>> GOOD ANC, AND WELCOME TO THE WILSON BUILDING.
WE'RE DELIGHTED TO HOST THIS EVENT.
IT'S A VERY SIGNIFICANT EVENT.
IT IS A CUMBINATION OF VERY CLOSE WORK BETWEEN TWO VERY PROMINENT INDEPENDENT FEDERAL AGENCIES, AND THE STATE ATTORNEYS GENERAL, AND WE HAVE THE CHAIR OF EACH OF THOSE AGENCIES TODAY AND TWO OF MY FRIENDS AND SOME OF THE BEST ATTORNEYS -- STATE ATTORNEYS GENERAL IN THE COUNTRY.
SO THIS IS ALL DEALING WITH A VERY SERIOUS PROBLEM THAT THEY'RE HERE TO TELL US ABOUT A SOLUTION.
I'M VERY HONORED TO WELCOME ALL OF THEM AND WELCOME CHAIRMAN WHEELER AND CHAIRMAN RAMIREZ, AND BILL WHO CHAIRED THE EXECUTIVE COMMITTEE OF THE STATE ATTORNEYS GENERAL THAT LED TO THIS RESOLUTION, AND OUR NEIGHBOR AND GOOD FRIEND, DOUG GANDLER, THE ATTORNEY GENERAL OF MARYLAND.
WITHOUT FURTHER ADO I'LL TURN IT OVER TO CHAIRMAN RAMIREZ.
>> THANK YOU VERY MUCH.
I WANT TO THANK YOU FOR HOSTING US HERE THIS AFTERNOON.
I WANT TO ALSO THANK ALL OF YOU FOR BEING HERE WITH US.
I'M JOINED TODAY BY FCC CHAIRMAN, TOM WHEELER, ATTORNEY GENERAL WILLIAM SORREL, ATTORNEY GENERAL BEN GANSLER, AND GENERAL RICH OF
THE BUREAU CONSUMER PROTECTION
OF THE FEDERAL TRADE
COMMISSION.
AND THE CHIEF OF THE FCC'S
ENFORCEMENT BUREAU.
WE'RE ALL HERE THIS AFTERNOON
TO ANNOUNCE A VERY SIGNIFICANT
CIVIL LAW ENFORCEMENT ACTION
ON BEHALF OF MILLIONS OF
AMERICAN CONSUMERS.
AT&T HAS AGREED TO A $105
MILLION SETTLEMENT WITH THE
FEDERAL TRADE COMMISSION, THE
FEDERAL TRADES COMMISSION, AND
THE ATTORNEYS GENERAL TO
RESOLVE ALLEGATIONSS THAT IT
UNLAWFULLY PLACED CHARGES ON
MOBILE PHONE BILLS FOR MONTHLY
SUBSCRIPTIONS THAT CUSTOMERS
NEVER AUTHORIZED AND DIDN'T
WANT.
THIS PRACTICE, WHICH IS KNOWN
AS CLAMING, AFFECTED MILLIONS
OF AT&T MOBILE CUSTOMERS.
UNDER THE TERMS OF THE
SETTLEMENT, AT&T WILL PAY THE
FTC $80 MILLION WHICH WILL BE
USED TO GIVE REFUNDS TO
AFFECTED CUSTOMERS.
STARTING TODAY, CONSUMERS CAN
GO TO THE FTC WEBSITE, AND
SEEK A REFUND IF THEY BELIEVE
THAT THEY'RE ELIGIBLE.
OUR INVESTIGATION SHOWED THAT
AT&T SINCE AT LEAST 2009
PLACED CHARGES BY OTHER
COMPANIES ON TO ITS CUSTOMERS
MOBILE PHONE BILLS FOR
UNAUTHORIZED SERVICES.
TYPICALLY, THESE CHARGES WERE
$9.99 A MONTH TO REEVE TEXT
MESSAGES WITH CONTENT SUCH AS
HOROSCOPES, CELEBRITY GOSSIP
OR QUOTE, FUN FACTS, LIKE
THOSE THAW SEE DISPLAYED HERE
IN THE ROOM.
WE ALLEGED THAT AT&T HAD STRONG REASON TO SUSPECT THAT THE CHARGES WERE UNAUTHORIZED, YET CONTINUEED TO PLACE THESE CHARGES ON ITS CUSTOMERS BILLS.

