expenses from inside wire
10 sales and services can and should be imputed for rate of
11 return regulation by the states. The impact from this
12 proposal would increase net operating income before taxes
13 by \$7,473,000 (Exhibit No. REP-16) which was derived from
14 the 1993 budget view dated March 24, 1992. More
15 importantly, in order to offer customers future

1 protection from abuses by the company which have occurred
2 in the past, I propose that, to the extent possible, the
3 Commission regulate the provision of simple inside wire
4 services.

5

6 Q. Please explain the reasons for your recommendations.

7 A. During the 1980's, the Federal Communications Commission
8 ordered the deregulation of inside wire and customer
9 provided telephone equipment over the objections of a
10 number of state commissions. The FCC maintained it had
11 preemptive rights over the imposition of state regulation
12 and prevailed through the appeals process. The FCC was
13 interested primarily in promoting competition. The
14 states objected mainly because of the potential impact on
15 local exchange prices. In Florida, the PSC required the
16 companies to unbundle inside wire from basic rates, write
17 off the inside wire investment over a period of time and
18 the Commission ordered the deregulation of inside wire
19 services.

20

21 Since the FCC did not consider the revenues of inside
22 wire sales and service as an interstate product, the
23 Florida Public Service Commission also opted to book the
24 revenues and expenses for inside wire activities below
25 the line. In its deregulation order the revenues and

1 expenses were, therefore, assumed to be excluded from
2 ratemaking in the intrastate arena. In the appeal
3 process before the FCC, it became evident in 1988 that
4 the FCC's intent was primarily to promote competition and
5 the FCC, at that time, specifically allowed the states
6 to impute the costs and revenues from de-tariffed
7 intrastate inside wire services for intrastate purposes.
8 (See Exhibit No. rep-17)

9
10 After the investment was written off at the expense of
11 the telephone ratepayer, what emerged was a highly
12 profitable maintenance business that never really became
13 competitive. In the case of BellSouth, substantial
14 portions of this business are derived from inside wire
15 maintenance plans which are offered to all basic
16 subscribers at a flat monthly rate. The high rate of
17 penetration the company enjoys in this market is
18 reflective of the advantage the company enjoys over its
19 competitors in providing the service.

20 Q. Does the Commission have the jurisdiction to impute the
21 costs and revenues from inside wire services into this
22 rate case proceeding or to regulate the service?

23 A. On February 14, 1992, after having been reversed by the
24 courts, the FCC concluded Docket 79-105 which was open
25 for a 14 year period. This final FCC ruling clearly

1 gives the states the power to regulate price and the
2 conditions under which telephone companies provide simple
3 inside wiring services, or, if the states desire, they
4 may impute costs and revenues from both simple and
5 complex wire in the proceedings to set rates for tariffed
6 intrastate services. The FCC also clearly forbids
7 assignment of any costs or revenues to the interstate
8 arena. (See Exhibit No. REP-18) While we have urged the
9 Commission to only impute the revenues and expenses from
10 inside wire into rate cases for other companies,
11 BellSouth's fraudulent sales and maintenance activities
12 call for special moves on the part of this Commission in
13 order to protect the customers of the company. It is my
14 recommendation, in view of the company's activities, that
15 the Commission re-regulate inside wire activities of the
16 company as soon as possible and recognize the revenues
17 and expenses in this docket.

18 Q. Won't BellSouth argue that the Commission cannot violate
19 its own rule?

20 A. Probably. But, in the recent United Telephone Docket No.
21 910980, the PSC staff concluded that "there is an
22 adequate record in this proceeding to move the revenues
23 and expenses for inside wire for United above the line."
24

25 Q. How does BellSouth conduct its inside wire business?

1 A. Inside wire is an integral part of BellSouth's telephone
2 business. The customers for the company's maintenance
3 contracts come from the existing data base of the
4 company. The prime sales opportunity comes when the
5 company processes the initial service order and during
6 subsequent business contacts with the company.
7 Maintenance contracts are sold by Service Representatives
8 at the same time as new service is established. The sale
9 is part of the service order that installs the service.
10 The company's repair records identify the customer as a
11 subscriber to the maintenance plan. Repairs are made,
12 when required, by the company's service technicians in
13 the normal pursuit of their job. And finally, billing
14 and advertising is accomplished through regular billing
15 and bill inserts with local telephone service. The
16 inside wire product line "piggy backs" on top of every
17 operating system of the company and because of these
18 shared costs, it is extremely profitable. The
19 extraordinary success of the company in marketing inside
20 wire maintenance is related to the advantages the company
21 enjoys because of the monopoly entity. If you remember,
22 the inside wire investment was written off entirely in
23 the mid 1980's, and it was, of course, the regulated
24 entity that shouldered the burden. That says to me that
25 BellSouth was protected from any loss in this market by

1 recovery of its inside wire investments from basic
2 ratepayers. Today, the monopoly assets of the company
3 are fully utilized to produce a highly profitable
4 business that operates for the sole benefit of the
5 stockholders.

6 Q. Won't the company argue that this is a deregulated
7 service, subject to competition and that the public is
8 best served by allowing the forces of free competition to
9 regulate price and quality of service?

10 A. Certainly they will make this argument. But the bottom
11 line is that the company could not provide the same
12 service in a truly competitive arena. Let's assume that
13 the company wanted to also provide the same service to
14 United Telephone's customers in Winter Park. It has no
15 data base, no list of prospects, no easy means of finding
16 its customers, no billing system and its service
17 technicians are located in Orlando. Not only would the
18 company find it almost impossible to operate effectively,
19 but it is inconceivable that it would achieve 80% or
20 higher market penetration.

21

22 There's nothing wrong with the current method of
23 providing service, since it provides a needed service to
24 the public in the most economical manner.

25 Q. Then why should the service be competitive?

1 A. What's happened is that major portions of the service
2 that was competitive for BellSouth has been lost. Now
3 that electricians can install new inside wire in a house
4 under construction, much of this business goes to them.
5 The reason electricians have taken over many of the new
6 installations is because they can do it in the normal
7 course of their business. That's exactly why BellSouth
8 has the same built-in advantage when it provides
9 maintenance. I cannot foresee any scenario that will
10 substantially alter BellSouth's advantage or continued
11 domination of this market. Whether this Commission
12 decides to impute the earnings from inside wire into this
13 rate case, or re-regulate the terms and conditions of the
14 service, BellSouth will continue to enjoy unusually high
15 levels of profit from a product that has universal demand
16 from its basic ratepayers.

17 Q. Is the amount of your proposed adjustment accurate?

18 A. I believe my proposed adjustment is reasonable. My
19 recommendation comes directly from their most recent
20 budget. There are a variety of ways to calculate
21 overheads, and they can all be questioned. But as a
22 regulated service, the question becomes moot. The Company
23 could, of course, be required by the Commission to
24 provide accurate and detailed cost analysis, in a format
25 acceptable to the Commission.

1 Q. Do you have any further proposals?

2 A. Yes. In the event the Commission does not impute the
3 profits from inside wire activities into its award in
4 this case, that it hold equivalent revenues subject to
5 refund, pending the outcome of its generic docket.

6 Q. Does this conclude your testimony?

7 A. Yes, it does.

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IN THE SUPREME COURT OF THE STATE OF FLORIDA

JANUARY TERM, 1991

CASE NUMBER 78,035

FILED - *sdw*

9-16-92

Sid J. White, Clerk

Supreme Court of Florida

By: *[Signature]*

Deputy Clerk

Advisory Opinion
of the
Tenth Statewide Grand Jury
SWP Case Number 91-7-NFB

A TRUE COPY.

Attest:
SID J. WHITE, Clerk
Supreme Court of Florida

by: *[Signature]*

Deputy Clerk

In July of 1991, the Tenth Statewide Grand Jury embarked upon an investigation of possible fraudulent business practices by Southern Bell Telephone and Telegraph Company (the "Company") and its employees. Our inquiry focused on allegations of misconduct in four major categories: (1) the intentional overbilling of customers through the fraudulent "sale" of optional telephone services by Company employees whose primary responsibility was the installation and repair of telephones; (2) the intentional failure to repay customers for overbillings which the Company discovered during its own analysis of some of its billing records; (3) the intentional failure to pay required compensatory rebates for non-working telephone service to customers who notified the Company that their telephone was out of service; and (4) the intentional failure of the Company to properly report trouble and repair information to the Public Service Commission (the "Commission").

During the course of this detailed investigation, numerous witnesses testified, including former and current Company employees, ranging from craft level workers to executive officers. Also during this investigation a multitude of Company documents were examined and analyzed.

After careful deliberation of the evidence produced, we have determined that Southern Bell created, promoted, and sustained an atmosphere that served to foster and reward certain fraudulent practices. As one example: The Company established an extensive sales incentive program that included such prizes as cruises and appliances, which amounted to an engraved invitation for both craft employees and management alike to commit fraud on unsuspecting and defenseless customers by "selling" them services they did not need or want. The program was rife with overt pressure on employees to produce sales, but contained no provisions for verification of actual sales activity. By this and similar actions, we believe that the Company countenanced the conception of a culture that allowed corporate executives to look the other way when the specter of consumer fraud stared them in the face.

The individuals currently in charge of the Company have become aware of our investigation and they have promised to eliminate the Company's suspect sales and refund practices, many of which were uncovered as a direct result of our inquiry. We are gratified by their repentant and responsible attitude, which has been reflected in the recent implementation of revised sales practices, refund programs, and an emphasis on ethics training for all employees.

The Company has requested that the Statewide Prosecutor, this body's Legal Adviser, resolve our investigation short of criminal prosecution of the Company. As a result, the Tenth Statewide Grand Jury has considered a proposed settlement agreement between the Company and the Office of Statewide Prosecution.

IN THE SUPREME COURT OF THE STATE OF FLORIDA

JANUARY TERM, 1991

CASE NUMBER 78,035

FILED - *White*
9-11-92
Sid J. White, Clerk
Supreme Court of Florida
By: *Mark Williams*
Deputy Clerk

FINAL REPORT OF THE TENTH STATEWIDE GRAND JURY

SEPTEMBER, 1992

A TRUE COPY
Attest:
SID J. WHITE, Clerk
Supreme Court of Florida
By: *Mark Williams*
Deputy Clerk

FINAL REPORT OF THE TENTH STATEWIDE GRAND JURY
SEPTEMBER, 1990

I N D E X

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I. INTRODUCTION

The Tenth Statewide Grand Jury was impaneled on July 30, 1991, and was seated in Orlando, Florida. The Grand Jury has convened almost monthly to investigate allegations of multi-circuit, organized crime throughout the State. The Grand Jury's original term expired after twelve months, but was extended to October 30, 1992. The Grand Jury is adjourning one month early, subject to recall, if necessary.

The purpose of this Report is to record for posterity the work and recommendations of this Grand Jury, with the hope that its collective voice will be heard and that the citizens of this State will benefit from its efforts.

II. SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

We embarked upon our investigation of Southern Bell at the beginning of our term. During the course of the investigation, we heard testimony from numerous witnesses, including former and current Southern Bell employees who held positions ranging from craft level workers to Company officers. We have also had the opportunity to examine a multitude of company documents.

The primary focus of our investigation concerned allegations of company misconduct in four major categories: (1) the intentional overbilling of customers generated by the fraudulent "sale" of optional services by Company employees whose primary responsibility was supposed to have been the installation and repair of telephones; (2) the intentional failure to pay the full amount owed for allegedly unintentional customer overbillings discovered during the Company's analysis of some of its billing records; (3) the intentional failure to pay required rebates to compensate customers who informed the Company that their telephone was out of service; and (4) the intentional failure to properly report trouble and repair information to the Public Service Commission.

Our Legal Adviser, the Statewide Prosecutor, has negotiated a settlement agreement with the Company, in the nature of a pre-trial diversion opportunity, which calls for, among other things:

- complete and expeditious restitution to affected customers;
- cooperation with the State in any investigations arising out of these matters;
- implementation of revised billing practices, fraud preventative procedures, and ethics training;
- a three year review period, subjecting the Company to periodic audits and compliance monitoring;
- funding by the Company of the review program, audits, and monitoring;

- discretion to void the agreement and pursue prosecution vested in the Statewide Prosecutor;
- funding provided by the Company to support prosecution of these allegations, if necessary;
- no restrictions on the prerogative of the Statewide Prosecutor to investigate any other allegations of Company fraud, and to prosecute where appropriate;
- a prohibition against including any costs associated with the agreement in the rate base of the customers.

In our Advisory Opinion, issued this date, we recommended that the Statewide Prosecutor proceed with the settlement of this investigation because we believe it to be in the best interest of the people of this State. The agreement will provide the Company with the opportunity to reform the negative aspects of the corporate environment. However, it will not exonerate the Company for repayment of its debts to our society. We are hopeful that the Company will prove itself worthy of this unique and beneficial opportunity.

In closing, it must be noted that the proposed settlement agreement does not contain any "punishment", per se, of the Company for its alleged failure to properly report to the Public Service Commission actual repair time for restoration of telephone service to customers whose telephones were out of service. This issue was raised in our investigation, but we have been advised that the United States Supreme Court's ruling H.J., Inc., et al v. Northwestern Bell Telephone Company, 112 S. Ct. 2306 (1992), casts doubt on our ability, or the ability of the criminal courts, to directly sanction the Company for such conduct, if it in fact occurred. We specifically note, however, that the Florida Public Service Commission has both the jurisdiction and concomitant discretion to impose severe monetary penalties on the Company if it finds that the Company has falsified reports required by PSC rules. We therefore strongly recommend that the Public Service Commission, in conjunction with its publicly mandated responsibility, investigate this matter, exercise its penal authority, and take into consideration this possible fraudulent conduct on the part of the Company in determining an appropriate rate of return.

III. REGULATING UTILITIES

Our investigation of Southern Bell led us to an inquiry into some of the regulatory activities of the Florida Public Service Commission, and the rules and statutes governing this function.

We wish to make it clear that time constraints did not afford us the opportunity to fully investigate every issue brought before us, but we heard sufficient testimony to convince us that changes must be made in this process to protect the utility consumers of this State and to renew the faith of the people in its government.

The recommendations we have proposed are addressed to the Florida Legislature and the Public Service Commission. We hope these recommendations will be given serious consideration.

A. Ex Parte Communications

In January of this year, we issued an Interim Report entitled, "Regulating Utilities - Recommendations to Enhance The Integrity of the Process." This report discussed the necessity for strict rules and laws prohibiting ex parte communications with Public Service Commissioners and Commission staff by utility representatives on regulatory matters. We noted that communication to a judge by an interested party, concerning an issue to be decided by that judge, is prohibited in American courts of law unless all interested parties have an opportunity to be present during the communication. Such communication is considered improper because it gives an unfair advantage to the party with the most access to the judge. Since the members of the Commission have responsibilities equivalent to that of a judge, we proposed a strict prohibition against all forms of ex parte communication in our interim report.

