



Auris, LLC

Independent Auditor's System Report
For Payphone Compensation
As required by FCC Order 03-235
Docket No. 96-128

July 31, 2015

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Independent Auditor's System Audit Report

Senior Management
Auris, LLC

At the request of the management of Auris, LLC (AURIS), we have examined the call tracking systems of AURIS for payphone calls in compliance with FCC Order 03-235, Docket No 96-128. Management is responsible for compliance with those requirements. (See Appendix '2') Our responsibility is to express an opinion on AURIS's compliance based on our examination.

Our examination included procedures to obtain reasonable assurance that the controls included in our audit were suitably designed to achieve the control objectives – namely, that the call tracking system of AURIS accurately tracks payphone calls to completion and that Company satisfactorily complied with and applied these controls and such controls will be placed in operation consistently in the future.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence of compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on AURIS's compliance with specified requirements.

In our opinion, the Company complied, in all material respects, with the aforementioned requirements for the period mentioned through June 30, 2015 and has sufficient controls in place to provide reasonable assurance to achieve the control objectives namely that the call tracking system accurately tracks payphone calls to completion.

Policies & procedures concerning Payphone Compensation at AURIS, and information concerning tests of the operating effectiveness include the period of Q4 2014. Information concerning payments made includes the period through Q4 2014. Future projection of such information is subject to the inherent risk that, because of change, the description may no longer portray those procedures in existence. The potential effectiveness of specific controls is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that, (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions.

This report is intended solely for the information and use of Auris, LLC and is not intended to be and should not be used by anyone other than the specified party.

General Solutions Associates, L.L.C.

General Solutions Associates, L.L.C.
July 31, 2015

Overview of System Audit Requirements

This System Audit Report covers FCC Order (03-235, Docket No 96-128), effective July 1, 2004, requiring Interexchange Carriers (IXC's), Local Exchange Carriers (LEC's) and Switch Based Resellers (SBR's) to establish and maintain a comprehensive Call Tracking System (CTS) which accurately reports and compensates Payphone Service Providers (PSP's).

The Order calls for an independent third party audit report in conformity with AICPA standards. The independent auditor's report shall conclude whether the SBR, LEC, or IXC complied, in all material respects, with the factors set forth (below) regarding the CTS as follows:

- 1) Whether the SBR's procedures accurately reflect the Commission's rules, including the attestation reporting requirements.
- 2) Whether the SBR has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone completed calls.
- 3) Where the SBR has effective data monitoring procedures.
- 4) Whether the SBR adheres to established protocols to ensure that any software, personnel, or any other network changes do not adversely affect its payphone call tracking ability.
- 5) Whether the SBR has created a compensable payphone call file by matching call detail records against payphone identifiers.
- 6) Whether the SBR has procedures to incorporate call data into required reports.
- 7) Whether the SBR has implemented procedures and controls needed to resolve disputes.
- 8) Whether the independent third-party auditor can test all critical controls and procedures to verify that errors are insubstantial, and
- 9) Whether the SBR's have adequate and effective business rules for implementing and paying payphone compensation.

AURIS utilizes the services of a payphone compensation clearinghouse Billing Services Group, formerly Billing Concepts (BSG) to process payments to PSP's. This does not eliminate the liability of AURIS for compliance with all points of the order. We have attached and reviewed the SAS70 audit for BSG to insure their compliance with the order as well, and find it acceptable.

Audit Process & Procedures

Our audit tests and reports on all nine (9) factors listed in the Order. The guidelines used to conduct and prepare the report are established in the AICPA's Statements on Standards for Attestation Engagements ("SSAE"), specifically, *SSAE 10, AT Section 101 Attest Engagements and AT Section 601 Compliance Attestation*.

Those standards required that we:

- 1) Have adequate technical training and proficiency in the attest function.
- 2) Perform the attest function using practitioners having adequate knowledge of the subject matter.
- 3) Evaluate the subject matter against suitable criteria such as:
 - a) *Objectivity* – free of bias
 - b) *Measurability* – reasonable consistent measurements, qualitative or quantitative, of subject matter.
 - c) *Completeness* – sufficiently complete so that relevant factors that would alter a conclusion about subject matter are not omitted.
 - d) *Relevance* – criteria relevant to the subject matter.
- 4) Maintain an independent mental attitude in all matters relating to the engagement.
- 5) Exercise due professional care in the planning and performance of the engagement.
- 6) Obtain sufficient evidence to provide reasonable basis for our conclusion expressed in the report.