IN SOME MONTHS, CONSUMERS REQUESTED REFUNDS OF MORE THAN 40% OF THE CHARGES PLACED BY SOME THIRD PARTIES.

THIS SHOULD HAVE AND, IN FACT, DID RING ALARM BELLS AT AT&T.

BUT INSTEAD OF ACTING TO STOP THE CHARGES, AT&T CONTINUEED TO MAKE HUNDREDS OF MILLIONS OF DOLLARS FROM THE PRACTICE BY TAKING AT LEAST 35% OF EVERY CHARGE AND REFUSEED TO PROVIDE REFUNDS TO MANY CONSUMERS.

IN FACT, OUR COMPLAIN ALLEGES IN 2011, AT&T SOUGHT TO REASSURE THE THIRD PARTIES ORIGINATING THE UNAUTHORIZED CHARGES THAT IT WOULD NOT PROVIDE FULL REFUNDS TO CUSTOMERS.

AT&T TOLD THESE COMPANIES THAT IT WOULD QUOTE, HELP LOWER REFUNDS BY ONLY PROVIDING REFUNDS UP TO TWO MONTHS WORTH OF CHARGES NO MATTER HOW LONG THE UNAUTHORIZED CHARGES EXISTED ON CONSUMERS BILLS.

WE ALSO ALLEGED THAT THE STRUCTURE OF THE BILLS MADE IT DIFFICULT, IF NOT IMPOSSIBLE FOR CONSUMERS TO UNDERSTAND THAT THEY WERE PAYING A RECURRING MONTHLY CHARGE FROM A THIRD PARTY, AND NOT AT&T.

THE DISPLAY BEHIND US SHOWS THAT AT&T PRESENTED ITS CUSTOMERS THE BILLS THAT LUMPED THE THIRD PARTY CHARGES INTO THE TOTAL AMOUNT DUE ON THE FRONT PAGE OF THE BILL,
AND THAT LATER IN THE BILL
WOULD A CONSUMER SEE THE
INDIVIDUAL CHARGE WHICH RARELY
DESCRIBED THE ALLEGED SERVICE.
THE CHARGES WERE PLACED IN A
SUGGEST CALLED AT&T MONTHLY
SUBSCRIPTIONS, WHICH SUGGESTED
TO CONSUMER THAT IS THESE WERE
FOR SERVICES PROVIDED BY AT&T
AND NOT BY THIRD PARTIES.
TODAY'S SETTLEMENT, WHILE
FOCUSED ON THE FAST GROWING
MOBILE INDUSTRY UNDERSCORES A
TIME TESTED PRINCIPLE OF
CONSUMER PROTECTION.
CONSUMERS MUST NOT BE CHARGED
FOR BUSINESSES OR SERVICE THAT
IS THEY DIDN'T AUTHORIZE,
WHETHER IT'S ON THEIR MOBILE
PHONE, SHOPPING ONLINE OR IN A
BRICK AND MORTAR STORE.
IN ADDITION TO THE $80 MILLION
IN REFUNDS TO CONSUMERS
THROUGH THE FTC, AND $25
MILLION IN PEMENTS PAID TO THE
FCC AND TO THE STATE, TODAY'S
SETTLEMENT CONTAINS STRONG
RESTRICTIONS THAT WILL PREVENT
AT&T FROM DECEPTIVELY AND
UNFAIRLY BILLING FOR
UNAUTHORIZED THIRD PARTY
CHARGES.
THOSE INCLUDE NOTIFICATIONS
FOR CURRENT CUSTOMERS WHO MAY
HAVE BEEN WRONGLY BILLED AND
THE REQUIREMENT THAT AT&T
OBTAIN EXPRESS INFORMED
CONSENT FROM CONSUMERS FOR
THIRD PARTY CHARGES, THAT THEY
CLEARLY AND CONSPICUOUSLY
DISCLOSE THIRD PARTY CHARGES
AND THAT THEY BOLSTER THEIR
REFUND PRACTICES FOR THIRD
PARTY CHARGES.
THIS CASE IS THE FTC'S SEVENTH
RELATED TO MOBILE CRAMMING
SINCE LAST YEAR, INCLUDING T MOBILE.
AND WE’VE BEEN FIGHTING CRAMMING ON LAND LINE PHONE
BILLS FOR WELL OVER A DECADE.
THE FTC IS USING ITS AUTHORITY TO HELP ENSURE THAT MOBILE
DEVICES BECOME MORE FIRMLY WOVEN INTO THE LIVES OF A
GREATER NUMBER OF AMERICANS AND ENJOY THE CONSUMER
PROTECTIONS THEY HAVE IN OTHER ASPECTS OF THEIR LIVES.
AGAIN, I WANT TO REMIND AT&T