We note with some dismay that the State Legislature has not yet enacted any of our proposals. An amendment to the ex parte section of Chapter 350 of the Florida Statutes, though not as efficacious as our suggestions, was passed by the State House of Representatives, but it did not come to a vote in the Senate. We urge the Legislature to allocate time during its next session to consider and pass the recommendations contained in our Interim Report.

B. Prohibitions on Employment of Commissioners

Immediately after resigning, a former Public Service Commissioner recently accepted a lucrative position with an affiliate of one of the utilities he used to regulate. News reports indicated that his starting salary was twice that of his Commission salary. It appears that nothing restricted the ability of that utility from courting the Commissioner during the regulatory process, and nothing prevented the Commissioner from seeking such employment during his tenure on the Commission. Coupled with the almost unfettered ability to discuss regulatory matters with Commissioners and Commission staff, the existence of such relationships creates an appearance of impropriety the Commission can ill afford to bear.

We are therefore concerned that the Legislature failed to enact another necessary reform in the many sessions held this year: a law prohibiting Public Service Commissioners from accepting employment with the utilities regulated by the Commission.

The House and the Senate both passed bills which included a provision requiring former Commissioners to wait two years before accepting employment with a regulated utility or its affiliates, but neither of those respective bills came to a vote in the other chamber, and hence could not become law.

We therefore strongly recommend that the Legislature move quickly and without hesitation to enact the proposed statutory provision of a two year prohibition on the acceptance of employment by a Commissioner with a regulated utility. Any person desiring to serve the people of the State of Florida as a member of the Public Service Commission should be more than agreeable to such a limitation. The people deserve no less.

C. Regulation of the Sale of Optional Services

Our investigation of Southern Bell, and the recommended settlement, focused on the sale of optional services during a program specially designed for telephone installation and repair personnel. One of the questions left for another day is whether the overall sales practices of Southern Bell are plagued with the potential for fraud. Due to the outpouring of complaints reported recently in the media from Southern Bell customers paying for services they did not order and do not want, we find it necessary to briefly address this potential question.

It would appear that many of the practices which could lead to such a result may well be violations of consumer protection laws. However, we note with much concern that the fraudulent practice of misleading utility customers as to the nature and cost of certain services is not covered by the Consumer Protection and Telemarketing Acts currently on the books. Sections 501.212 and 501.604, Florida Statutes, specifically exempt utility activities regulated by the PSC. We note also that there are few PSC rules designed to protect utility consumers from unscrupulous sales people.

Inasmuch as few utility customers have a choice in selecting their common service provider, we strongly recommend that the Public Service Commission adopt similar, if not more restrictive rules, for the sales and marketing techniques of optional services to which these same customers are subjected.

The consumer protection statutes require written and signed verification of orders for goods or services taken by telephone. Section 501.059(5),(6), Florida Statutes specifically states:

A contract made pursuant to a telephonic sales call:

1. Shall be reduced to writing and signed by the consumer.
2. Shall comply with all other applicable laws and rules.
3. Shall match the description of goods or services principally used in the telephone solicitations.
4. Shall contain the name, address, and telephone of the seller, the total price of the contract, and a detailed description of the goods or services being sold.
5. Shall contain, in bold, conspicuous type, immediately preceding the signature, the following statement:

"You are not obligated to pay any money unless you sign this contract and return it to the seller."
6. May not exclude from its terms any oral or written representations made by the telephone solicitor to the consumer in connection with the transaction."

The Telemarketing Act further protects the consumers of this State by requiring a statement of consumer rights, providing a three day right of rescission, entitlement to full refund if the Act is violated, and payment of costs of cancellation by the seller. The Act also provides for criminal penalties when deception is used in connection with an offer to sell.

Requiring utilities to obtain and maintain written authorizations from customers is an easy method to prevent fraud by corporate deception. Detection of such fraud should not be the sole responsibility of the customer. Many customers, perhaps hundreds of thousands of them, would not know they were paying too much for phone service unless they read their phone bill each month in microscopic detail, assuming they received a detailed bill each month. A customer told that the bill for monthly basic service will be, for example, \$20 per month, but not told \$8 of that monthly fee is for optional services, will in all probability pay the written bill each month without a quibble. After all, that was the price quoted by the telephone company representative and the bill matches the price. If the company only itemizes these costs in a yearly billing summary, and the customer does not read the summary, the customer can easily be given the false impression that the bill contains only mandatory charges.

The Legislature has an obligation to prevent victimization of all the citizens of this State. If the Public Service Commission does

not implement similar consumer protection requirements for the utility activities it regulates, then the Legislature should strike the exemptions in Sections 501.312 and 501.604, Florida Statutes, and subject utilities to the standards of fair trade practice outlined in the statute.

D. Cost Allocation Procedures

Southern Bell, like other providers of local telephone service, is a regulated utility. In exchange for being regulated by a government entity, that portion of the business which is regulated is allowed to charge certain specified amounts to its customers for the regulated telephone service it provides. If a utility is unable to achieve the minimal level of return to which the PSC decides it is entitled, the company can ask the Commission to approve an increase in the amount customers pay for regulated telephone service. All of the expenses incurred in the provision of regulated telephone service are passed directly on to the customers, including the salaries and benefits of all employees during the time those employees are working on a regulated activity.

By Public Service Commission Rule, the amount of time employees spend on unregulated activities is supposed to be deducted from the amount paid by customers of regulated telephone service. Thus, there arises a question of "cost allocation." The utility must accurately allocate costs so that customers of regulated telephone services are not subsidizing the cost of unregulated activities. The PSC is charged with the responsibility of monitoring and regulating the cost allocation process.

This question arose in the context of our inquiry regarding the sale of certain unregulated optional services by installation and repair personnel (regulated). We reached no conclusion as to whether the cost allocation process is currently being misused, but we determined that the opportunity and temptation to move salary and benefit allocations to the regulated side of a utility appeared to be great. While not a matter in which we hold a great deal of expertise, we have considered the implications of a failure to accurately allocate costs and believe that better methods of detection and enforcement must be implemented to prevent the unlawful subsidy of the unregulated side of the utility by the regulated side.

We therefore recommend that the PSC initiate quarterly unannounced spot reviews and a complete audit and regulatory review of the cost allocation process on an annual basis. The audits should, at a bare minimum, follow the generally accepted auditing standards established by the Auditing Standards Board of the American Institute of Public Accountants.

As we understand it, a complete audit of regulated utility cost allocation practices is only likely to occur during a rate hearing, although some cost and revenue information is provided every four years. However, a complete rate hearing is sometimes held less frequently. More than eight years passed between Southern Bell's last rate case and the current rate case filed this year. Therefore, it is currently possible for a utility to avoid a complete independent audit for an undetermined number of years.

In addition, the PSC should develop its own cost allocation manual to provide specific formulas for allocating regulated and unregulated costs, rather than relying on the Federal Communications Commission's (FCC) cost allocation manual, which concerns telephone services involving more than one state. Although it may be appropriate to use that manual for the specific intended purpose, applying it to an intrastate issue can sometimes lead to a rule that is, at best, difficult to explain. For example, according to the FCC manual, a Southern Bell repair and installation worker must spend at least 15 minutes on activities related to an unregulated service before being required to allocate any time to that activity. This means such an employee could solicit the sale of an unregulated activity for 14 minutes with each customer he comes in contact with each day without allocating one minute of his time to the unregulated activity. This results in the evil sought to be avoided by proper cost allocation: subsidy of profit making activity by regulated activity.

We therefore strongly recommend that the PSC develop its own guidelines tailored to the specific needs of this State. The formation of a Task Force comprised of consumer advocates, regulated utilities and Commission staff, with public hearings throughout the State, would generate the most fair and effective cost allocation procedures.

E. Rate of Return

The National Association of Regulatory Utility Commissioners recently compared three methods of calculating rate of return and, as a result, reached the conclusion that "utilities were both less risky and more profitable investments than the average non-regulated corporation".

Section 364.03 (1), Florida Statutes, states that the regulated portion of utility companies, "... may not be denied a reasonable rate of return." We understand that what is reasonable to one expert hired by a regulated utility may be entirely unreasonable to an expert hired by a consumer advocacy group. It is all very subjective. The PSC has to take that subjective standard and apply it to the real world. We realize that is a very difficult task.

It is our belief that regulated companies should have the right to a rate of return similar to a non-regulated company of equal risk. In other words, a risky business venture should have the right to a much higher rate of return than a relatively safe venture like the exclusive provision of certain basic telephone services to all of the people in a given geographic region who are in need of that service.

We suggest that the Public Service Commission appoint a Blue Ribbon panel of experts selected by consumer advocates, including but not limited to the Public Counsel, regulated utilities and PSC staff to develop specific economic parameters to eliminate some of the subjectivity inherent in the current ratemaking process. For example, the group may wish to consider the possibility of tying, in some way, the maximum rate of return for relatively low risk regulated utilities to the interest rate of long term United States Treasury Bonds, taking into account the economic circumstances at the time the rate is set.

We have learned that several years can elapse before a rate of return is changed. This regulatory gap fails to provide for rapid changes in economic circumstances, such as a decline in interest rates and inflation. Basing the rate of return on a selected, easily measurable economic parameter, or an average of several such parameters, would make it easier to revise the rate of return on a yearly basis if economic circumstances warrant it.

We realize that any definitive recommendation in this regard is beyond the scope and expertise of this Grand Jury. We merely wish to point out that it is an area worthy of close scrutiny and vigorous debate in a public forum.

IV. GANG AND GANG-RELATED ACTIVITY

The Statewide Grand Jury also embarked upon an investigation of gangs and gang-related activity in the State of Florida.

The results of our work can be found in the Indictments listed in the attached chart as SWGJ Case Numbers 1 and 1A. These charges represent the first known occasion that the Street Terrorism Act and the Racketeering Act were joined together in one prosecution in Florida to dismantle a criminal gang involved in everything from narcotics trafficking to arson. It has been reported to us that the gang, known as the 34th Street Players, has not re-formed or resurfaced since the incarceration of the defendants on these charges.

During the course of this investigation, we conducted a survey to identify the magnitude of the gang problem in the State. Our examination, conducted with the assistance of State and local Law Enforcement agencies, revealed that no central repository exists

for the collection and exchange of information concerning gangs and gang-related activity. Thus, the results of statewide intelligence gathering techniques were pieced together to obtain the best possible picture of gang activity in the State. The results of this survey are outlined in our Interim Report #2, issued in January, entitled: "Gangs and Gang-Related Activity; Recommendations to Assist Law Enforcement."

This Grand Jury recommended the establishment of a statewide youth and street gang computer data base with a requirement of mandatory reporting of such data from all law enforcement agencies. We noted that the Street Terrorism Enforcement and Prevention Act of 1990 originally established such a database, but the funding portion of the bill was later deleted. We strongly urge the Legislature to invest the necessary funds in the future of this State.

We are disheartened by the total lack of interest demonstrated by the Legislature in this matter. Without an accurate accounting of the impact of gangs on the criminal justice system, necessary reforms in criminal laws cannot be made, nor can adequate funding formulas for law enforcement be produced. We urge the Legislature to be more far-sighted in this regard.

V. ADMINISTRATIVE RECOMMENDATIONS

The Grand Jury is vested with enormous power, and with it a profound responsibility. It has an intimidating and deterrent effect on those who violate the law. It also has the power and duty to protect the innocent against prosecution. The responsibilities of the Grand Jury are truly awesome.

The Statewide Grand Jury is a unique organization from a number of standpoints that require special consideration. The Statewide Grand Jury, impanelled by the Florida Supreme Court, is made up of citizens from all corners of the State. Jurors must travel many miles to and from the court site for each session. For us, this has almost been monthly, for a period of fifteen months. Sessions have lasted from two to three days, and the average day's work is in excess of the typical eight hour day. Because the location is far from home, Grand Jurors are "sequestered" from their families, homes, and occupations during the length of the sessions.

This is not a voluntary service. Jurors are chosen by the court and must serve or face contempt charges.

Given the unique nature of the logistics and practicalities of our existence, we have discussed a number of areas where consideration should be given to treat Statewide Grand Jurors in a more equitable manner.

A. Insurance Coverage

Currently, no accident or accidental death insurance is provided for Jurors, as they are not considered employees or agents of the State. Jurors must then rely on their own insurance coverage in the event of an emergency or jury related injury. However, since the jurors are chosen from a cross-section of the population, it is possible that many do not have any, or adequate, insurance protection of their own. Also, since the service is mandatory, rather than elective, as in certain employment situations, the State should provide insurance for accidental injury or death of Grand Jurors travelling for and attending Grand Jury sessions.

Moreover, it appears to us that Grand Jurors have no protection from law suit for their actions and would have to stand the expense of their own defense should they be sued for allegedly exceeding their authority. While the prosecutor who advised the Grand Jury in a particular matter would be covered by the State's Risk Management Policy, it appears that Grand Jurors would not.

We ask the Legislature to consider our concerns and make the appropriate provision for protection of Statewide Grand Jurors in these matters.

B. Grand Juror Fees

The current fee of \$10 per day for Statewide Grand Jurors is woefully inadequate. It amounts to approximately one-third of the minimum wage for the average work day, and does not take into account the extraordinary conditions of our service.

Our service, as distinguished from petit jury service, often results in expenses not considered in the setting of the fee structure: long distance telephone calls to communicate with family and to maintain ties to jobs; kennel costs for the care of animals; the purchase of special travel items, ranging from toiletries to suitcases, and so forth. These matters have apparently been ignored in the decision making process.

It is obvious that the State is in dire financial circumstances. It is also obvious, however, that the criminal justice system could not function without individual citizens discharging their civic duty to act as fair and impartial jurors. While no one can be fired for jury duty, there appears to be no restriction on the ability of an employer to withhold salary dollars during the affected time periods. Further, self-employed business people may experience lost opportunities that could have an adverse economic impact on their livelihoods for years to come. Citizens facing such economic hardship are unlikely to pay complete attention to the matters before them, and may choose to expedite

the proceedings at the expense of the rights of others. While we have successfully guarded against such a travesty, in part based on the considerations afforded by the Legal Adviser and her staff in response to our needs, we do not know when this unconscionable possibility might reach fruition.

We have learned that the Federal Grand Jury fee is \$40 per day. We urge the Legislature to consider parity in this matter.

VI. CONCLUSION AND ACKNOWLEDGEMENTS

The remainder of the work of this Grand Jury is summarized in the attached schedule of cases.

