

# Growing mobile phone bill cramming concerns attorneys general

July 12 2013, by Susan Salisbury

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Take a close look at your cellphone bill, line by line. If you see charges that don't make sense, such as "Web hosting" or "member fee," chances are you've been crammed.

Cramming is the illegal practice of placing unauthorized [charges](#) on customer's phone bills. The rip-off started in the 1990s with landline bills, and now it's a growing problem with cellphone bills. Consumer Reports estimated that landline and mobile cramming could be costing American consumers as much as \$2 billion a year.

Forty state and territorial [attorneys general](#) have asked the Federal Trade Commission to take action to bolster billing security.

"Attorneys general throughout the country are increasingly concerned about unauthorized mobile charges," Florida Attorney General Pam Bondi said in a statement. "We need to consider how best to protect consumers against the placement of these unauthorized or fraudulent charges on their telephone bills."

Bondi's statement said the attorneys general are still receiving complaints from consumers about charges, often around \$9.95, that appear on their phone bills without their authorization - and aren't always refunded.

The National Association of Attorneys General submitted comments to the FTC following a May roundtable the agency held about how to stop cramming. Among the attorneys' concerns is what they call the

inadequate disclosure of third-party charges on mobile phone bills and the lack of state and federal statutory protections governing consumer disputes about fraudulent or unauthorized charges placed on the bills.

Stephanie Rosenthal, FTC chief of staff for the [financial practices](#) division, said all comments submitted after the roundtable are being considered. The FTC is looking at a couple of options, including filing more cases against the third-party crammers.

In April the FTC filed its first case against mobile phone cramming, taking legal action to shut down Wise Media LLC, an operation that allegedly took in millions of dollars by placing \$9.99 charges on consumer' phone bills. The defendants allegedly billed consumers for services that sent text messages with horoscopes, flirting, love tips and other information.

Many consumers don't notice the charges. For example, thousands of consumers are complaining on the Internet about being charged \$9.99 a month for "mobile purchases" after receiving what they say are unsolicited and unwanted text messages from "Love Genie tips," a website that says it offers flirting tips.

Rosenthal said cramming typically occurs after a consumer signs up for a sweepstakes or enters a contest and enters his or her phone number. Although the consumer receives a text message, the disclosures are not clear.

"Or people think it is a one-time charge but it is in fact a subscription service. Sometimes it is a total fraud. Whichever way it happens, they get the charges on their phone bill. Consumers don't necessarily notice it on their phone bill. It is often buried on the phone bill, and it can often go on for months," Rosenthal said.

Rosenthal said the FTC is hearing that many people are paying their phone bill automatically online, and so they are not reading their bill every month.

"One thing we encourage consumers to do is to read their phone bill," Rosenthal said.

Consumers can contact their cellphone provider and request that all third-party charges be blocked, Rosenthal said, and that will keep it from happening.

The Federal Communications Commission last year tightened up the rules for landline bills and now requires third-party charge to be in a separate section of the bill. It didn't implement the same requirements for wireless carriers because the agency didn't see cramming as a big problem, Lynn Follansbee, an FCC attorney adviser, said at the roundtable.

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## STEPS TO PREVENT CRAMMING:

"Cramming" occurs when unauthorized charges appear on your telephone bill. AT&T recommends the following to help prevent cramming or other unwanted charges on your bills:

- Avoid placing calls to 900 numbers. The FTC says consumers should consider a 900 number block; it stops calls from going through to 900 number services.

- Avoid accepting collect calls, signing up for sweepstakes or contests online, or generally entering your contact information in places like unsecured websites and solicitations made over the phone. These

sometimes have fine print that note by providing your information, you're signing up for additional services.

-Discuss all charges with other members of your household. Sometimes confusion can arise over charges that show up on a customer's bill because household members forget to discuss services that were ordered.

-Always read the fine print and know what you're signing up for. In some cases, customers simply may not have understood a transaction when it took place. Pay close attention to service offers, contests or other scenarios where you may be giving away your information and signing up for services you don't want.

-If you suspect cramming, file a complaint with the FTC online at [FTC.gov](https://www.ftc.gov) or by calling 877-382-4357.

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