AT&T CUSTOMERS TO VISIT THE WEBSITE FOR INFORMATION ON THE REFUND PROGRAM, AND THANK OUR PARTNERS HERE TODAY, AND FROM AROUND THE COUNTRY FOR THEIR CLOSE COOPERATION AND CONCERTED EFFORTS IN SECURING THIS STRONG SETTLEMENT FOR CONSUMERS.
WITH THAT, I'M GOING TO TURN OVER THE FLOOR TO MY COLLEAGUE, CHAIRMAN WHEELER. CHAIRMAN WHEELER HAS BEEN A PARTNER IN BRINGING ABOUT THE SETTLEMENT, DESPITE THE DEMANDS OF THE IMPORTANT WORK THAT THE FCC IS UNDERTAKING WHICH I STRONGLY SUPPORT, TO DEVELOP APPROPRIATED REGULATIONS TO ENSURE AN OPEN INTERNET.

>> THANK YOU, MADAM CHAIR WOMAN, AND I ASSOCIATE MYSELF WITH THE REMARKS THAT THE CHAIR WOMAN HAS MADE AND POINT OUT AND REITERATE THE POINT SHE MADE ABOUT THE IMPORTANCE OF TWO FEDERAL AGENCIES AND 51 STATE ATTORNEYS GENERAL FOR WORKING TOGETHER.
WE WERE BOTH, THE FCC AND THE FTC MOVING ON A COURSE WITH REGARD TO THIS CRAMMING ACTIVITY THAT AT&T WAS ENGAGED IN, AND WE HAVE COME TOGETHER IN WHAT WILL NOT BE THE LAST TIME TO ADDRESS IMPORTANT CONSUMER PROTECTION CONCERNS. SO I THINK THERE ARE REALLY THREE THING THAT IS ARE NOTEWORTHY ABOUT WHAT THE CHAIRWOMAN JUST ANNOUNCED. ONE IS THAT IT IS NOT THE LAST TIME THAT WE WILL ACT JOINTLY, THAT WE HAVE BEEN MOVING INDIVIDUALLY AND NOW COLLECTIVELY. TWO, THAT THERE IS NO DAILTS BETWEEN US.

BETWEEN US. THERE HAVE BEEN ATTEMPTS TO SHOW THERE MAY BE. WE HAVE TWO DIFFERENT STATUTES, BUT WE HAVE ONE COORDINATED ENFORCEMENT GOAL OF THE FCC AND THE FTC WORKING TOGETHER, AND WITH OUR COLLEAGUES AT THE STATE. IT'S A PRIVILEGE TO BE WORKING WITH THE STATE ATTORNEYS GENERAL. IT'S NOT AN EVERYDAY OCCURRENCE THAT 51 STATE ATTORNEYS GENERAL WORK TOGETHER WITH US, BOTH OUR AGENCY, ON THIS, AND GENERAL SORREL, AND GENERAL GENSLER DESERVE A GREAT DEAL OF CREDIT. CREDIT IS ALSO VERY MUCH DUE TO CHAIRMAN RAMIREZ -- WE MAY SIT HERE AND GET TO MAKE THE STATEMENTS. JESSICA RICH, THE HEAD OF THE FTC'S CONSUMER PROTECTION
DIVISION AND TRAVIS LEBLANC, THE HEAD OF THE ENFORCEMENT DIVISION FOR THE BUREAU AT THE FCC ARE THE ONES REALLY PUT THIS TOGETHER AND THEY ARE WHY THINGS ARE HAPPENING.

