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## AOL Descending into Darkness

### **AOL settles deceptive business practice probe by Eliot Spitzer's office**

*Internet service provider pays \$1.25 million over questionable customer service practices*

August. 24, 2005  
AP

ALBANY, N.Y. - America Online Inc., the world's largest Internet service provider, will pay \$1.25 million in penalties and costs and reform some of its customer service practices to settle an investigation by Attorney General Eliot Spitzer's office.

Around 300 consumers had filed complaints with Spitzer's office accusing AOL, a wholly owned subsidiary of Time Warner Inc., of ignoring demands to cancel service and stop billing.

The company, with 21 million subscribers nationally, rewarded employees who were able to retain subscribers who called to cancel their Internet service. For years, AOL had minimum retention or "save" percentages customer service personnel were expected to meet, investigators said.

The employees could earn tens of thousands of dollars in bonuses if they were able to dissuade half of their callers from ending service.

That led many employees to make it difficult for consumers to cancel service or simply ignore such requests, Spitzer spokesman Brad Maione said.

As part of the settlement, Dulles, Va.-based AOL agreed to eliminate any requirements that its customer service representatives maintain a minimum number of "saves" in order to earn a bonus, a policy in place at "various times since 2000" and record all service cancellation requests. It will verify the cancellation through a third-party monitor, investigators said.

"This agreement helps ensure that AOL will strive to keep its customers through quality service, not stealth retention programs," Spitzer said in a statement.

AOL, which cooperated with Spitzer's office, did not admit to

any wrongdoing in the settlement.

The company also agreed to provide up to four months of refunds to all New York consumers who claim their cancellation requests were ignored. AOL has 1.9 million subscribers in New York.

New York consumers seeking refunds can obtain a claim form from the attorney general's Web site.

"AOL is pleased to have reached an agreement with the state of New York on customer care practices that will increase quality assurance, and assist with the verification of certain member intentions online," said AOL spokesman Nicholas Graham.

The company in April agreed to pay \$75,000 for costs and make refunds to a "small number" of customers in Ohio after reaching a settlement with that state's attorney general, Graham said.

In September 2003, America Online agreed to improve the way it deals with customers who want to cancel their Internet service to resolve federal allegations that the company used unfair billing practices. The Federal Trade Commission settlement also required AOL and its subsidiary, CompuServe Interactive Services Inc., to keep promises for delivering rebates for online services.

## **Why AOL EMail Stinks**

October 6, 2005

by Blanche Evans

Realtors using AOL aren't getting the service they deserve.

In order to enjoy the numerous features of America Online, one of the largest Internet Service Providers (ISPs) in the world, many Realtors have chosen AOL as their ISP for business use as well as personal use. Enticed by such lures as free trials, chat rooms, and Web centers, including a large real estate center powered by Realtor.com, Realtors are justifiably attracted to such a feature-rich, easy-to-use ISP.

Internet trainers such as Michael Russer, Allen F. Hainge and Saul Klein, among others, routinely advise Realtors to avoid using AOL email for business purposes

According to Russer and Hainge, the problem lies in the functionality of the email software. Russer has stated numerous times in training seminars across the country that AOL is not a business ISP. Hainge agrees. "AOL is not a businessperson's email," he says. "in that it is too limited in what it can do from a marketing standpoint (signatures, filters, separate mailboxes, etc.). You need an

ISP, not AOL, for your email."

Klein, who operates a large ListServe called InternetCrusade, says that AOL has problems specifically with email management. Over the past 5 months InternetCrusade has documented over 30 cases where long time RealTalk members have failed to receive the RealTalk-Digest.

Repeated attempt to correct the disappearing digests through the AOL postmaster have yielded no results, says Klein. "AOL insists the problem is on YOUR end." He quotes the AOL Postmaster reply "the end user has obviously made changes in their preferences to block the email."

"Their reasoning is that if some of us are getting the Digest, then all of us should be getting the digest unless 'we' made a change," says a frustrated Klein.

"AOL's mail manager is primitive," he says. "When you go to mailbox, I have to click on it and open the email. That takes a couple of seconds. And if that doesn't sound like much, and I am sending out a lot of emails, the time adds up if your are sending or receiving and you have to open every one. It has email limitations, attachment size limitations, attachment problems, multiple attachment issues on pre-4.0 versions, and an AOL return address even if you own your own domain.

