



Business Partners & Certified Public Accountants

May 29, 2007

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

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**Re: Implementation of the Pay Telephone Reclassification and  
Compensation Provisions of the Telecommunications Act of 1996,  
CC Docket No. 96-128**

Dear Ms. Dortch:

Attached please Business Telecommunications Services independent systems compliance report which we have prepared. Business Telecommunications Services is required to submit to the FCC per the requirements of 47 C.F.R. Section 64.1310, as discussed in the FCC Report and Order released on October 3, 2003 in the above docket. Please let me know if you have any questions.

Sincerely,

Joe Solana  
Managing Partner

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

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1200 Old Alpharetta Road  
Alpharetta, GA 30005



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## Independent Auditor's System Audit Report

Board of Directors  
Business Telecommunications Services.

We have examined Business Telecommunications Services's call tracking system for payphone calls in compliance with FCC Order 03-235, Docket No 96-128, for the period Q4 2006. Management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the companies compliance based on our examination.

Our examination included procedures to obtain reasonable assurance about whether the controls included in our audit were suitably designed to achieve the control objectives, namely that their call tracking system accurately tracks payphone calls to completion and that the 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 about the companies 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 compliance with specified requirements.

In our opinion, Business Telecommunications Services complied, in all material respects, with the aforementioned requirements for the period mentioned through March 31, 2007. The company has sufficient controls in place to provide reasonable assurance to achieve the control objectives; namely that the call tracking system accurately and consistently tracks payphone calls to completion.

The description of policies and procedures concerning Payphone Compensation as of March 31, 2007, as well as information concerning tests of the operating effectiveness and Alternative Compensation Agreements includes the period of Q1 2007. 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 Business Telecommunications Services, and is not intended to be and should not be used by anyone other than the specified party.

  
GSA Associates  
CPA's & Business Partners  
May 15, 2007

## 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 crated 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.

## Background

Business Telecommunications Services (BTS), resells telecommunications services to both wholesale and prepaid customers. BTS provides these services in the United States via two platforms. 1. NACT switch; which handles TDM inbound calls. 2. Entice switch which handles SIP inbound calls, converts them to TDM and routes to the NACT switch. All prepaid calls are terminated through the NACT switch for prepaid phone cards over the BTS Voip Network. BTS utilizes the services of an outside clearinghouse, Atlantax Systems (ATLANTAX) to process payments to PSP's.



## Audit Process & Procedures

BTS has been compensating PSP's through ATLANTAX, a payphone clearinghouse for 4 years. Prior to that BTS was compensating PSP's through opt in agreements with its primary carrier Level 3. The primary focus of our audit was the testing of BTS's call tracking system, policies and procedures. Specifically, is BTS able on a consistent basis to identify, isolate and report on completed calls to its platform? We performed test calls to the BTS NACT platform and reviewed CDR to test the effectiveness of the Call Tracking System. BTS has contracted with ALANTAX for payment clearinghouse services. As such, GSA will certify BTS's compliance on points 1 – 5, 8, and 9 inclusive, points 6 and 7 are covered under ATLANTAX's SAS 70 attached as appendix 'A'. Through interviews with key personnel we will determine if those employees charged with operating and maintaining the call tracking system is educated and up to date on the current FCC order. These interviews will help to determine if the appropriate controls are in place to guarantee consistency and accuracy in the compensation and call tracking systems.

The guidelines used to conduct and prepare this 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.



**FACTOR 1: Payphone Compensation Policies & Procedures.**

BTS has established and is currently documenting policies & procedures specifically in compliance with the Dial Around Compensation FCC order. BTS conducted a systems audit as part of their Payphone Compensation Audit in 2004. The recommendations from that audit have been implemented, and client presented this document with responses to GSA. GSA also witnessed and/or tested some of the points as listed below. Some of the points are not applicable because BTS's platform is located offsite at a secure facility. These include, but are not limited to:

1. Backup Policy – Documented.
2. Log Tracking & Archive Process – Documented.
3. Core Security Policy – Offsite – Documented.
4. Physical Security Policy.
  - a. Onsite – Tested.
  - b. Offsite – Documented.
5. Host / Server Security Policy – Offsite – Documented.
6. Change Control Policy – Documented.
7. Password Policy – Documented & Tested.
8. Information Access Control Policy – Tested.
9. Monitoring Policy – Documented.
10. Firewall Policy – Tested.

BTS 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

BTS has in place a detailed process document which outlines the steps necessary to retrieve and consolidate data from its two platforms. This procedure guarantees that the integrity of data on a month by month/quarter by quarter will be consistent. This document includes but is not limited to:

1. Responsible parties
2. Location of databases
3. Steps for uploading data to clearing house.

GSA has reviewed these documents and finds them to be complete and substantiated. These procedures have been implemented in the organization and are reviewed quarterly by management.