THE $105 MILLION IS HISTORIC IN MANY WAYS.

IT'S THE LARGEST CRAMMING SETTLEMENT IN HISTORY.

IT'S THE LARGEST FCC ENFORCEMENT IN HISTORY.


BECAUSE THERE'S A SIMPLE FACT HERE.

FOR TOO LONG, CONSUMERS HAVE BEEN CHARGED ON THEIR PHONE BILLS FOR THINGS THEY DID NOT BUY.

IT'S ESTIMATED THAT 20 MILLION CONSUMERS A YEAR ARE CAUGHT IN THIS KIND OF TRAP. COSTING HUNDREDS OF MILLIONS OF DOLLARS.

IT STOPS TODAY FOR AT&T. THIS $105 MILLION SETTLEMENT IS GOING TO PUT MONEY BACK INTO THE WALLETs OF CONSUMERS WHO WERE VICTIMIZED BY THE PRACTICE.

MILLIONS OF AT&T CUSTOMERS WILL BE ABLE TO RECLAIM MONIES THAT WERE FRAUDULENTLY TAKEN OUT OF THEIR PAYCHECKS.

WE ENCOURAGE AT&T WIRELESS CUSTOMERS BOTH PAST AND PRESENT TO REVIEW THEIR BILLS AND IF APPROPRIATE, STEP UP...
ASK MAKE A CLAIM FOR THOSE FUNDS.
BUT BEYOND THIS, THIS SETTLEMENT PROTECTS CONSUMERS GOING FORWARD, BECAUSE AT&T HAS AGREED TO CHANGE THEIR BUSINESS PRAS. THEY'RE GOING TO STOCH PREMIUM TEXT BILLING FOR COMMERCIAL ACTIVITIES. THEY ARE GOING TO REQUIRE EXPRESS INFORMED CONSENT BEFORE THEY PUT ANYTHING ON A CONSUMER'S BILL. THAT MEANS A DOUBLE CHECK. YES, I WANT TO BE BILLED FOR THIS. THEIR BILLS ARE GOING TO BE CLEAR AND CONCISE, AND THEY'RE GOING TO INFORM CONSUMERS, BOTH THROUGH THEIR BILLS AND THROUGH TEXT MESSAGES THAT THEY HAVE A RIGHT TO. 