We are particularly gratified that one of our cases went to trial during our term, resulting in the convictions of two law enforcement professionals who deliberately subverted the criminal justice system through perjury and subornation of perjury. We are proud to have been a part of bringing them to justice.

Service as a member of the Tenth Statewide Grand Jury has been an education in citizenship, the likes of which cannot be taught in the classroom. It has been a unique and memorable experience and we are proud to have made this contribution to our State.

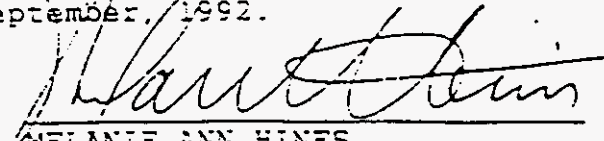
We wish to thank the following individuals and their respective offices for assisting us in the performance of our responsibilities:

The Honorable Frederick Pfeiffer, Presiding Judge
 The Honorable Richard Conrad, Alternate Presiding Judge
 The Honorable Fran Carlton, Circuit Court Clerk
 Richard Sletten, Orange County Court Administrator
 Lt. Doug Huffman, Orange County Sheriff's Office
 Commissioner Tim Moore, Florida Department of Law Enforcement

Respectfully submitted to the Honorable Frederick Pfeiffer, Presiding Judge, this 16th day of September, 1992.

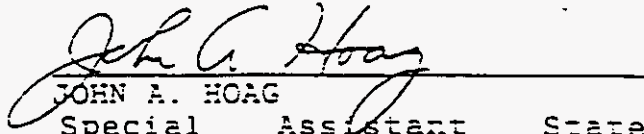
Herman A. Robandt
 Herman A. Robandt
 Foreperson
 Tenth Statewide Grand Jury
 of Florida

I, MELANIE ANN HINES, Legal Adviser, Tenth Statewide Grand Jury, for the State of Florida, hereby certify that I, as authorized and required by law, have advised the Grand Jury which returned this report this 16th day of September, 1992.



MELANIE ANN HINES
Statewide Prosecutor
Statewide Grand Jury Legal Adviser

I, JOHN A. HOAG, Legal Adviser, Tenth Statewide Grand Jury, for the State of Florida, hereby certify that I, as authorized and required by law, have advised the Grand Jury which returned this report this 16th day of September, 1992, with regard to the matters contained in section III.



JOHN A. HOAG
Special Assistant Statewide
Prosecutor
Statewide Grand Jury Legal Adviser

The foregoing report was returned before me in open court this 16th day of September, 1992, and is hereby sealed until further order of the Court on motion by the Legal Adviser.



Judge Frederick T. Eslinger
Presiding Judge
Tenth Statewide Grand Jury

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 910163-TL
Citizens' 28th Interrogatories
August 10, 1992
Item No. 6 (PROPRIETARY)
Page 1 of 5

REQUEST: Please provide the names, business addresses and telephone numbers, and positions within the company of all employees, who were disciplined by the company in connection with this investigation.

RESPONSE: See attached.

CONFIDENTIAL

INFORMATION PROVIDED BY: Sylvia Parks
301 West Bay St.
Jacksonville, Florida

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Southern Bell Tel. & Tel. Co.
FPC Docket No. 910163-TL
Late-Filed Exhibit Requests
June 17, 1992
Late-Filed Exhibit No. 7

Request: Documentation of results of Pay Grade 6 panel.

Response: Document attached.

Management Performance 1

	<u>I or II</u>	<u>III</u>	<u>IV</u>	<u>Retired</u>
PG 5	1 2			3 4 5 6
PG 6	1			7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26
PG 7	1 2			
PG 8	1			
Officers				

I. Informal Discussion

II. Counselling type entry

III. Reprimand

IV. Reprimand and Financial Penalty

ANALYSIS OF MID-LEVEL MANAGEMENT DISCIPLINE
 March 1992

POD 6				POD 7					
(1)	(2)	(3)	(4)	(5)	(6)		(7)		
Location (Manager)	Employee	Discipline	A/R Stmt.	Comments	IIA	Base	IIA	Base	
		C	R	None					
		C	A	None					
		C	A	None					
		Rev./W	A	None					
		C	R	None					
		C	R	None					
		C	A	None					
		C	A	None					
		HR	A	No IIA, base+1900	4900	1900	0	1900	
		C	A	None					
		C	A	None					
		Rev./W	A	None					
		*R/W	A	Not eligible for IIA, no base increase	3000	1800	0	0	
		Rev./W	A	None					
		*R/W	A	No IIA, no base	2000	1500	0	0	
		HR/W	A	No IIA, no base	0	1500	0	0	
17 H. Pierce		C	NS	None					
18 S. Broward		C (not given)		None					
19		HR/W	NS	No IIA, base+1900	3000	1900	0	1900	
20		HR/W	A	No IIA, base+1500	2600	1500	0	1500	
21 E. Dade		C	A	None					
22 South Dade		HR/W	A		3800	1500	0	1500	
23		HR/W	A	No IIA, no base	0	1500	0	0	
24		R/W	R	None					
25		R/W	NS	None					
26 Miami		HR/W	A	No IIA, base+1100	1100	1500	0	1100	
27		R/W	A	None					
28		HR/W	NS	No IIA, no base	0	1900	0	0	
29 HAT		C	A	"from S. Dade sheet"					
30 H. Dade		R/W	A	None					
31		R/W	A	None					
32		C	A	None					
33		HR/W	A	No IIA, base+1500	1500	1500	0	1500	
34 E. Dade		HR/W	R	"from So. Dade sheet", no IIA, no base	0	1700	0	0	
35		HR/W	NS	"from Central Dade sheet" no IIA, no base	0	1500	0	0	
36		C	NS						
37 Miami CRSAB		R/W	A	"from H. Dade sheet"					
38 W. Palm Div.		HR/W	A	Not eligible IIA, Base+1500	2400	1500	0	1500	
39		Rev./W	A	None					
40		C	A	None					
41		C	A	None					
42		C	A	None					
43		HR/W	R	Not eligible for IIA, no base increase	0	1800	0	0	
44 Gainesville, Ga.		C	A						
45 Atlanta, Ga.		HR/W	A		1500	1700	0	1500	

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46	C	A					
47 Tucker, Ga.	*R/W	A		300	1500	0	0
48 Gainesville	R(not given)		None				
49	NR/W	A	No IIA, base+1600	1800	1800	0	1600
50	NR/W	A	No IIA, base+1500	2500	1500	0	1500
51	R/W	A	None				
52	R(not given)	NS/NE	None				
53	R(not given)	NS/NE	None				
54	NR/W	A	No IIA, no base	0	1500	0	0
55	R(not given)	NS/NE	None				
56	R/W	A	None				
57	R(not given)	NS/NE	None				
58 Jax	R/W	A	"from Rupe sheet"				
59	R/W	A					
60 Orlando	R/W	NS	None				
61	R/W	NS	None				
62	R/W	NS	None				
63	R/W	NS	None				
64	R/W	NS	None				
65	R/W	A	None				
66	R/W	NS	None				
67	NR/W	NS	No IIA, base+1500	1900	1500	0	1500
68 Central Dade			No IIA, base+3200	3300	3200	0	3200

* more serious (see POD #22-21)

less serious (see POD #22-21)

+ downgraded or erased entry after interview (see POD #22-22)

C=Counseled A=Accept
 R=Reprimand R=Reject
 W=Warned NS=Not signed
 Rev=Reviewed NE=Not executed

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BELLSOUTH TELECOMMUNICATIONS ©

file code: 010.1600

subject: Standards and Procedures - Customer and Employee Trouble Reports

type: Administrative Guidelines - Region Policy

date: December 31, 1991

distribution list:

file [related letters: None
other: None

to: General Managers - Operations
Operations Managers - Implementation Support

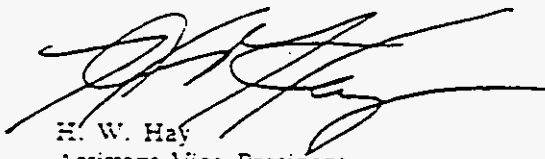
entities: BellSouth Telecommunications - North, Central, South

from: H. W. Hay, Assistant Vice President - Network Operations Support
D. L. King, Assistant Vice President - CO Operations Support

description: This letter provides regional standards and procedures for the handling of customer and employee trouble reports. These standards and procedures are region policy and will be strictly enforced.

* * *

Questions regarding this subject should be referred to your respective staff contact. Questions from the Operations Staff may be directed to Hugh Jones or Phil Peterson, BellSouth Telecommunications IMC Support, and Johnny Blocker or Jim Stewart, BellSouth Telecommunications Special Services Support.



H. W. Hay
Assistant Vice President -
Network Operations Support



D. L. King
Assistant Vice President -
CO Operations Support

Attachment

NOTICE

Not for use or disclosure outside BellSouth or
any of its subsidiaries except under written agreement

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On January 1, 1992, the regional standards and procedures for the handling of customer and employee trouble reports, as described in this document, will become effective. These changes will be reflected in the next issues of BSP 660-169-011SV through 660-169-013SV. These standards and procedures will also be included in future operational reviews and compliance will be strictly enforced.

- o The MLT VER codes listed below are recommended as OOS conditions for NDT (1xx), CCO (2xx), and CBC (4xx) type reports. Changes will be made to BSP 660-169-012SV.

MLT VER Code

3	Open In
17	Resistive Fault and DC FEMF
18	Open Out and Cross
21	Ground
22	Short
25	Short and Ground
32	Can't Draw Dial Tone
33	Can't Break Dial Tone
35	Open In and Cross
41	Open Out Balanced
42	Open Out In Cable
45	Open Out Near Drop
95	Resistive Fault and Open

- o All Auto-Screen rules with the MLT VER codes described previously should have an OOS indicator (100-199) in the RESULT field.
- o It is a management responsibility to ensure compliance to the highest standard of ethics and professionalism in the determination of OOS versus SA for all MLT VER codes.
- o Modifications to the Auto-Screen rules, necessary to comply with these standards, must be completed before January 31, 1992. On this date, the transaction used for compiling the Auto-Screen rules, SCRCOMP, will no longer be available on demand. Future requests to compile the Auto-Screen rules must be coordinated through the

appropriate Implementation Staff to the Headquarters Staff - LMOS Subject Matter Expert.

The Headquarters Staff will maintain records of Auto-Screen rule changes for five years. In addition, Auto-Screen change activity reports will be prepared quarterly by the Headquarters Staff and distributed appropriately.

It is also recommended that each IMC use only one set of Auto-Screen rules and in addition, the use of Automatic Job Reject (AJR) eliminates the necessity for "wet" rules.

- o R (for retest) will be the only valid manual entry in the VER field of the LMOS TR mask.
- o CON or 106 (Carried Over Not Scored) will no longer be a valid Intermediate Status code.
- o In network centers not designated as customer trouble receipt centers, the creation of initial and subsequent trouble reports categorized as Customer Direct (CD), Customer Exclude (CX), and Employee Originated (EO) will be restricted to a small number of specified employees and the process thereof is to be directly supervised by management. A customer trouble receipt center is defined as a Centralized Repair Service Answering Bureau (CRSAB), Business Customer Assistance Center (BCAC), Major Account Center (MAC) / Special Services Center (SSC), National Accounts Support and Service (NASS), and Inter-Exchange Carrier Trouble Reporting Center (ICTRC). Those areas that have LMOS access through the Access Networking System (ANS) should use ANS as a means of managing this work function. Changes will be made to BSP 660-169-011SV.
- o IMC employees should not use mechanized trouble receipt systems, for example AIRO, to enter customer trouble reports except for those reports related to his or her personal business.

- o It will be a management responsibility to identify and document why customer trouble reports held for data base or line record reconciliation are carried over in an open status from one report month to another.
- o Regulatory reports and customer rebates will be based on the FST (final status) time rather than the reported clear time. This change will be made in the system used to extract these data.
- o Trouble reports closed to Disposition Code 11 will be included in the 1992 KSRI Total Customer Trouble Report measurement.
- o MTAS management reports to be used for the identification and reconciliation of customer reports closed to invalid disposition and cause codes will be available on January 1, 1992. The reports will initially be available on demand and will be titled Report 56 - Invalid Cause Codes and Report 86 - Invalid Disposition Codes. These management reports will be eliminated when IMOS software that prevents a trouble report from being closed with invalid codes is installed.
- o BSP 660-169-011SV describes the customer reports that can be excluded for measurement purposes as a Customer-Excluded (CX) report. Compliance to this practice will be strictly enforced.
- o BSP 660-169-011SV describes the appropriate sources of an Employee Originated (EO) report. Compliance to this practice will be strictly enforced.
- o All Operational Review documents related to adverse findings, check lists, and final written reports of findings will be retained for five years.

In addition, the following changes will be made to EOP 660-169-0135V in regards to disposition and cause codes. Due to extensive changes, there are descriptive paragraphs that need revision that are too lengthy to be included in this letter. A complete revised practice will be distributed before the end of the first quarter of 1992. Each operating location should continue to use the existing practices with the following changes:

- o All existing codes used for Service Orders are deleted. Service Orders are now defined as follows:

0190 -SERVICE ORDER FIELD WORK REQUIRED: Applies to Service Orders which require field work to provide service and are dispatched through a mechanized dispatch system. These codes are to be used only for the Service Order completion, not for trouble reports caused by Service Order activity.

0193 -INCOMPLETE FRAME/RCMAC:

0194 -SERVICE ORDER COMPLETE:

0198 -SERVICE ORDER NOT COMPLETE:

0199 -CANCELED SERVICE ORDER:

- o Only 6 codes remain in the category of Disposition code 03**.

The General Code for WIRE/EQUIPMENT IS 0300.

301 -CORPORATE COMMUNICATIONS WIRE - Use existing definition.

0302 -PUBLIC COMMUNICATIONS WIRE - Use existing definition.

0340 -NETWORK INTERFACE: Applies to troubles located in an Inside Network Interface (INI) or Outside Network Interface (ONI) or equivalent network equipment. This includes Network Channel Terminating Equipment (NCTE), Pulselink Data Multiplexing Unit (DVM), and troubles located in a Maintenance Terminating Unit (MTU).

0350 -NETWORK TERMINATING WIRE: Applies when that portion of the facility, including equipment and hardware, that is used to extend circuits from an intra-building network cable terminal or building terminal to a demarcation point.

0370 -PROTECTION GAS/CARBON: Applies when trouble is located in a gas/carbon protective device in the station protector. This code also includes 125 type protectors and trouble located in the ground system, such as missing, loose, or broken ground wire or connection.