***FACTOR 2: Responsible Dedicated Staff.***

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

1. CFO, Andres Proano, is responsible for drafting necessary business requirements.
2. CIO, Luis Benavente is responsible for developing & maintaining systems to create payphone call records from switch records.
3. CIO, Luis Benavente is responsible for implementing & maintaining procedures that check the validity of identified payphone records.
4. CIO, Luis Benavente is responsible for implementing & maintaining procedures that create final compensation data sets.
5. CIO, Luis Benavente is responsible for developing compensation tracking reports.
6. CFO, Andres Proano is responsible for dispute resolutions.

These individuals have expertise regarding the systems and procedures and are involved on day to day basis with the process.

***FACTOR 3: Data Monitoring Procedures.***

BTS has developed a systematic reporting process to generate daily, monthly and quarterly reports on payphone call counts, numbers called, and info digits used as a subset of their total CDR accumulation. Currently BTS is utilizing the services of ATLANTAX, a payphone compensation clearing house to fulfill its requirements to PSP's. As such, ATLANTAX has provided to BTS formats and data requests to facilitate the transfer of data and the processing and payment of compensation to PSP's. Management regularly reviews this data on a monthly and quarterly basis for accuracy and completeness. GSA has been provided with this data and has determined that BTS 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.

Switch information is extracted every 2 minutes which insures that in the event of switch outage the chance of lost CDR is minimized. BTS has identified potential data pitfalls such as signaling loss in satellite transmissions for its Voip network, however this is monitored and a rare occurrence. BTS regularly reviews carrier CDR in relation to its switch CDR, errors are immediately addressed with the carrier in question, and corrections are made. GSA found that the switch technicians were knowledgeable in the operation of both platforms and were proactive in their monitoring of traffic and switch performance. BTS is planning to migrate all of its traffic to a more robust platform, which will give even greater reliability to its data and systems.

***FACTOR #4: Compensation Assurance Protocols.***

BTS has established procedures (refer to Audit Factor #2) 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 procedure section and do not adversely affect its call tracking capabilities. BTS has placed the ownership of these processes with senior management, insuring that no changes which could jeopardize the process can occur. GSA was provided with these documented procedures and reports. In addition, by utilizing the services of ATLANTAX, Legal Counsel; Kelly Drye and GSA, BTS will remain informed of all pertinent changes to the FCC mandated compensation regulations. BTS maintains at a minimum the 6 quarters of past CDR and Compensation files required by the FCC.

***FACTOR #5: Compensable Call File and Reporting.***

BTS retrieves all data directly from carrier and company CDR and prepares online reports for utilization in the compensation process. BTS has documented this process including the various queries utilized to extract the data. BTS provided samples of this CDR, from its NACT platform in two formats. These two formats included the raw switch data from the NTS server and the ATLANTAX formatted data. BTS also provided CDR specifically for test calls that GSA made for review. We determined that this file contained all of the necessary data that is required by the clearinghouse to perform the ANI match and to prepare detailed reports for compensation. BTS achieved 100% accuracy with test calls conducted. BTS also indicated that its compensation captures all traffic from in bound toll free numbers regardless of what the utilization of the toll free is. By doing this BTS insures that it will capture all payphone calls including those which are pointed at its customer service center.

***FACTOR #6: Required Reporting.***

ATLANTAX through contractual arrangements with BTS is responsible for this factor. (See appendix "a"). BTS receives summary data from the clearing house each quarter. Andres Proano, CFO, reviews this data for accuracy before remitting to ATLANTAX. GSA has reviewed this process and tested for accuracy. The Q406 data was complete and accurate. GSA matched this data with switch CDR with only a slight difference of 1,200 calls due to ANI's not matched with PSP ownership. This represents 2% of the calls processed by BTS in Q4. This is an acceptable level of non matched ANI's.

## ***FACTOR #7: Dispute Resolution Procedures.***

### **7.1 Atlantax Contractual Obligation**

ATLANTAX through its contract with BTS will handle all disputes that arise from the matching and payment of payphone compensation. It is their obligation to keep current data for payphone ownership to insure accurate and timely payments. See appendix 'A'; ATLANTAX SAS 70.

### **7.2 BTS Dispute Resolution Process**

BTS has assigned their CFO, Mr. Andres Proano, as the individual responsible for processing payments to PSP's and aggregators through its clearing house ATLANTAX and for managing the in house payphone compensation system. Mr. Proano is most capable of handling disputes arising from the compensation method. BTS has documented its dispute resolution process. Generally, disputes that are handled in house pertain to the processing of incomplete data. Mr. Proano indicates that in the last 4 years only 1 dispute of this type has occurred.

GSA has reviewed both processes and found them to be complete and all encompassing.