>> WE HEARD WHEN THEY CHECKED THEIR CELL PHONE BILL AFTER RECEIVING A CALL FROM US, THEY FOUND THAT FOR THE PRECEDING FIVE MONTHS THEY HAD BEEN CHARGED 9.99 A MONTH FOR SOMETHING CALLED MOBILE LOVE ALERTS. AND WHEN THEY CALLED AT&T, YOU MUST HAVE AUTHORIZED THIS, AND REQUESTED ESSENTIALLY DEMANDED RESTITUTION REIMBURSEMENT. SHE WAS TOLD, YOU'VE ALREADY RECEIVED IT, AND DESPITE HAVING GONE BACK THROUGH HER BILLING, SHE Couldn'T FIND ANY EVIDENCE SHE HAD. SO ART AND LAURIE WILL BE POTENTIAL RECIPIENTS OF THE RESTITUTION FUND HERE. I'LL MENTION ONE MORE VERMONTER, AND THEY AUTHORIZED ME TO GIVE THEIR NAMES.
IN THIS CASE A FORMER VERMONTDER, JOHN TARUREO, USED TO BE FROM JOE, AND MENTIONED 9.99 A MONTH AS ESSENTIALLY THE STANDARD CHARGE.
WELL, THERE’S XWIEI. A RANGE OF CHARGES.
MR. TATORO LOOKED AND FOUND HE HAD BEEN CHARGED 59.97 A MONTH BY AT&T.
WHEN WE CALLED TO SAY WHAT’S THIS CHARGE, IT’S NOT A SERVICE I DIDN’T AUTHORIZE IT.
HE WAS TOLD, WELL, SOMEONE IN YOUR HOUSEHOLD MUST HAVE AUTHORIZED THIS.
HE SAID, NO WAY, NO HOW.
ALL HE COULD THINK OF WAS THAT HE RECEIVED AN UNSOLICITED TEXT MESSAGE WHICH HE HAD NOT READ, BUT DELETED, BUT THAT THAT WAS DEEMED TO BE HIS AGREEMENT TO PUT THESE SERVICES AND CHARGES ON HIS BILL.
I SAID WE SURVEYED AND RE-SURVEYED VERMONTERS WITH THIRD PARTY CHARGES ON THEIR CELL PHONE BILLS AND WE FOUND APPROXIMATELY 60% OF THOSE WITH THIRD PARTY CHARGES ON THEIR BILLS DIDN’T KNOW THEY WERE THERE, AND HADN’T AUTHORIZED THEM.
AND PERHAPS MORE COMPELLINGLY, 80% OF THOSE VERMONTERS SURVEYED HAD NO IDEA THAT THEIR CELL PROVIDER COULD PUT THIRD PARTY CHARGES ON THEIR BILLS.
AND HAD I BEEN SURVEYED IN THE SUMMER OF 2010 BY MY STAFF, I WOULD HAVE BEEN WITH THE MAJORITY ON BOTH OF THOSE ANSWERS.
SO I’M REALLY HAPPY TO BE HERE
REPRESENTING THE STATES ALONG WITH GENERAL GANSLER. THIS IS A REAL ACCOMPLISHMENT. IT'S NOT ONLY SIGNIFICANT MONIES IN RESTITUTION FOR FOLKS ALL OVER THE COUNTRY, AND WE THINK AS MANY AS 25,000 VERMONTERS, CONSERVATIVELY MIGHT BE IN THAT ELIGIBILITY POOL FOR THESE FUNDS, BUT FOR THE COUNTRY. WE THINK AS MANY AS 25,000 VERMONTERS MIGHT BE IN THAT ELIGIBILITY POOL FOR THESE FUNDS, BUT A VERY REAL IMPORTANCE IS THE SO-CALLED INJUFRNGTIDVE OR PRESCRIPTIVE RELIEF WE HAVE GOING FORWARD WHICH SHOULD CERTAINLY REDUCE AND HOPEFULLY ELIMINATE THIS UNFORTUNATE SCAM ON MILLIONS AND MILLIONS OF AMERICANS. SO IT HAS