

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE: SECURUS TECHNOLOGIES, LLC	DOCKET NO. TF-2019-0033
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**ORDER APPROVING REVISED TARIFF SHEETS**

**PROCEDURAL HISTORY**

On January 2, 2019, the Utilities Board (Board) issued an order terminating the rule making in Docket No. RMU-2017-0004 and requiring all alternative operator services (AOS) providers to file current tariffs with the Board. On March 14, 2019, the Board issued a further order requiring all AOS companies to file a complete tariff for Board approval and to file additional information.

On April 1, 2019, Securus Technologies, LLC (Securus), filed a proposed tariff in Docket No. TF-2019-0033 to comply with the Board orders issued in Docket No. RMU-2017-0004. The Board subsequently issued an order docketing and suspending the proposed tariff and on March 18, 2020, issued an order requiring revisions to the proposed tariff. On July 16, 2020, Securus filed a revised tariff in response to the March 18, 2020 Board order. On November 13, 2020, the Board issued an order requiring revisions to the revised tariff. On January 29, 2021, Securus filed a revised tariff in compliance with the November 13, 2020 Board order.

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; Global Tel\*Link Corporation; and Prison Policy Initiative (PPI) are parties to this docket.

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On March 2, 2021, the Board issued an order approving Securus' tariff and requiring revised tariff sheets and explanations. On April 1, 2021, Securus filed revised tariff sheets and corresponding explanations. Securus' filing includes First Revised Sheet Nos. 1, 13, and 15-18. On April 6, 2021, OCA filed comments regarding Securus' April 1, 2021 proposed tariff sheets and explanation. On April 12, 2021, PPI also filed comments regarding Securus' proposed tariff sheets and explanation.

## **DISCUSSION**

The Board has reviewed the revised tariff sheets filed by Securus on April 1, 2021, as well as the comments filed by OCA and PPI, and finds that Securus' proposed revised tariff sheets are in substantial compliance with Board requirements. Securus filed Revised Sheet No. 1 to revise the Check Sheet with the additional revised tariff sheets. Revised Sheet No. 13 was filed to correct the Board's email address. Revised Sheet Nos. 15-18 were filed to include explicit language regarding when an inmate or account holder is notified of Securus' refund policies.

### **A. Securus' Comments**

Securus' comments address two main issues: the types of accounts and products subject to unclaimed property law in Iowa and automated payment fees for one-time calls.

#### **a. Unclaimed Property**

Securus asserts that it does remit unused funds to the state treasurer's office; however, prior to now, it did not have to remit unused funds for debit account products, prepaid calling cards, and AdvanceConnect Accounts. Securus' first argument is that the Board previously addressed Iowa Code § 556.4 with regard to other utility

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industries, but did not include telecommunications service providers or AOS companies. Further, Securus argued that since that time, the Board has updated rules in relation to AOS companies, but did not add any provisions about unclaimed property. Therefore, Securus concludes the Board finds Iowa Code § 556.4 to not apply to products such as prepaid accounts, debit accounts, and prepaid calling cards.

Securus asserts that Iowa Code § 556.4 does not apply to its AdvanceConnect Account because the account has an open-ended refund policy and can be reactivated at any time. Therefore, Securus states that there is not a termination of services and, thus, this type of account does not meet the requirements of Iowa Code § 556.4(1).

For prepaid debit accounts and Securus debit accounts, Securus states that the correctional facility refunds any unused balance at the time of the inmate's release so no balance is left unclaimed after one year and, therefore, is not subject to Iowa Code § 556.4.

Securus asserts prepaid calling cards do not fall under the scope of Iowa Code § 556.4 and "there appears to be no reasonable interpretation of this provision that would apply to telecommunications utilities who sell such products in bulk at prices below face value for resale to individual customers." Securus asserts Iowa Code § 556.4 refers to accounts for which there is a customer or subscriber relationship when an account was created. Securus, on the other hand, does not consider a prepaid calling card as "creating an account," but rather as a consumer purchasing a product. Therefore, Securus does not believe that prepaid calling cards are a product type contemplated by Iowa Code § 556.4 and, thus, Securus has not remitted any unused balances to the state treasurer's office.

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**b. Automated Payment Fees**

In its March 2, 2021 order, the Board required Securus to file a clarification regarding the automated payment fee for one-time calls. In response, Securus states that the general call script provided to PPI is the generic script used throughout the United States, not just in Iowa. The character “Y” in the “call script” represents the ancillary fee for the individual correctional facility because correctional facilities may have different amounts for the ancillary fees (i.e., some facilities have an automated payment fee lower than \$3.00).

