

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Dade County Circuit Court referral of certain issues in Case No. 92-11654 (Transcall America, Inc. d/b/a ATC Long Distance vs. Telecommunications Services, Inc., and Telecommunications Services, Inc. vs. Transcall America, Inc. d/b/a ATC Long Distance) that are within the Commission's jurisdiction.

DOCKET NO. 951232-TI

DATED: JUNE 26, 1998

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that one true and correct copy of the Direct Testimony of Kathy L. Welch, has been furnished by U.S. Mail this 26th day of June, 1998, to the following:

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RESPECTFULLY SUBMITTED,

Beth Keating
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DOCKET NO.: 951232-TI; Transcall America, Inc.

WITNESS: Direct Testimony Of Kathy L. Welch. Appearing On Behalf
Of The Staff Of The Florida Public Service Commission, Division Of
Auditing And Financial Analysis

DATE FILED: June 26, 1998

DIRECT TESTIMONY OF KATHY L. WELCH

1
2 Q. Please state your name and business address:

3 A. My name is Kathy L. Welch and my business address is 3625 N.W. 82nd
4 Ave., Suite 400, Miami, Florida, 33166.

5 Q. By whom are you presently employed and in what capacity?

6 A. I am employed by the Florida Public Service Commission as a Regulatory
7 Analyst Supervisor in the Division of Auditing and Financial Analysis.

8 Q. How long have you been employed by the Commission?

9 A. I have been employed by the Florida Public Service Commission for
10 approximately 19 years.

11 Q. Briefly review your educational and professional background.

12 A. I have a Bachelor of Business Administration degree with a major in
13 accounting from Florida Atlantic University and a Masters degree in Human
14 Resource development. I have a Certified Public Manager certificate from
15 Florida State University. I am also a Certified Public Accountant licensed
16 in the State of Florida. I was hired as a Public Utilities Analyst I by the
17 Florida Public Service Commission in June of 1979. I was promoted to
18 Regulatory Analyst Supervisor on January 2, 1990.

19 Q. Please describe your current responsibilities.

20 A. Currently, I am a Regulatory Analyst Supervisor with the
21 responsibilities of administering the District Office and reviewing work load
22 and allocating resources to complete field work and issue audit reports when
23 due. I also supervise, plan, and conduct utility audits of manual and
24 automated accounting systems for historical and forecasted financial
25 statements and exhibits.

1 Q. Have you presented expert testimony before this Commission or any other
2 regulatory agency?

3 A. Yes. I testified in the following cases: Tamiami Village Utility, Inc.
4 rate case, Docket No. 910560-WS; Tamiami Village Utility, Inc. transfer to
5 North Fort Myers, Docket No. 940963-SU; General Development Utilities, Inc.
6 rate case, Docket No. 911030-WS; and Econ Utilities Corporation transfer to
7 Wedgefield Utilities, Inc., Docket No. 960235-WS.

8 Q. What is the purpose of your testimony today?

9 A. The purpose of my testimony is to sponsor the staff audit report for
10 the audit of Transcall America, Inc. Docket No. 951232-TI. The audit report
11 is filed with my testimony and is identified as K LW-1. Several audit work
12 papers supporting issues in the report are attached as K LW-2.

13 Q. Did you prepare this audit report?

14 A. Yes. I performed the audit and prepared the audit report.

15 Q. Do you have a general statement regarding your findings in this audit?

16 A. Yes, page 51 of the audit report summarizes my calculation of the
17 corrected billings of Telus Communications, Inc. (Telus, ATC, or Transcall)
18 to Telecommunication Services, Inc. (TSI), the payments made by TSI to ATC,
19 the credits given by ATC to TSI, and the difference or amount due. My final
20 calculation indicates that TSI owes ATC \$501,369.

21 Q. Please review the audit disclosures you are sponsoring.

22 A. Audit Disclosure No. 1 is an introductory disclosure that discusses some
23 of the issues in the contract between TSI and Telus. This disclosure also
24 introduces the report prepared for TSI by Lopez, Levi & Associates that
25

1 estimates "total damages to TSI's business as a result of ATC's improper
2 services."

3 Audit Disclosure No. 2 addresses Schedule 1 of the Lopez Levi report and
4 various extension errors. I found that most of these errors were
5 typographical errors that were not carried down to the total amount billed.
6 However, in September and October, 1990, the extension errors affected the
7 total bill. Page 51 of the audit report reflects the corrected bill amounts
8 for these months as \$40,689.13 and \$54,563.60, respectively.

9 Audit Disclosure No. 3 addresses Schedule 3 of the Lopez Levi report
10 which discusses a difference between the checks paid by TSI to ATC and the
11 payments recorded in the ATC statements. Page 51 of the audit report includes
12 the total of all the canceled checks presented by TSI.

13 Audit Disclosure No. 4 addresses Schedule 4 of the Lopez Levi report
14 which compares minutes from the ATC bill to minutes determined by TSI based
15 on an outside consultant's report. The Lopez Levi report indicates the total
16 billing from ATC should be reduced by \$98,242. I believe that there are
17 several errors in this calculation. After making my corrections to this
18 calculation I believe that there are two areas in this analysis that require
19 adjustment to the billing from ATC. Both adjustments are based on a larger
20 variance than average between the bills and the summary reports. A difference
21 always exists because the bills to TSI customers show international minutes
22 in one minute increments and the summaries show them in six second increments.
23 The first adjustment is for the months of September, November, and December,
24 1991 when the bills are substantially higher than the summary. I have
25 recalculated the bills for these three months and find that they should be

1 reduced by \$38,108.59. The second adjustment is for the months November, and
2 December, 1990 when the minutes billed are substantially lower than those
3 found on the detail billing summaries. My calculation to adjust for this
4 difference results in an increase in the billing from ATC of \$12,898.03.

5 Audit Disclosure No. 5 addresses Schedules 6 and 7 of the Lopez Levi
6 report which estimates the impact that billing TSI for international calls at
7 one minute increments (60/60) had on TSI, as compared to billing the first
8 minute at a full minute increment and then at six second increments (60/6) as
9 required by the contract between the parties. Although ATC was not billing
10 pursuant to the contract, ATC may have given TSI 15% and 40% discounts (that
11 were also not in the contract) as compensation for this difference in the
12 billing. Therefore, I have not made an adjustment similar to that made in the
13 Lopez Levi report.

14 Audit Disclosure No. 6 addresses Schedules 8, 9, and 10 of the Lopez
15 Levi report which addressed four types of problems: calls over one hour,
16 overlapping calls, short repetitive calls, duplicate calls. I did not make
17 a similar adjustment on page 51 of the audit report. I believe that there are
18 errors in the logic used in the adjustment as well as errors in the numbers
19 used. I recalculated the schedules after correcting the logic errors and
20 found a possible error of \$26,409.49. However, ATC gave credits of \$74,751.79
21 to TSI for these same types of problems and the overlapping problem is
22 addressed in Disclosures 8 and 9. Therefore, I do not believe that any
23 adjustment needs to be made.

24 Audit Disclosure No. 7 discusses the March, 1992 and May, 1992 billing
25 format. It appears that for these two months the bills were computed

1 | according to a new contract that was never signed. The subsequent bills and
2 | the April, 1992 bill were in the previous format. I have recomputed these two
3 | bills in the old format and believe that a reduction of \$6,771.06 should be
4 | made to the March bill and a reduction of \$2,005.38 should be made to the May
5 | bill.

6 | Audit Disclosure No. 8 discusses the nine second overbilling that was
7 | the subject of a previous ATC docket. I worked with our Electronic Data
8 | Processing staff to review the switch tapes and this problem was not resolved
9 | on June 18, 1991 for TSI, as it was for other customers. We tested tapes for
10 | June 21, and July 6 and found the 9 seconds added in for both days.
11 | Therefore, I have used the same calculation as was used in the audit report
12 | submitted in Docket No. 951270-TI to determine the total overbilling for the
13 | nine seconds. This calculation results in a reduction to the bill from ATC
14 | of \$37,714.59. This overbilling would also have been passed on to TSI's
15 | customers at a higher rate.

16 | Audit Disclosure No. 9 discusses the time points ATC used to bill TSI.
17 | On switch tapes, the time that is considered actual conversation time is
18 | considered the difference between Time Point 7 (TP-7) and Time Point 6 (TP-6).
19 | Time Point 1 (TP-1) time is the time that the first dialed digit is received
20 | by the interexchange carrier switch. Commission order PSC-93-1237-AS-TI
21 | approved a settlement to ATC's customers based on charging for TP-7 time less
22 | TP-1 time instead of TP-6 for the period December 1990 to May 1991.

23 | In June, 1991, the problem was supposed to be corrected. I traced the
24 | tapes for June 21, 1991 and July 6, 1991 to the detail billing information
25 | given to TSI. I found that the problem was not corrected for TSI but was

1 corrected for other ATC customers. ATC was still charging for TP-7 less TP-1.
2 However, TSI was billed according to a contract and not the ATC tariff (except
3 for international rates.) The contract did not make any specifications as to
4 the timing of the calls except whether it would be billed in six second or one
5 minute increments. At the exit conference ATC indicated that in the absence
6 of specific language in the contract, the tariff should prevail. According
7 to TSI's tariff, effective as of November 9, 1989, (no changes filed during
8 the time of the contract) the call will be timed as follows:

9 "Billing for all completed calls (as defined in Section 1) will commence
10 from the time a customer utilizes originating access facilities. The
11 measured use of service is then based upon the total time the customer
12 utilizes such facilities. When a calling party allows the distant end
13 to ring in excess of 60 seconds or approximately 8 to 10 rings, the call
14 will be considered a completed call. This only applies when hardware
15 answer supervision is absent on the terminating end."

16 Based on TSI's tariff, the calls appear to be correctly billed. However, I
17 still made the adjustment for December 1990 to May 1992, in view of the
18 approved settlement and the attempted refund by ATC. In interviews conducted
19 during the audit, ATC responded that they do not believe they could change the
20 billing methodology because of TSI's tariff and that the 15% domestic
21 adjustment and the 40% international adjustment compensate TSI for the
22 difference.

23 I computed an adjustment for the period December 1, 1990 to May 1992,
24 using the number of calls made multiplied by 22.44 seconds (the average
25 difference between T6 and T1 for the tapes reviewed by staff). I then

1 converted this number into minutes and multiplied it by the billing rate and
2 applied the unaffected call factors and credit factor. The calculation using
3 the order required a refund to TSI of \$26,170.49. TSI returned the check
4 because they were already in litigation. My calculation amounted to
5 \$83,350.43 for December 1990 to May 1992 and has been adjusted on page 51 of
6 the audit report. I also calculated, for informational purposes, the
7 adjustment for the entire time of the contract, July 1989 to May 1992, in case
8 the Commission determines that the ATC tariff did not apply and retroactively
9 applies the adjustment. The schedule is also attached and amounts to \$111,521
10 for July 1989 to May 1992.

11 Audit Disclosure No. 10 addresses differences between the TSI tariff and
12 its billing rates. I randomly selected details in January 1990, December
13 1990, February 1991, August 1991, and March 1992 and asked ATC to provide the
14 rates used to bill. ATC provided the "slick" sheets given to them by TSI.
15 Except for March, 1992 the rates on the sheets were the rates used to prepare
16 the billing. I also compared these rates to TSI's tariff. I believe that TSI
17 is not billing according to its tariff. In addition, these slicks appear to
18 be advertisements for services and state that all calls are billed in 6 second
19 increments. Since domestic calls are billed at 30/6 and international calls
20 at one minute increments these sheets do not appear to be accurate. I could
21 not determine the amounts without the summary bills by TSI which were asked
22 for but never provided. It appears that TSI overbilled its own customers.
23 It also appears that a separate investigation of TSI's overbilling may be
24 warranted.

25

1 Audit Disclosure No. 11 discusses errors in billing 800 numbers. I
2 found that the minutes of use for the 800 calls did not agree between the
3 detail billing reports and the summary reports. According to the contract
4 between Telus and TSI, all 800 calls were to be billed in full minute
5 increments at 21 cents per minute. However, the 800 interstate calls were
6 shown on the summary as interstate calls instead of 800 calls, and, therefore
7 billed to both TSI and its customers at a lower interstate rate. I estimate
8 the difference in billing due to this error as \$3,539.42. This is based in
9 part, however, on inaccurate source data. I did not pursue information on the
10 exact numbers because the detail provided to TSI to give its customers was
11 also under billed. Therefore, TSI was unable to bill for the revenue. The
12 profit earned by TSI should not have been materially different since the
13 markup for the two products was almost the same.

14 Audit Disclosure No. 12 discusses the amounts billed for international
15 calls. I compared the dollars billed for international calls from the bill
16 from ATC to TSI to the dollars in the detail call summaries to determine if
17 a 40% discount was actually given. Various discount rates were used. Also,
18 in December of 1990, an error seems to have been made, which resulted in TSI
19 not receiving the full 40% discount. In April 1992 an adjustment of
20 \$21,375.85 was given to TSI for international credit for October, 1989 to
21 June, 1990 to adjust the credits to 40%. My calculation indicates that the
22 credit was overstated by \$3,935.95.

23 Audit Disclosure No. 13 discusses TSI's concern that ATC continued to
24 bill some phone numbers after TSI requested that they be disconnected. I
25 looked at all numbers that could be verified with a fax correspondence to ATC

1 and reviewed summary and detail billing information to determine the dollar
2 impact. I only found \$149.57.

3 Audit Disclosure No. 14 addresses accounts billed by ATC directly. I
4 found that ATC did bill some of TSI's customers directly. Correspondence that
5 I reviewed indicated that if TSI signed up a customer that was formerly an ATC
6 customer, the ATC billing cycle picked up the customer. Correspondence also
7 indicates several customers were affected. I attempted to compare a list of
8 affected customers to the billing microfiche from ATC, however, the company
9 claims the microfiche cannot be found. I also requested that TSI provide
10 additional data, and they did not. From my review of the correspondence, I
11 believe that TSI paid ATC \$7,094.35 related to these accounts. If ATC sent
12 the bill, TSI was never billed for usage on these accounts. The \$7,094
13 payment appears to pay ATC for their portion. It does not seem reasonable
14 that TSI would pay its portion unless it had already collected revenue for
15 these accounts. However, I could not determine the actual dollars billed
16 because of ATC's failure to comply with the request for microfiche and the
17 lack of billing information shown in the correspondence I reviewed. Neither
18 could I determine if ATC or TSI ever received the revenue for these accounts.
19 Therefore, I have recommended no adjustment for this error.

20 Audit Disclosure No. 15 addresses bills for calls that were not
21 complete. I traced switch tape information to detail call billing information
22 for four days. My review revealed that ATC included some calls that had an
23 answer qualifier other than a hardware answer. ATC billed for some calls that
24 had a zero qualifier. Calls with an answer qualifier of zero were designated
25 by the switch as "no answer" calls. According to ATC, there was a manual

1 | process used to review calls with the zero qualifier to determine if they were
2 | billable. The criteria used in this process could not be located. The calls
3 | that were given a rate and billed appeared to have bad data in the "Time Point
4 | 6" field, which is where conversation time begins. These calls appear to be
5 | rated using Time Point 7-Time Point 1, the same as all other calls but they
6 | did not include the extra 9 second error. However, not all calls with bad
7 | data in the Time Point 6 field were rated, so I could not determine the
8 | criteria used. The company appears to have discontinued this practice in
9 | June, 1991, since no zero qualifier calls were given a rate and billed from
10 | the June 21 tape. I also found calls with answer qualifiers that indicate a
11 | busy signal was received but that the caller did not hang up after a set
12 | number of seconds, calls that had a long number of rings but the caller did
13 | not hang up after several seconds, and calls that received silence but the
14 | caller did not hang up after several seconds. I could not determine the
15 | number of seconds the software was set to. According to switch data, the
16 | software could be set between zero and 120 seconds. I estimated the dollar
17 | affect of the busy, long ring, and silence calls using the percent of calls
18 | for each qualifier in the sample, times total calls, times an average cost per
19 | call to TSI of 63 cents. The busy calls billed amounted to \$315, long ring
20 | amounted to \$46,284 and calls recorded with silence amounted to \$958.
21 | According to TSI's tariff, the call will be timed as follows:

22 | "When a calling party allows the distant end to ring in excess of 60
23 | seconds or approximately 8 to 10 rings, the call will be considered a
24 | completed call. This only applies when hardware answer supervision is
25 | absent on the terminating end."

1 Since the zero qualifier calls were less than 1% of the billable calls it does
2 not appear to be material and the other answer qualifiers appear to be valid
3 according to the tariff. However, I could not determine the time the software
4 was set to, to be able to determine if it was the same as the 60 seconds in
5 the tariff.

6 In conclusion, I estimate that TSI owes ATC \$501,369 as shown on page 51
7 of the audit report. These numbers are based on the 40% international
8 discount and the 15% domestic discount being given as compensation for not
9 being able to bill at 60/6 increments for international and 6/6 for domestic.
10 It is also based on the assumption that TSI was entitled to a refund for the
11 difference between time point six (TP-6) and time point one (TP-1) because of
12 the attempted refund made by ATC based on Order PSC-93-1237-AS-TI.

13 Q. Does this conclude your testimony?

14 A. Yes, it does.

15

16

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25

REVISED
EXHIBIT K1W - 1
Staff Audit Report

DOCUMENT NO.
06766
6/26/98



FLORIDA PUBLIC SERVICE COMMISSION

***DIVISION OF AUDITING AND FINANCIAL ANALYSIS
BUREAU OF AUDITING***

Miami District Office

**TRANSCALL AMERICA, INC.
D/B/A ATC LONG DISTANCE**

COMPLAINT BY TSI

JULY 1989 TO MAY 1992

**DOCKETED NO. 951232-TI
AUDIT CONTROL NO. 98-071-4-1**

A handwritten signature in cursive script, appearing to read "Kathy L. Welch", written over a horizontal line.

Kathy L. Welch, Audit Manager

A handwritten signature in cursive script, appearing to read "Ray Grant", written over a horizontal line.

Ray Grant, Audit Staff

A handwritten signature in cursive script, appearing to read "Gabriela Leon", written over a horizontal line.

Gabriela Leon, Audit Staff

A handwritten signature in cursive script, appearing to read "Yen Ngo", written over a horizontal line.

Yen Ngo, Audit Staff

A handwritten signature in cursive script, appearing to read "Ruth K. Young", written over a horizontal line.

**Ruth K. Young
Professional Accounting Specialist**

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**DIVISION OF AUDITING AND FINANCIAL ANALYSIS
AUDITOR'S REPORT
JUNE 5, 1998**

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to audit the billing of Transcall America, Inc. doing business as ATC Long Distance to TSI for the period of July 1989 to May 1992. This audit was prepared as part of Docket 951232-TI.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

In our opinion, the schedule of the amount owed by TSI to ATC attached in Exhibit 1, present fairly, in all material respects, the billing and payment records, maintained in conformity with the accounting practices prescribed by the Florida Public Service Commission.

SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by examining on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report:

Scanned - The documents or accounts were read quickly looking for obvious errors.

Compiled - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

Reviewed - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers, and selective analytical review procedures were applied.

Examined - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers. Selective analytical review procedures were applied, and account balances were tested to the extent further described.

Verify - The item was tested for accuracy, and substantiation documentation was examined.

Interviewed both TSI and ATC personnel to determine records available and to understand the issues.

Reconciled ATC bills to TSI summary reports. **Recomputed** all bills. **Traced** payments to canceled checks. **Traced** credits to supporting documentation. **Traced** the billed rates to the contracts.

For several months, traced summary reports to detail (greenbars). **Selected** several accounts from the detail to verify tariff rates.

Determined the accuracy of the Lopez Levi report (report by TSI's accountants to quantify the dollar error in the billing) by tracing to all supporting documentation

Read all correspondence files

Reviewed contracts of all TSI customers and made a data base of phone numbers and types of accounts.

Determined dates that TSI customers were supposed to be disconnected based on fax correspondence. Verified to usage summaries that these accounts were not billed for the next month. For months where detail was available, verified by days.

Attempted to determine TSI customers billed by ATC.

Determined amounts due to TSI based on the attorney general investigations by using the number of calls during the period in question times the seconds in error, an unaffected call rate and the billed rates.

Determined the accuracy of the billing based on a sample of switch tapes. The data on the tapes for four days, selected throughout the period tapes were available, were traced to the detail call billing reports for intrastate, international and interstate.

Investigated billing errors for the 800 numbers.

AUDIT DISCLOSURE NO. 1**SUBJECT: OVERVIEW**

STATEMENT OF FACT: Telecommunication Services, Inc. (TSI) and Telus Communications, Inc. entered into a contract in July of 1989. According to the contract, Telus was to "bill and receive revenue...from billable records as reported by the DSC 400 switching system generated from completed calls for TSI customers identified by auth codes." According to this contract, domestic traffic would be billed at six second increments using the following rates:

INTRALATA	.12
INTERLATA	.125
INTERSTATE ON NET	.14
INTERSTATE ALL OTHER	.15

International rates were to be billed using the Telus tariff at a full minute for the first minute and 6 second increments for the remainder of the call.

Travel cards were to be billed at .195 per minute and 800 calls were to be billed at 21 cents a minute and \$5 per month. The \$5 monthly fee was never charged. In June of 1990, the travel rates were changed on the bill. The .195 was still in effect for day usage but evening and night/weekend rates changed to .16. No formal contract change was found.

Telus' assets were acquired by Transcall, which is a subsidiary of Advanced Telecommunications Corp. (ATC) in August of 1989. In May of 1992, ATC was merged with LDDS.

Telus/ATC never actually billed customers of TSI for TSI directly. TSI was provided with bills for its customers, a detailed printout of what those bills contained (greenbars), a summary of the detail by account, and a bill for TSI's usage. The summary and the detail were different in that the summary showed total minutes of use by customer for international service using 6 second increments and the detail used full minute increments. TSI attached a cover sheet to the detail sheets that showed totals of the detail plus any maintenance fees, adjustments, or discounts.

ATC discontinued service to TSI in May of 1992 for lack of payment of their bill. TSI claims there were many errors in billing that justified their non-payment. March 14, 1998, Lopez Levi & Associates, P.A. was hired by TSI to quantify the damages suffered by TSI. A draft of the report done by Lopez Levi can be found in exhibit 2.

Audit concerns related to the Lopez Levi report follow in subsequent disclosures. Staff's

computation of the amount owed by TSI to ATC can be found on exhibit 1. The amounts are based on bills from Telus/ATC to TSI, canceled checks from TSI, credits issued by Telus/ATC and adjustments made by staff which are outlined in subsequent disclosures. Staff did not address Lopez Levi's adjustment for loss of profits.

AUDIT DISCLOSURE NO. 2

SUBJECT: LOPEZ-LEVI REPORT SCHEDULE 1

STATEMENT OF FACT: Schedule 1 of the Lopez Levi report shows extension errors found in the bills from ATC to TSI of \$304,932.14. For the most part, these were typographical errors on the bill and did not get carried down to the total amount billed. There were two months, however where the extension errors did carry down to the bill total.

The two months were September and October 1990. Lopez Levi correctly show the differences for these two months as \$288.74 (Negative 754.99 and a positive 466.25) and \$693.25 (Negative 957.95 and a positive 264.70). However, discounts were given on these amounts to arrive at the total bill. Using the discounts, the amount TSI was under billed are \$245.42 for September 1990 and \$589.25 for October 1990. The corrected bill amounts of \$40,689.13 and \$54,563.60 are shown in exhibit 1 instead of the actual amounts billed of \$40,443.71 and \$53,974.35.

AUDIT DISCLOSURE NO. 3**SUBJECT: LOPEZ-LEVI REPORT SCHEDULE 3**

STATEMENT OF FACT: Schedule 3 of the Lopez Levi report shows a difference between the checks paid by TSI and the payments recorded in the statements from ATC to TSI. The statements did not show payments or cumulative balances until September 1990. The number shown as payments per ATC in July 1990 is a number generated by Lopez Levi and is not on the statements.

The April 1991 statement showed a payment of \$35,773.65 as a credit instead of a payment. Therefore, Lopez Levi did not include the amount under payments per ATC. Lopez Levi also included two checks which were not related to the bills. They were both dated 10/5/90 and were for \$2,000 and \$5,094.35.

ATC had incorrectly billed some of TSI's accounts directly. These amounts were therefore never on the summary and TSI never was billed for the customers' usage. Based on letters found in the file, it appears that ATC agreed to reimburse TSI but that TSI had to pay the amount it would have paid ATC if the calls had been on the summary. Since staff could not determine if ATC paid TSI separately for these amounts, the checks are included in the summary schedule in Exhibit 1.

