

Phone card companies under fire Customers complain of confusing terms, getting shorted on minutes.

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Body

They can be seen hanging behind the counter at the mini-mart, those brightly colored **phone cards** for calling Latin America, Africa and Asia. Often, they are the only reliable way for immigrants to stay in touch with their families.

But many buyers of these **cards** are being ripped off to the tune of millions of dollars per year.

Some **cards** fail to deliver the promised **minutes**. Others tack on **confusing** fees that may not be listed in the microscopic print on the back of the **card**. Still others round up each call to the nearest three-**minute** mark.

"Sometimes they give you all the **minutes**. Sometimes they don't. Then you have to switch to a new **card**," said Augusto Revolorio, a Miami Beach grocery stocker. He buys the \$2 or \$5 **cards** regularly to call his mother and four brothers in Guatemala. "It costs me more to **complain** on the **phone** and be late for work, so I just rip up the **card** and buy a new one."

A 2004 study led by University of Georgia economics professor emeritus Julia Marlowe found that the cost-per-**minute** rates for prepaid calling **cards** were on average 87 percent higher than those advertised.

But because many immigrants like Revolorio don't have time or are afraid to go to authorities to **complain** - and the money they lose per **card** is small - little has been done to crack down.

"Every time I check, the telecommunications industry is a highly regulated industry. This one they don't want to regulate," said Gus West, head of the nonprofit, Washington-based Hispanic Institute.

That's beginning to change. In the past year, attorneys general in Florida, California and several other states have begun to take a closer look at the **phone card** industry, as has the Federal Trade Commission. In October, Rep. Eliot Engel, D-N.Y., introduced legislation to regulate the business.

The push comes in part from an unlikely source - communications giant IDT Corp. The Newark, N.J., **company** settled its own decade-long class action lawsuit in January over allegations it failed to adequately disclose its charges. Now, it is leading the call for regulation at the state and federal level.

"What we'd like to see is an honest industry, where everyone is held to the same standard that we hold for ourselves," IDT head Jim Courter said.

The most popular **cards** among immigrants - and the ones least likely to deliver promised **minutes** - are those offering super cheap rates to countries such as Mexico, Guatemala, Haiti and India.

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Norbert Dominguez of Miami said he buys about six \$10 cards a month to stay in touch with his mother and 4-year-old daughter in Cuba. Each card promises 18 minutes but usually delivers closer to 12, he said. That's an actual cost of about 83 cents per minute, versus the promised 55 cents. Still, it is cheaper than the typical long-distance telephone rate of \$1.15 a minute.

Dominguez said he has complained with little success. "They give you a customer service rep, but it's never someone with authority," he said.

Graphic

PHOTO

PHOTO - Augusto Revolorio, an immigrant from Guatemala, eats at a cafe this week in Miami Beach. Revolorio is among those who buys \$2 or \$5 brightly colored phone cards, in his case to call his family in Jutiapa, Guatemala. Some state attorneys general are looking into reported phone card company abuses, and a bill has been introduced in Congress. The Associated Press

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