"AOL is an "edutainment" Internet ISP," Outlining the problems, Klein continues, "I can tell you that as far as problems with email size limitations, that the allowed size isn't very big. AOL will turn "big" emails into an attachment. It is one thing to download an attachment when somebody sends you an email or with a document attached to it...it's another thing and frustrating when you send an email and you don't attach anything and AOL makes it an attachment. You'll get an email that requires extra steps to read it.

"Another problem is that some emails sent to AOL addresses aren't ever received. We have 7,000 Realtors on our email ListServes. Certain of those people, including my wife, have been mysteriously not receiving email. What they have in common is that they are all American Online users."

Scott Davis, a partner and Webmaster with Realty Times, has noticed a similar pattern of email failure with agents who have signed up to receive Daily Headlines. He says there are a number of reasons why an email could fail to be delivered. "A mailbox could be full, the server could be busy, or the server could be down. You have to look at the error messages and see if the problem is on your end or AOL's end. The problem we are seeing is that the AOL servers seem to be accepting the mail from the sender, but the intended recipient never just receives it. This appears to be a problem on AOL's end.

What makes this problem so bad is that the sender gets no indication that their email was not received."

Klein says, "They (AOL) have told us that our Real Talk subscribers may have changed their settings and that is why they aren't receiving the ListServe. But my wife and I didn't change any settings and I stopped receiving my own email on my own account!"

"As a Realtor, I have to wonder, if AOL rejects that mail, what other mail is it rejecting? I would be concerned if I were depending on AOL for my business communications," warns Klein.

Klein believes another problem exists in the communication AOL has with other servers. "If I wanted to send a word document and I'm not on AOL, when you try to open the attachment it will be unintelligible. Encryption is the problem and that is because AOL has its own protocols, so people receive attachments that they can't read.

From a marketing standpoint, Klein believes using AOL is a mistake for Realtors. AOL doesn't provide an email forwarding service and any email I send from AOL will always have an AOL return address. So you can't personalize the email.

AOL is a big part of the market and can't be ignored. About 60% of Real Talk's subscribers are on AOL. Davis estimates about 20% of Realty Times subscribers are. So what are the alternatives?

Davis explains you have to sign up with another ISP in order to get a POP based email account. POP stands for Post Office Protocol, the Internet standard email protocol. POP accounts can be accessed from almost any email client software, including Microsoft Outlook Express and Netscape Communicator. Some ISPs also offer Web access to your email account. An email address comes with these accounts, but most ISPs will allow you to forward your email and allow you to set up your own domain name and use it for your new account.

"The most important thing is no long distance charges. Get an ISP with local numbers all over the country."

Klein adds, "By adding a POP account from another ISP and keeping your AOL account, you (and perhaps your family) can enjoy the functionality and community of AOL and have more flexibility in managing your electronic business communications. I like Outlook Express. It is free with your Internet Explorer browser. The Netscape browser package is also free."

## **DHS and AOL: An Unholy Alliance**

October 3, 2005

by Martin McKinney  
The Financial Reporter (U.K.)

Washington- The American-based internet giant, AOL, wholly-owned by Time-Warner, has formed a working partnership with the U.S. Department of Homeland Security to permit unlimited surveillance of the millions of AOL online members, according to a report from the U.S. Department of Commerce.

*“AOL works ‘closely with the DHS’ to supply information on any AOL customer and allows agents from these entities ‘free and unfettered’ access to AOL Hq at Dulles, VA for the purpose of ‘watching over and keeping surveillance’ on the millions of AOL customers,’ according to the report.*

The legal basis for this is the recently Congress-approved Patriot Act which permits warrantless searches of persons and property. While information gleaned from delving into personal computer messages is supposed to be kept confidential, it appears that the DHS has exceeded their brief and obtained what appears to be strictly personal information which is then circulated to entities outside the DHS.

The Department of Commerce report also states that news of this surveillance has leaked out and is causing serious concern in the American, and European, business communities who are fearful that trade secrets may be given to other business entities, considered as “friendly” to the Bush Administration.