These two checks and the \$35,773.65 discussed above total \$42,868. The difference shown on the Lopez Levi schedule 3 shows a difference of \$42,501.27. The remaining difference of \$366.73 is immaterial.

Staff has, however, used the \$857,999.77 of canceled checks as payments in Exhibit 1

AUDIT DISCLOSURE NO. 4

SUBJECT: LOPEZ-LEVI REPORT SCHEDULE 4 & 5

STATEMENT OF FACT: Schedule 4 of the Lopez Levi report compares minutes from the ATC bill to actual minutes per TSI. Lopez Levi informed staff that the numbers according to TSI are from reports generated by a company called COMPU/1. When staff attempted to reconcile these reports to the detail billing, several problems were found. Schedule 5 determined the dollar value of the difference in minutes.

1. The headings on the COMPU/1 reports showed one month later than the actual detail data. Therefore, when Lopez Levi compared the ATC bill for January 1990 to the COMPU/1 reports for January 1990 they were actually comparing detail data for December 1989 to the usage for January 1990 on the ATC bill.
2. The amounts on the COMPU/1 reports for international calls only include area code 011. There are several other area codes that are included in international calls.
3. Several accounts for which detail was found were not included in the COMPU/1 reports.

OPINION: Staff has recomputed Lopez Levi Schedule 4 matching the correct months. Staff's revised schedule follows.

There should be a difference between the detail which was supposed to be summarized in the COMPU/1 reports and the summaries which were used to generate the bill because the summaries showed international calls in 6 second increments and the detail showed them in one minute increments. Although the COMPU/1 reports were not always accurate, the months that appear to be the most accurate show that total minutes of use are approximately one to two percent higher on the detail than in the summary because of the way these reports are generated. Therefore, staff expected to find the minutes per the COMPU/1 reports to be higher than the minutes shown on the bills by approximately 1-2%. On average for the 26 months that COMPU/1 reports were done, the minutes were 1.82% higher on the COMPU/1 reports

There were some months that were much higher or lower. These months are indicated with letters next to the difference. The differences are explained as follows:

A- When staff attempted to trace the bills to the summary reports for the months of September 1991, November 1991, and December 1991, the summaries found did not match the bills. Staff recomputed the bills using the summaries found. A recap of this calculation follows the new comparison of bills to the COMPU/1 reports. Three summaries were found for December. The detail most closely agrees with the first summary.

Therefore, it was used to adjust. For these three months, the billed minutes were higher than the minutes in the summary. Using the contract rates, the bill from ATC was overstated by \$38108.59.

B- The bills from ATC to TSI for March and April 1991 appear to be overstated based on the COMPU/1 report. Correspondence from TSI requested refunds because TSI could not bill their customers due to detail not provided by ATC for these two months. They were given a credit of \$22,492.77 on the June 91 bill. Using the COMPU/1 reports, staff estimated that TSI was due a refund of \$11,705.48. It appears that TSI received almost double the refund. However, since staff did not see the actual detail that was provided to attach to the bills and the many errors found in the COMPU/1 reports, staff did not remove the excess credit given.

Another refund for detail not being provided was given in April 1991 for \$9,990.62. Correspondence from TSI indicates that it related to a period prior to October 1990. Based on the analysis on the following page, the credit does not appear to be indicated. However, since staff did not see the actual detail that was provided to attach to the bills and the many errors found in the COMPU/1 reports, staff did not remove the excess credit given.

C- The COMPU/1 reports for these months were found to be in error. Correction brings them to a more reasonable ratio.

	ATC BILL	REVISED COMPU/1	DIFFERENCE	%
JAN. 90	109,068.00	110,480.90	(1,412.90)	1.30%
MARCH 90	137,562.20	139,853.70	(2,291.50)	1.67%
FEB. 92	500,731.70	506,763.00	(6,031.30)	1.20%

D- The minutes billed from ATC to TSI for November and December 1990 were substantially lower than those found on the detail billing summaries according to the COMPU/1 reports. If the minutes on the COMPU/1 reports were reduced by the average percent of 1.82, the minutes billed should have been 212,071.03 for November and 181,399.95 for December. The difference between these numbers and those billed are 48,823.73 for November and 12,159.85 for December. These total 60,983.58. Using the average cost per minute of 21.15 cents, TSI was under billed by \$12,898.03.

RECOMMENDATION: The bills from ATC should be adjusted for the following:

Errors due to summaries not matching bills	(\$ 38,108.59)
Under billing for November and December 1990	\$ 12,898.03

The adjustment of \$98,241.72 in the Lopez Levi report on Schedule 5 for this error is not correct and should not be made.

	PER BILLS FROM ATC TO TSI	PER COMPU/ REPORT- GREENBARS	DIFFERENCE	PERCENT OF DIFFERENCE TO ATC BILLS
JAN. 90	109,068.00	109,075.80	(7.80)C	0.0072%
FEB. 90	118,839.00	120,021.80	(1,182.80)	0.9953%
MARCH 90	137,562.20	136,859.30	702.90 C	-0.5110%
APRIL 90	137,155.30	138,543.70	(1,388.40)	1.0123%
MAY 90	133,005.80	135,940.30	(2,934.50)	2.2063%
JUNE 90	147,340.00	150,716.80	(3,376.80)	2.2918%
JULY 90	155,294.90	158,576.80	(3,281.90)	2.1133%
AUGUST 90	173,604.80	176,929.00	(3,324.40)	1.9149%
SEPTEMBER 90	159,100.90	162,909.10	(3,808.20)	2.3836%
OCTOBER 90	221,194.40	225,506.10	(4,311.70)	1.9483%
NOVEMBER 90	163,247.30	215,937.00	(52,689.70)D	32.2760%
DECEMBER 90	169,240.10	184,706.80	(15,466.70)D	9.1389%
JAN. 91	225,598.00	229,166.20	(3,568.20)	1.5817%
FEB. 91	205,473.40	208,874.00	(3,400.60)	1.6550%
MARCH 91	229,874.70	184,439.90	45,434.80 B	-19.7850%
APRIL 91	298,083.40	294,752.20	1,331.20 B	-0.4488%
MAY 91	308,546.80	311,930.80	(5,384.20)	1.7584%
JUNE 91	310,732.40	315,768.80	(5,036.40)	1.6208%
JULY 91	376,693.40	392,486.50	(15,793.10)	4.1926%
AUGUST 91	437,242.50	445,265.50	(8,023.00)	1.8349%
SEPTEMBER 91	418,562.00	454,976.70	(36,414.70)A	8.7000%
OCTOBER 91	513,078.10	518,694.10	(5,616.00)	1.0946%
NOVEMBER 91	455,017.70	482,605.70	(27,588.00)A	6.0631%
DECEMBER 91	444,728.80	375,530.30	69,198.50 A	-15.5597%
JAN. 92	500,726.50	507,043.20	(6,316.70)	1.2615%
FEB. 92	500,731.70	488,829.10	11,902.60 C	-2.3770%
	7,045,741.70	7,126,065.50		47.3970%
		DIVIDED BY 26 MONTHS		1.8230%

DIFFERENCE BETWEEN BILLS AND SUMMARIES

	SEPT. 91 MIN PER BILL	NOV. 91 MIN. PER BILL	DEC. 91 MIN. PER BILL	TOTAL 3 MONTHS BILL	SEPT. 91 MIN PER SUMMARY	NOV. 91 MIN. PER SUMMARY	DEC. 91 MIN. PER SUMMARY	TOTAL 3 MONTHS SUMMARY	DIFFERENCE BETWEEN BILL & SUMMARY	RATES	AMOUNT DIFFERENCE
DAY											
INTERNATIONAL	60,478 50	59,275 80	56,752 40	176,506 70	44,329 50	58,657 60	47,114 20	150,101 30	26,405 40	A	18,061 11
TRAVEL SERVICE	2,348 00	3,480 00	3,299 00	9,127 00	1,986 00	3,480 00	3,012 00	8,468 00	639 00	0 19	121 41
INBOUND 800	30,684 00	17,728 00	17,027 00	65,419 00	26,181 00	17,608 00	16,523 00	60,312 00	3,107 00	0 21	652 47
INTRALATA	27,966 80	29,783 80	28,456 90	86,227 50	18,133 20	29,608 50	27,650 40	75,392 10	10,835 40	0 12	1,300 25
INTRASTATE	35,613 90	30,570 50	29,078 50	95,262 90	25,636 80	30,006 80	28,684 40	84,528 00	10,734 80	0 13	1,341 86
INTERSTATE ON NET	111,528 90	117,144 80	109,685 90	338,359 40	95,726 30	116,995 90	102,671 10	315,393 30	22,966 10	0 14	3,215 25
INTERSTATE OFF NET	42,687 50	48,355 60	52,178 70	143,221 80	35,561 10	46,121 70	41,447 60	123,130 40	20,091 40	0 15	3,013 71
EVENING											
TRAVEL SERVICE	2,180 00	2,667 00	3,549 50	8,416 50	2,069 00	2,844 00	2,668 00	7,401 00	1,015 50	0 16	162 48
INBOUND 800	4,126 00	3,331 00	3,778 50	11,235 50	2,966 00	3,215 00	2,629 00	8,830 00	2,405 50	0 21	505 16
INTRALATA	9,249 40	9,941 00	9,548 60	28,739 00	3,611 40	9,108 80	6,154 00	18,072 20	9,666 80	0 12	1,160 02
INTRASTATE	7,923 90	7,790 50	8,673 40	24,387 80	4,673 10	7,301 70	6,454 50	18,429 30	5,958 50	0 13	744 81
INTERSTATE ON NET	31,263 90	42,141 60	45,321 90	118,727 40	35,422 40	39,582 90	30,576 30	105,581 60	13,135 60	0 14	1,639 01
INTERSTATE OFF NET	7,835 20	9,714 20	11,456 10	29,005 50	6,273 50	9,196 80	8,273 10	23,745 40	5,260 10	0 15	789 02
NIGHT/WEEKEND											
TRAVEL SERVICE	1,549 00	2,846 00	3,407 00	7,802 00	819 00	2,846 00	2,800 00	6,465 00	1,337 00	0 16	213 92
INBOUND 800	3,272 00	4,151 00	4,018 00	11,441 00	1,332 00	4,130 00	2,914 00	8,376 00	3,065 00	0 21	643 65
INTRALATA	4,269 00	7,087 70	5,464 40	16,821 10	1,835 20	8,950 30	3,388 20	14,173 70	2,647 40	0 12	317 69
INTRASTATE	3,942 00	6,424 70	5,676 70	16,043 40	1,533 20	6,271 50	3,614 00	11,818 70	4,424 70	0 13	553 09
INTERSTATE ON NET	27,027 00	44,508 10	38,116 70	110,651 80	16,766 10	44,474 50	28,130 00	89,370 60	21,281 20	0 14	2,979 37
INTERSTATE OFF NET	4,617 00	8,056 60	8,239 60	20,913 20	3,263 40	7,983 30	6,361 00	17,617 70	3,295 50	0 15	494 33
	418,562 00	455,617 70	444,728 80	1,318,308 50	330,366 20	448,203 30	371,464 80	1,150,033 30	168,272 20		38,108 50

AMOUNT IS WAS OVERBILLED BASED ON CORRECTED SUMMARIES

A-INTERNATIONAL CORRECTED BASED ON DOLLARS
SHOULD HAVE BEEN BILLED BASED ON SUMMARIES

SEPTEMBER SUMMARY	55,100 12
NOVEMBER SUMMARY	71,287 82
DECEMBER SUMMARY	58,968 48
TOTAL	183,356 42
40% DISCOUNT	73,342 57
NET OF 40%	110,013 85

ACTUALLY BILLED BASED ON BILL

SEPTEMBER 91	43,678 19
NOVEMBER 91	43,158 12
DECEMBER 91	41,036 65
TOTAL	127,872 96
AMOUNT OVERBILLED	18,061 11

DISCLOSURE - DIFFERENCE BETWEEN BILLS AND SUMMARIES Exhibit KLM-1 (Page 13 of 79)

11

AUDIT DISCLOSURE NO. 5**SUBJECT: LOPEZ-LEVI REPORT SCHEDULE 6 & 7**

STATEMENT OF FACT: Schedules 6 and 7 of the Lopez Levi report estimate the affect that billing TSI for international calls at one minute increments had instead of the contract requirements of the first minute in full minute increments and six second increments following.

Staff does not disagree with the methodology used by Lopez Levi but questions whether other concessions given after the completion of the contract were given in order to compensate for this problem. Therefore, staff has not included the Lopez Levi adjustment of \$80,131.12 in Exhibit 1.

Early correspondence discusses the fact that TSI was not billed in 6 second increments for international calls. They were also not billed in 6 second increments for the first 30 seconds of domestic calls. Examination of the detail billing confirms this. To understand why it would have been difficult to bill TSI in 6 second increments it is necessary to understand how TSI was billed.

A detail billing register was done each month showing what the customer was billed. The customers were billed 30/6 for domestic and 60/60 for international. A summary showing totals based on day, evening and night/weekend for all the different types of calls (international, domestic intrastate, domestic interstate, domestic intralata, travel, and 800) was also printed out of the system. Except for the minutes of use for international calls which were recorded at 6 second increments in the summary, the detail and the summary agree. Because the customers were billed at different rates than TSI, the total minutes for each category on the summary were used to determine the bill for TSI. For example, the total minutes for domestic intrastate calls was multiplied by the contract rate of 12.5 cents per minute. ATC could not take the total minutes for international calls times a flat rate because the contract required the calls to be billed based on the Telus international tariff. In the tariff, each country called has three different bill rates based on time. To be able to determine the TSI billable amount for international calls, ATC would have had to rerun the detail reports using the 6 second increment and compare the results to the original detail report. These detail reports often took up three boxes of paper for one run alone. Therefore, ATC used total revenue for international calls from the summary and reduced it by a percentage to arrive at the international amount on the bill.

Beginning in November 1989, TSI was given 31% off of the total revenue international calls and 13% off of the amount billed to TSI for domestic. In July 1990, this percent changed to 40% for international and 15% for domestic. In April 1990, an adjustment was given to retroactively adjust the prior international credits to 40% off all international calls.

Over the life of the contract, the reductions given to TSI for these two credits were \$143,000.90 off domestic and \$494,730.37 off international.

A letter from Dennis Sickle of ATC, who was involved in the negotiations describes these credits as being compensation for not being able to bill TSI as described in the contract. His letter is attached.

A September 26, 1990 letter to Mary Jo Dario of ATC from Joel Esquenazi states, "If I was billed at 6 second for all calls made by customers base I would make an additional 40% profit due to the 30 seconds minimum and 1 minute billing."

Neither ATC or TSI could provide documentation showing why the 15% and 40% were given. According to Joel Esquenazi they were part of the original negotiations and mistakenly not included in the contract.

OPINION: Although ATC was not billing in 60/8 increments for international and 6/6 for domestic, TSI was given discounts that were not in the contract amounting to a reduction in what TSI was billed of \$143,000.90 off domestic and \$494,730.37 off international.

When Mr. Esquenazi was questioned about the 40% discount, he stated that the difference created from billing in 1 minute increments instead of 6 seconds would have only created a ten to fifteen percent difference in the bill and that ATC would not possibly have given him 40% off for this problem.

No adjustment has been made for Lopez Levi schedule 6 & 7 in Exhibit 1.

06/02/98 19:10 FAX 14077802023

LDD9-REGULATORY *** SELF

Z001



1219 E. 1st Street, Suite 400
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May 29, 1998

Albert T. Ombel, Esq.
Messer, Caporale & Soli, P.A.
P. O. Box 1876
Tallahassee, FL 32302-1876

RE: TSI/Transcal

Dear Tico:

You have asked me to verify certain billing discounts with respect to TSI and Joel Esquenazi. Based upon conversations with Mary Jo Daurio and my best recollection, I can provide the following.

a. The 40 percent discount on international calls: I recall that Mary Jo Daurio came to me after the initial billing period and advised that it would be virtually impossible to separately rate each international call to TSI in 6-second increments after the first minute as was required by the contract. In an effort to assist Mary Jo in the preparation of bills, Joel and I discussed the problem and we agreed that in lieu of the contract's 6-second increments, TSI would receive a 40 percent discount on international usage. Since this increased Joel's margin to 40 percent on international calls, which was a larger margin than he was getting under the contract, he agreed.

b. The 15 percent discount on domestic usage: I discussed this issue with Joel very early on and we agreed that Joel would receive a 15 percent discount on all domestic usage. The purpose of this discount was two-fold. It was designed to compensate him for any inability to bill TSI in 6-second increments for domestic usage and as a show of good will that would provide him with greater margins to successfully operate and grow his business.

AUDIT DISCLOSURE NO. 6

SUBJECT: LOPEZ-LEVI REPORT SCHEDULE 8, 9 & 10

STATEMENT OF FACT: Lopez-Levi did a detail analysis of calls for the two months of August 1991 and March 1992. They prepared schedules that contained four types of problems.

1. They removed all calls over one hour duration claiming the switch was hung.
2. They removed calls that they claimed were overlapping.
3. They removed calls that were of a short duration followed by a call to the same number that lasted a minute or more assuming that the first call was for a busy signal.
4. They removed calls that were for the same number repeated one after the other for approximately the same time. They were assumed to be duplicate bills.

The report only contained some of the actual analysis done. Staff was provided with the detail for all work done. The revised data is summarized on the next schedule.

Staff attempted to obtain switch tapes to verify these calls. Switch tapes were not available after June 1991 and therefore this could not be done.

OPINION: Although depositions have revealed a switch may get hung up and cause calls of long duration to be billed incorrectly, all calls over one hour cannot automatically be considered hung clock calls. An analysis of the Miami Public Service Commission calls over one hour revealed a higher percentage of calls over an hour to total calls than the number of calls over an hour on the Lopez-Levi schedules to the total calls reviewed. None of the calls removed were more than three hours. Most of the calls removed were between one and two hours and were domestic calls. If TSI gave credit for one of these calls because a customer complained, TSI was given a corresponding credit in the April 1992 adjustment from ATC.

In determining if calls were overlapping, Lopez-Levi did not take into account second increments. For example, if the first call started at 10:05 and lasted 5.5 minutes and the next call started at 10:10, Lopez-Levi removed both calls. However, a call could have started at 10:10 and thirty seconds and still be a valid call. Staff recalculated all calls on the Lopez-Levi schedules using seconds. Some did appear to overlap. Staff did not remove both calls, only the one with the longest duration. They also removed overlapping calls for 800 numbers. Since these calls usually go into a PBX system it is not unlikely for them to overlap. Three way calling and speed dialing could explain the errors that were

remaining.

The reason that overlapping calls occurred at all was due to the computation of time based on Time Point 7 (TP7-hang up time) from Time Point 1 (TP1-when the first dialed digit is received by the Interexchange Carrier switch instead of when conversation time begins) and the addition of the 9 seconds to each call. These are being adjusted in Disclosures 8 and 9 and therefore, would be duplicated if any adjustment was made for this item here

Busy signal and duplicate calls could not be verified without the switch tapes. However, based on an analysis of the switch tapes staff did review, a very small portion of the calls were billed because a customer held the line open for more time than set in the switch once they received a busy signal. Extrapolating the percent found in the sample to the whole population resulted in under \$1000. Staff did not believe these to be in error based on the TSI tariff which states:

"Billing for all completed calls(as defined in Section1) will commence from the time a customer utilizes originating access facilities. The measured use of service is then based upon the total time the customer utilizes such facilities. When a calling party allows the distant end to ring in excess of 60 seconds or approximately 8 to 10 rings, the call will be considered a completed call. This only applies when hardware answer supervision is absent on the terminating end."

The other problem staff had with the Lopez-Levi calculation was that they did not take into consideration credits given to TSI for this problem. They estimated the error to be \$294,285.75. They did not take into account the credits given of \$74,751.79. In addition for their March calculation of the error, they showed 59,804 calls instead of the 88,763 shown in the summary report for this billing. Staff did determine that the total population of calls was used in their analysis.

Even when leaving in the busy signal and duplicate calls recorded by Lopez Levi and correcting the overlap call, staff recalculated the Lopez-Levi schedule. The results are on the following schedule. Based on this information, there is a 1.3% error rate at an average of 89 cents a call. Total calls for all month were 2,383,874. If 1.3% of the calls were in error, 29,673.58 would be wrong. At an 89 cents average cost per call for the Lopez Levi errors, the dollar error would be \$26,409.49. TSI was given credits for duplicate, busy signal and overlapping calls of \$74,751.79. Therefore, based on staff calculations, they have been given credit for these problems. The other problems are also being corrected in Disclosure 8 and 9. The Lopez-Levi adjustment was not made to Exhibit 1.

MARCH 1982

BINDER	PER LOPEZ LEVI MINUTES STUCK CLOCK	AMOUNT STUCK CLOCK	MINUTES OVERLAPPIN	AMOUNT OVERLAPPIN	MINUTES BUSY BY MIN	AMOUNT BUSY BY MIN	MINUTES DUPLICATE BILLING	AMOUNT DUPLICATE BILLING	TOTAL CALLS	TOTAL CALLS CONT ERRORS	DOLLAR ERRORS	
1	80 00		7 00	841 00	148 42	26 00	22 07	0 00	0 00	2,020 00	262 00	170 00
2				780 70	182 11	3 10	2 32	1 20	1 12	680 00	280 00	160 00
3				1,888 00	348 17	0 00	3 00	1 00	1 20	1,887 00	637 00	348 14
4				176 10	122 16	16 10	14 00			2,348 00	210 00	128 70
5				248 30	80 22	14 00	0 00			1,770 00	120 00	80 01
6	180 70	16 77		281 04	180 07	32 00	20 00	1 20	0 17	2,857 00	180 00	457 00
7	840 30	320 70		481 10	180 00	20 70	10 20	1 20	0 20	4,400 00	283 00	180 00
8	270 30	30 50		240 00	42 00	24 00	20 32	0 00	0 00	2,320 00	130 00	81 31
9				240 00	60 43	60 00	10 77	4 00	0 01	2,400 00	184 00	177 00
10	372 20	61 30		887 20	70 02	0 00	1 20	20 00	0 00	2,220 00	180 00	1,888 02
11	4,034 40	1,680 04		337 20	67 00	60 20	43 24	1 00	0 31	4,034 00	282 00	141 84
12				400 70	67 00	60 20	43 24	1 00	0 31	4,034 00	282 00	141 84
13	680 00	80 57		380 20	62 40	17 00	2 40			6,200 00	231 00	120 00
14	1,830 00	220 57		323 00	40 00	20 40	3 40	7 00	0 04	8,100 00	104 00	273 00
15	1,887 10	220 70		267 00	20 00	40 40	0 32	11 20	1 00	8,000 00	230 00	284 20
16	347 00	72 07		380 40	112 32	60 20	40 43	1 00	0 00	6,370 00	283 00	224 42
17	1,884 20	137 00		440 00	60 73	10 40	2 00			6,911 00	340 00	220 71
18	11,184 00	2,184 10		7,747 04	1,880 10	481 10	280 04	62 10	14 00	60,004 00	3,904 00	4,180 00
PER STAFF	0 00	0 00		1,881 00	380 04	410 70	280 74	20 00	0 57	60,700 00	1,402 00	680 10
DIFFERENCE	11,184 00	2,184 10		6,146 04	1,284 20	62 40	11 77	22 20	0 32	(20,000 00)	2,702 00	3,884 73
% STAFFED	0 00%	0 00%		20 00%	10 07%	67 00%	60 07%	64 20%	64 27%	148 42%	20 07%	14 20%