The scope of this audit as it relates to compensation is through December 31, 2014, which is the latest quarter that AURIS has processed and remitted compensation to PSP's. The scope of this audit as it relates to AURIS's processes and procedures subject to the Order is through June 30, 2015.

Payphone Compensation Policies & Procedures

AURIS has established and documented policies in compliance with the Dial-Around Compensation FCC order and industry IT best practices:

1. Backup Policy.
2. Log Tracking & Archive Process.
3. Core Security Policy.
4. Physical Security Policy.
5. Host / Server Security Policy.
6. Change Control Policy.
7. Password Policy.
8. Information Access Control Policy.
9. Monitoring Policy.
10. Firewall Policy.

AURIS has in place a detailed process document which outlines the steps necessary to retrieve and consolidate data for transfer to BSG. This procedure guarantees that the integrity of data on a month by month/quarter by quarter basis will be consistent. This document includes but is not limited to:

1. Responsible parties
2. Data file Retention period
3. Compensation file Retention period
4. Compensation reporting requirements
5. Steps for uploading data to clearing house.

AURIS has provided GSA with written attestation that there have been no unauthorized or significant changes to company policies which would affect the processing of payphone compensation. AURIS further attests that no changes can be made to the software controlling the call tracking system without appropriate approvals. This attestation is available for review.

Responsible Dedicated Staff

AURIS has dedicated staff responsible for tracking, compensating, reporting and resolving disputes concerning completed calls as follows:

1. The VP of Operations, Omar Pesantes, is responsible for drafting necessary business requirements.
2. The Chief Software Architect, Spencer Lamy, is responsible for developing & maintaining systems to create payphone call records from switch records.
3. The Controller, Jesus Medina, is responsible for implementing & maintaining procedures that check the validity of identified payphone records.
4. The Controller, Jesus Medina, is responsible for implementing & maintaining procedures that create final compensation data sets.
5. The Chief Technology Officer, Spencer Lamy, is responsible for developing compensation tracking reports.
6. The Controller, Jesus Medina, is responsible for dispute resolutions.
7. The CFO/CEO, Juan Gomes is responsible for final approval.

These individuals have expertise regarding the systems and procedures involved.

Data Monitoring Procedures

AURIS has developed a systematic reporting process that can be generated daily, monthly and quarterly reports on payphone call counts, numbers called, and info digits used as a subset of their total CDR accumulation. Currently AURIS is utilizing the services of BSG, a payphone compensation clearinghouse to fulfill its requirements to PSP's. GSA has been provided with this data and has determined that AURIS can produce reports on a regular basis that reflect:

- a) Trends of switch traffic volumes entering their payphone compensation systems.
- b) Possible fraud on potential illegitimate payphone calls.
- c) Trends of excluded calls.
- d) The capability to develop customized reports to help resolve disputes.
- e) Capacity for other appropriate trending reports.

Management regularly reviews this data on a monthly and quarterly basis for accuracy and completeness. The Company has attested that no material change, other than regular maintenance, has been made to any platform that is used to capture payphone compensation data.

Compensation Assurance Protocol

AURIS has established policies which guarantee that the Company will remain in compliance with current FCC requirements. These procedures ensure that software, personnel, or any other network changes or additions to the payphone compensation process are done in accordance with guidelines and approvals documented in the aforementioned policy section and do not adversely affect its call tracking capabilities. Management has attested to the continued compliance with these policies.

Compensable Call File and Reporting

AURIS retrieves all data directly from company CDR and prepares reports for utilization in the compensation process. AURIS compiles the appropriate call detail in a predetermined format required by BSG, and electronically transmits this data to the clearinghouse for matching and payment. AURIS provided samples of CDR, and also provided to GSA the raw switch data from their server and the BSG formatted data for comparison and also provided CDR specifically for test calls that GSA made for review. We determined that these files contained all of the necessary data that is required by the clearinghouse to perform the ANI match and to prepare detailed reports for compensation. AURIS achieved 100% accuracy with test calls conducted.

