

# LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)  
Francis I. Huffman, CPA  
Philip A. Ragsdale, CPA  
David Ray Soignier, CPA, MBA

John Herman, CPA  
Lynn Andries, CPA  
Esther Atteberry, CPA  
Sandra Harrington, CPA  
Lori Woodard, MBA, CPA

**November 7, 2011**

Received & Inspected

NOV 28 2011

FCC Mail Room

**Ms Marlene Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW TW-A325  
Washington, DC 20554**

**RE: CC Docket No. 96-128**

**Dear Ms Dortch:**

**Attached please find the audit report prepared in compliance with Sec. 64.1320(f) of the Commission's rules.**

**This notice is being filed pursuant to the Commission's rules. If you have any questions regarding this filing please do not hesitate to contact me.**

**Very truly yours,**



**Francis I. Huffman, CPA  
President**

TEC of Jackson, Inc.

Federal Communications Commission  
CC Docket No. 96-128  
Attestation Engagement  
For the Year Ended June 30, 2011

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## Independent Accountants' Report

**TEC of Jackson, Inc.  
700 South West Street  
Jackson, MS 39201**

We have examined TEC of Jackson, Inc.'s (TEC) compliance with the specified requirements listed in the attached Exhibit I, which are required to be implemented by the Federal Communications Commission (FCC) pursuant to CC Docket No. 96-128 regarding The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996 for the year ended June 30, 2011. Management is responsible for TEC's compliance with the specified requirements. Our responsibility is to express an opinion on TEC's compliance based on our examination.

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 TEC's compliance with the specified 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 TEC's compliance with the specified requirements.

In our opinion, TEC has procedures and processes in place to enable them to comply, in all material respects, with the specified requirements listed in the attached Exhibit I for the year ended June 30, 2011.

This report is intended solely for the information and use of management of TEC, the FCC and certain Payphone Service Providers and is not intended to be and should not be used by anyone other than those specified parties.

*Luffey, Huffman, Ragsdale, & Soignier*

(A Professional Accounting Corporation)

October 10, 2011

**Specified Compliance Requirements**  
**Federal Communications Commission CC Docket No. 96-128**  
**The Pay Telephone Reclassification and Compensation Provisions of the**  
**Telecommunications Act of 1996**

**1. TEC of Jackson, Inc.'s (TEC) call tracking system and related procedures accurately track calls to completion**

All of TEC's payphone compensation traffic is recorded on our DMS-250 toll switch, Metaswitch or on our dedicated processor calling card platform. TEC currently originates toll-free traffic on our own facilities-based services in Mississippi, Louisiana and western Tennessee. For toll-free calls originating outside of these areas, we use off-net carriers of our selection, currently Verizon (0222), Global Crossing (0444) and Level 3 (5102). TEC does not provide any wholesale transit services to other Switch-Based Resellers (SBRs) at this time.

Monthly, we search completed toll-free/800 access code payphone calls that directly terminate to the called party (calls recorded with information digits 27, 29 or 70 with an answer type of 02 (software answer – voice detected); 04 (hardware answer); 10 (IMT software answer); 11 (IMT hardware answer) and terminating either to the end user or to our calling card platform) using programs developed internally on MSS software. This software reads an entire month of CDR files and extracts payphone call records based on the criteria described above and creates an ASCII file that is imported into a database. Additionally for the calling card records, we search this platform's call records as well, for answered calls with the same information digits described above.

The DMS-250 was decommissioned at the end of 2010, and all services moved onto the Metaswitch platform. TEC has verified that toll-free traffic is captured into the payphone processes. The calling card platform was disabled at cutover and replaced by an Auth-Code based service in the Metaswitch. These records will be recorded as generic toll-free calls going forward.

The entire CDR record is captured and relevant information (time, date, ANI, dialed number/universal access number, toll-free field, originating trunk group, etc.) is placed into a storage file to wait for quarterly compensation reporting. This process details a report that indicates the date, day of week, and counts of DMS and calling card calls.