0380 -DROP SERVICE WIRE/COPPER AND FIBER: Applies when the trouble is located in the drop service wire. Includes troubles isolated to an aerial/buried drop which came clear prior to being repaired. Applies to both Copper and Fiber Optic Service wires. Applies to permanent, temporary repairs, cut over of drop wire, AC/DC power disturbances to the Optical Network Interface (ONI), and failures of the Optical Network/Channel Units (ONI/ONI Channel Unit).

There are no detail codes except as described above.

- o The revisions to disposition code 04** are designed to allow each operation to use detail coding as applicable. If an operating area desires to use only General coding to identify pair changes, then only disposition code 0400 is required. If the same area wants to run a special study on pair changes, the trouble would be coded to disposition 0401. All code "4's" previously identified as a detail code "0" (Other) are deleted and now will identify the General Code. Should an organization opt to use detail coding, the codes specified in the practice are the only codes that may be used.

TABLE "G" in paragraph 18.1 outlines Sub-codes for Outside Plant troubles, the following changes will be made to the table:

0400 -TROUBLE NOT REPAIRED: Applies when the trouble is located in the outside plant and the trouble report is cleared by means other than correcting or repairing the facility fault. This includes but is not limited to PAIR TRANSFERS, PAIR CUT DEAD AHEAD, PAIR TRANSPOSED, RECONSTRUCTED PAIRS, WRONG PAIR ASSIGNED, and trouble

Reports requiring loop treatment devices be added to the line except when a loop treatment device is defective or not connected in a central office as specified on a Service Order, service wire transfer, cable transfer, or any other official written document.

All detail codes previously categorized as 04** will remain in the practice and may be used as required.

0410 -CABLE: USE EXISTING DEFINITION AND DETAIL CODES.

0420 -NON-ACCESSIBLE PLANT: USE EXISTING DEFINITION AND DETAIL CODES.

0430 -ACCESSIBLE PLANT: USE EXISTING DEFINITION AND DETAIL CODES.

0440 -WIRE: USE EXISTING DEFINITION AND DETAIL CODES.

0450 -LIGHTWAVE SYSTEM AND FIBER OPTIC CABLE: USE ALL EXISTING CODES EXCEPT "0453". Code 0453 will be deleted and AIR PRESSURE SYSTEM will be included in disposition code 0490.

0460 -DIGITAL LOOP CARRIER (DLC) AND T1 EXTENSIONS: USE EXISTING DEFINITION AND DETAIL CODES.

0470 -DIGITAL LOOP CARRIER: USE EXISTING DEFINITION AND DETAIL CODES.

0480 -ANALOG CARRIER AND OTHER LOOP ELECTRONICS: USE EXISTING DEFINITION AND DETAIL CODES.

0490 -This is no longer a miscellaneous code. Code 0490 will be defined as: AIR PRESSURE SYSTEM/SHEATH TERMINATING HARDWARE/PRESSURE PLUGS: Applies when trouble is located to pressurization system. Includes air pipe, manifolds, splice case leaks, pressure or flow transducers, controlled leaks, check valves, fittings, etc. Also includes air dryer troubles whether or not air dryer also feeds cooper cables, Also applies when trouble is found to be in the Sheath Terminating Hardware or equivalent Pressure Plugs (including 100A closures or equivalent). Excludes fiber breaks occurring at these two items; code under appropriate fiber failure.

o 05** -There are no changes to disposition code 05** at this time.

- o 0600 -MISCELLANEOUS: Applies when the customer reports a non-service affecting condition. Includes all conditions presently categorized as 060*. These items will be listed in the revised practice. Paragraph 10.3 n) is applicable.
- o 0700 -There are no changes to disposition code 07** at this time.
- o 0800 -There are no changes to disposition code 08** at this time.
- o 0900 -NETWORK FOUND OK: Existing definition of 0900 applies. Codes 0910 and 0930 are deleted.
- o 1000 -MISC/ROUTINE: Applies when a trouble report is referred to other BellSouth agencies or departments not normally involved in the trouble clearing process and task credit maybe required for employee evaluation. Likewise, this code may be used when a trouble report can be EXCLUDED under BSP 660-169-011SV, paragraph 4.8, and task credit maybe required for employee evaluation. Disposition code 1010 is deleted. Codes 1092 thru 1095 remain as defined in the existing practice.
- o 1100 -There are no changes to disposition code 1100 at this time.
- o 1200 -EQUIPMENT WIRING - BILL: Applies when trouble cannot be located in TELCO facilities and can be attributed to, is isolated to, or is found in customer provided equipment/wiring and bill is generated via a Statement of Work Charges RF 141/RF 1356. This code includes billable Tariffed or Detariffed trouble determination or isolation charges made for repairs to station wires, jacks, connecting blocks, etc. at the customer's request. It also applies when the trouble is located in nonstandard customer equipment/wiring.
- o 1210 -EQUIPMENT WIRING - NO BILL: Applies when trouble is found to be in customer equipment/wiring and billing is not applicable for (but is not limited to) the

following reasons:

- Trouble reported by a third party.
- WMR only customer that refuses access to a technician.
- No accesses where the customer has a wire maintenance plan.
- Customer subscribes to a wire maintenance plan that includes isolation and a technician does isolation or repair.
- Repairs covered by warranty.
- Repairs covered by contracted wire maintenance.
- Trouble determination when included as part of tariff for access line.

1220 -CUSTOMER DECLINES DISPATCH: Applies when a trouble is isolated to the customer's equipment/wiring during initial testing when contacting the customer and no dispatch is required. This code is for EMC/MAC/BCAC use only.

1290 -CATV: Any trouble isolated to equipment associated with Cable Television (CATV)

Any 12** code not mentioned above is deleted from the practice.

c 1300 -All 1300 codes are deleted.

c The revisions to cause codes are designed to allow each operation to use detail coding as applicable. If an operating area desires to use only General coding to identify reports caused by lightning, then only cause code 400 is required. If the same area wants to run a special study on reports caused by lightning, the trouble would be coded to cause code 410. Should an organization opt to use detail coding, the codes specified in the practice are the only codes that may be used.

100 -TELCO-EMPLOYEE:

200 -NON-TELCO-EMPLOYEE:

300 -DEFECTIVE PLANT:

400 -WEATHER:

500 -MISCELLANEOUS:

600 -UNKNOWN:

SOUTHERN BELL REVIEW PROGRAM

This sets forth the systems and operation changes, procedures and ethics programs that Southern Bell has or will put into place in Florida during the Review Period to address matters that have arisen in Florida. Southern Bell is required to maintain these system and operation changes, procedures, and programs only during the Review period and any extension thereof pursuant to paragraph 7(4) below. Implementation of the changes, procedures, and programs described below will be reviewed in the audits described in paragraph 10 of this Settlement Agreement. The term "optional services" as used in this Review Program includes the following optional services: Call Return, Call Trace, Repeat Dial, Preferred Call Forwarding; Call Blocking, Selective Call Blocking, Caller ID, Call Forwarding, Call Forwarding-Line Busy, Call Forwarding - Don't Answer, Remote Access Call Forwarding, Three-Way Calling, Speed Call-8, Speed Call-30, Call Waiting, Memory Call, Inside Wire Maintenance, Trouble Isolation Plan, Inside Wire Maintenance Combined Plan and Touchtone.

A. Institution of Ethics Program

1. Southern Bell will develop and implement a new ethics education program. This program will be presented to management and non-management employees of Southern Bell in Florida. [Implementation: October 1, 1992.]
2. Southern Bell will revise its handbook "A Personal Responsibility" to:
 - a. further emphasize ethics; and
 - b. promote the Company's "Hotline" number and assure that there is sufficient capacity to handle "Hotline" calls. [Implementation: October 1, 1992.]
3. Southern Bell will develop a "Code of Ethics" which will be distributed to Southern Bell employees in Florida. [Implementation: October 1, 1992.]
4. Southern Bell will change its management employee evaluation process and forms by incorporating two additional performance criteria:
 - a. commitment to customer service; and
 - b. commitment to ethical business practices. [Implemented previously.]

B. Creation of Corporate Responsibility and Compliance Office

BellSouth Corporation will create a new officer position known as "Vice President-Corporate Responsibility and Compliance." The person appointed to this office is responsible, inter alia, for internal auditing and security supervision at Southern Bell. This officer also will act as an "ombudsman" to whom Southern Bell employees can communicate complaints and concerns for appropriate action or response, including, but not limited to, confidential internal investigations if warranted. [Implemented previously.]

C. Service Sales Chances

1. Southern Bell will confirm each new sale of any optional service to residential and simple (one or two line) business subscribers ("Business Subscribers") by sending a letter to the customer stating the new service ordered and the rate for such service. For new residential or Business Subscribers or those that transfer their service, Southern Bell will confirm basic and optional services and the rates for such service. Optional services will be identified as optional in this letter. The letter will state that optional services are not required in order to obtain basic telephone service. It also will state that optional services may be cancelled at any time without a cancellation charge. [Implementation: October 1, 1992.]
2. Southern Bell will review its sales training and procedures materials and revise them, if necessary, to instruct sales personnel to communicate clearly to customers the optional nature of each optional service that sales personnel recommend or a customer orders, as well as a clear description of each optional service recommended or ordered, and the rate charged for each such service. Southern Bell also will prepare and distribute a memorandum to all sales personnel in Florida instructing them to communicate clearly to customers the optional nature of each optional service that sales personnel recommend or a customer orders, a clear description of each optional service recommended or ordered, and the rate charged for each such service. This separate memorandum, and Southern Bell's sales training and procedures materials, also shall advise sales personnel to make clear to customers that optional services are not required to obtain basic telephone service. [Implementation: October 1, 1992.]
3. Southern Bell will discontinue sale of optional services by non-sales personnel in Florida. Inquiries regarding the purchase of services will be referred to Southern Bell's business offices. [Implemented previously.]

- 4. Southern Bell will enhance the management and reporting of its existing program for the observation of sales calls between sales representatives and subscribers. The results of local observations will be reported to the Florida headquarters and to Southern Bell headquarters in Atlanta. The results of the Florida headquarters observation program also will be reported to Southern Bell's headquarters in Atlanta. [Implementation: October 1, 1992.]

- 5. Southern Bell will develop a self-inspection program to be conducted annually for each sales office in Florida, which program will cover the following matters:
 - a. sales personnel compliance with operational procedures;
 - b. the transmission of letters confirming sales to subscribers;
 - c. proper inputting of information regarding the ordering, termination, or change in service requested by subscribers; and
 - d. the level of sales activities of individual employees (to identify potential problems). [Implementation: October 1, 1992.]

- 6. Southern Bell will develop an enhanced internal auditing program to audit the following activities:
 - a. the communication between sales personnel and customers of the services offered by the Company and the rate charged for such services;
 - b. the transmission of letters confirming the sale of new service to customers and the rate for such service;
 - c. the proper inputting of sales information into the company's billing system;
 - d. the level of sales by sales personnel to identify any employees whose sales may exceed reasonable limits (in an effort to identify improper sales practices);
 - e. compliance with self-inspection programs;
 - f. consideration of findings and recommendations made by Staff Review Teams following staff reviews; and

- 6. the conduct and administration of sales incentive programs. [Implementation: October 1, 1992.]
- 7. Southern Bell will not charge its customers for cancellation of any optional service without fully disclosing any cancellation charge before the customer enrolls. [Implementation: October 1, 1992.]
- 8. If Southern Bell changes the name of one or more of its Inside Wire Maintenance Plans or other optional services covered by this Settlement Agreement, or includes one or more of them in a revised service, plan or package, the renamed, revised or packaged service shall be subject to all of the provisions of this Review Program. Likewise, conversions from one service, plan or package, to another shall be subject to all of the provisions of this Review Program governing sales.
- 9. Southern Bell will undertake to develop a means of maintaining sufficient information regarding optional services on subscriber telephones for reasonable periods of time so that such information will be available to make refunds, legally required, to subscribers. Southern Bell also will undertake to develop a means of training personnel who are responsible for making customer refunds as to the proper procedures for processing refunds legally required to be made.

D. System Changes

- 1. Southern Bell will control access to the LMOS system. Employees will be assigned personal identification numbers and passwords. Access to the system will be allowed only with the inputting of a valid access number and password. [Implementation: October 1, 1992.]
- 2. Southern Bell will standardize MLT VER codes. System changes will be implemented to prohibit changes to the MLT VER field. [Implementation: October 1, 1992.]
- 3. Southern Bell will limit the creation of Customer Direct and Subsequent Reports to a specific identified group of employees. [Implementation: October 1, 1992.]
- 4. Southern Bell will develop system edit processes to prohibit closing of trouble reports where disposition and cause codes are inconsistent. [Implementation: October 1, 1992.]
- 5. Southern Bell will standardize the administration of the Autoscreen rules. Southern Bell centrally will limit and control access to the system. [Implementation: October 1, 1992.]

- 6. Southern Bell will develop a method to block multiple billing of a new optional service or package of services, if a customer already is being provided and billed for the same service either alone or as part of a package. [Implementation: January 1, 1993.]

E. PSC Reporting

- 1. Southern Bell will develop procedures to audit information reported to the PSC regarding trouble report processing times. [Implemented previously.]
- 2. Southern Bell will use receipt and final status time to determine compliance with the PSC twenty-four (24) hour interruption repair rule. [Implemented previously.]
- 3. Southern Bell will institute new management reports to identify instances where a receipt time, different from real time, is entered in the IMOS system. [Implementation: October 1, 1992.]
- 4. Southern Bell will eliminate the use of the CON Intermediate Status Code. [Implemented previously.]
- 5. Southern Bell will implement periodic reports that identify invalid cause codes and that contain random samples of excluded trouble, so that they may be reviewed by local offices. [Implemented previously.]
- 6. Southern Bell will allow troubles to be statused as OOS only during manual or automated testing or initial screening. [Implementation: December 31, 1992.]
- 7. Southern Bell will review and standardize its Staff Review process. Reviews will be conducted by headquarters management personnel. Findings and specific corrective action required as a result of a review will be made in writing and will be provided to Florida State Headquarters and company headquarters management. [Implemented previously.]

F. Remedies

- 1. A Special Master, mutually agreeable to Southern Bell and the Office, will be selected to assist in the Review Program and the Settlement Agreement. In addition to the remedies set forth in paragraph 18 of the Settlement Agreement, the Office may submit disputes regarding Southern Bell's compliance to the Special Master. If the Office elects to submit a dispute to the Special Master, the following procedures will be employed. A claim that Southern Bell is in noncompliance with the Review Program or the Settlement Agreement first should be discussed with Southern Bell and an attempt made

to resolve it consensually. If a dispute regarding compliance cannot be resolved consensually, it then should be submitted by the Office in writing to the Special Master with a copy to Southern Bell. Southern Bell shall have twenty (20) business days to respond to the claim in writing, a copy of which will be sent to the Office. The Special Master may, upon request of the parties, allow the submission of any writing, evidence or argument in connection with any matter under consideration. The Special Master has the authority to establish procedures for the submission of additional documents, evidence and argument allowing each party sufficient time to respond to any submission by the other party. There shall be no ex parte communications. The Special Master's decision regarding compliance is binding and shall be rendered within thirty (30) days after submission of all matters for consideration.