BEEN SUGGEST THAD WE HAVE MORE WORK TO DO. WE DO, BUT TODAY WE CELEBRATE AND ACKNOWLEDGE A BIG FIRST STEP IN THIS FIGHT TO PROTECT AND SERVE THE CONSUMERS. THANK YOU. THANK YOU. GENERAL SORREL, AND THANK YOU, JRNL IRVIN FOR HAVING US. >> STATE THE OBVIOUS. WE ARE HERE IN WHAT HAS BEEN AN UNPRECEDENTED RELATIONSHIP BETWEEN THE FEDERAL GOVERNMENT AND THE STATE ATTORNEYS GENERAL THE LAST EIGHT YEARS, THAT WE FIND SO MANY OF THESE PARTNERSHIPS THAT OCCUR AND LED TO SETTLEMENTS OF THIS NATURE. OF COURSE, THE TRUE HEROES ARE THE STAFF MEMBER WHO IS ARE SITTING IN THE AUDIENCE AND FROM THE FTC AND THE FCC AND
THE STATE ATTORNEYS GENERAL OFFICES AND FROM OUR OWN OFFICE.
PAT IS HERE AND PHIL DITMAN IS HERE, AND WE WORKED WITH THE VERMONT ATTORNEY GENERAL, AND THE FTC AND THE FCC IN MAKING THIS HAPPEN.
WE AT THE ATTORNEYS GENERAL OFFICE, WHETHER, REPUBLICAN OR DEMOCRAT, VERMONT OR MARYLAND
WE RECEIVE CONSUMER COMPLAINTS.
AND WE RECEIVE SO MANY OF THESE COMPLAINTS AS A RESULT OF MOBILE CRAMMING -- WHAT'S TROUBLING IS HOW MANY COMPLAINTS WE DIDN'T RECEIVE. PEOPLE ARE GETTING THESE BILLS WITH 9.99 CHARGES ERROR DATA USAGE OR SOMETHING THEY HAVE NO UNDERSTANDING OF.
MOST PEOPLE DON'T REVIEW THEIR BILL WITH THAT TYPE OF DILIGENCE AND DON'T REPORT COMPANIES LIKE AT&T AND OTHERS.
THIS ISN'T PHIL'S PHONE SHACK DOING THIS, AND IF YOU THINK ABOUT 20 MILLION PEOPLE AT 9.99 A MONTH, WE'RE TALKING VERY, VERY LARGE NUMBERS, AND MANY, MANY CONSUMERS WHO WERE FRANKLY DUPED BY THIS INSIDIOUS FRAUDULENT CONDUCT PERPETRATED BY AT&T AND OTHER MOBILE COMPANIES.
SO THIS IS A GREAT RESULT TODAY.
IT'S THE BEGINNING, NOT THE END.
OFTEN, THE LAWS ARE BEHIND THE TECHNOLOGIES THAT WE SEE IN THIS SPACE, THAT THE FTC AND THE FCC DEAL WITH ON A DAILY BASIS.
WHEN WE'RE ABLE TO COME TOGETHER LIKE A PARTNERSHIP LIKE TODAY WITH THE 50 ATTORNEYS GENERAL, PLUS THE DISTRICT OF COLUMBIA AND OUR FEDERAL PARTNERS, I THINK IT'S SOMETHING TO TAKE NOTE OF AND MAKE SURE TWO THINGS HAPPEN. ONE THE CONSUMERS DUPED GET RESTITUTION, AND TWO THAT THIS CONDUCT STOPS IN THE FUTURE AND NEVER OCCURS AGAIN. THAT'S WHAT WE'RE HERE TO ANNOUNCE TODAY, AND I THINK THAT'S WHAT THE PARTNERSHIP IS AMAZING AND TO QUOTE CHAIRMAN WHEELER, THERE'S NO LIGHT BETWEEN US. WE'RE ALL ON THE SAME PAGE ON THIS ONE, AND THIS CONDUCT. THERE'S NO GRAY AREA. THIS IS UNACCEPTABLE, AND THEY'RE BEING HELD ACCOUNTABILITY TODAY.