Quarterly, we process the PSP diskettes/CD-ROMs/emails directly at TEC using our internally developed systems. Our personnel are trained in using the ANI listings supplied in these files and the rules under which compensation has been paid under both first SBR and last SBR rules. Since TEC has served in both capacities over the last several years, we have had the responsibility of remitting some compensation to our off-net providers and some compensation directly to PSP's that have phones in our service areas. Our existing systems continue as previously established, with the incorporation of off-net provided calls as well and the termination of compensation to these off-net providers. The output of this quarterly process provides electronic invoices and detailed

call information that is provided to our Accounting department for payment and mailing to the respective PSPs/Clearinghouses.

Lists supplied by the various PSPs are compared to the completed CDR files noted above; matches are flagged to be paid. The PSPs provide a list of their payphone ANIs that belong to them and were active in a particular quarter. In the event of an NPA split, they are to provide the ANI on both sides of the split to cover delays in EO conversion.

**2. TEC has a person or persons with responsibility for tracking, compensating, reporting and resolving disputes concerning payphone completed calls**

Rob McKnight, Vice President of Operations – 601-326-4891 - primary architect of TEC's processes

James Moffat, Chief Financial Officer– 601-326-4880 - accounting oversight, disputes

Sharon Martin – Billing Services Coordinator – 601-326-4814 - actual operations of systems

Martin keeps a folder with all diskettes received from PSPs; should a dispute arise, TEC creates a folder with relevant correspondence that is retained in the executive area. James Moffat, Rob McKnight and Chris Chelette (President of TEC) have authority to settle disputes.

**3. TEC has established data monitoring procedures**

The two processes described above offer two reports that insure validity of our calls being compensated correctly. The first details call counts by calendar day for the month being processed, and these numbers are compared with previous months to review average counts for business day and non-business day traffic counts. Further, TEC maintains all CDR call records (complete and incomplete) for three years on permanent optical storage.

The quarterly process provides a historical tracking database of compensation paid for each quarters ANI submissions, with adequate summary reporting. The CDRs are tagged with an internal coding that indicates which PSP received compensation for each call in the file, and this code is checked to assure duplicate payments are not issued on particular calls. Since these records are maintained in detail, customized reporting to facilitate dispute resolution is available when necessary. Fraud detection will be addressed by call count by ANI reporting and working with the toll-free customer in the event of high-volume ANI detection.

**4. TEC adheres to established protocols to ensure that any software, personnel or any other network changes do not adversely affect its payphone compensation call tracking ability**

Since the source of our payphone compensation information is directly from records produced by our switches, this process remains unaffected by modifications or enhancements to our retail or wholesale billing systems. Changes to the actual switch

loads that produce these records go through rigorous testing during the upgrade process from both the switch vendor as well as our acceptance processing for a software load upgrade. Our personnel are cross-trained, and both the lead programmer and the VP-Operations are able to process these applications should the need arise. The VP-Operations is intimately involved in the daily operations of the systems and will approve any changes to same that might adversely affect the payphone compensation system.

**5. TEC has created a compensable payphone call file by matching CDRs against payphone identifiers**

Our database of payphone calls that is created maintains the date, time, originating ANI, infodigits received, and originating Trunk Group information along with TEC's CDR record source as recorded in our switches. Additional fields to track the PSP compensated, and the quarter in which the call was compensated, are loaded when the call is matched against PSP ANI lists.

**6. TEC has developed procedures to incorporate call data into required reports**

TEC will provide the call record information described above in a data file along with the invoice on electronic media.

The lists of payphone owners and ANIs are created using each PSP's diskette-based "invoice" as provided quarterly to TEC.

The processes described above outputs an invoice sheet with total calls, monies due along and with the PSP mailing address. These are provided to our accounting department along with the diskette, and compensation is paid in our subsequent Accounts Payable run.

**7. TEC has implemented procedures and controls needed to resolve payphone compensation disputes**

TEC maintains these records for three years and will work with PSPs to resolve disputes as they are raised. McKnight is our primary dispute contact, and will be provided with all documentation necessary to resolve any disputes as they arise.

**8. TEC has designed and implemented a payphone call tracking system that can be tested by an independent third-party auditor as regards critical controls and procedures to enable the auditor to conclude that TEC has complied with the FCC rules in all material respects**

The call tracking system is designed so that the auditor can determine proper infodigits (if used) were captured; that dial-around calls are properly captured; that incomplete calls are not captured; that switch data is generally populated into payphone compensation file accurately; and that commissioned calls are excluded.