



NEWS

Federal Communications Commission
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Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

FOR IMMEDIATE RELEASE:
October 8, 2014

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AT&T MOBILITY TO PAY \$105 MILLION TO SETTLE WIRELESS CRAMMING AND TRUTH-IN-BILLING INVESTIGATION

Largest enforcement action in FCC history will provide current and former AT&T customers with refunds for hidden or unauthorized third-party charges AT&T included in bills

Washington, D.C. – The Federal Communications Commission today announced a \$105 million settlement with AT&T Mobility to resolve an investigation into allegations that the company billed customers millions of dollars in unauthorized third-party subscriptions and premium text messaging services. The settlement is the largest enforcement action in FCC history.

The Enforcement Bureau launched its investigation after receiving consumer complaints alleging that AT&T customers had been billed with months of unauthorized charges for third-party services that they did not request. In some cases, complaints alleged that AT&T Mobility refused to issue refunds or would only refund one or two months' worth of such charges, leaving consumers on the hook for the rest. Until January 2014, AT&T Mobility included charges for third-party services – such as monthly subscriptions for ringtones, wallpaper, and text messages providing horoscopes, flirting tips, celebrity gossip, and other information – on its customers' telephone bills. The charge for each of these types of subscriptions was typically \$9.99 per month.

“Today’s enforcement action is a victory for consumers nationwide,” said FCC Chairman Tom Wheeler. “Carriers should be on notice that we will not tolerate any business practice that saddles consumers with unauthorized charges on their phone bills. This settlement – a joint effort between the FCC, FTC and all 50 states and the District of Columbia – is a prime example of government agencies working together on behalf of American consumers.”

“We now know that wireless companies profited while their customers were fleeced by unscrupulous third parties who added millions of dollars in unauthorized charges to consumer phone bills,” said Travis LeBlanc, Chief of the FCC’s Enforcement Bureau. “Today’s historic settlement holds AT&T responsible for its billing practices and puts money directly back into the pockets of consumers.”

The settlement was negotiated in coordination with the Federal Trade Commission and the attorneys general of all 50 states and the District of Columbia. Under the terms of the Consent Decree the FCC announced today, AT&T Mobility will pay \$80 million to be distributed to current and former AT&T customers who were billed for third-party services they did not authorize. In addition, AT&T Mobility will pay \$20 million to state governments participating in the settlement, and will make a \$5 million penalty payment to the U.S. Treasury.

The Enforcement Bureau has also secured strong consumer protections in the settlement that include requirements that AT&T Mobility no longer offer commercial third-party “premium SMS” charges, adopt

processes to obtain express informed consent from customers prior to allowing third-party charges on their phone bills, revise their billing practices to ensure that third-party charges are clearly and conspicuously identified on bills so that customers can see what services they are paying for, and offer a free service for customers to block all third party charges.

Placement of unauthorized charges and fees on consumers' telephone bills is an "unjust and unreasonable" practice that is unlawful under the Communications Act. The FCC has taken many actions against carriers as a result of unauthorized, misleading, or deceptive charges placed on wireless and wireline telephone bills. Since January 2014, the Commission has taken six enforcement actions against carriers for alleged cramming and slamming violations that have totaled more than \$20 million in proposed penalties and payments to the U.S. Treasury. In addition, the FCC's Truth-in-Billing rules require carriers to disclose billed charges and describe them on the bill in a way that is brief, clear, and easy for the consumer to understand.

For more information about the FCC's rules protecting consumers from unauthorized charges on phone bills, see the FCC consumer guide, [Cramming - Unauthorized, Misleading, or Deceptive Charges Placed on Your Telephone Bill](#). For information about other communications issues, visit the FCC's Consumer website, or contact the FCC's Consumer Center by calling 1-888-CALL-FCC (1-888-225-5322) voice or 1-888-TELL-FCC (1-888-835-5322) TTY; faxing 1-866-418-0232; or by writing to:

Federal Communications Commission
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Consumer Inquiries and Complaints Division
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The Order and Consent Decree are available at:
http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-14-1457A1.pdf

Former and current AT&T Mobility customers who were billed for unauthorized third-party services may submit requests for refunds at this website: www.ftc.gov/att.