ERRORS STAFF 1,402 00
TOTAL CALLS 60,700 00
ERROR RATE 1 23%

AUGUST 1981

BINDER	PER LOPEZ LEVI MINUTES STUCK CLOCK	AMOUNT STUCK CLOCK	MINUTES OVERLAPPIN	AMOUNT OVERLAPPIN	MINUTES BUSY BY MIN	AMOUNT BUSY BY MIN	MINUTES DUPLICATE BILLING	AMOUNT DUPLICATE BILLING	TOTAL CALLS	TOTAL CALLS CONT ERRORS	DOLLAR ERRORS	
1				794 00	210 81			804 00	183 00	1,880 00	511 00	340 10
2				112 30	21 17	14 20	2 04	27 00	11 00	3,643 00	77 00	30 04
3				84 30	20 23	00 20	11 04	113 00	100 00	3,760 00	280 00	101 00
4				84 70	13 20	17 70	2 00	31 00	5 43	2,441 00	67 00	22 20
5	210 30	20 00		230 00	110 44	20 20	20 21	16 70	7 13	2,000 00	140 00	107 00
6	301 20	20 50		620 00	80 04	17 10	2 77	1 20	0 10	1,182 00	110 00	141 30
7	01 20	0 01		1,100 40	100 13	0 00	0 10	2 20	0 20	712 00	100 00	100 20
8	671 10	102 51		1,000 70	262 00	1 00	0 20	20 20	0 73	2,160 00	230 00	270 57
9	100 00	20 00		2,200 00	280 71	3 70	0 00	2 40	0 20	1,180 00	101 00	200 00
10	770 20	121 01		2,130 00	320 22	20 00	3 37	0 20	1 40	4,670 00	342 00	480 00
11	147 20	20 44		680 10	220 10	20 00	5 70	33 00	0 01	6,884 00	270 00	204 40
12	690 00	104 03		633 00	180 22	3 00	0 62			3,680 00	201 00	273 77
13	170 00	110 20		1,010 40	843 00	10 00	3 03	21 00	10 20	6,280 00	632 00	673 00
14	0 00	0 00		1,827 00	630 10	0 00	0 00	0 00	1 12	1,820 00	401 00	630 20
15	280 00	290 00		740 20	457 70	11 00	2 00	22 00	23 11	6,610 00	207 00	771 00
16	80 00	11 00		480 20	121 12	0 20	1 04	20 00	0 00	6,880 00	102 00	140 70
PER STAFF	3,482 00	680 00		16,201 00	3,724 20	280 00	72 22	600 00	280 00	64,810 00	4,010 00	4,882 24
DIFFERENCE	3,482 00	680 00		6,910 20	700 10	201 00	60 02	270 00	280 27	(20,000 00)	673 00	1,880 24
% STAFFED	0 00%	0 00%		10 20%	21 37%	60 44%	62 03%	24 00%	67 70%	0 00%	10 70%	21 33%

TEN DIME CREDITS FOR ACCOUNTS 684 02 401 00
ERRORS STAFF 673 00
TOTAL CALLS 64,810 00
ERROR RATE 1 20%

TOTAL NUMBER OF CALLS HAVING POSSIBLE ERRORS STAFF 1,850 00
TOTAL CALLS STAFF / LEVI ADJUSTED 1987 BY 011% 142,773 00
PERCENT OF POSSIBLE ERRORS 1 20%

TOTAL CALLS ALL MONTHS ESTIMATED ERROR 2,283,674 00
29,673 00

	DOLLARS	CALLS	Avg RATE
MARCH 82	680 75	1,182 00	
AUGUST 81	1,880 24	673 00	
	1,887 40	1,855 00	0 00

DOLLARS PER CALL ON ESTIMATED ERROR 0 00
ESTIMATED ERROR 20 000 00
REFUNDS GIVEN BY AIC (FOR OUR REPAIRS) IN P.P.Y NORMAL CALLS 74 751 70
EXCESS REFUNDS GIVEN (40 342 20)

STAFF DID NOT ADJUST FOR THE EXCESS REFUNDS GIVEN SINCE TEN DIME CREDITS GIVEN MORE IN FUNDS THAN ESTIMATED HERE AND WAS REBURSED FOR THEM

DISCLOSURE 6-STAFF'S RECALCULATION OF THE LOPEZ-LEVI ADJUSTMENT

PER STAFF START CLOCK	AMOUNT STUCK CLOCK	MINUTES OVERLAPPING	AMOUNT OVERLAPPING	MINUTES BUSY	AMOUNT BUSY	MINUTES DUPLICATE BILLING	AMOUNT DUPLICATE BILLING	TOTAL CALLS	TOTAL CALLS CORR ERRORS	DOLLAR ERRORS
		122 20	48 57	26 00	22 07				14 00	62 04
		200 73	48 50	3 10	2 30				110 00	93 02
		700 00	170 77	0 00	3 00	1 20	1 12	1 20	247 00	101 74
		47 00	12 14	15 00	15 00				30 00	27 02
		22 01	7 17	14 00	0 52				20 00	12 05
				12 00	10 00	1 20	0 17		51 00	30 02
		17 00	4 00	15 00	15 00	1 00	0 20		71 00	20 00
		0 00	1 20	10 00	10 00	1 00	0 00		4 00	0 00
		150 00	10 00	1 00	1 00	1 00	0 00		10 00	0 00
		22 00	4 00	2 00	0 00	0 00	0 00		14 00	7 75
		03 01	11 00	00 00	00 00	1 00	0 11		100 00	4 00
				17 00	2 00				10 00	2 00
				1 00	1 00	1 00	1 00		10 00	4 00
			11 11	00 00	0 00	11 00	1 00		100 00	00 00
				00 00	00 00	1 00	0 00		10 00	00 00
				10 00	2 00				00 00	2 00
11 00	11 00	1 000 00	17 00	0 00	2 00	10 00	0 00	11 00	1 000 00	200 00

PER STAFF START CLOCK	AMOUNT STUCK CLOCK	MINUTES OVERLAPPING	AMOUNT OVERLAPPING	MINUTES BUSY	AMOUNT BUSY	MINUTES DUPLICATE BILLING	AMOUNT DUPLICATE BILLING	TOTAL CALLS	TOTAL CALLS CORR ERRORS	DOLLAR ERRORS
		0 00	0 00			0 00	0 00	0 00	0 00	0 00
		0 00	0 00	10 00	2 00	27 00	11 00		40 00	15 12
		0 00	11 00	00 00	11 00	113 00	100 00		40 00	170 00
		0 00	11 00	17 00	2 00	11 00	5 00		33 00	0 00
		0 00	0 00	10 00	10 00	10 00	7 13		40 00	30 00
		0 00	102 00	10 00	17 00	2 00	0 00		35 00	31 20
		0 00	700 00	117 00	0 00	2 00	0 00		30 00	117 00
		0 00	1 000 00	160 00	1 00	0 00	10 00		30 00	140 00
		11 00	1 000 00	22 00	1 00	0 00	2 00		00 00	220 00
		12 00	1 000 00	1 00	0 00	1 00	1 00		100 00	100 00
		13 00	1 000 00	00 00	0 00	1 00	1 00		0 00	0 00
		14 00	1 000 00	1 00	0 00	0 00	0 00		1 000 00	10 00
		15 00	1 000 00	10 00	10 00	0 00	0 00		0 00	0 00
		16 00	1 000 00	10 00	10 00	1 00	1 00		0 00	0 00
		17 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		18 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		19 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		20 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		21 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		22 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		23 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		24 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		25 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		26 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		27 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		28 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		29 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		30 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		31 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		32 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		33 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		34 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		35 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		36 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		37 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		38 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		39 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		40 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		41 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		42 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		43 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		44 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		45 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		46 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		47 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		48 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		49 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		50 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		51 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		52 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		53 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		54 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		55 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		56 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		57 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		58 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		59 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00
		60 00	1 000 00	1 00	0 00	1 00	1 00		0 00	0 00

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AUDIT DISCLOSURE NO. 7

SUBJECT: CHANGE IN BILLING METHODOLOGY

STATEMENT OF FACT: The March and May 1992 bills to TSI were not prepared in their usual format. It appears that they may have been computed according to a new contract that was never signed. The April bill reverted to the old format.

The following schedule computes the bills in the old format using the detail from the new system. It should be noted, however, that the new detail was done in 6 second increments for international calls and used a different tariff for international calls. Other months were billed at the Ring the World tariff rates. March was billed at the Universal Connect International Service rates.

Using the old format arrives at charges of \$51,930.12 and \$25,145.39 for March and May respectively. ATC billed TSI \$58,701.18 and \$27,150.77 or \$6,771.06 and \$2,005.38 more than the old methodology. Staff used the amounts derived from the old format in Exhibit 1.

DISCLOSURE 7-STAFF'S COMPUTATION
OF BILLS

	3/31/82 TO 3/31/82	6/30/82 TO 6/31/82
DAY USAGE CALLS:		
INTERNATIONAL	4,957	2,272
TRAVEL SERVICE	758	853
INBOUND 800	14,416	19,357
INTRALATA		
INTRASTATE	14,081	7,471
INTERSTATE ON NET	33,515	6,484
INTERSTATE OFF NET		
EVENING USAGE CALLS:		
TRAVEL SERVICE	434	352
INBOUND 800	3,034	5,123
INTRALATA		
INTRASTATE	3,214	772
INTERSTATE ON NET	5,955	1,049
INTERSTATE OFF NET		
NIGHT/WEEKEND CALLS:		
TRAVEL SERVICE	373.00	254.00
INBOUND 800	2,949.00	4,439.00
INTRALATA		
INTRASTATE	1,326.00	321.00
INTERSTATE ON NET	3,751.00	272.00
INTERSTATE OFF NET		
DAY USAGE MINUTES:		
INTERNATIONAL	23,412.30	8,344.50
TRAVEL SERVICE	2,871.70	3,199.70
INBOUND 800	37,376.70	48,887.80
INTRALATA		
INTRASTATE	36,817.90	17,239.30
INTERSTATE ON NET	84,182.00	21,384.40
INTERSTATE OFF NET		
EVENING USAGE MINUTES:		
TRAVEL SERVICE	3,481.70	2,045.50
INBOUND 800	7,884.80	12,924.30
INTRALATA		
INTRASTATE	12,897.90	1,056.90
INTERSTATE ON NET	39,713.20	2,009.20
INTERSTATE OFF NET		
NIGHT/WEEKEND MINUTES:		
TRAVEL SERVICE	5,721.00	1,198.80
INBOUND 800	5,214.00	9,198.70
INTRALATA		
INTRASTATE	5,522.80	1,056.90
INTERSTATE ON NET	24,558.80	2,009.20
INTERSTATE OFF NET		

DAY USAGE RATES:

TRAVEL SERVICE	0.19	0.19
INBOUND 800	0.21	0.21
INTRALATA	0.12	0.12
INTRASTATE	0.13	0.13
INTERSTATE ON NET	0.14	0.14
INTERSTATE OFF NET	0.15	0.15

EVENING USAGE RATES:

TRAVEL SERVICE	0.16	0.16
INBOUND 800	0.21	0.21
INTRALATA	0.12	0.12
INTRASTATE	0.13	0.13
INTERSTATE ON NET	0.14	0.14
INTERSTATE OFF NET	0.15	0.15

NIGHTWEEKEND RATES:

TRAVEL SERVICE	0.16	0.16
INBOUND 800	0.21	0.21
INTRALATA	0.12	0.12
INTRASTATE	0.13	0.13
INTERSTATE ON NET	0.14	0.14
INTERSTATE OFF NET	0.15	0.15

DAY USAGE RECOMPUTATION-STAFF

TRAVEL SERVICE	545.62	607.94
INBOUND 800	7,849.11	10,266.44
INTRALATA	0.00	0.00
INTRASTATE	4,602.24	2,154.91
INTERSTATE ON NET	11,785.48	2,993.82
INTERSTATE OFF NET	0.00	0.00

EVENING USAGE RECOMP. STAFF

TRAVEL SERVICE	567.07	327.28
INBOUND 800	1,613.81	2,714.10
INTRALATA	0.00	0.00
INTRASTATE	1,587.24	132.11
INTERSTATE ON NET	5,569.85	281.29
INTERSTATE OFF NET	0.00	0.00

NIGHTWEEKEND RECOMP. STAFF

TRAVEL SERVICE	915.36	191.49
INBOUND 800	1,094.94	1,931.73
INTRALATA	0.00	0.00
INTRASTATE	690.33	132.11
INTERSTATE ON NET	3,438.20	281.29
INTERSTATE OFF NET	0.00	0.00

**INTERNATIONAL USED PER BILL
(NOT IN 1 MIN. INCREMENTS)**

	17,726.76	6,433.06
--	-----------	----------

16% CREDIT PER STAFF ON DOMESTIC	(6,035.89)	(3,302.18)
CURRENT CHARGES STAFF	51,930.12	25,145.39
BILL PER COMPANY	58,701.18	27,150.77
DIFFERENCE- TSI OVERBILLED	(6,771.06)	(2,005.38)

AUDIT DISCLOSURE NO. 8

SUBJECT: 9 SECOND OVER BILLING

STATEMENT OF FACT: In Docket 951270-TI, the Florida Public Service Commission approved ATC's settlement agreement to refund customers based on a 9 second addition in the billing process for each call. In that case it was determined that the problem was solved in June, 18, 1991.

Staff again reviewed some of the switch tapes at various intervals. The results indicated that for TSI customers, the problem was not corrected on June 18. Staff tested tapes for June 21 and July 6 and found the 9 seconds added on both tapes in order to arrive at the billable minutes on the TSI detail. Therefore, staff used the same methodology of the number of calls times nine seconds, times an unaffected call factor times the rate billed TSI but prepared the calculation for the entire time that TSI received service (July 1989 to May 1992). A reduction was made for the percent of credits to total bills. No taxes were charged. The detail calculation follows and amounts to \$37,714.59.

It should be noted that if TSI was over billed 9 seconds per call, TSI's customers were also over billed and should be refunded. The refund due to TSI's customers would be higher than the \$37,714.59 because TSI's customers were billed at a higher rate. TSI was asked for its billing data but did not provide it. Therefore, we could not determine the amount due.

OPINION: The TSI bill should be reduced by \$37,714.59. An investigation of TSI should be opened to determine the amount of refund due to their customers

COMPANY
TITLE
TEST PERIOD
AUDITOR
(A11)

TS VS TRANSCALL
RECALCULATION OF NINE SECOND ERROR
JULY 89 TO MAY 92
S. WELCH
JUNE 4, 1998

	71000 TO 100100	100100 TO 110100	110100 TO 120100	120100 TO 130100	130100 TO 140100	140100 TO 150100	150100 TO 160100	160100 TO 170100	170100 TO 180100	180100 TO 190100
DAY USAGE CALLS										
INTERNATIONAL	2,166.00	2,842.00	2,861.00	3,222.00	3,147.00	4,837.00	4,762.00	6,042.00	6,066.00	
TRAVEL SERVICE			46.00	41.00	46.00	228.00	204.00	166.00	179.00	
INBOUND 000		639.00	611.00	668.00	669.00	867.00	89.00	69.00	2,276.00	
INTRALATA	1,069.00	1,729.00	1,837.00	2,126.00	2,269.00	2,634.00	4,126.00	2,463.00	4,639.00	
INTRASTATE	1,019.00	1,697.00	2,066.00	2,636.00	2,682.00	4,089.00	4,049.00	2,841.00	4,267.00	
INTERSTATE ON NET	6,767.00	6,626.00	6,876.00	12,616.00	14,774.00	20,949.00	16,212.00	16,704.00	16,026.00	
INTERSTATE OFF NET		3,627.00	4,693.00	7,376.00	8,127.00	10,296.00	13,662.00	6,691.00	7,174.00	
EVENING USAGE CALLS										
TRAVEL SERVICE		1.00	21.00	23.00	35.00					
INBOUND 000		63.00	60.00	66.00	61.00					
INTRALATA	100.00	166.00	231.00	332.00	326.00					
INTRASTATE	39.00	76.00	307.00	496.00	376.00					
INTERSTATE ON NET		636.00	777.00	1,676.00	1,117.00					
INTERSTATE OFF NET	730.00	369.00	262.00	612.00	716.00					
NIGHT/RESID CALLS										
TRAVEL SERVICE		6.00	20.00	34.00	34.00					
INBOUND 000		22.00	61.00	117.00	161.00					
INTRALATA	100.00	160.00	177.00	366.00	346.00					
INTRASTATE	70.00	44.00	146.00	262.00	226.00					
INTERSTATE ON NET		366.00	666.00	1,697.00	466.00					
INTERSTATE OFF NET	31.00	130.00	363.00	730.00	266.00					
CALLS 20 SECONDS										
INTERNATIONAL	16,012.00	26,676.00	24,720.00	26,666.00	26,322.00	46,663.00	47,376.00	64,666.00	61,666.00	
TRAVEL SERVICE	0.00	0.00	414.00	414.00	414.00	414.00	414.00	414.00	414.00	
INBOUND 000	0.00	476.00	466.00	466.00	466.00	466.00	466.00	466.00	466.00	
INTRALATA	17,161.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	
INTRASTATE	17,161.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	
INTERSTATE ON NET	17,161.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	19,666.00	
INTERSTATE OFF NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
EVENING USAGE CALLS										
TRAVEL SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
INBOUND 000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
INTRALATA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
INTRASTATE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
INTERSTATE ON NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
INTERSTATE OFF NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NIGHT/RESID CALLS										
TRAVEL SERVICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
INBOUND 000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
INTRALATA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
INTRASTATE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
INTERSTATE ON NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
INTERSTATE OFF NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL CREDITS				106,230,000						
LESS CREDITS INTERNATIONAL BELOW				(21,375,000)						
NET CREDIT				173,001,000						
TOTAL REVENUE PER STAFF				1,069,704,700						
PERCENT CREDITS GIVEN				10.41%						
INTERNATIONAL MINUTES TOTAL				1,003,066,740						
TOTAL CHARGE INTERNATIONAL				614,008,430						
CREDIT RELATED TO INTERNATIONAL				(21,375,000)						
ADJUSTED COST INTERNATIONAL				702,633,960						
AVERAGE COST PER MINUTE				0.70						

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AUDIT DISCLOSURE 8-COMPLIANCE OF 9 SECOND OVERBILLING

COMPANY
 TITLE
 TEST PERIOD
 AUDITOR
 DATE

	08/01	08/01	08/01	08/01	08/01	08/01	08/01	08/01	08/01	08/01	08/01
	TO	TO	TO	TO	TO	TO	TO	TO	TO	TO	TO
	70100	00100	00200	00300	10000	10000	00100	00200	00100	00100	00000
DAY USAGE CALLS											
INTERNATIONAL	6,023.00	1,075.00	6,288.00	10,480.00	6,843.00	7,857.00	6,481.00	7,880.00	1,886.00	10,041.00	10,041.00
TRAVEL SERVICE	72.00	63.00	34.00	111.00	186.00	388.00	270.00	357.00	434.00	350.00	350.00
INBOUND 000	2,146.00	4,000.00	3,017.00	3,600.00	1,472.00	1,571.00	1,307.00	1,301.00	1,346.00	3,277.00	3,277.00
INTRALATA	4,249.00	4,934.00	3,012.00	6,103.00	3,780.00	4,307.00	6,307.00	6,271.00	7,382.00	7,381.00	7,381.00
INTRASTATE	6,314.00	6,051.00	4,070.00	6,170.00	3,732.00	4,189.00	6,000.00	6,160.00	6,003.00	6,073.00	6,073.00
INTERSTATE ON NET	16,530.00	17,280.00	13,440.00	19,370.00	15,070.00	16,730.00	21,100.00	16,023.00	23,342.00	27,431.00	27,431.00
INTERSTATE OFF NET	6,004.00	12,104.00	4,724.00	6,046.00	6,203.00	6,684.00	6,600.00	7,000.00	9,714.00	17,043.00	17,043.00
EVENING USAGE CALLS											
TRAVEL SERVICE	147.00	107.00	21.00	62.00	119.00	126.00	104.00	220.00	353.00	380.00	380.00
INBOUND 000			370.00	434.00	60.00	67.00	60.00	70.00	60.00	630.00	630.00
INTRALATA			426.00	700.00	611.00	674.00	632.00	677.00	1,373.00	1,270.00	1,270.00
INTRASTATE			667.00	613.00	660.00	363.00	636.00	630.00	682.00	684.00	684.00
INTERSTATE ON NET			2,600.00	2,701.00	2,700.00	2,922.00	3,688.00	3,012.00	4,804.00	6,180.00	6,180.00
INTERSTATE OFF NET			413.00	621.00	404.00	600.00	720.00	703.00	680.00	1,684.00	1,684.00
NIGHT/EVENING CALLS											
TRAVEL SERVICE			30.00	40.00	60.00	104.00	100.00	100.00	300.00	300.00	300.00
INBOUND 000			231.00	102.00	60.00	40.00	71.00	70.00	31.00	304.00	304.00
INTRALATA			370.00	370.00	304.00	300.00	637.00	640.00	630.00	404.00	404.00
INTRASTATE			174.00	220.00	101.00	143.00	420.00	480.00	210.00	304.00	304.00
INTERSTATE ON NET			1,130.00	1,210.00	1,000.00	1,100.00	2,330.00	2,700.00	1,010.00	1,604.00	1,604.00
INTERSTATE OFF NET			380.00	643.00	234.00	360.00	637.00	640.00	323.00	2,300.00	2,300.00
CALLS X 0 MINUTES											
INTERNATIONAL	60,000.00	70,000.00	70,000.00	80,000.00	70,000.00	60,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00
TRAVEL SERVICE											
INBOUND 000											
INTRALATA											
INTRASTATE											
INTERSTATE ON NET											
INTERSTATE OFF NET											
EVENING USAGE CALLS											
TRAVEL SERVICE	1,000.00	800.00	400.00	700.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
INBOUND 000			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
INTRALATA			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
INTRASTATE			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
INTERSTATE ON NET			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
INTERSTATE OFF NET			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
NIGHT/EVENING CALLS											
TRAVEL SERVICE			400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00
INBOUND 000			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
INTRALATA			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
INTRASTATE			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
INTERSTATE ON NET			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
INTERSTATE OFF NET			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
TOTAL CREDITS											
LESS CREDITS INTERNATIONAL BELOW											
NET CREDIT											
TOTAL REVENUE PER STAFF											
PERCENT CREDITS GIVEN											
INTERNATIONAL MINUTES TOTAL											
TOTAL CHARGE INTERNATIONAL											
CREDIT RELATED TO INTERNATIONAL											
ADJUSTED COST INTERNATIONAL											
AVERAGE COST PER MINUTE											