Dispute Resolution Procedures

AURIS has also drafted and implemented a dispute resolution process which includes but is not limited to:

1. Responsible parties
2. Data file Retention period
3. Compensation file Retention period
4. Compensation reporting requirements

The Company has assigned Jesus Medina as the responsible party for handling any disputes that may arise from the compensation process. BSG through its contract with AURIS will handle all disputes that arise from the matching and payment of payphone compensation. Disputes that do not arise from matching or ownership questions are forwarded to the Company.

Compensation Verification

GSA has determined that AURIS has properly compensated PSP's through the 4th Quarter of 2014. Q4 2014 payment files have been matched with Company provided CDR and we have found no discrepancies. In addition, BSG has verified that funds were received and remitted to the appropriate PSPs.

Audit Conclusions

FCC Relevant Rules Accurately Stated

AURIS has established, defined, and documented in accordance with relevant FCC Rules each of the following:

- Per-call rate.
- Per-phone requirements.
- Calls included as compensable calls
- Definition of completed call.
- Reporting requirements.
- Dispute Resolution.
- Data Storage Requirements.

Established Security Protocols

AURIS has implemented security protocols to limit access to call tracking systems in a controlled environment to authorized personnel. Monitoring tracking systems have been installed to limit access to the company's call tracking system. Access to compensation systems is controlled and monitored as well as limited to authorized personnel through security measures which have been implemented.

Audit Findings

AURIS, a Florida Limited Liability Company, with principal operations in Miami, Florida since 2001, is a platform service provider that provides customized turnkey telecommunications voice and data services. AURIS utilizes the services of an outside clearinghouse, BSG, to process payments to PSP's. GSA has validated payments made through Q4 of 2014, and received verification that payments were made for the previous 4 quarters, as such GSA has determined that AURIS is in compliance with all factors of FCC Order 03-235, Docket No 96-128. GSA has verified that the Company has a viable compensation system that accurately tracks and reports payphone calls and AURIS will be able to continue to operate their compensation system accurately and consistently in the future.

Appendix #1 – BGS SAR/SOC

Independent Service Auditor’s Report

To the Board of Directors
Billing Services Group North America, Inc.
San Antonio, Texas

Scope

We have examined Billing Services Group North America, Inc. and its affiliates’ description of its *Dial Around Compensation System* for processing user entities’ transactions throughout the period from April 1, 2014 through March 31, 2015 (the “Description”), and the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the Description. The Description indicates that certain control objectives specified in the Description can be achieved only if complementary user-entity controls contemplated in the design of BSG’s controls are suitably designed and operating effectively, along with related controls at the service organization. We have not evaluated the suitability of the design or operating effectiveness of such complementary user-entity controls.

Service Organization’s Responsibilities

In Section II of this report, BSG has provided an assertion about the fairness of the presentation of the Description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the Description (“Assertion”). BSG is responsible for preparing the Description and for the Assertion, including the completeness, accuracy, and method of presentation of the Description and the Assertion, providing the services covered by the Description, specifying the control objectives and stating them in the Description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria, and designing, implementing, and documenting controls to achieve the related control objectives stated in the Description.

Service Auditor’s Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the Description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the Description, based on our examination. We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, the Description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the Description throughout the period from April 1, 2014 through March 31, 2015.

An examination of a description of a service organization’s system and the suitability of the design and operating effectiveness of the service organization’s controls to achieve the related control objectives stated in the description involves performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of those controls to achieve the related control objectives stated in the description. Our procedures included assessing the risks that the Description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Description. Our procedures also included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in the Description were achieved. An examination of this type also includes evaluating the overall presentation of the Description and the suitability of the control objectives stated therein, and the suitability of the criteria specified by the service organization and described in management’s assertion in Section II of this report. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Inherent Limitations

Because of their nature, controls at a service organization may not prevent or detect and correct all errors or omissions in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the Description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become inadequate or fail.

Opinion

In our opinion, in all material respects, based on the criteria described in BSG’s Assertion in Section II of this report:

- a. The Description fairly presents the *Dial Around Compensation System* that was designed and implemented throughout the period from April 1, 2014 through March 31, 2015.
- b. The controls related to the control objectives stated in the Description were suitably designed to provide reasonable assurance that the control objectives would be achieved, if the controls operated effectively throughout the period from April 1, 2014 through March 31, 2015, and user entities applied the Complementary User Entity Controls contemplated in the design of BSG’s controls throughout the period from April 1, 2014 through March 31, 2015.
- c. The controls tested, which, together with the Complementary User Entity Controls referred to in the scope paragraph of this report, if operating effectively, were those necessary to provide reasonable assurance that the control objectives stated in the Description were achieved, operated effectively throughout the period from April 1, 2014 through March 31, 2015.

