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Verizon New England to Pay More Than $800,000 to Resolve Allegations Over Billing Errors

BOSTON – Verizon New England, Inc. (“Verizon”) has agreed to pay more than $800,000 to resolve allegations that it overcharged numerous cities and towns for telephone services provided under a statewide contract, Attorney General Martha Coakley announced today.

“Businesses contracting with the Commonwealth must ensure that their invoices are accurate and that any errors are completely corrected in a timely manner,” said AG Coakley. “This agreement ensures that cities and towns are repaid for losses on account of these billing errors. We would like to thank Inspector General Gregory Sullivan and his team for their work to uncover these overcharges and his cooperation with our office to resolve this matter.”

This matter was investigated by the Office of the Inspector General and referred to the Attorney General’s Office in October 2009. The AG’s Office asserts that, as the result of a systemic billing error, Verizon repeatedly overcharged hundreds of cities and towns, including numerous invoices that were sent after Verizon became aware of the error.

Verizon has since refunded the overcharged amounts which totaled $1.5 million. Through this settlement, Verizon will now pay an additional $800,000. This includes an amount equal to twice the interest that would have accrued on the overcharged amounts, and a payment to the Commonwealth for the costs of its investigation. From this fund, each of the affected entities will be compensated for the delay in issuing refunds.

This matter was handled by Ellen Silberman, Senior Analyst in the Office of the Inspector General and by Assistant Attorney General John Stephan of the Consumer Protection Division.

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