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Decision 98-12-010 December 3, 1998

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the operations, practices, and conduct of Coral Communications, Inc. (Coral) and Michael Tinari, President of Coral; William Gallo, Senior Vice President of Coral; Devon Porcella, Vice President of Sales and Operations of Coral; Neal Deleo, Vice President Finance and MIS of Coral to determine whether the corporation or its principals have operated within California without having a certificate to operate from the Commission and whether they have charged California subscribers for telecommunications services the subscribers never authorized.

Investigation 98-08-004
(Filed August 6, 1998)

OPINION

On August 6, 1998, the Commission issued I.98-08-004 (OII) which formally initiated an investigation into Coral Communications, Inc., and other named individuals (Coral). In the OII, the Commission stated that its staff had submitted evidence that Coral had billed up to 300,000 California consumers on the consumers' local telephone bill for telephone calling cards that consumers allege they had not ordered or were not provided. The charges included a \$2.99 initiation fee and \$6.99 monthly charge.

On September 17, 1998, the Commission's staff filed a motion requesting that Easy Access International, Inc., Edward Tinari, and Celestine Spoden (Easy Access) be added as respondents to the OII. Staff alleged that Easy Access had purchased Coral's calling card and voice mail business. As Coral's calling card business was the subject of the OII, staff concluded the Easy Access should be added as a respondent.

On October 13, 1998, Easy Access filed its reply to staff's motion in which it contended that (1) the Commission lacked jurisdiction over Coral and (2) exercising jurisdiction over Easy Access only "exacerbated the extra jurisdictional character of the matter." In its reply, Easy Access also admitted that it "acquired an income stream from Coral in return for assisting Coral to develop a sound financial base."

Discussion

Easy Access opposes being named a respondent. Staff alleges that Easy Access purchased Coral's calling card business and continues to market the cards through sweepstakes promotions and to provide customer service for the cards. Easy Access admits that it has a business relationship with Coral, and that it is the owner of the "income stream" from Coral's calling card business. Given that this investigation (1) calls into question the legitimacy of Coral's calling card business and resultant revenues and (2) may lead to restitution for calling card consumers, the Commission finds good cause to believe that Easy Access should be included as a respondent in this investigation. Consistent with the Commission's Rules of Practice and Procedure, Easy Access may then put forward its jurisdictional objections, which will be considered in due course.

Finding of Fact

Easy Access admitted that it has a business relationship with Coral regarding Coral's calling card business.

Conclusion of Law

Good cause exists to add Easy Access as a respondent to this investigation.

ORDER

Therefore, **IT IS ORDERED** that Easy Access International, Inc., Edward Tinari, and Celestine Spoden are added as respondents to this proceeding.

This order is effective today.

Dated December 3, 1998, at San Francisco, California.

RICHARD A. BILAS

President

P. GREGORY CONLON

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners