



Office of the Inspector General Commonwealth of Massachusetts

Inspector General's Office Investigation Leads to Verizon New England Agreeing to Pay the Commonwealth of MA an Additional \$800,000 in Interest & Penalties to Settle a Case of Overcharging Municipalities for Centrex Telephone Service, December 2011

Verizon New England has agreed to pay the Commonwealth of Massachusetts \$800,000 as the result of an investigation by the Office of the Inspector General.

In June 2009, the OIG learned that Verizon had been overcharging municipalities for Centrex telephone service since 2006. Emails sent to the state Operational Services Division showed that Verizon was alerted to the billing problem by an outside consultant in the summer of 2006. Emails also showed that Verizon had promised to fix the problem and refund its customers within months.

Instead, Verizon only refunded the customers who noticed their inflated bills and complained. Because of the complexity of Verizon's bills, fewer than half of Verizon's municipal customers noticed the error. From 2006 until 2009, Verizon refunded some \$1.5 million to its municipal customers.

After the OIG began its investigation in 2009 Verizon quickly refunded another \$1.5 million to its municipal customers. The OIG brought its investigation to the Office of the Attorney General in October 2009. In December 2011, Verizon agreed to pay an additional \$800,000 in interest and penalties to settle the case.

For additional information see: [Office of the Attorney General Press Release](#).