

Gov't sues AT&T over Internet calls

March 22 2012, By PETE YOST , Associated Press

(AP) -- The Justice Department has sued to recover millions of dollars from AT&T Corp., alleging the company improperly billed the government for services that are designed for use by the deaf and hard-of-hearing who place calls by typing messages over the Internet.

The system has been abused by callers overseas who use it to defraud U.S. merchants by ordering goods with stolen credit cards and counterfeit checks. In response, the federal government ordered telecom companies to register their users.

The Justice Department lawsuit said AT&T failed to adopt procedures to detect or prevent fraudulent users from registering. The government said the company feared its call volumes would drop once fraudulent users were prevented from calling on the system. The government reimbursed AT&T \$1.30 per minute for every call on this system.

AT&T spokesman Marty Richter said the company has followed Federal Communications Commission rules for providing these services for disabled customers and for seeking reimbursement for those services.

AT&T has allowed thousands of calls by fraudulent users who registered with fake names or addresses and then billed the government for making the calls, the Justice Department said in court papers filed Wednesday. The department alleged that up to 95 percent of such calls handled by AT&T since November 2009 have been made by fraudulent users.

The United States has paid millions of dollars for calls by international

fraudsters, the Justice Department's complaint says. Many of the calls are made by Nigerian users.

The department's action came as an intervention to take over a "private whistleblower" lawsuit that was filed in 2010 in federal court in Pittsburgh by Constance Lyttle, a former AT&T communications assistant in one of the company's call centers who made the original allegations about the improper billings. If the government is able to recover money as a result of the lawsuit, Lyttle would receive a portion of it.

The system is intended to help users who are hearing- and speech-impaired. "We will pursue those who seek to gain by knowingly allowing others to abuse this program," said Stuart Delery, the acting assistant attorney general for the Justice Department's civil division.

Under the Americans With Disabilities Act, the government must ensure the availability of telecom relay services allowing the hearing- or speech-impaired in the U.S. to place phone calls. One such service is Internet Protocol Relay.

Richter, the AT&T spokesman, said that "as the FCC is aware, it is always possible for an individual to misuse IP Relay services, just as someone can misuse the postal system or an email account, but FCC rules require that we complete all calls by customers who identify themselves as disabled."

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