- 2. In the event that the Special Master finds non-compliance by Southern Bell with any of its obligations under this Review Program, or any of its obligations under the Settlement Agreement, the Office may apply to the Special Master for specific performance. In addition, the Office may seek a monetary penalty. The Special Master shall determine whether a monetary penalty should be assessed and, if so, in what amount. The procedures for applying for specific performance or a penalty shall be the same as those set forth in paragraph 1 above. All fees and expenses payable to the Special Master for work performed in connection with the Review Program or the Settlement Agreement shall be paid by Southern Bell. Any opinion expressed by The Accounting Firm regarding whether the programs in the Review Program are accomplishing their purpose shall not be used as a basis for a claim of non-compliance provided the programs are being conducted as designed. If The Accounting Firm determines that one or more provisions of the Review Program are not accomplishing their purpose, Southern Bell will develop and implement a reasonable replacement program.
- 3. Neither the existence of this Review Program, nor this Settlement Agreement, shall preclude the Office from bringing any civil or criminal litigation based upon conduct occurring after the date of this Settlement Agreement except as may be limited by the Settlement Agreement.
- 4. For each month in which Southern Bell is in non-compliance with any of its obligations under this Review Program, the Special Master shall determine whether such non-compliance warrants that an additional month will be added to the Review Program. If the

108 7

review period is extended for greater than six months, an additional audit will be conducted after each additional six-month period. If the period is enlarged for less than six months or for one or more six-month periods, plus a period of less than six-months, the final audit will be deferred until the end of the entire Review Program.

5. The Office may request that The Accounting Firm perform supplemental review work with respect to the Systems and Procedures. Such request shall be in writing and shall state the specific matter or matters of the Systems and Procedures to be reviewed during the proposed supplemental review. A copy of the supplemental review request shall be sent to Southern Bell, who shall have ten (10) business days to object to it by stating its objections in writing to the Special Master. A copy of the objection will be sent to the Office, which shall have ten (10) business days to respond. The Special Master shall decide if the supplemental review shall be performed and the scope of and procedures for the supplemental review. This decision will be in writing within thirty (30) days after submission of all matters for consideration. A copy of the decision shall be sent to the Office and Southern Bell. The Special Master's decision is binding. The cost of the supplemental review shall be borne by Southern Bell.
6. All notices required to be sent pursuant to this Review Program shall be by hand delivery (within the same city) or by an overnight express mail service (Saturday delivery, if applicable), addressed as follows:

To Southern Bell:

Mr. J. Robert Fitzgerald
Vice President and General Counsel
BellSouth Telecommunications, Inc.
Legal Department - Suite 4504
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

Mr. William S. Duffey, Jr.
King & Spalding
191 Peachtree Street
Atlanta, Georgia 30303-1763

To the Office:

Ms. Melanie Ann Hines
Office of Statewide Prosecution
The Capitol
Tallahassee, Florida 32399-1050

FILE COPY

Southern Bell

C. L. Guthbertson, Jr.
General Manager - Personnel20th Floor Southern Bell Tower
301 W. Bay Street
Jacksonville, Florida 32202
(904) 350-2671

June 18, 1991


MEMORANDUM TO:

Ms. Becky Dunn

I have attached for your review the proposed discipline recommendation process for three categories of employees.

The discipline recommendation process for the various individuals can begin as soon as all of the investigatory information is received. Assuming the data from the investigation is available by July 1, I believe the actual administering of discipline could begin around the first of August.

Please let me know if you have questions about this matter.



General Manager - Personnel

Attachment .

CC: Mr. J. P. Lacher
Mr. C. J. Sanders

FLORIDA REPAIR SERVICE INVESTIGATION

DISCIPLINE RECOMMENDATION PROCESS

FOR CRAFT EMPLOYEES

1. #

6

9

2. 6

3. 1

4. 1

5. 1

6. 1

7. 1

FLORIDA REPAIR SERVICE INVESTIGATION

DISCIPLINE RECOMMENDATION PROCESS
FOR PAY GRADE 5 AND BELOW MANAGERS

- 1.4
- 5
- 6
- 7
- 8
- 9
- 2.10
- 11
- 3.12
- 13
- 4.14
- 15
- 16
- 5.17
- 5.18

FLORIDA REPAIR SERVICE INVESTIGATION

DISCIPLINE RECOMMENDATION PROCESS
FOR PAY GRADE 6 AND ABOVE MANAGERS

2.4
5

6
7
8

2.9
10

3.11
12
13

4.14

3.15

153

Legal Department

NANCY B. WHITE
General Attorney

Southern Bell Telephone
and Telegraph Company
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301
(904) 529-5387

June 16, 1992

Mr. Charles J. Beck, Esq.
Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
Room 812
111 West Madison Street
Tallahassee, Florida 32399-1400

RE: Docket No. 910163-TL

Dear Charlie:

It has come to my attention that the enclosed documents which appear to be responsive to Public Counsel's Twenty-Second Production of Documents in the above-captioned docket may not have been included in Southern Bell's Responses dated April 29, 1992. Out of an abundance of caution, I am forwarding same. Please be advised that these documents are covered by the original Motion for Temporary Protective Order filed on April 29, 1992.

I apologize for any inconvenience you may have suffered.

Sincerely,

Nancy B. White (cc)

Nancy B. White

cc: Tracy Hatch

BELLSOUTH

Personnel Record
Current Entry Sheet

RF3181-B-B5
(10-54)

B

Employee's Name

Title

Department

NETWORK

Location

GNSV

2
3
4
5
6
7
8
9
10
11
12
13
14

Date Held By Content Of Interview Emp's. Initials

5/16/82 RC

IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU
ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY OUT
YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED THAT
SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE
DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM
THE COMPANY.

BELLSOUTH

Personnel Record
Current Entry Sheet

156

3181-B-21
1984

B

3
4
5
6

Employee's Name

Title

Department

Location

NET.

ORLANDO

7

8

Date Held By

Content Of Interview

Emp's
Initials

3/19/82 PM
HJ

IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU
ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY OUT
YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED THAT
SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE
DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM
THE COMPANY.

157 P. 5

1 **BELLSOUTH**

Personnel Record
Current Entry Sheet

FF-3181-B-85
(10-84)

B

2
3
4
5
6
Employee's Name

Title

Department

Location

NETWORK

JAX

7 Date

By

Content Of Interview

Emp's
Initials

8 3-25-92 *DMIS* IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU
 9 *DMN* ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY OUT
 10 YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED THAT
 11 SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE
 12 DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM
 13 THE COMPANY.

14

TS. 8

Southern Bell 1
2
3

160

Form 3161-B
(7-80)

**Personnel Record
Current Entry Sheet**

B

4 Employee's Name _____ Title _____

5 Department _____ Network _____ Location _____

2	Date	Held By	Content Of Interview
7			Counseled with _____ regarding his responsibilities covered by the Personal Responsibility booklet. Reminded employee of the severe discipline that can result from failure to fulfill those responsibilities.
1	03-5-92	GTR	
1			

163

Form 313-2B
1-78



Southern Bell

2
3

Personnel Record
Current Entry Sheet

B

4 Employee's Name _____ Title _____

5 Department _____ Network _____ Location _____

6	Date	Held By	Content Of Interview
7			Reviewed with _____ his conduct relating to the handling of
8			repair service which shows he did not meet the standards for conduct
9			required by the Personal Responsibility booklet. Warned employee
10			that any failure in the future to meet those standards will result
11			in more severe discipline, which could include termination from the
			Company.

123599 GAD



Southern Bell

Personnel Record
Current Entry Sheet

Form 315-E
1940

165

100

11

4 Employee's Name _____ Title _____

5 Department NETWORK Location SOUTH DADE

6 Date Held By Content Of Interview

7	3/10/92	CR	IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU
8			ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY
9			OUT YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED
10			THAT SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE
11			DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM
12			THE COMPANY.

13
14 2 have read - all

15 above statement but in no way agree
or feel that it is justified.

BELLSOUTH 1/2

Personnel Record
Current Entry Sheet

168

79.16
3181-8-85
5-841

B

Employee's Name

Title

Department

NET

Location

ORLANDO

Date Held By :

Content Of Interview

Emp's
Initials

3-18-92 WHTJ

IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU
ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY OUT
YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED THAT
SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE
DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM
THE COMPANY.

BELLSOUTH 1/2

Personnel Record
Current Entry Sheet

172
Dec 20
22-3181-2-25
1954
B

Employee's Name _____

Department: NET

Title: 4

Location: ORLANDO

Emp's
Initials

Date

Filed By

Content Of Interview

3/9/76 WJM

IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU
ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY OUT
YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED THAT
SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE
DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM
THE COMPANY.

11/73

B

Employee's Name _____ Title _____
Department NET. Location Orlando

7	Date	Held By	Content Of Interview	Emp. s. #
8	3/19/42	DM HT	IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU	
9			ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY OUT	
10			YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED THAT	
11			SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE	
12			DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM	
13			THE COMPANY.	

BELLSOUTH 1/2

Personnel Record
Current Entry Sheet

174
P. 22
EF 3121-8-85
10-84

B

3 Employee's Name _____

Title _____

4 Department

NETWORK

Location

GNSV

7 Date

8 Held By

Content Of Interview

Emp's. Initials

✓ ✓

IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU
ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY OUT
YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED THAT
SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE
DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM
THE COMPANY.

BELLSOUTH 1/2

Personnel Record
Current Entry Sheet

194

Pg 32
FFS 8-85
(10-84)

B

Employee's Name

Title

6 Department

NET

4 Location

Orlando

7 Date Held By Content Of Interview

Emp's. Initials

6/3/94 DMY

IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU
ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY OUT
YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED THAT
SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE
DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM
THE COMPANY.



Southern Bell

2
3

Personnel Record
Current Entry Sheet

186
Pg. 34
Form 3281-B
(9-89)

B

4 Employee's Name _____ Title _____

5 Department NETWORK Location SOUTH DADE

6	Date	Held By	Content Of Interview
7	3/10/92	(Signature)	IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY OUT YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED THAT SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM THE COMPANY. THIS MATTER IS BEING GIVEN APPROPRIATE CONSIDERATION IN ESTABLISHING YOUR 1992 COMPENSATION
8			
9			
10			
11			
12			
13			

IN CONNECTION WITH YOUR HANDLING OF REPAIR SERVICE, YOU ARE HEREBY REPRIMANDED FOR YOUR FAILURE TO FULLY CARRY OUT YOUR RESPONSIBILITIES AS A MANAGER. YOU ARE WARNED THAT SUCH FAILURE IN THE FUTURE WILL RESULT IN MORE SEVERE DISCIPLINARY ACTION WHICH COULD INCLUDE TERMINATION FROM THE COMPANY. THIS MATTER IS BEING GIVEN APPROPRIATE CONSIDERATION IN ESTABLISHING YOUR 1992 COMPENSATION

84

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 910163-TL
Late-Filed Exhibit Requests
June 17, 1992
Late-Filed Exhibit No. 3

Request: B Form entries for "on your watch" employees

Response: Documents attached

027

1



Employee's Name _____ Title _____

5 Department: Network Operations-South Location Pensacola, Florida

6	Date	Held By	Content Of Interview
---	------	---------	----------------------

7			The Company has become aware of instances of improper activity
8			by some of your subordinates relating to the handling of repair
9			service. You are hereby reprimanded for managing your organization
10			in such a manner that improper activity was not detected and
11	3-2-92	CSB	properly handled in a timely fashion.

13			2-2-92
----	--	--	--------



Southern Bell /

88

2 Personnel Record
3 Current Entry Sheet

31

4 Employee's Name _____ Title _____

5 Department NETWORK Location NORTH DADE

6	Date	Held By	Content Of Interview
7	3/9/92	RDY	THE COMPANY HAS BECOME AWARE OF INSTANCES OF IMPROPER
8			ACTIVITY BY SOME OF YOUR SUBORDINATES RELATING TO THE
9			HANDLING OF "REPairs" SERVICE. YOU ARE HEREBY REPRIMANDED
10			FOR MANAGING YOUR ORGANIZATION IN SUCH A MANNER THAT
11			IMPROPER ACTIVITY WAS NOT DETECTED AND PROPERLY HANDLED
12			IN A TIMELY MANNER.

BELLSOUTH

1 Personnel Record
2 Current Entry Sheet

89

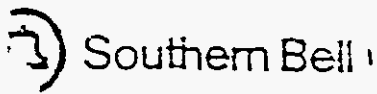
DATE
B

3 Employee's Name _____ Title _____

4 Department NETWORK Location PENSACOLA

5 Date Held By Content Of Interview Emp's. Initials

6 6/13/92 JMM THE COMPANY HAS BECOME AWARE OF INSTANCES OF IMPROPER
ACTIVITY BY SOME OF YOUR SUBORDINATES RELATING TO
THE HANDLING OF REPAIR SERVICE. YOU ARE HEREBY
REPRIMANDED FOR MANAGING YOUR ORGANIZATION IN SUCH
A MANNER THAT IMPROPER ACTIVITY WAS NOT DETECTED
AND PROPERLY HANDLED IN A TIMELY FASHION.



91
2-1-72

2 Personnel Record
3 Current Entry Sheet

3

4 Employee's Name _____ Title _____

5 Department: Network Operations Location Jacksonville, Florida

6 Date Held By Content Of Interview

7 The Company has become aware of instances of improper
8 activity by some of your subordinates relating to the
9 handling of repair service. You are hereby reprimanded
10 for managing your organization in such a manner that
11 improper activity was not detected and properly handled
12 1/1/72 CS in a timely fashion.

13



Southern Bell

95 Pa. 77

2 Personnel Record
3 Current Entry Sheet

3

4 Employee's Name _____ Title _____

5 Department: Network Operations Location: Ft. Lauderdale, Florida

6 Date Held By Content Of Interview

7 The Company has become aware of instances of improper
 8 activity by some of your subordinates relating to
 9 the handling of repair service. You are hereby
 10 reprimanded for managing your organization in such
 11 a manner that improper activity was not detected and
 12 2/24/92 CS properly handled in a timely fashion.