Description of Tests of Controls

The specific controls tested and the nature, timing, and results of those tests are listed in the accompanying *Description of Test of Control Objectives, Controls, Tests of Controls, and Results of Tests*

(“Description of Tests and Results”) in Appendix A of this report.

Restricted Use

This report, including the Description of tests of controls and results thereof in Appendix A, is intended solely for the information and use of BSG, user entities of BSG’s *Dial Around Compensation System* during some or all of the period from April 1, 2014 through March 31, 2015, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other

information, including information about the controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be, and should not be, used by anyone other than those specified parties.

Padgett, Statemann + Co., L.L.P.

San Antonio, Texas
May 20, 2015



A CIMA GROUP COMPANY
1728 SW 22nd Street
Suite 600
Miami, FL 33145
T: 305.436.8640
F: 305.436.8674
www.auris.com

AURIS, LLC

**Report of Management on Compliance with Applicable Requirements
of Section 64.1310(a)(1) of the FCC's Rules and Regulations**

The management of Auris, LLC is responsible for establishing and maintaining adequate systems and processes for its Pay Telephone Call Tracking System and for ensuring the Company's compliance with the applicable requirements of Section 64.1310(a)(1) of the FCC Report and Order in CC Docket No. 96-128, released on October 3, 2003, regarding *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*.

Management has performed an evaluation of the company's compliance with the applicable requirements of CC Docket No. 96-128 using the criteria in 64.1320(c) as the framework for the evaluation. Based on this evaluation, we assert that as of July 1, 2004, the Company complies with all applicable requirements of CC Docket No. 96-128.

We have prepared the required assertion statements relating to the Company Payphone Call Tracking Systems.

Company is acknowledged as the "Completing Carrier" in the following call scenarios:

- Local Toll and Local Operated assisted calls with the Info Digits (7, 27, and 70) completed by Company ("0" indicator).

All assertions for Company are from the point Company has visibility to the call tracking data.

Company utilizes a payment clearinghouse for payphone compensation settlement. As such, Factors (6) and (7) in their entirety and Factors (8) and (9) collectively are covered under the SAS-70 compliance report issued for the clearinghouse. Company has procedures in place to verify that controls and procedures relating to these assertions have been established and maintained. An independent accounting firm has performed an independent assessment of the effectiveness of such controls.

Company represents the following assertions where it is identified as the Completing Carrier:

FCC Compliance Factor (1) – Company (“Completing Carrier”) procedures accurately track calls to completion.

FCC Compliance Factor (2) – Company (“Completing Carrier”) has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone-completed calls.

FCC Compliance Factor (3) - Company (“Completing Carrier”) has effective data monitoring procedures.

FCC Compliance Factor (4) - Company (“Completing Carrier”) adheres to established protocols to ensure that any software, personnel, or any other network changes do not adversely affect its payphone call tracking ability.

FCC Compliance Factor (5) – Company (“Completing Carrier”) creates a compensable payphone call file by using internal customer information matched to toll free records. This file contains all payphone traffic with payphone identifiers.

FCC Compliance Factor (6) – Company (“Completing Carrier”) has procedures to incorporate call data into required reports and making payment to PSPs.

FCC Compliance Factor (7) - Company (“Completing Carrier”) has implemented procedures and controls needed to resolve payphone compensation disputes.

FCC Compliance Factor (8) – Critical controls and procedures have been tested by Company (“Completing Carrier”) to verify that errors are insubstantial.

FCC Compliance Factor (9) – Company (“Completing Carrier”) has in place adequate and effective business rules for implementing and paying payphone compensation, including rules used to: (i) identify calls originated from payphones; (ii) identify compensable payphone calls; (iii) identify incomplete or otherwise non-compensable calls; and (iv) determine the identities of the payphone service providers to which Completing carrier owes compensation.

Dated: June 4, 2014



Juan Martin Gomez
Chief Executive Officer
Auris, LLC

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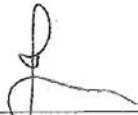
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Dated: June 29, 2015



Juan Gomez
CEO
Auris, LLC