25

COMPANY
 TITLE
 YEAR PERIOD
 AUDITOR
 DATE

	12/31/01 TO 01/31/01	01/31/01 TO 02/29/01	02/29/01 TO 03/31/01	03/31/01 TO 04/30/01	04/30/01 TO 05/31/01	05/31/01 TO 06/30/01	06/30/01 TO 07/31/01	07/31/01 TO 08/31/01	08/31/01 TO 09/30/01	09/30/01 TO 10/31/01	10/31/01 TO 11/30/01	11/30/01 TO 12/31/01
DAY USAGE CALLS												
INTERNATIONAL	11,455.00	11,148.00	12,264.00	10,254.00	13,289.00	14,229.00	13,035.00	12,816.00	13,073.00	14,388.00	14,388.00	
TRAVEL SERVICE	389.00	697.00	670.00	679.00	521.00	652.00	610.00	716.00	634.00	691.00	691.00	
INBOUND 000	1,694.00	2,171.00	7,154.00	18,522.00	8,797.00	4,799.00	8,661.00	5,363.00	7,239.00	8,899.00	8,899.00	
INTRALATA	6,100.00	6,899.00	16,970.00	13,267.00	16,399.00	14,192.00	11,486.00	11,829.00	12,834.00	12,117.00	12,117.00	
INTRASTATE	7,700.00	6,641.00	16,616.00	12,894.00	11,910.00	10,829.00	10,192.00	6,666.00	10,916.00	10,176.00	10,176.00	
INTERSTATE ON NET	20,000.00	20,000.00	27,387.00	34,881.00	34,477.00	44,749.00	34,993.00	33,700.00	42,727.00	37,698.00	37,698.00	
INTERSTATE OFF NET	1,041.00	13,349.00	12,487.00	16,169.00	13,837.00	16,896.00	16,711.00	16,611.00	22,932.00	17,842.00	17,842.00	
EVENING USAGE CALLS												
INTERNATIONAL	271.00	294.00	420.00	267.00	739.00	370.00	460.00	655.00	471.00	676.00	676.00	
TRAVEL SERVICE	249.00	286.00	691.00	1,176.00	1,265.00	631.00	1,131.00	1,280.00	1,201.00	1,443.00	1,443.00	
INBOUND 000	1,190.00	1,240.00	1,667.00	2,787.00	3,897.00	6,163.00	3,740.00	3,489.00	2,289.00	2,489.00	2,489.00	
INTRALATA	653.00	1,632.00	1,427.00	1,794.00	1,712.00	2,289.00	1,662.00	1,630.00	1,672.00	1,689.00	1,689.00	
INTRASTATE	7,126.00	7,856.00	6,814.00	6,116.00	6,116.00	7,000.00	7,000.00	6,634.00	7,670.00	6,169.00	6,169.00	
INTERSTATE ON NET	3,104.00	1,433.00	1,453.00	1,691.00	1,913.00	2,114.00	0.00	2,370.00	2,193.00	1,844.00	1,844.00	
INTERSTATE OFF NET												
NIGHT/EVENING CALLS												
INTERNATIONAL	169.00	146.00	266.00	182.00	247.00	327.00	467.00	453.00	389.00	464.00	464.00	
TRAVEL SERVICE	117.00	229.00	472.00	794.00	1,261.00	762.00	1,476.00	1,419.00	1,642.00	1,371.00	1,371.00	
INBOUND 000	389.00	691.00	662.00	1,037.00	1,516.00	2,237.00	2,620.00	1,674.00	1,672.00	1,259.00	1,259.00	
INTRALATA	253.00	280.00	491.00	689.00	689.00	1,690.00	1,280.00	957.00	729.00	663.00	663.00	
INTRASTATE	1,720.00	3,134.00	2,287.00	2,799.00	3,200.00	6,716.00	7,144.00	6,730.00	4,410.00	6,191.00	6,191.00	
INTERSTATE ON NET	2,917.00	520.00	411.00	679.00	699.00	1,894.00	1,620.00	1,620.00	689.00	1,443.00	1,443.00	
INTERSTATE OFF NET												
CALLS TO BECROSS												
INTERNATIONAL	103,889.00	109,314.00	119,897.00	118,899.00	124,749.00	129,289.00	127,710.00	113,571.00	109,897.00	119,217.00	119,217.00	
TRAVEL SERVICE	3,470.00	3,693.00	6,644.00	5,211.00	7,899.00	7,120.00	7,399.00	6,444.00	6,691.00	7,217.00	7,217.00	
INBOUND 000	14,276.00	16,279.00	6,289.00	6,289.00	6,289.00	6,289.00	6,289.00	6,289.00	6,289.00	6,289.00	6,289.00	
INTRALATA	50,271.00	51,271.00	61,271.00	61,271.00	61,271.00	61,271.00	61,271.00	61,271.00	61,271.00	61,271.00	61,271.00	
INTRASTATE	29,314.00	29,314.00	39,314.00	39,314.00	39,314.00	39,314.00	39,314.00	39,314.00	39,314.00	39,314.00	39,314.00	
INTERSTATE ON NET	29,817.00	29,817.00	29,817.00	29,817.00	29,817.00	29,817.00	29,817.00	29,817.00	29,817.00	29,817.00	29,817.00	
INTERSTATE OFF NET	151,389.00	151,389.00	151,389.00	151,389.00	151,389.00	151,389.00	151,389.00	151,389.00	151,389.00	151,389.00	151,389.00	
EVENING USAGE CALLS												
INTERNATIONAL	2,076.00	2,129.00	3,631.00	2,129.00	2,129.00	2,129.00	2,129.00	2,129.00	2,129.00	2,129.00	2,129.00	
TRAVEL SERVICE	2,241.00	2,241.00	2,241.00	2,241.00	2,241.00	2,241.00	2,241.00	2,241.00	2,241.00	2,241.00	2,241.00	
INBOUND 000	10,795.00	11,241.00	11,241.00	11,241.00	11,241.00	11,241.00	11,241.00	11,241.00	11,241.00	11,241.00	11,241.00	
INTRALATA	7,077.00	7,077.00	7,077.00	7,077.00	7,077.00	7,077.00	7,077.00	7,077.00	7,077.00	7,077.00	7,077.00	
INTRASTATE	6,489.00	6,489.00	6,489.00	6,489.00	6,489.00	6,489.00	6,489.00	6,489.00	6,489.00	6,489.00	6,489.00	
INTERSTATE ON NET	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	
INTERSTATE OFF NET	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	
NIGHT/EVENING CALLS												
INTERNATIONAL	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	
TRAVEL SERVICE	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	
INBOUND 000	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	
INTRALATA	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	
INTRASTATE	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	
INTERSTATE ON NET	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	1,031.00	
INTERSTATE OFF NET	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	27,893.00	
TOTAL CREDIT												
LEAD CREDIT INTERNATIONAL DELI UP												
NET CREDIT												
TOTAL REVENUE PER STAFF												
PERCENT CREDIT GIVEN												
INTERNATIONAL MINUTES TOTAL												
TOTAL CHARGE INTERNATIONAL												
CREDIT RELATED TO INTERNATIONAL												
ADJUSTED COST INTERNATIONAL												
AVERAGE COST PER MINUTE												

COMPANY
TITLE
TEST PERIOD
AUDITOR
DATE

	30/01 TO 30/02	30/01 TO 30/02	30/01 TO 30/02	TOTAL
DAY SEAS CALLS				
INTERNATIONAL	4,857.00	4,423.00	2,272.00	28,250.00
TRAVEL SERVICE	730.00	1,185.00	653.00	12,240.00
DISCOUNT 000	14,410.00	24,150.00	15,267.00	181,200.00
INTRALATA		3,885.00		688,875.00
INTRASTATE	14,881.00	3,948.00	7,471.00	216,907.00
INTERSTATE ON NET	33,515.00	18,027.00	6,484.00	727,778.00
INTERSTATE OFF NET		7,805.00		324,670.00
EVERING USAGE CALLS				
TRAVEL SERVICE	434.00	511.00	352.00	6,988.00
DISCOUNT 000	3,034.00	4,881.00	5,123.00	23,841.00
INTRALATA		881.00		28,248.00
INTRASTATE	3,714.00	838.00	772.00	28,828.00
INTERSTATE ON NET	8,948.00	3,112.00	1,848.00	114,944.00
INTERSTATE OFF NET		720.00		27,342.00
NONTRADING CALLS				
TRAVEL SERVICE	373.00	288.00	284.00	6,338.00
DISCOUNT 000	2,848.00	3,388.00	4,438.00	21,844.00
INTRALATA		148.00		17,748.00
INTRASTATE	1,328.00	177.00	321.00	12,278.00
INTERSTATE ON NET	1,751.00	1,888.00	272.00	61,788.00
INTERSTATE OFF NET		271.00		28,178.00

	30/01 TO 30/02	30/01 TO 30/02	30/01 TO 30/02	TOTAL SEC.
CALLS & CREDITS				
INTERNATIONAL	44,813.00	38,107.00	38,248.00	2,288,010.00
TRAVEL SERVICE	6,000.00	18,200.00	7,277.00	108,714.00
DISCOUNT 000	18,151.00	27,750.00	17,417.00	1,281,510.00
INTRALATA		3,788.00		1,888,875.00
INTRASTATE	17,710.00	3,911.00	7,781.00	32,791.00
INTERSTATE ON NET	33,128.00	18,248.00	6,548.00	8,948,875.00
INTERSTATE OFF NET		7,805.00		48,781.00
EVERING USAGE CALLS				
TRAVEL SERVICE	1,000.00	1,000.00	1,000.00	67,858.00
DISCOUNT 000	27,388.00	28,488.00	28,557.00	214,588.00
INTRALATA		888.00		328,714.00
INTRASTATE	28,828.00	4,778.00	8,848.00	338,352.00
INTERSTATE ON NET	8,948.00	3,112.00	1,848.00	1,828,388.00
INTERSTATE OFF NET		720.00		248,578.00
NONTRADING CALLS				
TRAVEL SERVICE	3,357.00	2,817.00	2,287.00	68,881.00
DISCOUNT 000	24,541.00	28,488.00	38,817.00	188,388.00
INTRALATA		1,311.00		188,732.00
INTRASTATE	11,824.00	1,888.00	3,281.00	118,484.00
INTERSTATE ON NET	33,788.00	18,248.00	6,488.00	673,871.00
INTERSTATE OFF NET		271.00		181,528.00

	SEMPLES	RATES	DOLLARS	AFFECTED CALL FACTOR	DOLLARS AFFECTED
INTERNATIONAL	38,843.00	0.72	28,788.24	18.00%	4,313.88
TRAVEL SERVICE	1,888.00	0.18	340.84	18.00%	62.28
DISCOUNT 000	32,888.00	0.21	4,288.84	18.00%	714.88
INTRALATA	38,381.28	0.12	3,288.78	100.00%	3,288.78
INTRASTATE	32,791.00	0.18	4,281.14	100.00%	4,281.14
INTERSTATE ON NET	188,188.28	0.14	18,288.28	100.00%	18,288.28
INTERSTATE OFF NET	48,781.00	0.18	7,288.28	100.00%	7,288.28
EVERING USAGE CALLS					
TRAVEL SERVICE	1,844.75	0.18	187.18	18.00%	38.87
DISCOUNT 000	3,878.18	0.21	788.88	18.00%	112.88
INTRALATA	8,438.88	0.12	682.43	100.00%	682.43
INTRASTATE	3,888.28	0.12	688.88	100.00%	688.88
INTERSTATE ON NET	17,188.88	0.14	2,384.88	100.00%	2,384.88
INTERSTATE OFF NET	4,181.28	0.18	615.28	100.00%	615.28
NONTRADING CALLS					
TRAVEL SERVICE	888.88	0.18	128.14	18.00%	18.22
DISCOUNT 000	3,188.88	0.21	682.88	18.00%	88.43
INTRALATA	2,882.28	0.12	318.48	100.00%	318.48
INTRASTATE	1,841.48	0.12	228.28	100.00%	228.28
INTERSTATE ON NET	8,888.28	0.14	1,228.18	100.00%	1,228.18
INTERSTATE OFF NET	3,628.88	0.18	483.88	100.00%	483.88
TOTAL					42,888.87
PERCENT CREDITS					18,418
DISCOUNT RELATED TO CREDITS					4,388.28
ADJUSTMENT					37,714.88

TOTAL CREDITS
LESS CREDITS INTERNATIONAL BELOW
NET CREDIT
TOTAL REVENUE PER STAFF
PERCENT CREDITS GAIN

INTERNATIONAL CREDITED TOTAL
TOTAL CHARGE INTERNATIONAL
CREDIT RELATED TO INTERNATIONAL
ADJUSTED COST INTERNATIONAL
AVERAGE COST PER MINUTE

AUDIT DISCLOSURE NO. 9

SUBJECT: BILLED IN EXCESS OF CONVERSATION TIME

STATEMENT OF FACT: On switch tapes the time that is considered actual conversation time is considered the difference between Time Point 7(TP-7) and Time Point 6(TP-6) time. Time Point 1(TP-1) time is the time that the first dialed digit is received by the interexchange carrier switch.

Commission order PSC-93-1237-AS-TI required a refund for a settlement based on charging for TP-7 time less TP-1 time instead of TP-6 for the period December 1990 to May 1991. In June, 1991, the problem was supposed to be corrected. Prior to December 1990, the company was billing the same way, however, their tariff described the methodology used and the company was correctly following their tariff.

Staff attempted to verify that these were the dates affected from an analysis of the switch tapes. The tapes for June 21, 1991 and July 6, 1991 were traced to the detail billing information given to TSI. It was determined that the problem was not corrected for TSI but was corrected for other ATC customers. The company was still charging for TP-7 less TP-1.

TSI was billed according to a contract and not the ATC tariff except for international rates. The contract did not make any specifications as to the timing of the calls except whether it would be billed in six second or one minute increments. ATC believes their tariff does not control and that the tariff change for end users does not apply to ATC. Staff computed an adjustment for the period December 1, 1990 to May 1992 using:

NUMBER OF CALLS MADE

X

**22.44 SECONDS(AVERAGE DIFFERENCE BETWEEN T6 AND T1 FOR TAPES
REVIEWED BY STAFF)**

DIVIDED BY 60 SECONDS TO ARRIVE AT MINUTES

TIMES RATES BILLED BY ATC TO TSI

TIMES UNAFFECTED CALL FACTORS

TIMES PERCENT OF CREDITS GIVEN

The calculation using the order required a refund to TSI of \$26,170.49. TSI returned the check because they were already in litigation. Staff's calculation amounted to \$83,350.43 for December 1990 to May 1992 and has been adjusted on Exhibit 1.

According to TSI's tariff, effective as of November 9, 1989, (no changes filed during the time of the contract) the call will be timed as follows:

"Billing for all completed calls(as defined in Section1) will commence from the time a customer utilizes originating access facilities. The measured use of service is then based upon the total time the customer utilizes such facilities. When a calling party allows the distant end to ring in excess of 60 seconds or approximately 8 to 10 rings, the call will be considered a completed call. This only applies when hardware answer supervision is absent on the terminating end."

Based on TSI's tariff, the calls appear to be correctly billed. However staff still made the adjustment for December 1990 to May 1992 because of the Commission order and the attempted refund by ATC.

ATC does not believe they could change the billing methodology because of TSI's tariff and believe that the 15% domestic adjustment and the 40% international adjustment compensats TSI for the difference.

Staff also calculated, for informational purposes, the adjustment for the entire time the contract, July 1989 to May 1992, was in effect in case the Commission determines that the ATC tariff did not apply and retroactively apply the adjustment. The schedule is also attached and amounts to \$111,521 for July 1989 to May 1992.

COMPANY
TITLE
71 91 PERIOD
ANALYST
DATE

	1960 TO 1960	1961 TO 1961	1962 TO 1962	1963 TO 1963	1964 TO 1964	1965 TO 1965	TOTAL
DAY USAGE CALLS							
INTERNATIONAL	11,838.00	12,278.00	11,073.00	14,200.00	4,207.00	4,423.00	2,772.00
TRAVEL SERVICE	610.00	710.00	434.00	694.00	700.00	1,100.00	600.00
ROUND 000	5,091.00	5,300.00	7,320.00	6,000.00	11,410.00	24,100.00	10,207.00
INTRALATA	11,400.00	11,000.00	12,034.00	12,117.00	3,800.00		141,071.00
INTRASTATE	10,102.00	9,000.00	10,010.00	10,170.00	14,001.00	3,040.00	104,000.00
INTERSTATE ON NET	34,003.00	33,700.00	42,727.00	37,000.00	33,310.00	10,007.00	6,004.00
INTERSTATE OFF NET	10,711.00	10,011.00	22,032.00	17,042.00		7,000.00	220,247.00
EVERING USAGE CALLS							
TRAVEL SERVICE	450.00	300.00	471.00	570.00	434.00	511.00	302.00
ROUND 000	1,131.00	1,200.00	1,201.00	1,443.00	1,034.00	4,001.00	1,123.00
INTRALATA	3,740.00	3,400.00	2,200.00	2,400.00		001.00	33,231.00
INTRASTATE	1,532.00	1,000.00	1,070.00	1,000.00	3,214.00		530.00
INTERSTATE ON NET	7,000.00	6,004.00	7,070.00	6,100.00	5,000.00	3,112.00	1,040.00
INTERSTATE OFF NET	0.00	2,370.00	2,103.00	1,044.00		720.00	23,102.00
NIGHT/WEEDING CALLS							
TRAVEL SERVICE	457.00	403.00	300.00	404.00	373.00	200.00	304.00
ROUND 000	1,475.00	1,410.00	1,042.00	1,371.00	2,040.00	3,300.00	4,400.00
INTRALATA	2,330.00	1,074.00	1,072.00	1,200.00		140.00	10,043.00
INTRASTATE	1,200.00	947.00	700.00	600.00	1,300.00		177.00
INTERSTATE ON NET	7,144.00	5,720.00	4,410.00	6,131.00	3,701.00	1,000.00	37,001.00
INTERSTATE OFF NET	1,020.00	1,003.00	900.00	1,443.00		271.00	17,040.00
CALLS & 32.00 SECONDS							
INTERNATIONAL	304,000.00	200,000.00	200,000.00	200,000.00	111,000.00	10,000.00	10,000.00
TRAVEL SERVICE	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
ROUND 000	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
INTRALATA	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
INTRASTATE	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
INTERSTATE ON NET	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
INTERSTATE OFF NET	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
EVERING USAGE CALLS							
TRAVEL SERVICE	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
ROUND 000	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
INTRALATA	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
INTRASTATE	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
INTERSTATE ON NET	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
INTERSTATE OFF NET	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
NIGHT/WEEDING CALLS							
TRAVEL SERVICE	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
ROUND 000	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
INTRALATA	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
INTRASTATE	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
INTERSTATE ON NET	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
INTERSTATE OFF NET	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00

MINUTES	RATES	DOLLARS	AFFECTED	SECONDS	CALL FACTOR	AFFECTED
4,210,713.04	70,201.00	0.32	20,000.00	37.00%	717.77	
202,700.72	4,002.70	0.10	771.00	37.00%	200.01	
2,000,722.72	47,042.21	0.21	0,077.00	37.00%	3,001.70	
3,100,000.24	60,000.70	0.10	0,007.17	100.00%	0,007.17	
3,100,000.72	61,700.01	0.10	0,071.72	100.00%	0,071.72	
11,070,000.00	104,000.37	0.14	27,202.44	100.00%	27,202.44	
0,004,042.00	64,342.30	0.10	12,000.00	100.00%	12,000.00	
143,017.00	2,300.07	0.10	300.01	37.00%	101.00	
500,737.24	0,470.00	0.21	1,700.00	37.00%	000.01	
740,700.00	12,400.30	0.12	1,001.41	100.00%	1,001.41	
0,000,000.00	0,042.30	0.12	1,100.01	100.00%	1,100.01	
2,210,000.00	30,071.00	0.14	0,001.01	100.00%	0,001.01	
520,000.00	0,070.07	0.10	1,000.01	100.00%	1,000.01	
114,242.04	1,004.00	0.10	304.00	37.00%	112.72	
000,000.00	7,000.00	0.21	1,000.00	37.00%	000.00	
000,000.00	0,000.00	0.12	771.00	100.00%	771.00	
000,000.00	4,000.00	0.12	004.00	100.00%	004.00	
1,000,000.00	21,000.00	0.14	3,000.00	100.00%	3,000.00	
000,000.00	0,000.00	0.10	000.00	100.00%	000.00	
0,000.00	0,000.00	0.10	000.00	100.00%	000.00	
TOTAL					60,000.00	
PERCENT CREDITS					10.00%	
DOLLARS RELATED TO CREDITS					0.004.00	
ADJUSTMENT					00.000.00	

TOTAL CREDITS
LESS CREDITS INTERNATIONAL BELOW
NET CREDIT
TOTAL REVENUE FOR STAFF
PERCENT CREDITS GIVEN

INTERNATIONAL REBATED TOTAL
TOTAL CREDITS INTERNATIONAL
CREDIT RELATED TO INTERNATIONAL
ADJUSTED COST INTERNATIONAL PER 01
AVERAGE COST PER REBATE

DECEMBER 8, 1960
FEBRUARY 11, 1961
JUNE 21, 1961
TOTAL
SECONDS GRADED BY RECORDS (CALLS)
UNADJUSTED TOTAL FOR 1960

COMPANY
WYLE
TEST PERIOD
AUDITOR
DATE

T-6 VS TRANSCALL
RECALCULATION OF DIFFERENCE BETWEEN T-1 AND T-6
JULY 88 TO MAY 89
R. WELCH
JUNE 4, 1989

	TO T-6	TO T-6	TO T-6	TO T-6	TO T-6	TO T-6	TO T-6	TO T-6	TO T-6
DAY NIGHT CALLS:									
INTERNATIONAL	2,188.00	2,042.00	2,087.00	1,227.00	1,147.00	1,237.00	1,082.00	1,082.00	1,082.00
TRAVEL SERVICE			43.00	41.00	40.00	228.00	204.00	173.00	173.00
RECORDED CO		320.00	611.00	600.00	600.00	367.00	16.00	3,270.00	2,720.00
INTRALATA	1,080.00	1,720.00	1,627.00	2,120.00	2,200.00	1,524.00	4,120.00	3,600.00	4,620.00
INTRASTATE	1,040.00	1,087.00	2,000.00	3,000.00	3,000.00	4,000.00	3,000.00	4,200.00	4,200.00
INTERSTATE ON NET	3,707.00	6,620.00	6,620.00	12,040.00	14,774.00	20,000.00	16,212.00	16,200.00	16,620.00
INTERSTATE OFF NET		3,627.00	4,000.00	7,370.00	8,127.00	10,200.00	13,002.00	8,801.00	7,174.00
EVENING USAGE CALLS:									
TRAVEL SERVICE		1.00	21.00	20.00	20.00				
RECORDED CO		51.00	40.00	40.00	41.00				
INTRALATA	40.00	150.00	231.00	332.00	320.00				
INTRASTATE	30.00	70.00	207.00	400.00	370.00				
INTERSTATE ON NET		530.00	777.00	1,070.00	1,117.00				
INTERSTATE OFF NET	720.00	200.00	262.00	612.00	710.00				
NONREVENUE CALLS:									
TRAVEL SERVICE		0.00	20.00	20.00	20.00				
RECORDED CO		22.00	51.00	117.00	101.00				
INTRALATA	100.00	102.00	177.00	200.00	200.00				
INTRASTATE	20.00	44.00	140.00	252.00	230.00				
INTERSTATE ON NET		300.00	400.00	1,007.00	600.00				
INTERSTATE OFF NET	71.00	100.00	200.00	720.00	200.00				
CALLS BY PLAN NUMBER:									
INTERNATIONAL	40,540.00	35,774.00	35,774.00	77,000.00	81,000.00	81,000.00	81,000.00	81,000.00	81,000.00
TRAVEL SERVICE									
RECORDED CO		11,000.00							
INTRALATA	40,700.00	37,200.00	37,200.00	77,000.00	81,000.00	81,000.00	81,000.00	81,000.00	81,000.00
INTRASTATE	20,000.00	20,000.00	20,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00
INTERSTATE ON NET	10,000.00	10,000.00	10,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
INTERSTATE OFF NET	10,000.00	10,000.00	10,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
EVENING USAGE CALLS:									
TRAVEL SERVICE									
RECORDED CO									
INTRALATA	2,000.00	2,000.00	2,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
INTRASTATE	1,000.00	1,000.00	1,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
INTERSTATE ON NET	1,000.00	1,000.00	1,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
INTERSTATE OFF NET	1,000.00	1,000.00	1,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
NONREVENUE CALLS:									
TRAVEL SERVICE									
RECORDED CO									
INTRALATA	2,000.00	2,000.00	2,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
INTRASTATE	1,000.00	1,000.00	1,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
INTERSTATE ON NET	1,000.00	1,000.00	1,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
INTERSTATE OFF NET	1,000.00	1,000.00	1,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
TOTAL CREDITS				100,220,000					
LESS CREDITS INTERNATIONAL BELOW NET CREDIT				(21,370,000)					
TOTAL REVENUE PER STAFF				1,000,704,700					
PERCENT CREDITS OVER				10.41%					
INTERNATIONAL CREDIT TOTAL				1,000,300,700					
TOTAL CHARGE INTERNATIONAL CREDIT RELATED TO INTERNATIONAL				614,000,400					
ADJUSTED COST INTERNATIONAL				386,300,300					
AVERAGE COST PER MINUTE				6.720					
AVERAGE DIFFERENCE BETWEEN T-6 AND T-1									
BY () USER 5, 1989			RECORDS	TICS	RECORDS				
11 NOVEMBER 11, 1989			295.00	2,000.00	6,000.00				
0.00 21 1989			1,400.00	10,100.00	30,000.00				
0.100			2,070.00	11,000.00	31,000.00				
0.100			4,000.00	14,000.00	40,000.00				
MINIMUMS COVERED BY RECALCULATION					72.44				
UNADJUSTED CALL FACTOR SECOND R. UN COVERED BY 60 SECONDS					0.37				