13
2/24/92



Southern Bell /

- 2 Personnel Record
- 3 Current Entry Sheet

5

4 Employee's Name _____ Title _____

5 Department Network Operations-South Location Hollywood Florida

6	Date	Heid By	Content Of Interview
---	------	---------	----------------------

7			The Company has become aware of instances of improper activity
8			by some of your subordinates relating to the handling of repair
9			service. You are hereby reprimanded for managing your organization
10			in such a manner that improper activity was not detected and
11			properly handled in a timely fashion.

12 3/5/92 M

13 _____ 3/5/92



Southern Bell

98

Pa. 80

2 Personnel Record
3 Current Entry Sheet

B

4 Employee's Name _____ Title _____

5 Department: Network Operations-South Location Jacksonville, Florida

6 Date Held By Content Of Interview

7		The Company has become aware of instances of improper activity
8		by some of your subordinates relating to the handling of repair
9		service. You are reminded of your obligation to assure ethical
10		behavior at all times and to manage your organization in such a
11		manner that improper activity, should it occur, is promptly
12	<u>3-2-92 CSB</u>	detected and appropriate action is taken in a timely fashion.

13



Southern Bell /

2 Personnel Record
3 Current Entry Sheet

99
Pa. 81

B

4 Employee's Name _____ Title _____
5 Department Network Operations-South Location Pompano Beach, Florida

6 Date Held By Content Of Interview

7
8 The Company has become aware of instances of improper activity
9 by some of your subordinates relating to the handling of repair
10 service. You are hereby reprimanded for managing your organization
11 3-3-92 ewj in such a manner that improper activity was not detected and
properly handled in a timely fashion.



Southern Bell /

100 2932

2/3

Personnel Record
Current Entry Sheet

B

4 Employee's Name _____ Title _____

5 Department Network Planning and Support Location Jacksonville, Florida

6 Date Held By Content Of Interview

7 The Company has become aware of improper activity by
 8 some employees relating to the handling of repair service
 9 Your responsibilities include the supervising of reviews
 10 of repair service operations. You are hereby reprimanded
 11 for managing your organization in such a manner that
 improper activity was not detected and properly handled
 in a timely fashion.

2/21/92 CB
/ /



Southern Bell /

2 Personnel Record
3 Current Entry Sheet

10/10/88
10/10/88
10/10/88

111

4 Employee's Name _____ Title _____

5 Department: Network Location _____

6 Date Held By Content Of Interview

Date	Held By	Content Of Interview
3/10/88	JK	<p>The Company has become aware of instances of improper activity by some of your subordinates relating to the handling of repair services. You are reminded of your obligation to assure ethical behavior at all times and to manage your organization in such a manner that improper activity, should it occur, is promptly detected and appropriate action is taken in a timely fashion.</p>

Employee REFUSES TO SIGN



Southern Bell /

104

2.01
2.30

2 Personnel Record
3 Current Entry Sheet

B

4 Employee Name _____

5 Department NETWORK Location Miami, Florida

6 Date Held By Content Of Interview

7 The Company has become aware of instances of improper activity by some
 8 of your subordinates relating to the handling of repair service. Your
 9 discovery of and assertive action related to handling these matters
 10 which had not previously been uncovered has enabled the Company to
 11 successfully pursue procedural and practice changes which will enhance
 12 repair service objectives. You are hereby reprimanded for failing to
 13 2/24/92 MS detect the improper activity in a more timely fashion.

14

[REDACTED]

OPERATIONS MANAGERS - 170 DISTRICT AREA
MANAGERS - 170 DISTRICT AREA

OPERATIONS MANAGER - 170

SUBJECT: MONTHLY BILLING 11 FEB 1988 OVER 24 HOURS
PERIOD ENDING: 31.1988

4
5
6
7

CHANGE: DISTRICT AREA

11-2-88

MIAMI BEACH	18,148
NORTH MIAMI	17,777
MIAMI	17,777
MIAMI METRO DISTRICT	17,777
SOUTH MIAMI	17,777
WEST MIAMI	17,777
CENTRAL MIAMI DISTRICT	17,777
NORTH MIAMI	18,148
PALM SPRINGS	17,777
NORTH MIAMI DISTRICT	17,777
MIAMI	17,777
MIAMI	17,777
MIAMI	17,777
MIAMI	17,777

Handwritten notes:
 9
 10
 to meet
 12
 13
 14
 15
 16
 17
 18
 19
 20

24

25

1/19/10
1/11/10
1/3/10
1/10/10

We did not know
1/10/10

1/10/10

DATE	TIME	FROM	TO	AMOUNT	DESCRIPTION	ACCOUNT	DEBIT	CREDIT	BALANCE	REMARKS	RECEIVED	PAID	TOTAL
1/19/10	11:00	111	111	100.00	100.00	111			100.00				100.00
1/11/10	11:00	111	111	100.00	100.00	111			200.00				200.00
1/3/10	11:00	111	111	100.00	100.00	111			300.00				300.00
1/10/10	11:00	111	111	100.00	100.00	111			400.00				400.00
									400.00				400.00

We have
 provided / to / for /

10/22/20
 11/15

1
 2

	QYD		SLA		QYD	SLA	QYD	SLA	QYD	SLA	QYD	SLA	QYD	SLA	QYD	SLA	QYD	SLA
	QYD	SLA	QYD	SLA														
QYD																		
SLA																		
TOTAL																		

107

201/2

①

100-100-100-100-100-100
100-100-100-100-100-100
100-100-100-100-100-100
100-100-100-100-100-100
100-100-100-100-100-100
100-100-100-100-100-100

REQUEST:

Whether or not the carried over to "flag" has any
implications for the determination of exempt reports
under the provisions of the LMS as well
as other provisions.

RESPONSE:

Post 1992 - The carried over to "flag" is not
considered in determining exempt reports. The carried
over to intermediate status is no longer used in
LMS.

Pre 1992 - The carried over to "flag" was
considered in determining exempt reports in
Schedule II Reports.

INFORMATION PROVIDED BY:

GARY C. HALL
MANAGER - NETWORK
25888 SBC
675 W. PEACHTREE ST.
ATLANTA, GA. 30378

2

November 29, 1990

Mr. L. E. Crittenden
Vice-President
Network

Dear Sir:

I am writing this letter to appeal my termination with Southern Bell.

Sir, I have 24 years of "PERFECT" service. I have dedicated a lifetime to the company, to the customer, and to the employees. I have a "PERFECT" record and always had, even as craft. I've been a manager since 1970. My reputation speaks for itself. You could ask any Operations Manager, District Level, 2B, 2A, 1st Level and craft, and I'm sure you would hear it for yourself. I feel like I've received the "death sentence". A gun might-as-well have been put to my head for the situation at hand.

I wish I could speak to you face to face to discuss this rather than writing, hopefully these arrangements can be made.

Mr. Crittenden, I did not steal from the company. I did not steal from the customer. I did not cheat. I had no personal gain or anything else from this incident. I merely acted on what was common practice for everyone in the North Dade Turf, inside and out, craft and management. There isn't an MA, ST, CRT, NT or 1st Level that hasn't backed up a commitment or an out-of-service to meet an index. It was done on a daily basis per our instructions. So what did I do wrong? I know the managers and craft will tell you this. I would please like someone to explain to me why they all have their jobs and I'm fired. This is very hard to accept. I honestly can't understand how this is fair treatment towards me. I took a direct order and honestly made a mistake. I had no idea this was the wrong thing to do or that there was a problem with what was done until the week of the review. I was very confused. I know nothing about the index or how it is attained. I don't know what the criteria is that makes it up. This index was monitored by Lesko and the control room on a daily basis. I had no idea there was a problem at all until the week of the review. I swear to God up above I didn't know

3

2

I had the option to report Lesko and I didn't know I should because I wasn't sure what he was asking me to do was right or wrong.

(MA) evidently didn't know either because she didn't call the union on security or report Lesko. She did the same thing I did and no disciplinary action at all was taken towards her. She has coded these troubles like this for years.

Mr. Crittenden, I do know that you are a fair and honest person. I couldn't say that about everyone but I've learned that about you over the years. Please listen to all the facts with an open mind. I have documentation, a statement, and craft and management to verify what I'm going to tell you if need be. I have no reason to be anything but truthful.

The clerk that coded the troubles doesn't work for me. I normally handle Field Assist and Facts and back up screening. (1st Level) was in Jacksonville in school, or she would have handled this situation, not me.

I was the only manager on the floor with 31 MA's reporting to me, the phones were ringing off the hook. I was working 12 and 13 hours a day, straight through with no lunch (no ot). We were receiving over 1,000 reports a day, due to the Hialeah ESS Cut, and I was trying to determine what the cause was for the volume of troubles we were receiving, trying to help pin-point the problems for Lesko,

Our RMAS and Predictor Systems were down and we couldn't analyze the trouble reports in order to know what to do with them and I was also working with the staff on that. It was by far the worst working situation I've ever experienced in the IMC. I was under an extreme amount of pressure and stress. I really didn't know which way to turn and I didn't get any help from anyone. In the midst of all of this Lesko was in a panic over his index. He is a very intimidating, demanding and threatening manager. He treated the IMC like we were dogs. Constantly belittling us with how bad and stupid we all were. We were all afraid of him. Right after the review the managers had all intentions of going to Mr. Sellers as a group to tell him we just couldn't work for him anymore. The MA's were going to file a mass grievance against him for his threats and treatment towards them. He threatened to B form the craft for missing one more OOS commitment. Everyone was under a lot of pressure.

As I stated to security Lesko demanded that I have one of our best and trustful MA's close the TOK file because she always did it this way for (1st Level). It was also common knowledge that and several other MA's close their TOK's to OOS. That is the way it's been done since I came to the IMC. When Lesko told me to do this I just followed the lead of three of the managers that were in the office. One of which had just been promoted. If they did it and it was OK for them, then it must be OK for me.

1000
④

1 One was (1st Level) our "Training Facilitator" who has gone to every school involving the IMC in the last year, who was Lesko's right hand person. We were told by him she was the best, the smartest and she was to train everyone. Lesko did like her she was the only one he thought had a brain. It became apparent that the index was in trouble in July. (2A) were concerned about it being missed. Wanda herself closed the same TOK file for the month of 8 July. It was the same time frame as August when she closed hers. 9 Each trouble was individually closed by her and "Y" was typed in the OOS column of the MSCR mask to restatus all the troubles to OOS to build the base because the PSC index was in jeopardy. She closed approximately 156 reports. She was very aware of what she was doing because she showed me. She has been given IA awards for as long as I've been there and considered the "BEST". I FOLLOWED HER LEAD. I never did it before and I figured if she did it and she was the TRAINER, it must be the right thing to do. Why is she still on the payroll and I'm fired? Do you think this is fair? I don't.

18 (1st Level), while working Station Control NAS (no accessed) troubles when an OOS was in jeopardy of being missed and put them back in the pool to restart the clock time in an effort to meet the PSC 21 index. He even gave the procedures on how to do this to me and myself so that when we relieved for him we could do it too.

23 (1st Level at the time), as I mentioned before, had 24 close all the TOK's to OOS. I have a statement from her saying 25 that she was instructed to do this until further notice. She was in the IMC for almost 20 years and he was very knowledgeable. He had 27 several MA's doing it all the time and it was OK for him. She was very well aware of this and condoned it. He was our 2B at the time so you see, this type of activity has been going on since I came to the 30 IMC. She has been there the longest. She was also given IA awards and then just recently promoted to the IMC Staff. When the company treats managers like this you look up to them, so here again I 31 FOLLOWED ANOTHER GOOD LEAD. If it was right for him then it was right 34 for me. Mr. Crittenden, she monitored this report on a daily basis in the control room. It seems very ironic and coincidental that the North 36 Dade Turf had no problem meeting this index until she was promoted and left in July. This is the first time anyone has missed it in 3 years we were told. The Turf was evidently in trouble with it again in August. How would you feel if these people were still on the payroll and you were fired? I can't deal with it mentally or physically because it just isn't fair and I think I'VE GIVEN TOO MUCH TO THIS COMPANY TO BE TREATED THIS WAY. I've been a good hard working, honest and dedicated employee.

Another situation is that all of our Central Office failures are put in a separate file (GEF) and restatused to OOS when closed. Even if the trouble came in AF (affecting service) they are all changed to OOS, just like the TOK's. Everyone has done this also.

5
10/1

2 Lastly, in North Dade no OOS cable trouble could be closed by a CRT or MA without the D and C codes being given to them By (1st Level Cable Control) or his MA. If the trouble went over 24 hours an excludable code was given to the trouble. This was per Lesko's instructions. I have the daily forms that this information was recorded on for each one of the clerks that closed the troubles. This was to cover themselves so if one was missed they had proof they talked to Carl so Lesko would not E form them.

These are some of the pertinent facts. I'm sorry I had to tell you all this but maybe it will turn out to be a good situation for everyone. I'd like to be a part of that. Maybe the office needs training on proper procedures. Maybe this is all a serious misunderstanding on how to handle reports. "VER" codes versus an actual report from the customer. The practice is confusing. What is correct? If the customer reports CCG, NOT (can't call out no dailtone) the practice tells you it is an OOS. What does the PSC go by, what the narrative says and what the customer reports or the "VER" code MLT gives us because they don't always match. It was stated in the review that we were not coding reports that we should be coding to OOS for proper credit. It was happening both ways and I think it is a lack of proper training. From

2) what I understand closed 44 reports to AS (affecting service), 166 to OOS (out-of-service) of which she had no time to back these up with the proper narrative because the office was so busy because of the ESS cut, and a possible 12 errors. I really don't know I was never covered on exactly what was wrong. I WAS JUST TERMINATED.

Mr. Crittenden, my reputation speaks for itself. I've never caused the company any trouble. I've worked for Mr. Sellers on and off for almost 14 years and he knows me as being nothing but a good hard worker and honest. I worked for Mr. Greico in between and relieved in the Assignment Office as an acting 2A and was under review not only by local staff but Atlanta staff and not once was there a problem of any kind. I didn't cheat or ever falsify any company records. If what I accused of is wrong it was an honest mistake. One of which I didn't even know I was making. If I did something wrong, I only did what everyone else did so I felt it was OK. No disciplinary action was taken towards
37 and she and all the rest of the employees craft and management signed the same responsibility booklet I signed. What about
38 and all the craft. No one hurt them. Why Me? What did I do any different than them?

Please reconsider the action that was taken towards me. We were either all RIGHT or all WRONG, and should be treated the same. Please let me be treated like everyone else. I understand the same findings were in the South Dade "write-up" but nothing was done to anyone because it was done throughout the whole month. Why was I singled out and such harsh treatment given?

