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Verizon Pays \$1.3 Million to Resolve Allegations of Overbilling on State Contract

Verizon Must Extend Refunds to Towns and Cities Regarding Alleged Mischarges

BOSTON – Verizon New England Inc. (Verizon) has paid more than \$1.3 million to resolve allegations that the company overcharged the Commonwealth for telecommunications services under a statewide procurement contract, Attorney General Martha Coakley announced today. The settlement, which resolved a lawsuit pending in Hampshire Superior Court, also requires Verizon to make additional payment offers to Commonwealth towns and cities and other related entities impacted by the alleged overbilling.

Verizon has a contract with the Commonwealth to provide telephone services to government entities at specific rates. The company allegedly invoiced certain state contract customers for a variety of items and services at rates higher than those permitted by the state contract. These include local calling usage, regional toll service, flat rate business lines, flat rate trunks, and business listings between September 2006 and October 2012.

The AG's Office is contacting relevant towns, cities, and other governmental entities regarding the settlement. Any government entities with questions about this settlement should contact the Attorney General's Office at [\(617\) 963-2228](tel:6179632228).

The settlement resulted from a lawsuit by a whistleblower, or "relator" under the False Claims Act, raising some allegations relating to overbillings under the state contract. The AG's Office, in conjunction with the Inspector General, investigated the matter. AG Coakley intervened in the litigation and obtained the recovery for the Commonwealth.

This matter was handled by Division Chief Glenn Kaplan and Legal Analyst Lynda Freshman of the Attorney General's Insurance and Financial Services Division, with assistance from Inspector General Senior Investigator Ellen Silberman.

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