DISCLOSURE 9-COMPUTATION OF DIFFERENCE BETWEEN T-6 AND T-1 ENTIRE PERIOD

COMPANY
 TITLE
 TEST PERIOD
 AUDITOR
 DATE

	FROM TO	FROM TO	FROM TO	FROM TO	FROM TO	FROM TO	FROM TO	FROM TO	FROM TO	FROM TO
DAY USAGE CALLS										
INTERNATIONAL	8,523.00	8,075.00	8,208.00	16,786.00	8,263.00	7,807.00	8,488.00	7,885.00	8,388.00	16,241.00
TRAVEL SERVICE	72.00	63.00	24.00	111.00	100.00	302.00	270.00	207.00	434.00	308.00
BOUNDARY	2,145.00	4,360.00	3,917.00	3,630.00	1,473.00	1,571.00	1,307.00	1,321.00	1,346.00	3,277.00
INTRALATA	4,240.00	4,824.00	3,912.00	5,103.00	3,780.00	4,517.00	4,507.00	5,271.00	7,302.00	7,364.00
INTERSTATE	5,384.00	5,561.00	4,875.00	3,174.00	3,732.00	4,199.00	4,889.00	5,188.00	4,863.00	5,373.00
INTERSTATE ON NET	10,520.00	17,389.00	12,448.00	16,312.00	15,070.00	16,798.00	21,183.00	10,622.00	22,342.00	27,021.00
INTERSTATE OFF NET	8,058.00	12,164.00	4,729.00	9,244.00	5,203.00	3,998.00	6,838.00	7,484.00	6,714.00	17,043.00
STANDARD SERVICE CALLS										
TRAVEL SERVICE	147.00	167.00	21.00	67.00	119.00	128.00	164.00	238.00	303.00	208.00
BOUNDARY			319.00	434.00	69.00	87.00	80.00	79.00	88.00	479.00
INTRALATA			436.00	708.00	811.00	874.00	832.00	877.00	1,273.00	1,270.00
INTERSTATE			507.00	873.00	389.00	383.00	338.00	628.00	632.00	694.00
INTERSTATE ON NET			3,026.00	2,701.00	2,788.00	2,622.00	3,028.00	2,512.00	4,884.00	5,193.00
INTERSTATE OFF NET			613.00	821.00	464.00	616.00	726.00	793.00	688.00	1,031.00
NONSTANDARD CALLS										
TRAVEL SERVICE			30.00	60.00	60.00	164.00	118.00	168.00	307.00	332.00
BOUNDARY			271.00	102.00	30.00	16.00	71.00	70.00	21.00	391.00
INTRALATA			376.00	275.00	257.00	289.00	527.00	642.00	588.00	421.00
INTERSTATE			174.00	209.00	169.00	143.00	428.00	485.00	216.00	291.00
INTERSTATE ON NET			1,139.00	1,216.00	1,083.00	1,163.00	1,528.00	1,708.00	1,016.00	1,681.00
INTERSTATE OFF NET			368.00	643.00	724.00	716.00	837.00	648.00	583.00	2,200.00
CALLS IN 30 SECONDS										
INTERNATIONAL	189,352.00	181,289.00	181,448.00	374,887.00	181,289.00	171,871.00	181,289.00	181,289.00	181,289.00	374,887.00
TRAVEL SERVICE	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
BOUNDARY	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00
INTRALATA	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00
INTERSTATE	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00
INTERSTATE ON NET	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00
INTERSTATE OFF NET	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00	1,171.00
STANDARD SERVICE CALLS										
TRAVEL SERVICE	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
BOUNDARY	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
INTRALATA	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
INTERSTATE	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
INTERSTATE ON NET	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
INTERSTATE OFF NET	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
NONSTANDARD CALLS										
TRAVEL SERVICE	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
BOUNDARY	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
INTRALATA	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
INTERSTATE	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
INTERSTATE ON NET	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
INTERSTATE OFF NET	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00	1,441.00
TOTAL CREDITS										
LESS CREDITS INTERNATIONAL BELOW										
NET CREDIT										
TOTAL CREDITS PER STAFF										
PERCENT CREDITS CREDIT										
INTERNATIONAL CREDIT TOTAL										
TOTAL CREDITS INTERNATIONAL										
CREDIT RELATED TO INTERNATIONAL										
ADJUSTED COST INTERNATIONAL										
AVERAGE COST PER MINUTE										
AVERAGE DIFFERENCE BETWEEN TO AND										
OF CREDIT 1 1981										
FEBRUARY 11 1981										
JUNE 21 1981										
TOTAL										
RECORDS DIVIDED BY RECORDS CALLS										
UNADJUSTED CALL FACTOR BY CREDIT										

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COMPANY
TITLE
TEST PERIOD
AUDITOR
DATE

	TO STAMP	TO STAMP	TO STAMP	TO STAMP	TO STAMP	TO STAMP	TO STAMP	TO STAMP	TO STAMP	TO STAMP	TO STAMP	TO STAMP
MAY 1961 CALLS												
INTERNATIONAL	11,200.00	11,348.00	12,304.00	15,404.00	15,200.00	14,820.00	12,820.00	12,970.00	12,970.00	11,071.00	11,360.00	12,307.00
TRAVEL SERVICE	700.00	607.00	7,496.00	570.00	371.00	803.00	840.00	740.00	600.00	500.00	500.00	700.00
ROUND TRIP	1,000.00	2,171.00	7,420.00	370.00	371.00	4,100.00	1,100.00	2,200.00	2,200.00	7,200.00	2,200.00	14,200.00
INTRALATA	8,100.00	8,400.00	14,070.00	13,300.00	10,300.00	10,100.00	10,100.00	11,000.00	11,000.00	13,000.00	12,117.00	12,117.00
INTERSTATE	7,700.00	3,011.00	14,070.00	13,300.00	11,000.00	10,100.00	10,100.00	11,000.00	11,000.00	13,000.00	12,117.00	12,117.00
INTERSTATE ON NET	20,000.00	30,000.00	32,307.00	34,307.00	34,307.00	34,307.00	34,307.00	34,307.00	34,307.00	34,307.00	34,307.00	34,307.00
INTERSTATE OFF NET	17,041.00	13,340.00	12,407.00	10,100.00	11,637.00	10,505.00	10,711.00	10,911.00	11,011.00	12,542.00	12,342.00	12,342.00
OVERSEAS SERVICE CALLS												
TRAVEL SERVICE	370.00	200.00	420.00	207.00	330.00	370.00	400.00	300.00	470.00	470.00	470.00	400.00
ROUND TRIP	340.00	200.00	200.00	1,170.00	1,200.00	600.00	1,170.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
INTRALATA	1,100.00	1,200.00	1,050.00	2,750.00	3,000.00	3,400.00	3,400.00	3,400.00	3,400.00	3,400.00	3,400.00	3,400.00
INTERSTATE	870.00	1,000.00	1,400.00	1,700.00	1,700.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
INTERSTATE ON NET	1,100.00	1,000.00	1,400.00	1,700.00	1,700.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
INTERSTATE OFF NET	1,100.00	1,000.00	1,400.00	1,700.00	1,700.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
DOMESTIC SERVICE CALLS												
TRAVEL SERVICE	700.00	600.00	200.00	107.00	207.00	370.00	400.00	400.00	400.00	300.00	400.00	400.00
ROUND TRIP	770.00	200.00	470.00	700.00	1,200.00	700.00	1,470.00	1,470.00	1,470.00	1,470.00	1,470.00	1,470.00
INTRALATA	300.00	300.00	300.00	1,000.00	1,000.00	2,200.00	2,200.00	2,200.00	2,200.00	1,970.00	1,970.00	1,970.00
INTERSTATE	200.00	200.00	200.00	300.00	300.00	1,200.00	1,200.00	1,200.00	1,200.00	700.00	700.00	700.00
INTERSTATE ON NET	1,700.00	1,200.00	2,200.00	2,700.00	3,200.00	3,700.00	3,700.00	3,700.00	3,700.00	4,200.00	4,200.00	4,200.00
INTERSTATE OFF NET	2,517.00	900.00	410.00	870.00	300.00	1,500.00	1,500.00	1,500.00	1,500.00	900.00	900.00	1,042.00

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JUNE 1961 CALLS												
INTERNATIONAL												
TRAVEL SERVICE												
ROUND TRIP												
INTRALATA												
INTERSTATE												
INTERSTATE ON NET												
INTERSTATE OFF NET												
OVERSEAS SERVICE CALLS												
TRAVEL SERVICE												
ROUND TRIP												
INTRALATA												
INTERSTATE												
INTERSTATE ON NET												
INTERSTATE OFF NET												
DOMESTIC SERVICE CALLS												
TRAVEL SERVICE												
ROUND TRIP												
INTRALATA												
INTERSTATE												
INTERSTATE ON NET												
INTERSTATE OFF NET												

TOTAL CREDITS
LESS CREDITS INTERNATIONAL BELOW
NET CREDIT
TOTAL REVENUE PER STAMP
PERCENT CREDITS GIVEN

INTERNATIONAL REVENUE TOTAL
TOTAL CREDITS INTERNATIONAL
CREDIT BALANCE TO OVERSEAS
ADJUSTED COST OF OVERSEAS
AVERAGE COST PER MINUTE

AVERAGE COST OF STAMPS TO AND
DE CREDITED TO
12 MONTHS TO
JUNE 30 1961
TOTAL
BY CREDIT GIVEN BY THE COMPANY

COMPANY
TITLE
TEST PERIOD
MONTH
DATE

	CHARGE TO 400000	CHARGE TO 500000	TOTAL
DAY USAGE CALLS			
INTERNATIONAL	4,473 00	2,772 00	200,200 00
TRAVEL SERVICE	1,100 00	853 00	12,240 00
INBOUND 000	24,100 00	10,267 00	191,200 00
INTRALATA	3,000 00		100,000 00
INTRASTATE	3,040 00	7,471 00	210,000 00
INTERSTATE ON NET	10,007 00	0,404 00	727,700 00
INTERSTATE OFF NET	7,000 00		324,000 00
EVENING USAGE CALLS			
TRAVEL SERVICE	511 00	302 00	0,000 00
INBOUND 000	4,001 00	5,123 00	23,041 00
INTRALATA	301 00		30,240 00
INTRASTATE	530 00	772 00	20,000 00
INTERSTATE ON NET	2,112 00	1,040 00	114,044 00
INTERSTATE OFF NET	720 00		27,342 00
NIGHT/EVENING CALLS			
TRAVEL SERVICE	200 00	204 00	0,230 00
INBOUND 000	3,300 00	4,430 00	21,044 00
INTRALATA	140 00		17,740 00
INTRASTATE	127 00	321 00	12,270 00
INTERSTATE ON NET	1,500 00	272 00	60,700 00
INTERSTATE OFF NET	271 00		20,170 00

	CHARGE TO 400000	CHARGE TO 500000	TOTAL
CALLS & REVENUES			
INTERNATIONAL	4,473 00	2,772 00	3,270,047 00
TRAVEL SERVICE	1,100 00	853 00	274,000 00
INBOUND 000	24,100 00	10,267 00	2,204,047 00
INTRALATA	3,000 00		4,730,200 00
INTRASTATE	3,040 00	7,471 00	4,662,077 00
INTERSTATE ON NET	10,007 00	0,404 00	10,201,271 00
INTERSTATE OFF NET	7,000 00		7,200,700 00
EVENING USAGE CALLS			
TRAVEL SERVICE	511 00	302 00	100,200 00
INBOUND 000	4,001 00	5,123 00	204,000 00
INTRALATA	301 00		13,000 00
INTRASTATE	530 00	772 00	304,000 00
INTERSTATE ON NET	2,112 00	1,040 00	2,500,147 00
INTERSTATE OFF NET	720 00		613,000 00
NIGHT/EVENING CALLS			
TRAVEL SERVICE	200 00	204 00	1,000 00
INBOUND 000	3,300 00	4,430 00	7,000 00
INTRALATA	140 00		477,200 00
INTRASTATE	127 00	321 00	300,300 12
INTERSTATE ON NET	1,500 00	272 00	270,072 00
INTERSTATE OFF NET	271 00		23,040 00
			7,043 00

	MINUTES	RATES	DOLLARS	AFFECTED CALL FACTOR	DOLLARS
INTERNATIONAL	60,000	0.72	71,700.00	37.00%	26,504.40
TRAVEL SERVICE	4,000	0.10	400.00	37.00%	149.67
INBOUND 000	10,000	0.21	11,000.00	37.00%	4,080.40
INTRALATA	70,000	0.02	1,400.00	100.00%	1,400.00
INTRASTATE	10,000	0.10	1,000.00	100.00%	1,000.00
INTERSTATE ON NET	20,000	0.10	2,000.00	100.00%	2,000.00
INTERSTATE OFF NET	10,000	0.10	1,000.00	100.00%	1,000.00
EVENING USAGE CALLS					
TRAVEL SERVICE	2,000	0.10	200.00	37.00%	74.21
INBOUND 000	10,000	0.21	2,100.00	37.00%	782.04
INTRALATA	10,000	0.12	1,200.00	100.00%	1,200.00
INTRASTATE	10,000	0.13	1,300.00	100.00%	1,300.00
INTERSTATE ON NET	20,000	0.14	2,800.00	100.00%	2,800.00
INTERSTATE OFF NET	10,000	0.10	1,000.00	100.00%	1,000.00
NIGHT/EVENING CALLS					
TRAVEL SERVICE	2,000	0.10	200.00	37.00%	74.21
INBOUND 000	10,000	0.21	2,100.00	37.00%	782.04
INTRALATA	10,000	0.12	1,200.00	100.00%	1,200.00
INTRASTATE	10,000	0.13	1,300.00	100.00%	1,300.00
INTERSTATE ON NET	20,000	0.14	2,800.00	100.00%	2,800.00
INTERSTATE OFF NET	10,000	0.10	1,000.00	100.00%	1,000.00
TOTAL					
TOTAL PERCENT CREDITS					124,480.07
DOLLARS RELATED TO CREDIT					10,000.00
ADJUSTMENT					111,221.70

TOTAL CREDITS
1,000 CREDITS INTERNATIONAL BELOW
NET CREDIT
TOTAL REVENUE PER STAFF
PERCENT CREDITS GIVEN

INTERNATIONAL SERVICES TOTAL
TOTAL CHARGE INTERNATIONAL
CREDIT RELATED TO INTERNATIONAL
ADJUSTED COST INTERNATIONAL
AVERAGE COST PER MINUTE

AVERAGE DIFFERENCE BETWEEN 10 AND
DECEMBER 1, 1980
FEBRUARY 11, 1981
JUNE 21, 1981
TOTAL
ALL COUNTRIES DIVIDED BY RECORDS (CALLS)

UNADJUSTED CALL FACTOR RECORD

AUDIT DISCLOSURE NO. 10

SUBJECT: TSI TARIFF

STATEMENT OF FACT: Detail call data that had been provided to TSI by ATC, was selected by the auditor randomly for January 1990, December 1990, February 1991, August 1991, and March 1992.

ATC was asked to provide the rates they used in their system to bill the detail billing. They provided the slick sheets given to them by TSI which follow this disclosure. Staff determined that except for March of 1992 the rates on the sheets were the rates used to prepare the billing.

These rates were compared to TSI's tariff. The following discrepancies were found:

1. PREMIER WATS

	Day	Eve	Weekend
PREMIER WATS per slick	.16/min	.157/min	.15/min
PREMIER WATS per tariff	.16/min	.14/min	.14/min

In addition, the tariff has a \$10 maintenance fee. The slick sheets show \$25. This could not be verified because the detail billing does not show monthly fees. TSI takes the detail reports and summarizes them on another bill along with any maintenance fee. TSI was asked to provide their billing data but did not. Many of the TSI contracts with their customers were reviewed, however. Several stated that the maintenance fee was waived.

As discussed in Disclosure 7 the billings for March and May 1992 were not billed the same as the other months. For March, the report to TSI showed the following:

	Day	Eve	Weekend
PREMIER WATS per billing	.16/min	.13/min	.12/min
PREMIER WATS per tariff	.16/min	.14/min	.14/min

2. MAXIMUM SAVER

The volume discounts for day usage shown in the tariff do not agree with the slicks as follows:

Per the slick:

0-499.99	0%
500-1999.99	5%
2000 +	8%

Per the tariff:

0-399.99	0%
400-799.99	2%
800-1499.99	5%
1500-1999.99	7%
2000 +	10%

Again, these could not be verified because they are done by TSI and not on the detail billing provided by ATC.

OPINION: TSI does not appear to be billing according to it's tariff. In addition, these slicks appear to be advertisements for its services and state that all calls are billed in 6 second increments. Since domestic calls are billed at 30/6 and international calls at one minute increments these sheets do not appear to be accurate.

A separate investigation needs to be initiated to determine the amount that TSI over billed its customers. Staff could not determine the amounts without the summary bills done by TSI which were never provided.



PREMIERE WATS

FEATURES AND BENEFITS

- * 6 SECOND BILLING INCREMENTS
- * WORLD WIDE COVERAGE
- * 2, 3 AND 4 DIGIT ACCOUNTING CODE
- * NO SPECIAL LINES REQUIRED
- * NO INSTALLATION OR START UP FEE
- * NO INTERRUPTION OF SERVICE DURING CHANGE OVER
- * MULTIPLE LOCATIONS UNDER 1 ACCOUNT FEE
- * MANAGEMENT REPORTS
- * CALL DETAIL AND SUMMARY

COST PER MINUTE

	DAY	EVE	N/W
**FLA	.160	.157	.150
***USA	.160	.157	.150

MONTHLY MAINTENANCE FEE - \$25.00

****FLORIDA RATES INCLUDES INTRALATA CALLS**
*****USA RATES INCLUDE U.S. VIRGIN ISLANDS, PUERTO RICO, ALASKA AND HAWAII**



TELECOMMUNICATION SERVICES INC

ADVANTAGE SERVICE

FEATURES AND BENEFITS

- * 6 SECOND BILLING INCREMENTS
- * WORLD WIDE COVERAGE
- * 2, 3 AND 4 DIGIT ACCOUNTING CODE
- * NO SPECIAL LINES REQUIRED
- * NO INSTALLATION OR START UP FEE
- * NO INTERRUPTION OF SERVICE DURING CHANGE OVER
- * MULTIPLE LOCATIONS UNDER 1 ACCOUNT FEE
- * MANAGEMENT REPORTS
- * CALL DETAIL AND SUMMARY

COST PER MINUTE

	DAY	EVE	N/W
**FLA	.200	.165	.150
***USA	.220	.190	.175

MONTHLY MAINTENANCE FEE - \$5.00

**FLORIDA RATES INCLUDES INTRALATA CALLS
 ***USA RATES INCLUDE U.S. VIRGIN ISLANDS, PUERTO RICO, ALASKA AND HAWAII



TELECOMMUNICATION SERVICES INC.

CALL AMERICA SERVICE

FEATURES AND BENEFITS

- * 1 MINUTE BILLING INCREMENTS
- * WORLD WIDE COVERAGE
- * 2, 3 AND 4 DIGIT ACCOUNTING CODE
- * NO SPECIAL LINES REQUIRED
- * NO INSTALLATION OR START UP FEE
- * NO INTERRUPTION OF SERVICE DURING CHANGE OVER
- * MANAGEMENT REPORTS
- * CALL DETAIL AND SUMMARY

COST PER MINUTE

	DAY	EVE	N/W
**FLA	.240	.175	.155
***USA	.240	.175	.155

**FLORIDA RATES INCLUDES INTRALATA CALLS
 ***USA RATES INCLUDE U.S. VIRGIN ISLANDS, PUERTO RICO, ALASKA AND HAWAII



TELECOMMUNICATION SERVICES INC.

MAXIMUM SAVER SERVICE

FEATURES AND BENEFITS

- * 6 SECOND BILLING INCREMENTS
- * WORLD WIDE COVERAGE
- * 2, 3 AND 4 DIGIT ACCOUNTING CODE
- * NO SPECIAL LINES REQUIRED
- * NO INSTALLATION OR START UP FEE
- * NO INTERRUPTION OF SERVICE DURING CHANGE OVER
- * MULTIPLE LOCATIONS UNDER 1 ACCOUNT FEE
- * MANAGEMENT REPORTS
- * CALL DETAIL AND SUMMARY

COST PER MINUTE

	DAY	EVE	N/W
**FLA	.185	.158	.150
***USA	.200	.170	.160

VOLUME DISCOUNTS ON DAY USAGE

<u>USAGE</u>	<u>DISCOUNT</u>
\$ 0 ----- 499.99 -----	0¢
\$ 500 ---- 1999.99 -----	5¢
\$ 2000 --- + -----	8¢

MONTHLY MAINTENANCE FEE - \$12.50

****FLORIDA RATES INCLUDES INTRALATA CALLS
 ***USA RATES INCLUDE U.S. VIRGIN ISLANDS, PUERTO RICO, ALA
 HAWAII**

AUDIT DISCLOSURE NO. 11**SUBJECT: 800 NUMBERS BILLED INCORRECTLY**

STATEMENT OF FACT: While tracing the detail billing reports to the summary reports, staff determined that the minutes of use for the 800 calls did not agree between the two reports. According to the contract between Telus and TSI, all 800 calls were to be billed in full minute increments at 21 cents per minute. The detail reports showed that the billing for 800 numbers actually occurred as follows for November 1990 to February 1992:

	TSI Contract	TSI Customers
Florida Calls	21 cents/ full minute	23 cents/ full minute
Interstate Calls	14 cents on net 15 cents off net/ 6 second increments	16 to 20 cents per minute depending on the rate plan/ 6 second increments.

The 800 interstate calls were shown on the summary as interstate calls instead of 800 calls and therefore billed to both TSI and its customers at the lower interstate rate.

Staff tried to estimate the difference using the COMPU/1 reports. Again, due to the inaccuracy of these reports staff did not determine the exact dollar value of the error. The estimate follows and shows an estimate that TSI was under billed of \$3,539.42.

OPINION: Staff did not pursue getting the exact numbers because the detail provided to TSI to give it's customers was also under billed. Therefore, TSI was unable to bill for the revenue. The profit earned by TSI should not have been materially different since the markup for the two products was almost the same.

No adjustment has been made to Exhibit 1 for this error.

	MINUTES PER BILL	MINUTES PER COMPU/1	DIFFERENCE
NOV. 90	5,913.00	7,659.00	(1,746.00)
DEC. 90	6,065.00	4,964.00	1,101.00 *
JAN. 91	5,891.00	5,891.00	0.00
FEB. 91	5,602.00	5,610.50	(8.50)
MARCH 91	5,235.00	4,595.50	639.50 *
APRIL 91	15,112.00	29,338.50	(14,226.50)
MAY 91	6,856.00	22,488.90	(15,632.90)
JUNE 91	7,891.00	14,367.80	(6,476.80)
JULY 91	38,218.00	37,190.50	1,027.50 *
AUG. 91	45,025.00	44,029.00	996.00 *
SEPT. 91	32,499.00	35,463.80	(2,964.80)
OCT. 91	20,215.00	22,967.30	(2,752.30)
NOV. 91	24,963.00	28,207.40	(3,254.40)
DEC. 91	24,823.50	22,230.60	2,592.90 *
JAN. 92	30,768.00	42,806.20	(12,038.20)
FEB. 92	35,434.40	37,143.50	(1,709.10)
MARCH 92		detail not available	
APRIL 92	89,187.20	compu/1 report not available	
MAY 92		detail not available	
	399,688.10	364,953.50	(54,452.60)

RATE CHARGED (AVG. 14 CENTS ON NET/15 OFF)	0.1450
RATE CHARGED ON DIFF. IN MINUTES	(7,895.63)
RATE AT 21 CENTS	(11,435.05)
DIFFERENCE TSI UNDERBILLED	<u>(3,539.42)</u>

*COMPU/1 reports appear to be incorrect. For several months these reports did not include certain accounts. PSC staff did not have the detail available to verify these months. Since both TSI and TSI's customers were underbilled staff did not pursue obtaining the detail.

AUDIT DISCLOSURE NO. 12

SUBJECT: CREDIT FOR INTERNATIONAL CALLS

STATEMENT OF FACT: Staff compared the dollars billed for international from the bill from ATC to TSI to the dollars in the detail call summaries to determine if a 40% discount was actually given. As shown in the attached summary, for July 1989 to June 1990, various discount rates were used. Also, in December of 1990, an error seems to have been made. In April 1992 an adjustment of \$21,375.85 was given to TSI for International credit for 10/89 to 6/90 to bring the credits up to 40%.

Staff determined the additional credit needed to bring all the months that were not 40% up to 40% and compared this to the credit given in April 1992. Based on this computation (attached), the credit was overstated by \$3,935.95.