1
 2 I was thrown out with nothing after dedicating my whole life. I have
 always taken great pride in "I Can Help". No matter how busy I was
 there was never a time that I didn't help RCMAC, RSC, SSC, or any field
 technician until we gave the customer service. Now it's my turn, please
 help. My life is shattered and what hurts most of all is that the lives
 of my children are about to be destroyed. I have a responsibility to
 8 them. I need my job desperately.

7 Mr. Crittenden this action has upset the entire South Florida area
 terribly. Everyone that knows me, craft and management on the job and
 retired can't believe what happened. People have written me and have
 called me from all over the state and no one thinks the punishment was
 fair. One of the 2B's asked Mrs. Eisenhower if she really thought the
 punishment fit the crime. I'm still trying to figure out what the crime
 was. Everyone that I've talked to has lost faith in the company. Ask
 the Engineers, the IMC, RCMAC, the CO's, the St's, the Crt's and all the
 1st and 2nd Levels. The morale has been affected in a negative and
 depressing way. These are the words from your management and craft.

17 cried when she talked to me and said they
 couldn't believe it. Now how do you think that makes me feel. I was
 honest and I'm off the payroll and they are all still working away.

Thank you very much for taking the time to read this letter. It would
 be appreciated from the bottom of my heart if you would reconsider the
 action that was taken towards me. I'm looking forward to hearing from
 you.

Respectfully Submitted,

Nancy D'Alessio

Nancy M. D'Alessio
 5410 SW 166 Ave.
 Ft. Laud. Fla.
 33331

305 434-0100

RECEIVED

2-25-71 (7)

Mr. Crittenden,

Vice President - Network Florida
Jacksonville, Florida

I do not want to be a party to any pretensions by any means in this matter. This situation is so devastating I can't deal with it much longer on a day to day basis. I have been hurt mentally, physically and financially almost beyond repair. I wish I were dead right now.

I can't accept in my mind the action that has been taken, simply for the mere fact that I only did what ever other manager and craft person did on a daily basis in that TMC.

I feel like I've been discriminated against, unjustly treated, and singled out. No, I haven't been explained to why and I think I'm due that explanation because of the kind of employee I've been to Southern Bell over the past 24 years.

I'm begging you to reconsider another form of discipline. A suspension for the time I've been off, a cut back to a craft position. I can accept that if an example needs to be made of me.

At this point my life is over. This is worse than a death, a death you can grieve and life goes on. My life can't. I could care less right now if I die. What good am I? I can't take care of my children. I'm in the process of claiming bankruptcy and even with that I'm going to lose my house and

(8)

car and everything like. How could I get another job. I'll soon have no way of getting there. I've been with Southern Bell right out of high school. How can I start over now?

I know this isn't your problem nor the Company's, but I did dedicate my life to it and never gave anyone a minute of trouble.

During my security review I received a phone call that there was a death in the family. I was in a despondent state of mind after that. Ask Booker he let me take the call he heard my conversation.

How can the company treat a human being this way? Where are our corporate values? Do you know what an awful feeling it is to live with this everyday.

I took a direct order from my boss, a direct and threatening order. The company put him in that position. He was "my" leader, my boss, someone that told me what to do, someone I reported to. Shouida Green (asst. mgr.) went to Sellers about Lesko and I had a conversation with him also and told him about Lesko and how he was treating us before this ever happened. I was told by another 2B to stick it out because he would be rotated out. Nobody listened then, so why would anyone listen any other time?

2B knows Lesko told me to do it. Why didn't he stop it? Why didn't

he tell me it was wrong

2 Why? Lesko ^{were}
involved in July's report (Identical to the
4 one I did). I have the original MTH
5 report for July and personally decipher
company records herself. Is this what the
7 issue is? knew about it too:

8 He told me not to admit to anything,
told me she was going to lie and say she
made a mistake. In fact the exact words
were "Oops I made a mistake" like it was
a joke or something. Like I said in my
statement Lesko told me to lie about it
too! And I told him someone could get
fired for lying like that and I told the
truth.

Do you know what I'm going through
over this. Little did I know if I had
lied I'd still have my job. I guess I was
wrong! I told the truth everyone else
lied and I'm fired. Is this the integrity
problem I had?? If I would have
lied I'd still have my job! If there
is a God up above this can't be how
it is. I can't believe in my heart, but then
Bill would treat an employee like this.
This kind of treatment is not what you've
taught me in 24 years. I thought we
were in business. I thought we'd be

our employees. I thought we had respect for the individual.

I can't handle what has gone on here. Put yourself in my position. I walked away with 3 weeks of my vacation taken from me, no termination pay and no job. What would you do. My 12 year old is ill and needs surgery and I guess I just can't take care of that either. How do I explain to him, mommy can't help you.

I can't let this die until there isn't a stone unturned. I want to handle this within the company I don't want to go to an outside concern with everything.

If necessary I'd like a meeting with any and all officials to discuss this face to face.

I didn't steal. I had no personal gain and I was given the same treatment as the people that did.

I did what every other management and craft person did in that FMC!!! If the rest of these people did nothing wrong then neither did I.

Please I'm reaching out for help. This has been the worse 2 months of my life. I need to sleep again. I need to be able to live again. What good am I to myself or children. I might as well be dead

Thank you
Nancy Williams

193
11

I know you are a very busy person.
I do appreciate your time and hope
to hear something so I know what to
do next.

Nancy D'Alessio
5416 SW 166 AVE
Pt. Laud. Fla 33331

305 434-0100

Dear Nancy,

I am feeling very very sad (and angry!)
about what happened to you.

I still can't believe it. My
thoughts are with you; I say

prayer every day for you. ^{But}
you have the strength to get
through this and find happiness

again. If there's anything I
can do to help, just ask.

Everyone feels the same way I do --
that you got shafted. All the

"pencil pushing" that goes on in
this company -- we just can't believe
what they've done to you.

I feel so helpless to do any-
thing for you. I just hope
that knowing someone cares makes

...I'M WITH YOU
ALL THE WAY!

you feel a little better. It
gives you a little strength
to push onward.

Sincerely,
~~_____~~
~~_____ (L)~~
~~_____ (H)~~

This is from one your Engineers.

God Bless you. You are
always in my Prayers. I will
always remember our good
times in Sequetel. I hope
your holidays are good ones.
In spite all that has happened
the moral in the office is
at rock bottom. I wish I
could afford to retire -
& leave, it isn't the same
since we've moved -

I wish you well
& happiness

Lots of Love

Betty
-

This is a clerk
in the IAC
a Christmas Card

Happy Holidays...
and Smooth Sailing in the New Year.

QUOTES FROM DISCIPLINED INDIVIDUALS FILES-REPAIR

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CENTRAL DADE
OPERATIONAL REVIEW
DECEMBER 1990

SECTION A

18

PART 1

EMPLOYEE REPORTS ISSUED BY THE IAC
EXCLUDE TYPE 8&0

USE MEAS 808-82

CRITERIA: DATE=48'08'08:09:14:18:19&'04.2'4=35&01898'4=018:01
SETYPE*#8:0&R0<100

TOTAL IN CATEGORY:	23	NUMBER SAMPLED:	10
NUMBER DEVIATIONS:	7	% DEVIATIONS:	70

FINDINGS:

All 7 errors were scored because there were no management names authorizing the EO in the narratives.

SECTION A

PART 1

72. 11
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EMPLOYEE REPORTS ISSUED BY THE IAC
TYPE 3 ONLY

USE MEAS 808-84

CRITERIA:

INT=4&10*#08:19:14:13:192'24.2'*=354213PS*#018:019
&TYPE=3RHD<100

TOTAL IN CATEGORY:	107	NUMBER SAMPLED:	10
NUMBER DEVIATIONS:	2	% DEVIATIONS:	20

FINDINGS:

Both errors scored because the narrative did not have supporting management names, and/or other documentation.

SECTION 1

20

PART 1

EXCLUDED REPORTS
ISSUED BY THE MAINTENANCE CENTER

USE NITAS 808-88

CRITERIA: CAT=6403 * 09:09:14:19:19R 14.01 * 054R0K100

TOTAL BY CATEGORY:	80	NUMBER SAMPLED:	16
NUMBER DEVIATIONS:	7	% DEVIATIONS:	16

FINDINGS:

All 7 errors were scored because the IMC issued CX reports to change appointment times on repair items. Subsequent reports issued by the IMC prior to the expiration of a current appointment must be issued as a Category 1 (CO) report. The subsequent must also indicate why the appointment change was made and who was advised. The only time the use of a Category 6 (CX) subsequent is permitted by the IMC is if the customer requests an appointment change when contacted by the IMC in normal testing/trouble isolation procedures.

SECTION 2

PART 2

OUT OF SERVICE STATISTICS
TEST CR

USE XMAS 206-20

CRITERIA: DAT=1209*-08:08:11:14:18:19:24.2*-35&DISP=OTRODS
#12SD*#209

TOTAL IN CATEGORY:	12	NUMBER SAMPLED:	12
NUMBER DEVIATIONS:	3	% DEVIATIONS:	25

FINDINGS:

All 3 errors resulted when the trouble reports were closed out.

The initial ver codes did not indicate an out of service condition, and no test narrative was present to indicate an out of service condition existed. Seven of the reports were closed out by management employees, and two by the same MA.

SECTION 2

120
22

PART 4

OUT OF SERVICE STATUSES
RSLT INDICATES OOS - STAT NOT OOS

USE XMAS 208-90

CRITERIA:

CAT#12'14.1'1#35RCS#58:09/14/18/19#140.1'1#1:2:01
1439.1'1#1R008#1289#8099

TOTAL IN CATEGORY:	111	NUMBER SAMPLED:	15
NUMBER DEVIATIONS:	11	% DEVIATIONS:	73

FINDINGS:

All 11 errors were scored when the test narrative indicated an out of service condition existed at the time of manual test, but the report was not scored as out of service. Example of test narratives: "100V SHORT, HRO EXT, HARD R/GRD, ETC."

SECTION 8
CON TRANSACTIONS
USE YEAR 2008-08

CRITERIA: CNT=11/04/01*#35108*#08/08/14/16/19/20/0

TOTAL IN CATEGORY: 58 NUMBER SAMPLED: 20
NUMBER DEVIATIONS: 1 % DEVIATIONS: 5

FINDINGS:

Both errors were scored because the CON (carried over to) transaction was used by the LMO and there was no contact with the customer. One of the reports was in the CON DA file, and the other had a narrative entry of "unable to reach sub".

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MIAMI METRO
OPERATIONAL
REVIEW
OCTOBER 1990

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SECTION E

PART 3

OUT OF SERVICE STATUSING
TEST CR

USE NTAS 808-80

CRITERIA: CAT=1&CS*-08/09/11/14/18/19/24/27-35&DISP=07&OOS
=1&SP*=199

TOTAL IN CATEGORY:	93	NUMBER SAMPLED:	20
NUMBER DEVIATIONS:	20	% DEVIATIONS:	100

FINDINGS:

All 20 errors resulted when the trouble reports were closed out. The initial ver codes did not indicate an out of service condition, and no test narrative was present to indicate an out of service condition existed. All reports were statused out of service at close by the MA who handled the PAC file.

SECTION E

PART 4

OUT OF SERVICE STATUSING
RSIT INDICATES COS - STAT NOT COS

USE XMAS 808-92

CRITERIA: CAT=1&134,2'*=35&CS*=08;09;14;18;19&1440,2'=1;2;3&
1439,2'*=1&COS=1&SP*=299

TOTAL IN CATEGORY:	1749	NUMBER SAMPLED:	60
NUMBER DEVIATIONS:	27	% DEVIATIONS:	45

FINDINGS:

All errors were scored when the test narrative indicated an out of service condition existed at the time of manual test, and the report was not scored as out of service. Example of test narratives: "100V SHORT, HRD SHT, HARD R/GRD, ETC."

Pa. 10
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SECTION 2

OUT OF SERVICE STATISTICS

RECOMMENDATIONS:

Additional training on out of service statistics, and the
procedures needed to be done immediately. The
placement of the out of service statistics should be
improved, and the out of service statistics should be
improved.

All out of service statistics should be provided with the out of service code.

Supervisors should also be familiar with the out of service codes, and statistics.

SECTION H
CON TRANSACTIONS
USE MEAS 808-15

CRITERIA: CRT=14'04.2'X=05208Y=08:09:14/18/1980C0=0

TOTAL IN CATEGORY:	600	NUMBER SAMPLED:	50
NUMBER DEVIATIONS:	14	% DEVIATIONS:	28

FINDINGS:

All 14 errors resulted because the CON (carried over no) transaction was used improperly.

②

SOUTH OCEAN
CONSTITUTIONAL
REVIEW
OCTOBER 1990

SECTION A

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PART 1

EMPLOYEE REPORTS ISSUED BY THE INC
EXCLUDE TYPE 140

USE WTRM 808-80

CRITERIA: CMT#49108*#12108124110108104101*#00001086*#010111
PRYDE*#01000100

TOTAL IN CATEGORY:	119	NUMBER SAMPLED:	10
NUMBER DEVIATIONS:	10	% DEVIATIONS:	84.1

FINDINGS:

17 errors were noted because the employee report did not have any documentation to indicate how, why, or who issued the report. All reports looked like normal customer reports.

10 errors were changed when the original report was excluded, and an employee report issued to complete repairs on service orders which were already closed. Example: Original report excluded to service order closed (not worked). An employee report was issued to work the service order.

1 report was issued when the original report was closed out with the narrative "gave temporary service", and the employee report was issued to make repairs.

SECTION 1

31

PART 1

EMPLOYEE REPORTS ISSUED BY THE SMC
TYPE : ONLY

USE FORM 808-84

CRITERIA: DTG=2408*08:00:14:10:104:04.2 *#00000000*#110:010
STYPR=1000X100

TOTAL IN CATEGORY: 767 NUMBER SAMPLED: 60

NUMBER DEVIATIONS: 3 % DEVIATIONS: 5.0

FINDINGS:

3 errors noted when the trouble narrative did not include how, why, or who originated the report. Trouble narrative looked like normal customer reports.

1 error noted when the original report was excluded, and an employee report was generated to complete repairs on a service order. Note: The employee report was made on the date of the service order, and should have been excluded. The original report came in two days before the due date of the service order.

SECTION 3

PART 3

OUT OF SERVICE STATISTICS
TEST ON

USE NIMS 808-80

CRITERIA: CAT#1208*-08:08:11:14:18:208 24.21*-3521237=171003
#1208*#000

TOTAL IN CATEGORY: 99 NUMBER SAMPLED: 15

NUMBER DEVIATIONS: 11 % DEVIATIONS: 48.0

FINDINGS:

All errors scored when the VES code did not indicate an out of service condition existed on the line, and no trouble representative was found to explain why the report was scored OUT OF SERVICE.