## ***FACTOR #8: Independent Testing of Critical Controls and Procedures.***

### **8.1 Payphone Call Tracking System Test**

BTS operates as a provider of prepaid telecom products. Their platforms are capable of capturing all relevant components of the call stream from origination to completion. This ability is the backbone of its call tracking system. In order to test the accuracy of the call tracking system, BTS provided GSA with several test pins. GSA used these pins to conduct test calls from several sources including payphones, landlines and wireless lines. Our test calls were both completed and incomplete. We determined the following:

1. All necessary information, related to call origination, required to record payphone calls appears. BTS defines procedures for identifying the accurate Payphone Operator code from the ANI data transmission and, further, identifies their coding procedures for segmenting completed calls with payphone codes.
2. Toll Free Number was present. This is used to determine if compensation should be paid, or not paid based on alternative compensation agreements.
3. Date and Time stamp, necessary to process a compensable call in the appropriate quarter.
4. Payphone Identifier, to further help identify a compensable call.

BTS by virtue of its Voip network for completions does not receive answer supervision to monitor if a call has been completed. Therefore BTS relies on time stamp and duration to indicate a completed call. Essentially any call greater than 0 seconds is considered complete by BTS. This methodology is accepted practice in the industry, and may actually result in BTS compensating a PSP for an incomplete call.

BTS has executed no opt in agreements with any of its originating carriers, and assumes 100% responsibility for payphone compensation.

## **8.2 Alternate Compensation Agreements**

BTS does not currently have any alternate compensation agreements with its wholesalers or customers.

### ***FACTOR #9: Adequate and Effective Business Rules.***

Through observations and interviews of key personnel at BTS, GSA found that all of the procedures documented here are instituted throughout the organization. The personnel assigned to various aspects of the system are well versed in the process, and understand the rules and consequences of non compliance. Therefore with the combination of education, procedures, executive oversight and outside consulting, BTS has in place adequate and effective business rules for implementing and paying payphone compensation in a timely and accurate basis.

## **Audit Conclusions**

### ***1. FCC Relevant Rules Accurately Stated***

BTS 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.



## **2. Established Security Protocols**

BTS 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.

## **3. Audit Findings**

BTS a Florida Corporation, with principal operations in Miami, Florida since 2001, is a provider of prepaid telecom products and services. BTS provides these services from its operations in Miami, Florida as well as from co-location facilities at Terramark in Miami Florida. GSA has validated payments made through Q4 of 2006, therefore we cannot comment on the Company's compliance for payments prior to the period audited. GSA has verified that BTS has a viable compensation system that accurately tracks and reports payphone calls. Through interviews with key company personnel, it is clear that the Company will be able to continue to operate their compensation system accurately and consistently in the future.

## APPENDIX 'A' – Atlantax SAS 70

### Independent Service Organization Auditor's Report

Board of Directors  
Atlantax Systems, Inc.

We have examined the accompanying description of compensation system controls (and policies and procedures) of Atlantax Systems, Inc. ("Atlantax") for payphone calls in compliance with FCC Order 03-235, Docket No 96-128, for the period of April 1, 2005 to March 31, 2006, applicable to recordkeeping, reporting, and payment services provided by Atlantax to its clients. Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description presents fairly, in all material respects, the aspects of Atlantax's controls relevant to the FCC Order (2) the controls included in the description were suitably designed to achieve the control objectives specified in the description, if those controls were complied with satisfactorily, and (3) such controls had been placed in operation as of March 31, 2006. The control objectives were specified by Atlantax's management. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

In our opinion, the accompanying description of the aforementioned controls presents fairly, in all material respects, the relevant aspects of Atlantax's controls that had been placed in operation as of March 31, 2006. Also, in our opinion, the controls, as described, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily.

In addition to procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, listed in the *Control Objectives* section, to obtain evidence about their effectiveness in meeting the control objectives during the period from April 1, 2005 to March 31, 2006. The specific controls and the nature, timing, extent, and results of the tests are listed in the *Controls & Results* section. This information has been provided to Atlantax's user organizations and to their auditors to be taken into consideration, along with information about the internal control structure at Atlantax. In our opinion, the controls that were tested, as described in the *Controls & Results* section, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives were achieved during the period examined.



The relative effectiveness and significance of specific controls at Atlantax and their effect on assessments of control risk at Atlantax client users are dependent on their interaction with internal controls, and other factors present at individual user clients. We have performed no procedures to evaluate the effectiveness of internal controls at individual user clients.

The description of controls concerning Payphone Compensation at Atlantax as of March 31, 2006, as well as information concerning tests of the operating effectiveness and payments made includes the period of Q3 2005. 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 at Atlantax 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 Atlantax Systems, Inc. and is not intended to be and should not be used by anyone other than the specified party.

*GSA associates, CPA's*

GSAssociates, LLC  
June 30, 2006