	INTERNATIONAL DOLLARS PER BILL	INTERNATIONAL DOLLARS PER SUMMARY	% OF BILL/SUM.	60% OF SUMM.	(60%-BILLED AMT) DIFFERENCE IF 40% DISCOUNT	40% OF SUMMARY
JULY89-OCT.	6,723.53				2,689.41	0.00
NOV. 89	7,673.60	11,238.80	31.72%	6,743.28	930.32	4,495.52
DEC. 89	6,697.57	9,849.30	32.00%	5,909.58	787.99	3,939.72
JAN. 90	8,674.14	12,756.10	32.00%	7,653.66	1,020.48	5,102.44
FEB. 90	9,295.27	13,669.51	32.00%	8,201.71	1,093.56	5,467.80
MARCH 90	13,669.35	20,396.10	32.00%	12,237.66	1,631.69	8,158.44
APRIL 90	14,262.37	20,974.08	32.00%	12,564.45	1,677.92	8,389.63
MAY 90	17,131.30	28,355.84	35.00%	15,813.50	1,317.80	10,542.34
JUNE 90	21,066.60	30,936.18	31.84%	16,561.71	2,524.89	12,374.47
JULY 90	20,486.02	34,143.38	40.00%			13,657.35
AUGUST 90	23,942.73	39,904.91	40.00%			15,961.96
SEPT. 90	25,137.40	41,885.67	40.00%			16,758.27
OCT. 90	32,494.70	54,157.84	40.00%			21,863.14
NOV. 90	26,305.67	43,842.79	40.00%			17,537.12
DEC. 90	26,305.67	37,566.40	29.98%	22,539.84	3,765.83	15,026.56
JAN. 91	25,009.39	41,682.31	40.00%			16,672.92
FEB. 91	22,616.81	37,694.68	40.00%			15,077.87
MARCH 91	23,595.40	39,325.66	40.00%			15,730.26
APRIL 91	30,839.48	51,399.13	40.00%			20,559.65
MAY 91	32,749.02	54,581.70	40.00%			21,832.68
JUNE 91	33,247.91	55,413.18	40.00%			22,165.27
JULY 91	36,197.44	60,329.07	40.00%			24,131.63
AUGUST 91	47,105.45	78,509.08	40.00%			31,403.63
SEPT. 91	43,878.19	55,100.12	20.37% A			22,040.05
OCT. 91	47,094.31	78,490.52	40.00%			31,396.21
NOV. 91	43,158.12	71,287.82	39.46% A			28,515.13
DEC. 91	41,038.65	56,968.48	27.96% A			22,787.39
JAN. 92	45,416.81	75,894.69	40.00%			30,277.88
FEB. 92	49,597.55	82,662.59	40.00%			33,065.04
	781,630.45	1,236,825.93		110,245.39		494,730.37

CORRECTION TO ARRIVE AT 40% OF SUMMARY AS BILLED AMOUNT
 ADJUSTMENT GIVEN TO CORRECT INTERNATIONAL
 ADDITIONAL CREDIT NEEDED TO CORRECT

17,439.90
21,375.85
(3,935.95)

ADJUSTMENT BY LEVIT LEVY FOR 1 MIN. INCREMENTS 80,131.12
 ATC GAVE ADDITIONAL CREDIT TO THOSE ALLOWED BY THE CONTRACT(LOPEZ/LEVI 414,599.25
 INCLUDED MARCH AND APRIL-MARCH BILLED AT 6 SEC. INC APRIL NOT FOUND)

A- THESE ARE MONTHS WHERE PROBLEMS WERE ALREADY IDENTIFIED IN A SEPARATE DISCLOSURE

45

**TBI VS ATC
INTERNATIONAL CALLS
BILLING IN 1 MINUTE INCREMENT
VS 6 SECONDS INCREMENT
COMPUTATION OF DOLLAR VALUE
OF ERROR**

PERIOD	AVERAGE		
	# OF CALLS	MINUTES	MINUTES PER CALL
07/1/80-10/31/80	2100	7081.3	3.32
11/1/80-11/30/80	2842	8211.8	3.24
12/1/80-12/31/80	2801	8888.8	3.21
01/1/81-01/31/81	3282	10718.2	3.22
02/1/81-02/28/81	3147	11047.7	3.51
03/1/81-03/31/81	4887	17888.1	3.68
04/1/81-04/30/81	4782	17443.9	3.71
05/1/81-05/31/81	6842	22128.9	3.88
07/1/81-07/31/81	6888	22284.5	3.67
07/1/81-07/31/81	6883	22872.3	4.05
08/1/81-08/31/81	6878	31085.8	3.84
09/1/81-09/30/81	8888	32884.1	4.18
10/1/81-10/31/81	10488	43843.8	4.18
11/1/81-11/30/81	8843	32285.9	4.07
12/1/81-12/31/81	7887	32881.8	3.88
01/1/81-01/31/81	8488	32882.4	3.97
02/1/81-02/28/81	7888	32818.7	3.88
02/1/81-02/28/81	8888	32818.1	3.82
04/1/81-04/30/81	10844	32872.8	3.71
05/1/81-05/31/81	11488	42885.8	3.74
06/1/81-06/30/81	11188	44881	4.01
07/1/81-07/31/81	12884	48888.8	3.88
08/1/81-08/31/81	12484	62888.8	4.13
09/1/81-09/30/81	13888	68478.8	4.38
10/1/81-10/31/81	14888	64488.3	4.28
11/1/81-11/30/81	12888	62878.8	4.38
12/1/81-12/31/81	12818	68782.4	4.88
01/1/82-01/31/82	12873	62883.7	4.88
02/1/82-02/28/82	14888	72843.1	5.18
02/28/82-03/27/82	8188	28487	5.18
03/28/82-04/27/82	4488	17841.7	3.88
TOTAL	284188	1088827	4

A

A. USE AVERAGE RATE PER CALL FROM PRIOR MONTH, NO INFORMATION IN STATEMENT TO COMPUTE

B. TOTAL OVERCHARGED DUE TO BILLING IN MINUTE INCREMENT INSTEAD OF 6 SECOND INCREMENTS

284188 TOTAL CALL	
TIMES	28 AVERAGE SECONDS OVERCHARGE PER CALL- SEE SCHEDULE 9
	8888381.783 TOTAL SECONDS OVERCHARGED
DIVIDED	60 SECONDS PER MINUTE
	114473.0282 TOTAL MINUTES OVERCHARGED
TIMES	97 RATE PER MINUTE AVERAGE- SEE SCHEDULE 8. CONSERVATIVE ESTIMATE
	<u>\$ 88,131.12</u> AMOUNT

**TSI VS ATC
SUMMARY OF DAILY REPORTS
ANALYSIS OF THE MONTH OF
MARCH 1992**

DATE OF REPORT	TELEPHONE CALLS	# OF ERRORS	DOLLAR AMOUNT OF ERRORS	
26-Jan-98	2239	168	\$	1,069.62
27-Jan-98	2406	184	\$	177.50
28-Jan-98	3330	138	\$	81.31
29-Jan-98	4480	283	\$	150.02
30-Jan-98	2867	188	\$	467.88
1ST WEEK SUBTOTALS	16324	829	\$	1,866.13
PROJECTED ERROR	77132	4876	\$	9,846.01
				# OF TELEPHONE CALLS ESTIMATED STATEMENT DOES NOT SHOW NUMBER
2-Feb-98	1770	126	\$	88.51
3-Feb-98	2345	210	\$	138.78
4-Feb-98	1087	637	\$	345.14
5-Feb-98	609	300	\$	185.55
6-Feb-98	2823	282	\$	178.06
2ND WEEK SUBTOTALS	8744	1555	\$	932.01
PROJECTED ERROR	77132	4883	\$	9,255.78
				# OF TELEPHONE CALLS ESTIMATED STATEMENT DOES NOT SHOW NUMBER
ACTUAL TOTAL TO DATE	24068	2484	\$	2,888.14

**TSI VS ATC
SUMMARY OF DAILY REPORTS
ANALYSIS OF THE MONTH OF
AUGUST 1991**

DATE OF REPORT	TELEPHONE CALLS	# OF ERRORS	DOLLAR AMOUNT OF ERRORS
26-Jan-98	2530	148 \$	197.66
27-Jan-98	2441	67 \$	22.20
28-Jan-98	3783	208 \$	151.86
29-Jan-98	3043	77 \$	35.54
30-Jan-98	4670	342 \$	465.90
1ST WEEK SUBTOTALS	16447	840 \$	873.25
PROJECTED ERROR	122897	6277 \$	6,525.19
2-Feb-98	2168	200 \$	370.70
3-Feb-98	1103	191 \$	390.60
4-Feb-98	712	100 \$	195.20
5-Feb-98	1162	118 \$	141.35
6-Feb-98	1880	511 \$	319.16
2ND WEEK SUBTOTALS	6725	1120 \$	1,417.01
PROJECTED ERROR	122897	10395 \$	12,146.82
ACTUAL TOTAL TO DATE	23172	1980 \$	2,290.26

**TSI VS ATC
ANALYSIS OF PROJECTED ERRORS
TO DATE**

**PROJECTED ERROR BASED ON
OVERLAPPING , STUCK CLOCK,
BUSY SIGNALS AND DUPLICATE CALLS**

MARCH 1992	PROJECTED ERROR	\$ 9,255.78
AUGUST 1991	PROJECTED ERROR	\$ <u>12,146.82</u>
	TOTAL	\$ <u>21,402.60</u>
	AVERAGE PER MONTH	\$ <u>10,701.30</u>
 AVERAGE TIMES 27 1/2 MONTHS	 TOTAL ERROR	 \$ <u>294,285.75</u>

Telecommunication Services, Inc.

Computation of Loss of Profits as a Result of Termination of Agreement by ATC

for the 8 1/2 Months of 1992 and the years of 1993 through 1997

	<u>Years Ended December 31</u>					
	<u>8 1/2 months of 1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Projected Sales	\$ 1,079,011	\$ 2,516,560	\$ 3,029,938	\$ 3,648,045	\$ 4,392,246	\$ 5,288,264
Projected Net Profit %	10.3%	8.6%	9.3%	6.7%	8.2%	9.3%
Projected loss of Profits	\$ <u>111,138</u>	\$ <u>216,424</u>	\$ <u>281,784</u>	\$ <u>244,419</u>	\$ <u>360,164</u>	\$ <u>491,809</u>
Total Loss of Profits	\$ <u>1,705,738</u>					

Calculation of interest due in Loss of Profits @ 12% per annum on \$1,705,738 (Compounded)

<u>Period</u>	<u>Year</u>
8 1/2 Months of 1992	\$ 144,988
1993	222,087
1994	248,738
1995	278,586
1996	312,016
1997	\$ <u>349,458</u>
Grand Total	\$ <u>1,555,873</u>

TSI v ATC

Telecommunications Services, Inc.

Statements of Assets, Liabilities and Equity

December 31, 1993, 1992, 1991, 1990 and 1989

Source: Forms 1120, US Income Tax Return for an S Corporation (prepared by J. Freire Accts, PA)

Assets

	1993	1992	1991	1990	1989
Current Assets					
Cash	\$4,903	\$188,223	\$384,780	\$1,875	\$0
Accounts receivable	35,580	0	0	0	0
Loans receivable from shareholder	26,214	34,496	17,912	19,120	0
Total Current Assets	66,697	222,719	402,692	20,995	0
Fixed Assets	47,270	10,436	7,327	7,227	1,555
Less accumulated depreciation	16,873	6,379	4,649	2,191	518
	30,397	4,057	2,678	5,136	1,037
Deposits	8,000	8,000	4,200	1,200	1,000
	\$105,094	\$234,776	\$409,571	\$27,331	\$2,037

Liabilities and Shareholder's Equity

Current Liabilities					
Accounts payable	\$91,280	\$238,225	\$413,400	\$0	\$0
Taxes payable	2,977	2,714	3,334	2,049	0
Total Current Liabilities	94,257	240,939	416,734	2,049	0
Loans payable to shareholder	18,100	1,100	100	6,800	9,300
Shareholder's Equity					
Common stock	1,000	1,000	1,000	1,000	1,000
Retained earnings	(8,263)	(8,263)	(8,263)	17,482	(8,263)
	(7,263)	(7,263)	(7,263)	18,482	(7,263)
	\$105,094	\$234,776	\$409,571	\$27,331	\$2,037

TSI v ATC

Telecommunications Services, Inc.

Statement of Revenue, Expenses and Retained Earnings (Deficit)

For the Years Ending December 31, 1993, 1992, 1991, 1990 and 1989

Source: Forms 1120, US Income Tax Return for an S Corporation (prepared by J. Freire Acem, PA)

	1993		1992		1991		1990		1989 (Initial Year)	
	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue	32,516,680	100.00	31,365,904	100.00	31,051,071	100.00	2,992,753	100.00	0	N/A
Cost of goods sold	3,290,325	10.12	3,022,991	9.64	3,022,118	9.73	495,071	16.54	0	N/A
Gross Profit	4,963,975	15.44	3,342,913	10.65	2,468,953	7.95	77,002	2.57	0	N/A
Expenses										
Advertising and promotion	4,990	0.02	2,024	0.06	4,684	0.02	1,298	0.04	0	N/A
Alarm services	167	0.01	0	0.00	165	0.01	0	0.00	0	N/A
Automobile	5,286	0.02	4,571	0.01	4,817	0.02	1,017	0.03	1,200	N/A
Bank charges	1,725	0.01	798	0.01	515	0.01	159	0.01	0	N/A
Contract services	199,287	0.61	151,818	0.48	114,009	0.37	20,496	0.68	1,190	N/A
Depreciation and amortization	10,484	0.03	1,730	0.01	2,458	0.01	1,673	0.06	518	N/A
Dues and subscriptions	0	0.00	0	0.00	1,289	0.01	0	0.00	0	N/A
Entertainment and dues	2,024	0.01	0	0.00	0	0.00	1,103	0.04	0	N/A
Insurance	2,208	0.01	4,214	0.01	3,823	0.01	1,473	0.05	1,000	N/A
Interest	700	0.00	0	0.00	129	0.00	0	0.00	0	N/A
Legal and professional	1,265	0.00	29,287	0.09	890	0.00	1,800	0.06	0	N/A
Office expenses	10,618	0.03	16,284	0.05	6,828	0.02	2,074	0.07	416	N/A
Officers compensation	21,000	0.06	19,000	0.06	0	0.00	0	0.00	0	N/A
Postage	0	0.00	0	0.00	3,647	0.01	1,282	0.04	25	N/A
Promotion	0	0.00	0	0.00	3,880	0.01	0	0.00	0	N/A
Rent	24,284	0.07	29,285	0.09	11,487	0.04	4,874	0.16	482	N/A
Repairs and maintenance	1,733	0.01	2,548	0.01	1,228	0.00	2,823	0.09	3,261	N/A
Salaries and wages	25,229	0.08	47,279	0.15	22,208	0.07	2,200	0.07	0	N/A
Taxes and licenses	7,510	0.02	9,174	0.03	5,429	0.02	1,629	0.05	70	N/A
Telephone	26,859	0.08	17,299	0.05	5,261	0.02	4,762	0.16	0	N/A
Travel	8,174	0.03	402	0.00	0	0.00	0	0.00	0	N/A
Utilities	2,424	0.01	878	0.00	67	0.00	2,3	0.00	0	N/A
	278,441	0.86	246,098	0.78	201,224	0.65	51,937	1.73	8,263	N/A
Net income before interest income	47,224	0.15	25,215	0.08	47,229	0.15	25,745	0.86	(8,263)	N/A
Interest income	997	0.00	2,287	0.01	5,206	0.02	0	0.00	0	N/A
Net Income	48,221	0.15	27,502	0.09	52,435	0.17	25,745	0.86	(8,263)	N/A
Beginning retained earnings (deficit)	(8,263)		(8,263)		17,482		(8,263)		0	
Distributions to shareholder	(48,221)		(47,502)		(79,080)		0		0	
Ending retained earnings (deficit)	(8,263)		(8,263)		(26,645)		17,482		(8,263)	

AUDIT DISCLOSURE NO. 13

SUBJECT: DISCONNECTED NUMBERS

STATEMENT OF FACT: TSI complained that ATC continued to bill some phone numbers after TSI requested that they be disconnected.

Staff determined all numbers which could be verified with a fax correspondence to ATC and reviewed summary and detail billing information to determine the dollar impact.

Only \$149.57 could be found and was considered immaterial.

AUDIT DISCLOSURE NO. 14

SUBJECT: ACCOUNTS BILLED BY ATC DIRECTLY

STATEMENT OF FACT: ATC did bill some of TSI's customers directly. Correspondence indicated that if TSI signed up a customer that was formerly an ATC customer, the ATC billing cycle picked up the customer. Correspondence indicates several customers were affected. A list of those found in correspondence is attached. If dollars were mentioned, they are also shown.

ATC was given this list of customers and asked to go to the microfiche in Tulsa which was used in the Dohan case and determine how much was billed directly for these customers. ATC claims the microfilm cannot be found and they could not provide a response.

TSI was requested to provide more data. They did not provide any information.

It was determined from correspondence that TSI paid ATC \$7,094.35 related to these accounts.

OPINION: If ATC sent the bill, TSI was never billed for these accounts usage. The \$7,094 payment appears to pay ATC for their portion. It does not seem reasonable that TSI would pay its portion unless it had already collected revenue for these accounts. Staff could not determine actual dollars billed because of ATC's non compliance with the request and the lack of dollars shown in correspondence.

It could also not be determined if ATC or TSI ever received the revenue for these accounts. Therefore, no adjustment is being made for this error.

DISCLOSURE 14

Exhibit KLW-1 (Page 50 of 79)

A & A PROFESSIONAL ASSOCIATES	
LARRY L. ADAR	
ADVANCE MARINE SUPPLY CORP.	197.00
AFTCO ASSOCIATES	
ALFARO, JOSE, I	41.04
ALFARO AND ASSOCIATES	
AQUILA ROSAS & ASSOC.	
AQUALINE	
AMALGAMA TRADING	81.86
ANDINA TRADE	307.08
ANDRADE, MARIA	
ANNEVAN	
BARGAIN MART O'BIA AQUALINE	
BAYPORT RESTAURANT	
BCI ADAMS INTERNATIONAL	
CAMEJO, FRANCISCO	
CAPTAIN CRAB	
CARITAS LINDAS	
CASTRO, AMALIA	
COMTRAD INTERNATIONAL CORP.	
CONTINENTAL SERVICES, INC.	
CROSSLAND MORTGAGE	
DADE & KENDALL CO. HAMMERS AND ASSOC.	
D.R. EXPORT	127.86
EAST COAST PRINTING	
EL DORADO FURNITURE	
ELITE SALES, INC.	
FIRST EQUITY CORP. OF FLA.	431.08
FIRST PARAGON	
FLORIDA MINORITY REGIONAL	
FORMS, ETC.	
FRENCH EXPLOSION	
FUNDAMENTAL MANAGEMENT GROUP	128.08
GALBUT, RUSSELL W.	
GALERIA EXPORT	
GERMAN EXPORT	
GOURMET SOUQUET, INC.	284.88
GUERRERO, MANUEL	
HAMILTON, SAM L.	
HAMMERS AND ASSOCIATES	
HARVEY RADIO ALARIN, INC.	197.81
HYNES, RICHARD	
INGERSOL RAND INTL.	817.40
INLATIN PRODUCE, INC.	
INTER AMERICAN PRESS ASSOC.	808.18
INTERLATIN PRODUCE, INC.	1,788.08
INTERMODAL CARGO SERVICES	
INTERNATIONAL CARGO CORP.	
INTERNATIONAL FLOWER EXCHANGE	8,438.72
INTERNATIONAL MONETARY CORP.	
INTERNATIONAL MUSIC	88.87
INTERTEL COMMUNICATION, INC.	
L & M MANUFACTURING CORP.	1,834.24
THE LEAD SOURCE	
LIFE MARKETING/ADG AGENCIES	
LOBBAN, BRIDGETTE	
MELTZER, LEWIS	
MIAMI EXPLOSION, INC.	104.10
MICRONET TELCOM, INC.	181.14
MICRO NET COMMUNICATIONS INC.	827.48
MURRAY REALTIES, INC.	
NASSI, PATRICIA	
NATIONAL DUST CONTROL	
NETWORK SECURITY INC	2,823.88
ORION TECHNOLOGIES, INC.	37.81
PAN AMERICAN HOSPITAL	
PARADISE MUSIC CORPORATION	
PEREZ, JOAQUIN, ESQ.	
PEAR TOURS	
PRIGHTO TRAVEL	
PUBLISHER PREPRESS SERVICES	
QUALITY AVONICS SYSTEMS	142.47
ROCA TILE AND MARBLE	248.41
SPACIOS	
STEIN, JOEL, DR.	
SUN FINANCIAL INV.	
FRED E. STOLLARHADDON HOUSE FOOD PRODUCTS	
SUZY BREWER & ASSOC.	
TABANELJAO, MEHRAN	
THE LEARNING PARTY	
TRADE UNLIMITED INC.	
UNIVERSAL ATHLETICS	
VICTORIA ARDLINO, INC.	
WORLD WIDE ACCESS	

18,418.28

AUDIT DISCLOSURE NO. 15**SUBJECT: ANSWER QUALIFIERS**

STATEMENT OF FACT: Switch tape information was traced to detail call billing information for four days. Review of the sample of switch tapes revealed that ATC did include some calls that had an answer qualifier other than a hardware answer.

ATC billed for some calls that had a zero qualifier. Calls with an answer qualifier of zero were designated by the switch as "no answer" calls. According to ATC, there was a manual process used to review calls with the zero qualifier to determine if they were billable. The criteria used in this process could not be located. The calls that were given a rate and billed appeared to have bad data in the "Time Point 6" field which is where conversation time begins. These calls appear to be rated using Time Point 7-Time Point 1, the same as all other calls but did not include the extra 9 second error. However, not all calls with bad data in the Time Point 6 field were rated, so staff could not determine the criteria used. The company appears to have discontinued this practice in June, 1991 since no zero qualifier calls were given a rate and billed from the June 21 tape.

TAPE	BILLABLE CALLS REVIEWED	ZERO CALLS RATED	PERCENT OF BILLED CALLS
DECEMBER 5, 1990	255	10	3.92%
FEBRUARY 11, 1991	1,410	19	1.35%
JUNE 21, 1991	2,557	0	0.00%
TOTAL	4222	29	0.70%

Also found to be billed were calls with answer qualifiers that indicate a busy signal was received but was not hung up after a set number of seconds, calls that had a long number of rings but were not hung up after several seconds, and calls that received silence but were not hung up after several seconds. The number of seconds the software was set to could not be determined. According to switch data the software could be set between zero and 120 seconds. Staff estimated the dollar affect of the busy, long ring and silence calls using the percent of calls for each qualifier in the sample, times total calls, times an average cost per call to TSI of 63 cents. The busy calls billed amounted to \$315, long ring \$46,284 and silence \$958.

According to TSI's tariff, effective as of November 9, 1989, (no changes filed during the time of the contract) the call will be timed as follows:

"When a calling party allows the distant end to ring in excess of 60 seconds or approximately 8 to 10 rings, the call will be considered a completed call. This only applies when hardware answer supervision is absent on the terminating end."

OPINION: Since the zero qualifer calls were less than 1% of the billable calls it does not appear to be material and the other answer qualifiers appear to be valid according to the tariff. However, staff could not determine the time the software was set to, to be able to determine if it was the same as the 60 seconds in the tariff.