7 of the 11 errors were closed by a management employee number. ←

7010
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110.
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SECTION 2

MISSED PREVIOUS APPOINTMENTS
PSC BRICA

USE YEARS 808-70

CRITERIA: CAC=1403 * = 08:09:14:13:19:24.0 / * = 35% 204.2 / = 1

TOTAL IN CATEGORY:	1103	NUMBER SAMPLED:	50
NUMBER DEVIATIONS:	50	% DEVIATIONS:	100.0

FINDINGS:

The IVC is not contacting customers when the appointment is in jeopardy of being missed.

101
34

SECTION 1

STANDARD SERVICE AGREEMENT
FOR 2011

RECOMMENDATIONS:

The undersigned hereby recommends that the above named individual be employed by the undersigned for the term of one (1) year, commencing on the date hereof, and terminating on the date hereof, at a salary of \$10,000.00 per annum, payable in twelve (12) equal monthly installments, and that the individual be employed in the position of [redacted].

The undersigned further recommends that the above named individual be employed by the undersigned for the term of one (1) year, commencing on the date hereof, and terminating on the date hereof, at a salary of \$10,000.00 per annum, payable in twelve (12) equal monthly installments, and that the individual be employed in the position of [redacted].

SECTION 2

PART 4

35

OUT OF SERVICE STATISTICS
RSIT INDICATES OOS - STAT NOT OOS

USE MTR 308-92

CRITERIA: CAT=12/24/21*=35406*=08/09/14/18/19/44/11=11/13/24
409/11*=12006=1197*=299

TOTAL IN CATEGORY:	360	NUMBER SAMPLED:	36
NUMBER DEVIATIONS:	2	% DEVIATIONS:	5.6

FINDINGS:

2 errors resulted when the trouble narrative on test indicated an OUT OF SERVICE condition existed on the line at the time of test, but the report was scored service affecting. This is a considerable improvement over the August review which scored a 86% deviation rate.

SOUTH BAY
OPERATIONAL REVIEW
AUGUST 1990

9/10/63
Meyers
Williams
All Fla air antels

SECTION 5

PART 1

37

EMPLOYEE REPORTS ISSUED BY THE IXC
EXCLUDE TYPE 310

USE XTRS 808-82

CRITERIA: DATE#4&'03'*=08/09/14/18/19&'04.2'4=08&'01&'02
PART#1*#=1:0&'0&'00

TOTAL IN CATEGORY:	105	NUMBER SAMPLED:	40
NUMBER DEVIATIONS:	03	% DEVIATIONS:	30.5

FINDINGS:

12 errors were scored because the employee report did not have any documentation to indicate how, why, or who issued the report. All reports looked like normal customer reports.

2 reports appear to have been issued to clear troubles or service orders.

2 reports were issued when the original report was excluded and an employee report issued to complete repairs.

3 errors were charged when the original report was closed and an employee report issued to complete repairs. Example: Original report closed to drop and station wire repair. An employee report was issued to replace the protector.

SECTION 1

38

PART 1

EXCLUDED REPORTS
REQ TO CLEAR >14 HOURS

USE XTRM 808-01

CRITERIA: DATE=64'019, 11/14/1960, 11/15/1960, 11/16/1960, 11/17/1960, 11/18/1960, 11/19/1960, 11/20/1960, 11/21/1960, 11/22/1960, 11/23/1960, 11/24/1960, 11/25/1960, 11/26/1960, 11/27/1960, 11/28/1960, 11/29/1960, 11/30/1960

TOTAL IN CATEGORY:	146	NUMBER SAMPLED:	50
NUMBER DEVIATIONS:	19	% DEVIATIONS:	38.0

FINDINGS:

7 errors scored when the original report was excluded because of a "CANNOT BE LOCATED" and a new correct report was issued. The error was scored because the original report was not transferred to the new report. In most cases, the new report was issued 2 days after the original.

2 errors resulted when the close narrative stated an ROR condition caused the trouble.

3 errors resulted when a subsequent report stated "OK NOW" and the report was excluded.

10 errors were scored because the close narrative did not support the exclude. Example: No close narrative, service restored. No due dates on service orders/denies, etc.

SECTION 2

PART 1

39

OUT OF SERVICE STATUSING
TEST CR

USE YEARS 808-80

CRITERIA: CNT=1403*-08:09:11:14:18:194'04.1'*-1542139=07403
=1259*#109

TOTAL IN CATEGORY:	157	NUMBER SAMPLED:	40
NUMBER DEVIATIONS:	16	% DEVIATIONS:	45.0

FINDINGS:

All errors scored when the VCR code did not indicate an out of service condition existed on the line, and no trouble narrative was found to explain why the report was scored OUT OF SERVICE.

SECTION I

PART 4

40

OUT OF SERVICE STATISTICS
RSLR INDICATES COS - STAT NOT COS

USE NTA6 808-82

CRITERIA: DATE=12'04.2' * 158209 * 09:09:14:13:198' 440.1' * 1:0:02
' 409.1' * 12009 = 1489 * 299

TOTAL IN CATEGORY:	1054	NUMBER SAMPLED:	50
NUMBER DEVIATIONS:	43	% DEVIATIONS:	86.0

FINDINGS:

All errors resulted when the trouble narrative on test indicated an OUT OF SERVICE condition existed on the line at the time of test, but the report was stored service affecting. Test narratives included HARD GROUND, HARD SHORT, etc.



1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

2. The second part of the document outlines the procedures for handling discrepancies. It states that any variance between the recorded amounts and the actual amounts should be investigated immediately. The responsible personnel should identify the cause of the error and take corrective action to prevent it from recurring.

3. The third part of the document describes the process of reconciling accounts. It requires that all accounts be reconciled on a regular basis, typically at the end of each month. This process involves comparing the internal records with the bank statements to ensure that they match.

4. The fourth part of the document discusses the role of the accounting department in providing financial reports. It highlights that the department is responsible for generating accurate and timely reports that provide a clear picture of the company's financial health.

5. The fifth part of the document concludes by stating that the goal of the accounting system is to provide reliable and accurate financial information to management and other stakeholders. This information is essential for making informed decisions and ensuring the long-term success of the organization.

SECTION B

PART C

EXCLUDED REPORTS
REQ TO CLEAR >24 HOURS

USE MEAS 808-70

CRITERIA: CNT=62/019.1/ > 01/000.1/ > 0108* = 00/09/14/18/198/24.0
**=SERVO>0999T0TD>000400<=0

TOTAL IN CATEGORY:	41	NUMBER SAMPLED:	41
NUMBER DEVIATIONS:	10	% DEVIATIONS:	24.4%

FINDINGS:

All 10 errors were scored because the close narrative did not support the exclude.

43

101 28
44

SECTION 2

PART 2

OUT OF SERVICE STATUSING
TEST CR

USE MEAS 808-82

CRITERIA: CAT=LECS*-08/09/10/14/18/19&/24/27*-33&OISR=0*2008
=LASR*=299

TOTAL IN CATEGORY:	382	NUMBER SAMPLED:	50
NUMBER DEVIATIONS:	11	% DEVIATIONS:	22%

FINDINGS:

All 11 errors scored when the initial VER code did not indicate an out of service condition existed per the current procedure. The report did not have a trouble narrative to indicate an out of service condition was present at time of testing, and the report was closed.

78.21
(45)

SECTION 8

CON TRANSACTIONS

USE NIMS 809-85
USE NIMS 808-97

CRITERIA: CAT=14704,CY=058054=09;09;14;18;19;CAC=0

TOTAL IN CATEGORY:	164	NUMBER SAMPLED:	11
NUMBER DEFICIENCIES:	31	% DEFICIENCIES:	41%

FINDINGS:

15 errors were scored when the CON status was used with a N/A5 (No Access) status. This status is being used as a intermediate status for reports that have been accessed and the customer has called for a new appointment.

4 reports scored as errors resulted because the appointment given to the customer was not out side the current appointment being offered by the IMC and the CON status was used.

2 errors were scored when the CON status was used on cable failures. Both reports had been detached from the failure and then CONed.

Pa. 30

48

PROCEDURE
AND STATUSING REVIEW
SOUTH SECTOR

SOUTH BROWARD

JULY, 1990

SECTION A

47

PART 1

EMPLOYEE REPORTS ISSUED BY THE INC
EXCLUDE TYPE 310

USE NTAS 808-80

CRITERIA: CAT=4& LOS*=08;09;14;18;19& '04.0'*=35101878*+118;01
S&TYPE*=9;01R0K100

TOTAL IN CATEGORY:	107	NUMBER SAMPLED:	80
NUMBER DEVIATIONS:	38	% DEVIATIONS:	76%

FINDINGS:

6 Employee reports were issued to establish or clear trouble causing conditions associated with "S" routed service orders. This information was given to the ICC member of the review team to investigate.

24 Reports were scored as errors because the trouble narrative did not have any information as to how or why the report was issued. Most looked like trouble reports.

4 Reports had previous customer reports that were excluded and an employee report issued to repair the problem. 3 errors involved drop troubles referred to the field for investigation. 1 involved a "S" route service order.

The two remaining errors appear to have been taken by MA's that had given the customer their phone number in case of additional trouble.

SECTION 2

48

PART 1

EXCLUDED REPORTS
REQ TO CLEAR >24 HOURS

USE XTRAS 808-71

CRITERIA: CAT=6&'010.1'>02'020.1'>0305*#08:09:14:18:19&'04.0
'*030800>0904T0TD>002400&IT=0

TOTAL IN CATEGORY:	57	NUMBER SAMPLED:	50
NUMBER DEVIATIONS:	8	% DEVIATIONS:	16%

FINDINGS:

3 Reports were excluded by RCMAC for invalid reasons.

2 Were shown DNP with out the required date in the close narrative.

4 Were initial customer reports issued by the CRSAB as CAT 6 reports. These were not scored as errors to the IMC and will be referred to the CRSAB.

The remaining error did not have a valid reason to exclude as in part 1 of this section.

SECTION 2
EXCLUDED REPORTS

10 (2)
49

RECOMMENDATIONS:

The personal need training of the staff requires a report for exclusion and the proper close narrative required.

The practice of identifying out of service trouble reports with extended appointments, issuing subsequent reports to change the appointment times, and handling the self generated subsequent reports, ties up needed personal at times when there services are needed most to handle the trouble load. This is being done to improve the Out Of Service over 24 hour result for the PSC.

The ultimate goal is to better manage the trouble load in the field and not have to enter appointments over 24 hours. This along with proper cause coding in the field would eliminate the need to self generate and process over 2000 reports in a 30 day period.

08:123\92cview\exhibit4
Corp. Budget Admin.
03/24/92

FACCS
FORMAT

1992 PLANNING VIEW
NONREGULATED SUMMARY
FLORIDA

(5000)

TOTAL	1992	1993	1994
REVENUES			
EXPENSES			
NOR			
INTEREST/OTH			
TAX			
NET INCOME			
	A	B	C
INSIDE WIRE	1992	1993	1994
15 REVENUES			
16 EXPENSES			
17 NOR			
18 INTEREST/OTH			
19 TAX			
20 NET INCOME			

Before the
Federal Communications Commission
Washington, D.C. 20554

CC Docket No. 79-103

Exempt from: MEMORANDUM OPINION AND ORDER

Adopted: March 11, 1988

Released: March 15, 1988

1. NASSUCA asked us to stay our determination of state regulation of inside wiring installation and maintenance. Their stay requests... were based on the premise that this Commission had preempted the states from imputing the costs and revenues from deregulated inside wiring services when they regulate the rates for regulated, intrastate services. In the Stay and Denial Order, we determined that our decisions in this docket do not preempt such state actions and accordingly denied the stay requests. The Report and Order in Docket 86-111, which was released after the release of the Stay and Denial Order, confirmed that we have not preempted the states from imputing the costs and revenues from deregulated services or other nonregulated activities when the states regulate regulated, intrastate services.

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CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

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FEDERAL COMMUNICATIONS COMMISSION
IN THE MATTER OF DETARIFFING THE INSTALLATION AND MAINTENANCE
OF INSIDE WIRE CC Docket No. 79-105

Adopted: November 21, 1991; Released: February 14, 1992

THIRD REPORT AND ORDER

V. CONCLUSION

56. This Order concludes a Docket that since its inception in 1979 has witnessed, and at times caused, numerous changes in the telecommunications industry. We believe that we should close this Docket by restating our policies regarding state regulation of inside wiring services. We anticipate that this restatement will help foreclose disputes regarding the extent of the states' authority in the absence of federal preemption of state regulation of the prices and terms and conditions under which telephone companies provide simple inside wiring services.

57. First, while we encourage the states not to regulate simple inside wiring services, we have not preempted state regulation of the prices and terms and conditions under which telephone companies provide those services. In view of this absence of preemption, we have not precluded those states, if any, that

regulate the prices under which telephone companies provide simple inside wiring services from assigning the telephone companies' simple inside wiring costs and revenues to the intrastate jurisdiction for intrastate accounting purposes, and from setting unbundled rates based on those costs.

58. Second, we have not precluded the states from assigning complex wiring costs and revenues to the intrastate jurisdiction for intrastate accounting purposes. Although the states are preempted from setting rates for complex wiring services, (FN116) they are not preempted from imputing costs and revenues from those services or from simple inside wiring services in proceeding to set rates for properly tariffed, intrastate services. (FN117)

59. Third, the states may regulate the terms and conditions under which telephone companies provide simple inside wiring services, as long as the states do not require or permit terms and conditions that are inconsistent with the technical standards set forth in Part 68 of our Rules. (FN118) The states are preempted from regulating the terms and conditions under which telephone companies provide complex wiring services. We, of course, retain jurisdiction over interstate accounting and ratemaking matters, and will monitor the states' actions in relation to inside wiring to ensure that they do not impede our ability to achieve our policies.

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مستند
المرور

STRESS DISCOUNT 18 TO 20%
SOUTH FLORIDA AREA

P S C OUT OF SERVICE:

OMITTED FROM
P S C RESULTS

<u>Disposition</u>	<u>Cause Codes</u>
NO ACCESS SUBS	200 MOTOR VEHICLE
CPE 12 & 13	210 DUST ACTION
<u>Type</u>	220 OTHER UTIL
3 (NOISE)	230 MAJIC DMG
5 (MEM SVC)	240 THEFT
6 (DATA FAILURE)	320 MULT CAR
7 (PHY CONDITION)	410 LIGHTNING
8 (MISCELLANEOUS)	430 FLOOD
	450 HURR/TORNADO

3
660-159-013