**B. OCA’s Comments**

In its comments, OCA provides concerns for prepaid calling cards, AdvanceConnect accounts, and AdvanceConnect single calls.

**a. Prepaid Calling Cards**

OCA asserts any unused funds on a prepaid calling card should be refunded at the time of an inmate’s release, and that whoever sells the prepaid card to the inmate should be able to keep records allowing for refunds. OCA also asserts that allowing an inmate to use the prepaid calling card after release is “worthless.” OCA further states that the Board has authority to require refund provisions, and requiring refunds could reduce the need for remitting funds to the state treasurer’s office.

**b. AdvanceConnect Accounts**

OCA asserts Securus should automatically make a refund to an inmate at the time of release, instead of “ ‘suspending’ an account after 90 days and ‘closing’ the account after 180 days, while affording the account holder an ‘open-ended’ opportunity to request a refund after the account is ‘closed.’ ” OCA states that by not automatically refunding unused funds, there may be a forfeiture due to account holders forgetting to

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request a refund. OCA disagrees with Securus' assertion that remittance to the state treasurer's office is not required due to the account being merely deactivated. OCA states that eventually unclaimed funds would be abandoned.

**c. AdvanceConnect Single Call**

OCA states that Securus should be required to lower the ancillary service fee for AdvanceConnect single calls. Per Securus' explanation of the phrase "one-time transaction fee of [Y]," Securus referenced that some facilities have lower ancillary fees. Due to this statement, OCA asserts that "Iowans should have the benefit of a lower automated funding fee for single calls."

**C. PPI's Comments**

In its comments, PPI states that two prepaid fund categories still have unclaimed property implications left to resolve.

**a. AdvanceConnect Accounts**

PPI asserts that Securus "improperly retains unspent funds by relying on an artificial and trivial distinction between customer 'inactivity' and 'termination' of services." PPI states that Securus can identify the date of last use, terminate the account one year after that date, and remit the funds pursuant to Iowa Code § 556.4.

**b. Prepaid Calling Cards**

PPI states that under Iowa Code § 556.4, Securus may not have to remit unused funds to the state treasurer's office; however, PPI asserts that prepaid calling cards "would presumptively be covered by the catch-all provision in § 556.9." PPI asserts that a prepaid calling card is analogous to a gift card, which is specifically mentioned in Iowa Code § 556.9, and "they are the same type of property that the legislature had in mind when it enacted the miscellaneous-property provisions of § 556.9."

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#### **D. Board Discussion**

The Board has reviewed Securus' revised tariff sheets and the related comments. Based upon that review, the Board has determined that AOS providers will not be required to remit unused funds on prepaid calling cards to the state treasurer's office as unclaimed property. Iowa Code § 556.4(1) relates to deposits funded by a "subscriber" and unclaimed "by the person appearing on the records of the utility." The Board has determined that purchasing a prepaid calling card does not rise to the level of being a subscriber and, thus, does not require the remittance of unused funds on prepaid calling cards to the state treasurer's office.

The Board will, however, require the remittance of unused funds from an AdvanceConnect Account to the state treasurer's office. The Board has determined that after an account has been closed for one year, it is reasonable to require the inmate calling service provider to remit any unused funds as unclaimed property. The fact that an account is considered an "impermanent deactivation" is not considered determinative.

At this time, the Board will not require Securus to update or change its refund policies. Securus' revised tariff clearly states when an account holder or inmate is notified of the relevant refund procedures. Also, the Board will not address ancillary fees at this time, but may revisit the issue at a later date.

Based on substantial compliance with Board requirements for providing inmate calling service, the Board will approve Securus' proposed revised tariff sheets.

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**ORDERING CLAUSES**

**IT IS THEREFORE ORDERED:**

1. The proposed revised tariff sheets filed by Securus Technologies, LLC, on April 1, 2021, and identified as Docket No. TF-2019-0033, are approved, subject to complaint and investigation, and will become effective as of the date of this order.

2. Securus Technologies, LLC, shall remit unused funds from AdvanceConnect Accounts to the state treasurer's office as unclaimed property one year after an account is closed.

**UTILITIES BOARD**

**Geri Huser** Date: 2021.04.26  
12:45:37 -05'00'

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**Richard Lozier** Date: 2021.04.26  
12:35:39 -05'00'

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ATTEST:

**Anna Hyatt** Date: 2021.04.26  
14:10:41 -05'00'

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**Joshua J Byrnes** Date: 2021.04.26  
11:21:03 -05'00'

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Dated at Des Moines, Iowa, this 26th day of April, 2021.