EXHIBIT 1-CALCULATION OF AMOUNT OWED BY TSI TO ATG

		MONTHLY BILLING PER STAFF	CREDITS PER ATC	PAYMENTS PER CANCELLED CHECKS	NET AMOUNT DUE
JULY-OCT	1989	11,011.97			11,011.97
NOVEMBER	1989	18,542.04			29,554.01
DECEMBER	1989	18,778.99	(799.77)		42,933.20
JANUARY	1990	23,807.88	(2,741.94)		62,999.12
FEBRUARY	1990	24,989.37	(3,899.91)	(18,942.96)	64,491.60
MARCH	1990	30,799.74	(8,399.47)	(23,799.39)	66,616.67
APRIL	1990	31,099.89	(8,999.39)	(19,999.99)	69,946.92
MAY	1990	38,239.92	(8,999.99)	(29,978.47)	79,992.67
JUNE	1990	38,397.98	(8,199.99)	(24,394.77)	89,797.29
JULY	1990	38,773.96			122,679.93
AUGUST	1990	41,679.99		(49,999.37)	119,499.99
SEPTEMBER	1990	40,999.13		(2,999.99)	194,199.99
OCTOBER	1990	84,999.99		(112,174.99)	99,914.78
NOVEMBER	1990	41,739.39		(2,999.99)	139,293.16
DECEMBER	1990	43,997.97			179,291.99
JANUARY	1991	48,992.36		(99,999.99)	197,323.29
FEBRUARY	1991	49,922.14			219,949.62
MARCH	1991	47,321.13		(99,999.99)	199,299.66
APRIL	1991	62,197.97	(42,997.99)	(37,999.44) C	174,979.70
MAY	1991	64,929.90		(97,321.19) D	191,793.45
JUNE	1991	69,197.30	(22,492.77)		194,477.98
JULY	1991	77,971.30		(92,999.12)	179,494.99
AUGUST	1991	93,939.49		(94,997.99)	299,139.99
SEPTEMBER	1991	99,979.73			299,292.63
OCTOBER	1991	100,929.32		(99,199.99)	339,942.10
NOVEMBER	1991	91,199.91			439,999.71
DECEMBER	1991	99,291.54			619,292.26
JANUARY	1992	99,994.99			617,197.13
FEBRUARY	1992	101,997.99			719,994.79
MARCH	1992	91,939.12		E	779,994.69
APRIL	1992	49,979.79	(91,499.99)	(129,999.99) B	649,299.73
MAY	1992	29,149.39	(299.99)	E	699,139.07
JUNE	1992		(21,424.99)	F	643,799.92
JULY	1992			G	643,799.92
		<u>1,999,794.79</u>	<u>(199,979.41)</u>	<u>(997,999.93)</u>	<u>643,799.92</u>
DISCLOSURE 9			(93,399.43)		999,399.99
DISCLOSURE 8			(37,714.99)		922,139.99
DISCLOSURE 4			(39,199.99)		884,934.91
DISCLOSURE 12			3,939.99		899,479.99
DISCLOSURE 4			12,999.99		911,299.99
		<u>1,999,794.79</u>	<u>(310,419.94)</u>	<u>(997,999.93)</u>	<u>501,299.99</u>

- A - ATTORNEY GENERAL SETTLEMENT PER PBC 93-1237-AS-T1 EXPANDED FOR ALL MONTHS SINCE TSI WAS NEVER CORRECTED
- B- WIRE TRANSFER PER ATC
- C- CREDIT OF 979,731.99 WAS REDUCED BY 939,773.99 BECAUSE IT WAS ACTUALLY A CREDIT FOR A PAYMENT WHICH HAS ALREADY BEEN SHOWN IN THE CANCELLED CHECKS
- D- INCLUDES PAYMENT OF 939,773.99
- E- BILL AMOUNT WAS COMPUTED BY STAFF USING THE OLD METHODOLOGY, CO BILLED BASED ON THE NEW CONTRACT WHICH WAS NEVER SIGNED
- F- CREDIT
- G- CREDITS OF 1639.97 AND 47.49 NOT USED BECAUSE THEY RELATED TO VOLUME DISCOUNTS ON MAY BILL WHICH WAS RECOMPUTED BY STAFF

EXHIBIT 2-LOPEZ-LEVI REPORT

DRAFT

March 14, 1998

Wesley R. Parsons, Esquire
Adorno & Zeder, Attorneys at Law
2601 South Bay Shore Drive, Suite 1600
Miami, Florida 33133

Re: TSI v. ATC

Dear Mr. Parsons:

Pursuant to your request we have prepared a draft report for your review of the damages suffered by Telecommunications Services, Inc. (TSI) as a result of improper and unprofessional services provided by Transcall America, Inc. (ATC) during the period July 1, 1989 through May 14, 1997.

T.S.I. began its telecommunications business on or about July 1989, although it had no significant sales during the 1989 partial year.

Lopez Levi & Associates, P.A. has been engaged as an expert in the field of economic and financial business loss of profits, and we have been requested to quantify these losses in TSI's lawsuit against ATC. We have estimated total damages to TSI's business as a result of ATC's improper services to be in the amount of approximately \$ 3,847,605.

TSI V ATC

SUMMARY OF DAMAGES

<u>SCHEDULE NO.</u>	<u>DAMAGES AMOUNT</u>
3	\$ 42,501
5	98,242
7	80,131
10	<u>\$ 294,286</u>
Sub Total	\$ 515,160
Interest Thereon	70,834
11	1,705,738
Interest Thereon	<u>1,555,873</u>
TOTAL DAMAGES	<u>\$ 3,847,605</u>

I. BASIS OF DAMAGES

As a result of its business relationship with ATC, Telecommunications Services, Inc. (TSI) suffered large amounts of lost profits from a period beginning in 1989 and continuing through 1992. These losses occurred due to:

- 1) Poor service by ATC during TSI's business relationship with ATC.

- 2) Over billings by ATC which included (a) the neglect by ATC to bill out on "6 second increments" (b) "Stuck clock billings" (c) double and duplicate charges for the same calls (d) improper handling of credit card calls (e) charges for incomplete calls and;
- 3) loss of profits resulting in collapse of TSI's business subsequent to the termination of its services by ATC.
- 4) Improper bookkeeping by ATC in recording TSI transactions.

II. DOCUMENTS RELIED UPON

Lopez Levi & Associates, P.A. obtained and reviewed financial information from a variety of sources to determine which data was the most reliable. It was determined that the TSI U.S. Corporate Income Tax Returns (forms 1120S) filed with the Internal Revenue Service were reliable and accurate records of the Company's operations. Other records relied on for the analysis were. 1) billings from ATC to TSI, 2) the executed agreement between the two parties, 3) customer contracts 4) customer complaints (5) billing problem documentation (6) ATC invoices (7) The Resalers Traffic Report (Green Bar Report) (8) Summarized TSI Client Usage Report in Minutes, etc.

III. INTERVIEWS

In gathering the background information and necessary documentation, interviews were primarily conducted with Joel Esquenazi, who is the sole shareholder of TSI.

During the interview process, we were made aware of the particulars of the case and TSI's position on the issues. All documentation relative to the case was requested, including financial records, billings, telephone call records, correspondence and contracts and/or agreements between the parties.

IV. ATC ERRORS

In conjunction therewith, we also enclose the following schedules and explanations thereto:

Schedule #1. ATC Statement Analysis -Extension Errors. As part of our internal control procedures, we wanted to determine the credibility and accuracy of the books, records and statements of account presented by ATC to TSL. We therefore took the statements for the period of July 10, 1989 through October 31, 1990 and we extended the total minutes by the applicable rates and determined the correct amount of the charges and compared them with the amount due as reflected on the ATC statement.

As you can see, there are some very significant errors including what appears to be an inappropriate decimal placement that resulted in a \$250,126.23 error. The total extension errors for this period under review totaled \$304,932.14.

Schedule #2. ATC Statement Analysis - Beginning Balance Errors. On this schedule, we took each statement presented to us on a monthly basis for a 19 month period from September 1, 1990 through October 27, 1992 and we compared the amount due as a beginning balance reflected on the ATC statement to the balance forward amount of the following month, (which should be exactly the same). As you will note, for example, for September 1, 1991 through September 30, 1991 there was a \$392,687.50 discrepancy. In all, there were seven instances of inaccurate statement presentation whereby there was an incorrect balance forward amount.

V. ERRORS BY ATC RESULTING IN LOSSES TO TSI

- Schedule #3. **Comparison of Payment between ATC Credits and TSI Canceled Checks.** This schedule compares the canceled checks paid by TSI to ATC, (which we reviewed) as compared with the credits issued on the ATC statements reflecting ATC's accounting for the TSI checks. As you can note, there is a discrepancy of \$42,501.27 reflecting checks paid by TSI but not credited by ATC. Also note that the 7/1/90 to 7/31/90 (sic) statement was incorrectly dated. It should have been dated 8/1/90 to 8/31/90.
- Schedule #4. **Comparison of Minutes.** On this schedule we accumulated all of the minutes as reflected on the ATC Statements and compared them to the actual minutes as reflected on the internal records of TSI that were presented to us by Mr. Esquenazi. The result of our analysis reflects that there were 327,490.4 minutes overcharged by ATC to TSI.
- Schedule #5. **Comparison of Minutes Overcharged by Category.** This schedule reflects the categories of minutes broken down by International, 800 and Domestic calls as reflected on the ATC Statements. We then compared these minutes (by categories) to the records of TSI and we calculated the difference in minutes between TSI and ATC. We then multiplied these differences in minutes by the applicable telephone rates to determine how much was overcharged by ATC to TSI in dollar amounts. This resulted in overcharges of \$98,241.72.
- Schedule #6 **Computation of average number of seconds error in international calls.** This schedule indicates the average error in seconds in each international call. This was achieved by analyzing calls ranging from 15 second to 480 seconds and comparing the actual ATC seconds billed with the correct billing at 6 second increments instead of one minute increments. On this schedule we determined, based on our sample, that there were 26 seconds per call of overbillings.

Schedule #7. International calls, billing in one minute increments, computation of dollar value of error. This schedule indicates the average length of international calls for the purpose of establishing the reasonableness of schedule 7 which arrived at an average error in international calls by comparing calls up to 8 minute durations. It also shows the total dollars overcharged of \$80,131.12 caused by billing in one minute increments instead of 6 second increments. The total is the result of multiplying total international calls times the average seconds overcharged as determined in schedule 7, dividing the total by 60 seconds and multiplying the total by a conservative rate of 70 cents per minute. For reference of international call rates see schedule #5.

Schedules #8 and 9. Summary of daily reports, analysis of the month of March 1992 and August 1991. These reports show the daily number of telephone calls that were reviewed for errors and the number and the dollar amounts of errors that were discovered.

Schedule #10. Analysis of projected errors based on the errors encountered during the month of March 1992 and August 1991. This report projects the total error value caused by overlapping, stuck clocks, busy signals and duplicate calls over a period of 27 1/2 months. These errors resulted in total overcharges of \$294,285.75.

VI. LOSS OF PROFITS

On Exhibit A attached, hereto, we have prepared a comparative analysis of the Income Statements and Balance Sheets of TSI for the years ended December 31, 1989 through 1993

It is clear that the termination by ATC of its contract with TSI had a substantial detrimental impact on the complete operations of TSI, as is reflected below:

1. CHANGES IN SALES

Below we are reflecting the actual increases of sales revenues of TSI for the calendar years 1989 through 1993 in both dollar and percentages:

	Total for 4 years 1990 to 1993	1993	1992	1991	1990	1989
Sales Revenues	\$ 5,335,374	\$ 2,516,560	\$ 1,265,204	\$ 1,051,071	\$ 502,539	\$ -0-
Dollar Increase	2,014,021	1,251,356	214,133	548,532	502,539	-0-
Percentage Increase	400.8%	98.9%	20.4%	109.2%		

2. CHANGES IN NET INCOME

Below we are reflecting the changes of net income or (loss) for of TSI for the calendar years of 1990 through 1993 in both dollars and percentages:

	Totals for 4 years 1990-1993	1993	1992	1991	1990
Net Income before Officers Compensation	\$ 213,363	\$ 69,831	\$ 64,452	\$ 53,335	\$ 25,745
Dollar Increase	44,086	5,379	11,117	27,590	-
Percentage Increase	171.2%	8.4%	20.8%	107.2%	-
Net Income as a Percent of Sales	-	2.8%	5.1%	5.1%	-

3. SALES AND NET INCOME PROJECTIONS

There was a significant increase in sales commencing with the first year of selling (1990) through May 14, 1993, when ATC unilaterally and without notice terminated its services to TSI. From 1990 through 1991 sales increased \$548,532 or 109.2%. Sales increased an additional \$214,133 or 20.4% between 1991 and 1992. During this 2 year period, sales revenues increased \$762,665 or 151.8%. However, during this same period costs and expenses increased to such an extent that profits did not increase in line with the exceptional growth in sales. The increase in costs and expenses was a direct result of the inefficient services provided to TSI by ATC.

The cost and expenses increased because of overbillings by ATC, including "stuck clock" billings overlapping charges, duplicate billings, charges for credit card calls when customers did not have credit cards issued to them, billing customers for full minutes instead of six (6) second intervals, billings by ATC to TSI customers for busy signals and "no answers" calls. All of these improper services resulted in innumerable loss of customers by TSI, particularly, but not limited to 800 customers who could not be readily replaced. These improper activities on the part of ATC also resulted in excessive and unnecessary expenses. Below we have prepared a brief analysis of the major areas of expenses which increased, both in dollar amounts as well as a percent of expenses to sales. Many of these expense increases are directly attributable to the lack of proper business like and professional services rendered to TSI by ATC.

	1992	% to Sales	1991	% to Sales	1990	% to Sales
Contract Services	\$ 151,018	11.9	\$ 144,009	10.9	\$ 20,498	4.1
Legal and Professional	39,387	3.1	880	.1	1,600	.3
Office Expense	15,384	1.2	6,828	.7	3,074	.6
Salaries and Wages	47,579	3.8	28,508	2.7	3,300	.7
Telephone	\$ 17,999	1.4	\$ 5,361	.5	\$ 4,762	1.0
Total for 5 Accounts	\$ 271,367	21.4	\$ 155,586	14.9	\$ 33,234	6.7

The increase from 1990 to 1992 for these five major accounts was \$ 238,133, most of which resulted from improper handling of the TSI accounts by ATC in addition to increased sales.

We have projected sales revenues from May 15, 1992 (after date of breach of contract without notice) through December 31, 1997 which represents the next five (5) year period as follows:

Average monthly sales revenues generated by TSI for 1992 is reflected as \$ 1,265,204 divided by 12 or \$ 105,434 per month. Between 1991 and 1992 sales revenues increased by 20.4% which we are using as our projected increase. This reflects a very conservative percentage increase considering that after the termination of the ATC/TSI contract, the sales revenues of TSI skyrocketed to \$2,516,560 during the year ended December 31, 1993. This represented an increase of 98.9% from the prior year (1992) when services were discontinued by ATC.

We are therefore, projecting increased revenues for 1994 through 1997 using a 20.4% conservative increase per year. In addition, we are reflecting actual revenues for 1993 of \$ 2,516,560.

4. PROJECTED SALES REVENUES 8 1/2 MONTHS OF 1992 AND THE YEARS 1993 THROUGH 1997

<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
\$ 1,079,011	\$ 2,516,560	\$ 3,029,938	\$ 3,648,045	\$ 4,392,246	\$ 5,288,264

In order to determine the net income as a result of the above - computed projected sales revenues, we have determined that the appropriate profit before taxes are best reflected by using the statistics found in the R.M.A. Annual Statement Studies for Telephone Communications Services, which are as follows:

Profit before Taxes 1992 through 1997 (per R.M.A. Statistics)

<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
10.3%	8.6%	9.3%	6.7%	8.2%	9.3%

On schedule 11 Attached Hereto, we have computed the loss of profits projected for the 8 1/2 months of 1992 and for the years of 1993 through 1997.

Schedule 1

TSI VS ATC
 ATC STATEMENT ANALYSIS
 EXTENSION ERRORS

PERIOD	CATEGORY	TOTAL MINUTES	RATE (A)	AMOUNT DUE	CORRECT	ERROR IN
				PER STATEMENT	AMOUNT	EXTENSION
7/10/89-10/31/89	INTRASTATE	3485.7	0.125	\$ 441.72	\$ 435.71	\$ 6.01
12/01/89-12/31/89	INTERNATIONAL	8644.6	0.8	62,887.57	6,915.88	55,781.89
02/01/90-02/28/90	TRAVEL SERVICE	1288	0.195	250,377.00	250.77	250,126.23
09/01/90-09/30/90	INTERSTATE ON NET-N & W	7854.5	0.14	344.64	1,099.63	(754.99)
09/01/90-09/30/90	INTERSTATE OFF NET- N & W	1689.2	0.15	716.63	250.38	466.25
10/01/90-10/31/90	INTERSTATE ON NET-N & W	9304.2	0.14	344.64	1,302.59	(957.95)
10/01/90-10/31/90	INTERSTATE OFF NET- N & W	2670.8	0.15	665.32	400.62	264.70
TOTAL				\$ 315,587.52	\$ 10,665.38	\$ 304,932.14

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A: INTERNATIONAL RATE IS ESTIMATED AT .80

**TSI VS ATC
ATC STATEMENT ANALYSIS
BEGINNING BALANCE ERRORS**

PERIOD	AMOUNT DUE BEG BAL	BALANCE FWD ENDING BAL	DIFF BETWEEN BEGINNING AND ENDING BALANCE
09/01/90-09/30/90	SEE A	117,888.26	
10/01/90-10/31/90	117,888.26	\$ 136,088.96	\$ -
11/01/90-11/30/90	136,088.96	177,827.36	\$ -
12/01/90-12/31/90	177,827.36	220,885.22	\$ -
01/01/91-01/31/91	220,885.22	208,897.58	\$ -
02/01/91-02/28/91	208,897.58	252,519.73	\$ -
03/01/91-03/31/91	252,519.73	234,840.88	\$ -
04/01/91-04/30/91	234,840.88	83,055.14	\$ -
05/01/91-05/31/91	83,055.14	117,584.04	\$ -
06/01/91-06/30/91	117,584.04	140,447.91	\$ -
07/01/91-07/31/91	140,447.91	185,254.88	\$ -
08/01/91-08/31/91	185,254.88	155,740.67	\$ -
09/01/91-09/30/91	548,428.17	636,503.92	\$ (362,687.50)
10/01/91-10/31/91	155,740.67	256,567.01	\$ 480,763.25
11/01/91-11/30/91	256,567.01	347,755.80	\$ -
12/01/91-12/31/91	636,503.92	724,765.48	\$ (288,748.32)
01/01/92-01/31/92	347,755.80	446,820.49	\$ 377,009.88
02/01/92-02/29/92	446,820.49	548,428.17	\$ -
02/28/92-03/27/92	724,765.48	766,466.66	\$ (176,337.91)
03/28/92-04/27/92	750,931.57	640,323.39	\$ 35,535.09
04/28/92-05/27/92	640,323.39	667,474.16	\$ -
5/28/92-06/27/92	667,474.16	667,457.79	\$ -
06/28/92-07/27/92	669,434.97	667,823.73	\$ (1,977.18)
07/28/92-08/27/92	667,823.73	667,918.37	\$ -
08/28/92-09/27/92	667,918.37	668,015.44	\$ -
09/28/92-10/27/92	668,015.44	668,057.60	\$ -

A: ATC STATEMENTS DID NOT SHOW BALANCE FORWARD PRIOR TO SEPT 1,1990

**TBI VS ATC
COMPARISON OF PAYMENTS
BETWEEN ATC PAYMENTS
PER STATEMENTS
AND TBI CANCELLED CHECKS**

PERIOD	TBI	CHECK AMOUNT	PAYMENTS PER ATC STATEMENTS	DIFFERENCE BETWEEN ATC AND TBI CHECKS
	CHECK NUMBER			
07/01/89-10/31/89	1008	\$ 11,071.88		
11/01/89-11/30/89	1011	7,771.00		
12/01/89-12/31/89	1020	23,780.20		
01/01/90-01/31/90	1080	19,885.92		
02/01/90-02/28/90	1086	20,878.47		
03/01/90-03/31/90	1077	24,334.27		
04/01/90-04/30/90		-		
05/01/90-05/31/90	1106	48,805.37		
06/01/90-06/30/90	1185 & 1206	36,532.85		
07/01/90-07/31/90	1214 & 1185	37,773.85		
07/01/90-07/31/90 (A)	1240	36,773.85	201,804.88	63,949.48
08/01/90-08/30/90	1207 & 1218	7,084.35	12,788.85	(5,674.50)
10/01/90-10/31/90		-	36,773.85	(36,773.85)
11/01/90-11/30/90		-	-	-
12/01/90-12/31/90	1023 & 1044	80,000.00	-	80,000.00
01/01/91-01/31/91		-	80,000.00	(80,000.00)
02/01/91-02/28/91	1085	30,000.00	-	30,000.00
03/01/91-03/31/91	1126 & 1149	72,880.44	66,000.00	7,880.44
04/01/91-04/30/91	1207	87,321.16	125,211.89	(37,890.44)
06/01/91-06/30/91	1303	40,000.00	40,000.00	-
06/01/91-06/30/91	1330 & 1367	62,086.12	18,830.67	32,264.45
07/01/91-07/31/91		-	32,264.45	(32,264.45)
08/01/91-08/31/91	1436 & 1482	123,044.35	123,044.41	(0.06)
09/01/91-09/30/91		-	-	-
10/01/91-10/31/91		-	-	-
11/01/91-11/30/91		-	-	-
12/01/91-12/31/91		-	-	-
01/01/92-01/31/92		-	-	-
02/01/92-02/29/92	1389	20,000.00	-	20,000.00
02/28/92-03/27/92		-	-	-
03/28/92-04/27/92	N/A	100,000.00	100,000.00	-
04/28/92-05/27/92		-	-	-
05/28/92-06/27/92		-	-	-
06/28/92-10/27/92		-	-	-
TOTAL		\$ 667,668.77	\$ 615,488.50	\$ 42,501.27

A: STATEMENT INCORRECTLY DATED

B: PAYMENTS NOT CREDITED BY ATC

**TSI VS ATC
COMPARISON OF MINUTES**

PERIOD	ACTUAL		MINUTES OVERCHARGED
	MINUTES PER ATC	MINUTES PER TSI	
01/01/90-01/31/90	169,068.00	80,998.90	28,069.10
02/01/90-02/28/90	118,839.00	109,075.80	9,763.20
03/01/90-03/31/90	137,863.20	120,021.80	17,841.40
04/01/90-04/30/90	137,155.30	136,869.30	286.00
05/01/90-05/31/90	133,005.80	138,543.70	(5,537.90)
06/01/90-06/30/90	147,340.00	135,940.30	11,399.70
07/01/90-07/31/90	155,294.80	150,716.80	4,578.10
08/01/90-08/31/90	173,604.80	156,576.80	16,027.80
09/01/90-09/30/90	169,100.80	176,929.00	(17,828.10)
10/01/90-10/31/90	221,194.40	162,909.10	58,285.30
11/01/90-11/30/90	163,247.30	225,506.10	(62,258.80)
12/01/90-12/31/90	169,240.10	215,937.00	(46,696.90)
01/01/91-01/31/91	225,598.00	184,708.80	40,889.20
02/01/91-02/28/91	206,473.40	229,166.20	(23,692.80)
03/01/91-03/31/91	229,874.70	208,874.00	21,000.70
04/01/91-04/30/91	296,083.40	184,439.90	111,643.50
05/01/91-05/31/91	306,546.80	294,752.20	11,794.40
06/01/91-06/30/91	310,732.40	311,930.80	(1,198.40)
07/01/91-07/31/91	376,693.40	315,768.80	60,924.60
08/01/91-08/31/91	437,242.50	392,486.50	44,756.00
09/01/91-09/30/91	418,562.00	445,265.50	(26,703.50)
10/01/91-10/31/91	513,078.10	454,976.70	58,101.40
11/01/91-11/30/91	455,017.70	518,894.10	(63,876.40)
12/01/91-12/30/91	444,728.80	482,602.70	(37,873.90)
01/01/92-01/31/92	500,726.50	375,530.30	125,196.20
02/01/92-02/28/92 (A)	500,731.70	507,043.20	(6,311.50)
TOTAL MINUTES	7,045,742.70	6,718,252.30	327,490.40

Wic 4/26

A: AFTER FEBRUARY 1992 ATC STOPPED SHOWING MINUTES IN THEIR STATEMENTS TO TSI
B: ATC MARCH 1992 STATEMENT DID NOT INCLUDE MINUTES

Schedule 5

TBI VS ATC
COMPARISON OF OVERCHARGED
MINUTES
BY CATEGORY

PERIOD	PER ATC			PER TBI			DIFFERENCE BETWEEN TBI & ATC OVERCHARGED - NEG	OVERCHARGES IN BRACKETS
	INTERNATIONAL	000#	DOMESTIC	INTERNATIONAL	000#	DOMESTIC		
01/01/90-01/31/90								
MINUTES	10710.2	3002	95355.8	6248	1838	72912.8	-28009.1	
AMOUNT DUE	\$ 8,674.14	\$ 630.42	\$ 13,303.30	\$ 5,080.88	\$ 385.88	\$ 10,287.81	\$ (8,953.19)	\$ (8,953.19)
AVERAGE RATE PER MINUTE	\$ 0.81	\$ 0.21	\$ 0.14	\$ 0.81	\$ 0.21	\$ 0.14	\$ 0.25	
02/01/90-02/28/90								
MINUTES	11047.9	2873	104818.1	8224	3002	97848.8	-8783.20	
AMOUNT DUE	\$ 9,295.27	\$ 803.33	\$ 14,080.78	\$ 6,888.18	\$ 630.42	\$ 13,888.97	\$ (3,321.83)	\$ (3,321.83)
AVERAGE RATE PER MINUTE	\$ 0.84	\$ 0.21	\$ 0.14	\$ 0.84	\$ 0.21	\$ 0.14	\$ 0.34	
03/01/90-03/31/90								
MINUTES	17508.1	910	119147.1	8580	2873	108888.8	-17541.40	
AMOUNT DUE	\$ 13,888.35	\$ 191.10	\$ 18,640.29	\$ 6,778.20	\$ 803.33	\$ 15,188.63	\$ (8,119.58)	\$ (8,119.58)
AVERAGE RATE PER MINUTE	\$ 0.79	\$ 0.21	\$ 0.14	\$ 0.79	\$ 0.21	\$ 0.14	\$ 0.48	
04/01/90-04/30/90								
MINUTES	17443.8	122	118588.4	11808	801	12448.3	-286.00	
AMOUNT DUE	\$ 14,282.37	\$ 25.82	\$ 16,787.81	\$ 9,785.38	\$ 188.21	\$ 17,388.90	\$ (3,734.11)	\$ (3,734.11)
AVERAGE RATE PER MINUTE	\$ 0.82	\$ 0.21	\$ 0.14	\$ 0.82	\$ 0.21	\$ 0.14	\$ 12.62	
05/01/90-05/31/90								
MINUTES	22128.9	958	101378.9	14800	122	123821.7	5537.90	
AMOUNT DUE	\$ 17,131.30	\$ 1,888.88	\$ 11,827.82	\$ 11,473.08	\$ 25.82	\$ 17,283.04	\$ (2,283.84)	\$ (2,283.84)
AVERAGE RATE PER MINUTE	\$ 0.77	\$ 0.21	\$ 0.12	\$ 0.77	\$ 0.21	\$ 0.14	\$ (8.41)	
06/01/90-06/30/90								
MINUTES	25284.5	8827	115148.51	20188	858	108238.3	-11388.71	
AMOUNT DUE	\$ 21,038.80	\$ 1,454.87	\$ 8,584.33	\$ 18,782.88	\$ 1,888.88	\$ 14,873.88	\$ 2,578.84	\$ 2,578.84
AVERAGE RATE PER MINUTE	\$ 0.83	\$ 0.21	\$ 0.07	\$ 0.83	\$ 0.21	\$ 0.14	\$ (8.23)	
07/01/90-07/31/90								
MINUTES	28072.3	5038	122184.8	23025	8827	128784.8	-4578.10	
AMOUNT DUE	\$ 20,488.82	\$ 1,057.88	\$ 14,229.85	\$ 18,888.25	\$ 1,484.87	\$ 18,887.87	\$ (803.88)	\$ (803.88)
AVERAGE RATE PER MINUTE	\$ 0.73	\$ 0.21	\$ 0.12	\$ 0.73	\$ 0.21	\$ 0.14	\$ 0.13	

