



Don't Get "Crammed"

Avoid Unwanted Charges on Your Phone Bill

From the Office of Minnesota Attorney General Keith Ellison

Most people don't know that their telephone bill can sometimes be used like a credit card—with third-party companies placing charges for unrelated services or merchandise on the phone bill. As a result, people are surprised when they find unrelated and unwanted charges on their phone bill. Placing unauthorized charges on a person's phone bill is known as "cramming."

How can third parties put charges on my phone bill?

Phone companies—both landline and wireless—enter into contracts with companies known as "billing aggregators." The phone companies make money by allowing billing aggregators to submit charges onto the monthly phone bills of the phone companies' customers. The billing aggregators in turn enter into contracts with a variety of third-party vendors. The billing aggregators make money by allowing the third-party vendors to post charges on the consumer's phone bill for their services, under the billing aggregator's umbrella contract with the phone company. Unfortunately, in some cases the charges put on individual customers' monthly phone bills are not authorized. This is known as "cramming."

Why do phone companies allow this?

Both your phone company and the billing aggregator make money by allowing third-party charges to be placed onto your monthly phone bill. Unfortunately, this sometimes leads to customers receiving charges that they did not authorize. Some customers pay unauthorized charges for months before they notice them on their phone bill. The monthly charges—often less than \$20—are sometimes designed to "fly under the radar" and escape discovery. The charges are often buried deep in the phone bill where customers don't look.

When does cramming most often occur?

Cramming can occur in a variety of ways. In some cases, the consumer may not have done anything at all to give rise to the unauthorized charge. In other cases, the consumer may have clicked a "pop up" ad on the Internet or entered a contest or drawing where the consumer supposedly authorized the charge in the fine print. In any case, the bottom line for the consumer is the same: they are asked to pay, and often do pay, expensive charges on their phone bill for goods or services they didn't knowingly authorize and do not want.

How can I prevent cramming?

There are several things you can do to deter and detect cramming:

- 1. Scrutinize your phone bill.** You should review your phone bill each month as carefully as you read your bank or credit card statement. It is important to carefully review every part of your phone bill from start to finish, because "crammed" charges often appear in fine print many pages into the bill. Charges may appear under innocent-looking headings like "member fee," "voicemail," "service charge," "other fees," "calling plan," or "web hosting." If you pay online, be sure to carefully review all charges online.
- 2. Say "no" to seemingly free giveaways.** Some crammers use prize drawings, contests, or free giveaways to dupe you into unknowingly signing up for their services. Remember, so-called "free offers" almost always have strings attached. Read the fine print before signing up for anything—even if it is touted as "free."

- 3. Ask your phone company to block third-party charges.** Some phone companies allow you to block all charges from third parties. Ask your phone company if it honors such requests. If it does, third party charge blocking can be a good way to avoid getting “crammed.”

What are my rights if I've been crammed?

If you find unauthorized charges on your phone bill, promptly contact both your phone company and the third party to dispute the charges, ask that all future charges stop, and ask for a refund of past charges.

- 1. Your phone company's obligations.** Under Minnesota law, a local “landline” phone company is not supposed to put third-party charges on your phone bill unless the third party has obtained your express authorization to allow the charges. If you notify your phone company that an unauthorized charge from a third party was included on your bill, the phone company must remove the charge. Your phone company must also credit your account for any amounts you paid for the unauthorized charges in the last six months, unless the third party that put the charges on your phone bill can produce within 14 days evidence that you “expressly authorized” the charges. “Express authorization” means that:
 - (1) if you agreed in writing, you have agreed to the charges in a signed, written document;
 - (2) if you agreed verbally, that an independent third-party verification company has verified your identify with your unique information and confirmed that you are agreeing to be billed for goods or services that will appear as a charge on your phone bill; or
 - (3) if you agreed on the Internet, the third party has sent you an email verifying your authorization within 48 hours.

- 2. Contact the third-party vendor, too.** You should also dispute the charge with the third party that posted the charges. If this company claims that you authorized the charge, ask it to provide proof of the supposed authorization.

Be sure to follow up with both your phone company and the third-party vendor by sending written letters by certified mail.

Where should I complain?

If you are a victim of cramming, file a complaint with these government agencies:

Office of Minnesota Attorney General

Keith Ellison

445 Minnesota Street, Suite 1400
St. Paul, MN 55101
(651) 296-3353 (Twin Cities Calling Area)
(800) 657-3787 (Outside the Twin Cities)
www.ag.state.mn.us

Federal Trade Commission

Consumer Response Center
600 Pennsylvania Avenue NW
Washington, DC 20580
(877) 382-4357
TTY: (866) 653-4261
www.consumer.ftc.gov

Federal Communications Commission

Consumer Center
445 12th Street SW
Washington, D.C. 20554
(888) 225-5322
www.fcc.gov

Minnesota Public Utilities Commission

121 7th Place East, Suite 350
St. Paul, MN 55101
(651) 296-0406 or (800) 657-3782
www.mn.gov/puc