

FOR IMMEDIATE RELEASE
FRIDAY, OCT. 8, 2014
CONTACT: AARON SADLER
[\(501\) 682-0517](tel:5016820517)

McDANIEL ANNOUNCES RESTITUTION FOR VICTIMS OF AT&T MOBILE PHONE 'CRAMMING'

LITTLE ROCK – Attorney General Dustin McDaniel announced today that AT&T mobile customers who were subject to unauthorized, third-party text message charges are eligible for restitution as part of a settlement between the Attorney General and AT&T Mobility LLC.

Arkansas, other states and federal regulators entered into an agreement with AT&T that resolves allegations that the mobile telephone provider placed charges on phone bills that had not been authorized by the consumer, a practice known as “mobile cramming.”

Consumers who have been victims of “cramming” say that the charges, typically \$9.99 per month, are for sports scores, trivia or horoscopes, and the consumers have never requested the “premium” text message services.

AT&T will pay \$80 million for a consumer restitution program to be administered by the Federal Trade Commission. To submit claims under the AT&T Mobility cramming refund program, visit www.ftc.gov/att.

Approximately 200,000 Arkansas consumers are eligible for restitution.

“This settlement is a victory for the Arkansas consumers who have unwittingly paid higher cell-phone bills due to this practice,” McDaniel said. “We have worked with phone companies for many months in an effort to stop ‘cramming’ and protect consumers, and this is a good first step in making sure mobile carriers put a stop to these unauthorized charges.”

The Attorney General’s Office is part of a multistate group investigating mobile cramming. Last year, Attorney General McDaniel co-hosted a stakeholders meeting with Oklahoma Attorney General Scott Pruitt in Dallas. Participants included representatives of several other states, the mobile carriers and CTIA- The Wireless Association, a trade group that represents the wireless industry.

The settlement requires AT&T to stay out of the commercial “premium” text-messaging business, which is the platform for which much of the mobile-cramming problem is attributed. In addition, AT&T must take steps to make sure it bills consumers for only the third-party charges that are authorized.

AT&T must obtain consumers’ express consent from consumers before billing them for charges, the company must provide a full refund or credit to consumers who receive unauthorized third-party charges, and it must explain to consumers how third-party charges can be blocked. Also, third-party charges must now be set apart from AT&T charges in all phone

bills.

In addition to the \$80 million in restitution, AT&T will pay \$20 million to the states and \$5 million to the federal government. Arkansas will receive \$256,167.