Schedule 5

TBI VS ATC
COMPARISON OF OVERCHARGED
MINUTES
BY CATEGORY

PERIOD	PER ATC	PER ATC	PER ATC	PER TBI	PER TBI	PER TBI	DIFFERENCE	OVERCHARGES IN BRACKETS
	INTERNATIONAL	0000	DOMESTIC	INTERNATIONAL	0000	DOMESTIC	BETWEEN TBI & ATC OVERCHARGED = NEG	
08/01/80-08/31/80								
MINUTES	31805.8	18485	123304	28803.5	5038	127836.3	-18827.80	
AMOUNT DUE	\$ 23,942.73	\$ 3,863.85	\$ 13,844.22	\$ 19,427.83	\$ 1,057.88	\$ 17,888.94	(3,316.35)	\$ (3,316.35)
AVERAGE RATE PER MINUTE	\$ 0.75	\$ 0.21	\$ 0.11	\$ 0.75	\$ 0.21	\$ 0.14	0.22	
09/01/80-09/30/80								
MINUTES	33824.1	14540	110738.8	29828	17887	129804	17828.10	
AMOUNT DUE	\$ 25,137.40	\$ 3,053.40	\$ 12,262.91	\$ 22,148.72	\$ 3,773.87	\$ 14,183.74	(338.18)	\$ (338.18)
AVERAGE RATE PER MINUTE	\$ 0.74	\$ 0.21	\$ 0.11	\$ 0.74	\$ 0.21	\$ 0.11	(0.02)	
10/01/80-10/31/80								
MINUTES	42843.8	17547	160703.8	33052	14540	118317.1	-58285.30	
AMOUNT DUE	\$ 32,485.70	\$ 3,884.87	\$ 17,783.78	\$ 25,118.82	\$ 3,053.40	\$ 12,884.88	(13,118.55)	\$ (13,118.55)
AVERAGE RATE PER MINUTE	\$ 0.76	\$ 0.21	\$ 0.11	\$ 0.76	\$ 0.21	\$ 0.11	0.23	
11/01/80-11/30/80								
MINUTES	35708.8	5013	122127.4	40847	17847	167312.1	62288.80	
AMOUNT DUE	\$ 28,305.67	\$ 1,241.73	\$ 14,181.00	\$ 30,485.25	\$ 3,884.87	\$ 28,877.45	12,988.17	\$ 12,988.17
AVERAGE RATE PER MINUTE	\$ 0.75	\$ 0.21	\$ 0.12	\$ 0.75	\$ 0.21	\$ 0.12	0.20	
12/01/80-12/31/80								
MINUTES	30551.8	8085	132823.3	43888	7888	164472	48888.80	
AMOUNT DUE	\$ 28,305.67	\$ 1,273.85	\$ 15,468.54	\$ 37,873.18	\$ 1,888.38	\$ 18,738.84	15,888.33	\$ 15,888.33
AVERAGE RATE PER MINUTE	\$ 0.88	\$ 0.21	\$ 0.12	\$ 0.88	\$ 0.21	\$ 0.12	0.34	
01/01/81-01/31/81								
MINUTES	33883.4	5881	188143.8	34182	4884	148888.8	-48881.20	
AMOUNT DUE	\$ 25,088.38	\$ 1,237.11	\$ 21,785.88	\$ 25,838.80	\$ 1,042.44	\$ 17,487.38	(3,888.12)	\$ (3,888.12)
AVERAGE RATE PER MINUTE	\$ 0.75	\$ 0.21	\$ 0.12	\$ 0.75	\$ 0.21	\$ 0.12	0.10	
02/01/81-02/28/81								
MINUTES	30016.7	5602	188854.7	32348	1881	188829.2	23882.80	
AMOUNT DUE	\$ 22,816.81	\$ 1,178.42	\$ 18,828.82	\$ 24,288.80	\$ 1,237.11	\$ 22,811.80	4,785.88	\$ 4,785.88
AVERAGE RATE PER MINUTE	\$ 0.75	\$ 0.21	\$ 0.12	\$ 0.75	\$ 0.21	\$ 0.12	0.20	

Schedule 5

**TSI VS ATC
COMPARISON OF OVERCHARGED
MINUTES
BY CATEGORY**

PERIOD	PER ATC			PER TSI			DIFFERENCE	OVERCHARGES IN BRACKETS
	INTERNATIONAL	900#	DOMESTIC	INTERNATIONAL	900#	DOMESTIC	BETWEEN TSI & ATC OVERCHARGED = NEG	
03/01/91-03/31/91								
MINUTES	30815.1	5235	183824.8	29484	5810.5	173778.5	-21000.70	
AMOUNT DUE	\$ 23,595.40	\$ 1,099.35	\$ 22,828.40	\$ 22,702.88	\$ 1,178.21	\$ 20,853.54	(2,588.73)	\$ (2,588.73)
AVERAGE RATE PER MINUTE	\$ 0.77	\$ 0.21	\$ 0.12	\$ 0.77	\$ 0.21	\$ 0.12	0.12	
04/01/90-04/30/91								
MINUTES	39072.8	15112	241898.8	23934	4885.5	159910.4	-11943.50	
AMOUNT DUE	\$ 30,839.48	\$ 3,173.52	\$ 28,144.08	\$ 18,907.88	\$ 995.08	\$ 18,709.25	(23,574.92)	\$ (23,574.92)
AVERAGE RATE PER MINUTE	\$ 0.79	\$ 0.21	\$ 0.12	\$ 0.79	\$ 0.21	\$ 0.12	0.21	
05/01/91-05/31/91								
MINUTES	42825.9	6856	258886.1	38897.1	29338.5	228718.6	-11784.80	
AMOUNT DUE	\$ 32,748.02	\$ 1,439.78	\$ 30,340.12	\$ 27,889.80	\$ 6,181.09	\$ 27,446.89	(3,032.03)	\$ (3,032.03)
AVERAGE RATE PER MINUTE	\$ 0.78	\$ 0.21	\$ 0.12	\$ 0.78	\$ 0.21	\$ 0.12	0.26	
06/01/91-06/30/91								
MINUTES	44861	7891	288180.4	42718.1	22488.9	248725.9	1188.50	
AMOUNT DUE	\$ 33,247.91	\$ 1,857.11	\$ 30,282.29	\$ 31,888.91	\$ 4,722.67	\$ 29,807.11	752.38	\$ 752.38
AVERAGE RATE PER MINUTE	\$ 0.74	\$ 0.21	\$ 0.12	\$ 0.74	\$ 0.21	\$ 0.12	0.63	
07/01/91-07/31/91								
MINUTES	48898.9	38218	289478.5	40304.6	14387.8	281088.4	-88824.80	
AMOUNT DUE	\$ 38,187.44	\$ 8,025.78	\$ 32,848.00	\$ 28,825.40	\$ 3,017.24	\$ 28,720.80	(15,807.97)	\$ (15,507.97)
AVERAGE RATE PER MINUTE	\$ 0.74	\$ 0.21	\$ 0.11	\$ 0.74	\$ 0.21	\$ 0.11	0.25	
08/01/91-08/31/91								
MINUTES	63839.5	45425	328578	49075	37188.5	310221	-44758.00	
AMOUNT DUE	\$ 47,105.45	\$ 9,455.25	\$ 38,989.70	\$ 33,365.50	\$ 7,810.01	\$ 34,124.31	(18,240.59)	\$ (18,240.59)
AVERAGE RATE PER MINUTE	\$ 0.74	\$ 0.21	\$ 0.11	\$ 0.74	\$ 0.21	\$ 0.11	0.41	
09/01/91-09/30/91								
MINUTES	80478.5	38862	320021.5	57788	44029	343470.5	26703.50	
AMOUNT DUE	\$ 43,878.19	\$ 7,993.02	\$ 38,204.54	\$ 42,188.18	\$ 8,248.09	\$ 37,781.78	1,121.27	\$ 1,121.27
AVERAGE RATE PER MINUTE	\$ 0.73	\$ 0.21	\$ 0.11	\$ 0.73	\$ 0.21	\$ 0.11	0.04	

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Exhibit KLM-1 (Page 70 of 79)

Schedule 5

**TSI VS ATC
COMPARISON OF OVERCHARGED
MINUTES
BY CATEGORY**

PERIOD	PER ATC	PER ATC	PER ATC	PER TSI	PER TSI	PER TSI	DIFFERENCE	OVERCHARGES IN BRACKETS	
	INTERNATIONAL	0000	DOMESTIC	INTERNATIONAL	0000	DOMESTIC	BETWEEN TSI & ATC OVERCHARGED = NEG		
10/01/91-10/31/91									
MINUTES	84495.3	20215	428367.8	55888	35463.8	383644.9	-88101.40		
AMOUNT DUE	\$ 47,084.31	\$ 4,245.15	\$ 48,488.88	\$ 40,898.84	\$ 7,447.48	\$ 43,825.39	\$ (8,888.91)	\$ (8,888.91)	
AVERAGE RATE PER MINUTE	\$ 0.73	\$ 0.21	\$ 0.12	\$ 0.73	\$ 0.21	\$ 0.12	\$ 0.15		
11/01/91-11/30/91									
MINUTES	58275.8	25210	370531.9	58578.7	22967.3	438148.1	63876.40		
AMOUNT DUE	\$ 43,158.12	\$ 5,294.10	\$ 42,738.37	\$ 43,482.46	\$ 4,823.13	\$ 52,337.77	\$ 9,484.77	\$ 9,484.77	
AVERAGE RATE PER MINUTE	\$ 0.73	\$ 0.21	\$ 0.12	\$ 0.73	\$ 0.21	\$ 0.12	\$ 0.15		
12/01/91-12/31/91									
MINUTES	58752.4	24823.5	383152.9	57823.1	28207.4	388772.2	37873.00		
AMOUNT DUE	\$ 41,038.85	\$ 5,212.84	\$ 42,008.97	\$ 41,488.63	\$ 5,823.55	\$ 47,812.88	\$ 6,783.29	\$ 6,783.29	
AVERAGE RATE PER MINUTE	\$ 0.72	\$ 0.21	\$ 0.12	\$ 0.72	\$ 0.21	\$ 0.12	\$ 0.18		
01/01/92-01/31/92									
MINUTES	63853.7	30768	408304.8	47708.5	22230.8	305888.2	-125188.20		
AMOUNT DUE	\$ 45,418.81	\$ 6,461.28	\$ 46,888.80	\$ 33,867.38	\$ 4,888.43	\$ 33,818.91	\$ (28,713.20)	\$ (28,713.20)	
AVERAGE RATE PER MINUTE	\$ 0.71	\$ 0.21	\$ 0.12	\$ 0.71	\$ 0.21	\$ 0.11	\$ 0.21		
02/01/92-02/28/92									
MINUTES	73843.1	31250	385538.6	52931	42808.2	411308	6311.50		
AMOUNT DUE	\$ 48887.55	\$ 8582.5	\$ 48847.63	\$ 35,483.77	\$ 8,988.30	\$ 48,388.72	\$ (7,987.89)	\$ (7,987.89)	
AVERAGE RATE PER MINUTE	\$ 0.67	\$ 0.21	\$ 0.12	\$ 0.67	\$ 0.21	\$ 0.12	\$ (1.27)		
TOTAL OVERCHARGES								\$ (88,241.72)	

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SCHEDULE 8

TR VS ATC
COMPUTATION OF AVERAGE
OF SECONDS ERROR IN
INTERNATIONAL CALLS
DUE TO INCORRECT METHOD
OF BILLING

A	B	C	D	E	F	G	H	I
SECONDS/CALL	FRACTION OF MINUTES	ATC BILL	CONRECT BILL	CONRECT BILL	CONRECT BILL	SECONDS OVERBILLED PER CALL	SECONDS OVERBILLED PER CALL	INCREMENTS ROUND UP
15	0.25	60 SECONDS	60 SECONDS	60 SECONDS	60 SECONDS	0	0	0
30	0.5	60 SECONDS	60 SECONDS	60 SECONDS	60 SECONDS	0	0	0
45	0.75	60 SECONDS	60 SECONDS	60 SECONDS	60 SECONDS	0	0	0
60	1	60 SECONDS	60 SECONDS	60 SECONDS	60 SECONDS	0	0	0
75	1.25	120 SECONDS	75 SECONDS	75 SECONDS	75 SECONDS	42	2.5	3
90	1.5	120 SECONDS	90 SECONDS	90 SECONDS	90 SECONDS	30	5	5
105	1.75	120 SECONDS	105 SECONDS	105 SECONDS	105 SECONDS	12	7.5	8
120	2	120 SECONDS	120 SECONDS	120 SECONDS	120 SECONDS	0	10	10
135	2.25	180 SECONDS	135 SECONDS	135 SECONDS	135 SECONDS	42	12.5	13
150	2.5	180 SECONDS	150 SECONDS	150 SECONDS	150 SECONDS	30	15	15
165	2.75	180 SECONDS	165 SECONDS	165 SECONDS	165 SECONDS	12	17.5	18
180	3	180 SECONDS	180 SECONDS	180 SECONDS	180 SECONDS	0	20	20
195	3.25	240 SECONDS	195 SECONDS	195 SECONDS	195 SECONDS	42	22.5	23
210	3.5	240 SECONDS	210 SECONDS	210 SECONDS	210 SECONDS	30	25	25
225	3.75	240 SECONDS	225 SECONDS	225 SECONDS	225 SECONDS	12	27.5	28
240	4	240 SECONDS	240 SECONDS	240 SECONDS	240 SECONDS	0	30	30
255	4.25	300 SECONDS	255 SECONDS	255 SECONDS	255 SECONDS	42	32.5	33
270	4.5	300 SECONDS	270 SECONDS	270 SECONDS	270 SECONDS	30	35	35
285	4.75	300 SECONDS	285 SECONDS	285 SECONDS	285 SECONDS	12	37.5	38
300	5	300 SECONDS	300 SECONDS	300 SECONDS	300 SECONDS	0	40	40
315	5.25	360 SECONDS	315 SECONDS	315 SECONDS	315 SECONDS	42	42.5	43
330	5.5	360 SECONDS	330 SECONDS	330 SECONDS	330 SECONDS	30	45	45
345	5.75	360 SECONDS	345 SECONDS	345 SECONDS	345 SECONDS	12	47.5	48
360	6	360 SECONDS	360 SECONDS	360 SECONDS	360 SECONDS	0	50	50
375	6.25	420 SECONDS	375 SECONDS	375 SECONDS	375 SECONDS	42	52.5	53
390	6.5	420 SECONDS	390 SECONDS	390 SECONDS	390 SECONDS	30	55	55
405	6.75	420 SECONDS	405 SECONDS	405 SECONDS	405 SECONDS	12	57.5	58
420	7	420 SECONDS	420 SECONDS	420 SECONDS	420 SECONDS	0	60	60
435	7.25	480 SECONDS	435 SECONDS	435 SECONDS	435 SECONDS	42	62.5	63
450	7.5	480 SECONDS	450 SECONDS	450 SECONDS	450 SECONDS	30	65	65
465	7.75	480 SECONDS	465 SECONDS	465 SECONDS	465 SECONDS	12	67.5	68
480	8	480 SECONDS	480 SECONDS	480 SECONDS	480 SECONDS	0	70	70

AVERAGE (1) 20 PER CALL

COLUMN A EQUALS SECONDS FOR ONE CALL
 COLUMN B EQUALS COLUMN A DIVIDED BY 60
 COLUMN H EQUALS 6 SECOND INCREMENTS AFTER SUBTRACTING 60 SECONDS MINIMUM
 COLUMN I EQUALS THE INCREMENT FRACTION ROUNDED UP TO THE NEAREST WHOLE NUMBER
 COLUMN E EQUALS THE ROUNDED INCREMENTS TIMES 6 SECONDS PLUS THE MINIMUM OF 60 SECONDS

REVISED

EXHIBIT KLM - 2

Audit Workpapers

Handwritten initials: H. J. 2/18

MESSRS. VICKERS, CAPARELLO, MADSEN, LEVIS, GOLDMAN & METZ
ATTORNEYS AT LAW

TELEPHONE: 305-375-1100
FACSIMILE: 305-375-1101
TELETYPE: 305-375-1102
TELEFAX: 305-375-1103

TELEPHONE: 305-375-1100
FACSIMILE: 305-375-1101
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TELEFAX: 305-375-1103

REPLY TO TELEPHONE

March 10, 1994

Dennis A. Nowak, Esquire
Kirkpatrick & Lockhart
Miami Center - Suite 2000
201 South Biscayne Boulevard
Miami, Florida 33131

Dear Mr. Nowak:

Our firm serves as counsel to Transcall America, Inc. d/b/a ATC Long Distance ("ATC") which, as you know, is engaged presently in litigation with your client, TSI. Due to the pending litigation, we are transmitting to you for delivery to your client an ATC envelope containing a settlement check payable to TSI together with certain explanatory materials. The aforementioned check and materials are to be delivered to TSI in accordance with the provisions of a certain Settlement Agreement dated July 8, 1993 between Transcall America, Inc. d/b/a ATC Long Distance, the Florida Department of Legal Affairs and the Office of Public Counsel.

For your information the Settlement Agreement and the method for calculating the amount due TSI was approved by the Florida Public Service Commission by Order No. PSC-93-1237-AS-TL. A copy of the P.S.C. Order is enclosed as is the Settlement Agreement, which is attached thereto.

In conveying these materials to your client, you may wish to discuss with your client its obligation as a reseller to make the appropriate per rate dispersals to its customers.

Sincerely,
Edward A. Quinton III
For the Firm

JEM:ad
Enclosures

cc: William E. Anderson, Esquire
Edward A. Quinton III, Esquire

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Handwritten initials

KIRKPATRICK & LOCKHART

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MIAMI, FLORIDA 33139
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FACSIMILE 365-1575

NEWTON, MA
HAMBURG, PA
NEW YORK, NY
PITTSBURGH, PA
WASHINGTON, D.C.

Wireless Street Dial:
(305) 839-3365

March 17, 1994

Elliott Messer, Esq.
Messer, Vickers, Caporale,
Madsen, Lewis, Goldman & Metz
Suite 701
315 S. Monroe Street
P.O. Box 1876
Tallahassee, Florida 32302-1876

Re: Transcell America, Inc. 6/3/a ATC v. TSI

Dear Mr. Messer:

Enclosed is the check which you transmitted to Kirkpatrick & Lockhart for our client, TSI. Due to the pending litigation between Transcell America, Inc. and TSI we are returning the check to you so that ATC is not released from any and all claims asserted by TSI in the pending litigation.

If I can be of any further assistance in this matter, please do not hesitate to contact me.

Very truly yours,

Jonathan W. Segal
Jonathan W. Segal

JWS/cap
Enclosure

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TELUS COMMUNICATIONS, INC.
PSC TARIFF NO. 1

Original Sheet 29

ALL FLORIDA FLS SERVICE

3. SERVICE DESCRIPTION (Cont'd)

3.3 Basic Service Features (Cont'd)

3.3.4 Distance Calculations

For Super Sever service usage charges are based on the distance between originating and terminating locations of the call. Mileage is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The company uses the rate centers and the V & H coordinates contained in Tariff P.C.C. #10 of the American Telephone and Telegraph Company.

$$\frac{\sqrt{(V_1 - V_2)^2 + (H_1 - H_2)^2}}{10}$$

For example, the distance between Miami, Florida and Orlando, Florida is calculated as follows:

	"V"	"H"
Miami	8,381	837
Orlando	7,884	1,031
Take difference:	397	-194
Square and add:	157,609 + 38,436 = 411,638	
Divide by 10 and round:	411,638 / 10 = 41,163	
Take square root and round:	41,163 = 202.9 = 203 MI.	

3.3.5 Timing Of Calls

Billing for all Completed Calls (as defined in Section 1) will commence from the time a customer utilizes originating access facilities. The measured use of service is then based upon the total time the customer utilizes such facilities and where applicable the distance of each call.

 Issued: **May 15, 1988** Effective: **JUN 21 1988**
 Issued by: **Norman Klugman, President**
1000 N.W. 163rd Drive
Miami, FL 33169

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TRANSCALL AMERICA, INC 4/15/81 ATC LONG DISTANCE FPSC TARIFF NO. 1

3RD REVISED SHEET NO. 19
CANCELS 2ND REVISED SHEET NO. 19

SECTION 1 - DESCRIPTION OF SERVICE

1.1 Timing of Calls

Chargeable time begins when the connection is established between the access line and the calling or called station, and ends when the calling station "hangs up." If the called station or access line "hangs up" but the calling station or access line does not, chargeable time ends when the network connection is released by automatic timing equipment in the telecommunications network.

1.2 Start of Billing

For billing purposes, the start of service is the day following acceptance by the customer of ATC's service or equipment. The end of service date is the last day of the minimum notification of cancellation or any portion of the last day, after receipt by ATC of notification of cancellation as described in Section 2 of this tariff.

1.3 Interconnection

Service furnished by ATC may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by ATC. Service furnished by ATC is not part of a joint undertaking with such other carriers. Any special interface equipment or facilities of ATC and other participating carriers shall be provided at the customer's expense.

ISSUED: November 1, 1990

EFFECTIVE: DEC 05 1990

ISSUED BY: Brian K. Sulmonett:
ATC LONG DISTANCE
1515 South Federal Hwy., Suite 400
Bc Raton, Florida 33432-7404

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TELECOMMUNICATIONS SERVICES, INC.
FLORIDA PUC TARIFF NO. 1

Original Sheet 3

1. TECHNICAL TERMS & ABBREVIATIONS

Authorization Code: A numerical code, one or more of which are available to a customer to enable him to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing.

Authorized User: A person, firm, corporation or any other entity authorized by the customer to communicate utilizing T&E services.

Business Customer: A customer subscribing to business service from the local exchange telephone company.

Channel or Circuit: A communications path between two or more points.

Company or Carrier: TELECOMMUNICATIONS SERVICES, INC. ("T&E").

Completed Call: Completed calls, as defined herein, are answered calls on the distant end. One to two percent of all billable calls may be recorded inaccurately as a completed call and would appear on the customer's bill as their initial billing increment depending on their service. This error rate is beyond the Company's control; however, appropriate credits will be issued when brought to the Company's attention by the customer. The customer is in no way liable for payment of uncompleted calls. The above statement concerning billing errors is for the purpose of making customers aware that billing errors may occur and that the customer should review bills for such errors.

Customer: The person, firm, corporation or other entity which orders service and is responsible for the payment of charges and compliance with the Company's tariff regulations.

Day: From 8:00 AM to (but not including) 8:00 PM local time weekdays.

Issued:

Issued by:

Carlos A. Rodriguez
12217 SW 29th Ct.
Suite 200
Miami, Fla. 33184

Effective: NOV 09 1988

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