>> NO LIGHT BETWEEN US.
WE'RE ALL ON THE SAME PAGE ON THIS, THERE'S NO GRAY AREA. THIS IS UNACCEPTABLE, AND THEY'RE BEING HELD ACCOUNTABLE TODAY.

>> OTHER QUESTIONS.
IF YOU WOULD, PLEASE, WAIT FOR THE MICROPHONE, AND WHEN YOU ASK YOUR QUESTIONS, IF YOU WOULD STATE YOUR NAME AND AFFILIATION, AND ONE OF OUR PANELISTS WILL ANSWER.

>> TOTAL CASES EVER, OR WAS THAT JUST --
>> THAT'S AN ESTIMATE OF ANNUALLY HOW MANY PEOPLE GET CAUGHT IN THESE KINDS OF SITUATIONS.

>> SO MY QUESTION IS, AS AT&T IS PAYING $80 MILLION INTO THE RESTITUTION FUND, BUT $20
MILLION ANNUALLY AT 9.99 A PERSON. AT&T IS PAYING $80 MILLION INTO THIS RESTITUTION FUND, BUT $20 MILLION ANNUALLY AT 9.99 A PERSON AS YOU MENTIONED IS WAY MORE THAN $80 MILLION. I WONDER IF YOU CAN EXPLAIN THE DISCONNECT THAT AT&T IS PAYING 80 MILLION. >> THERE ARE A LOT OF OTHER CARRIERS INVOLVED IN THIS AS WELL. IT'S $20 MILLION ACROSS ALL OF THE WIRELESS PROVIDERS IN AMERICA, NOT JUST AT&T, AND STAY TUNED ABOUT THE OTHER WIRELESS PROVIDERS. >> AND THE 80 MILLION, WILL THAT COVER THE FULL ESTIMATED FRAUDULENT CHARGES THAT AT&T IS RESPONSIBLE FOR? >> LET ME JUST EXPLAIN HOW WE ARRIVED AT THAT FIGURE. WHAT WE DID WAS WE LOOKED AT A NUMBER OF FACTORS THAT INCLUDED THE ESTIMATE OF THE HARM TO THE AT&T CUSTOMERS THEMSELVES. WE ALSO LOOKED AT THE NUMBER OF REVENUE THAT AT&T WAS BRINGING IN. I WANT TO NOTE THAT TOO. WHAT WE'RE TRYING TO DO HERE, THE AIM WITH THIS SETTLEMENT AND THE FIGURE WE ARRIVED AT WAS TO PROVIDE MEANINGFUL CONSUMER REDRESS, AND WE THINK WE ACCOMPLISHED THAT WITH THE $80 MILLION FIGURE. >> THANK YOU. >> DAVID HATCH WITH THE POLICY REPORT. CHAIRMAN WHEELER, WILL THIS FRAUD IMPACT OUR AGENCY'S REVIEW OF THE AT&T DIRECT TV
MERGER?
>> I THINK THAT WE LOOK AT THESE ISSUES AS THEY ARE PRESENTED TO US. WE HAVE AN ONGOING REVIEW OF AT&T AND DIRECT TV, AND WE WILL DECIDE THAT ON THOSE MERITS.
>> POLITICO.
SO AT&T SAID THEY WERE GOING TO STOP DOING THIS JANUARY 2014.
HAVE THEY STOPPED?
HAVE THE OTHER CARRIERS JOINED THEM.
IS THE PRACTICE STILL GOING ON?
WHAT TIME PERIOD DOES THE CONSENT DECREE COVER.
THANK YOU.
>> THE CARRIERS AGREED TO STOP THE PREMIUM TEXT MESSAGES SERVICES AS OF JANUARY 2014. I WANT TO EMPHASIZE THAT THE RELIEF WE'RE GETTING APPLYS TO ALL FORMS OF THIRD PARTY BILLING.
THERE ARE OTHER FORMS, DIRECT CARRIER BILLING.
DIRECT CARRIER BILLING IS A FORM OF BILLING THAT'S GROWING INSIDE, AND THIS CONTINUES TO BE AN ISSUE WE'RE CONCERNED ABOUT, AND THAT'S WHY THE RELIEF WE'VE OBTAINED THROUGH THE SETTLEMENT IS CRITICAL.
>> THANK YOU.
>> HAVE YOU AGREED TO STOP THE OTHER ACTIVITY THAT IS YOU TALK B THE DIRECT PARTY BILLING --
>> THIRD PARTY BILLING.
>> THE THIRD PARTY BILLING CONTINUES, BUT NOT FOR COMMERCIAL PURPOSES, THROUGH THE PREMIUM SMS VEHICLE, AND
REQUIRES THOSE IMPROVED PRACTICES THAT I MENTIONED IN MY STATEMENT, INCLUDING AN AFFIRMATIVE SIGNAL THAT YES, WE DO INTEND FOR THIS CHARGE TO BE MADE.

AND AT&T IS PUTTING IN PLACE A RIGOROUS COMPLIANCE SCHEME TO MAKE SURE THAT THOSE KINDS OF CHECKS AND BALANCES ARE IN PLACE.

>> AND IF I MIGHT, YOU'RE CORRECT THAT LATE LAST YEAR EFFECTIVE EARLY THIS YEAR, AT&T AND THREE OF THE OTHER MAJOR CARRIERS DECIDED TO STOP THIS PARTICULAR FORM OF THIRD PARTY CHARGES.

BUT THERE ARE MANY OTHER CARRIERS IN THE COUNTRY, ADMITTEDLY SMALLER.

SO I DON'T WANT TO LEAVE THE IMPRESSIONS THAT THOSE WITH CELL PHONE ACCOUNTS SHOULDN'T BE CHECKING THEIR MONTHLY BILLS FOR UNAUTHORIZED CHARGES, AND WHAT WE HAVE FOUND IN THE INVESTIGATION IS THAT WHEN THESE CHARGES WERE GOING ON BILLS, MANY TIMES THE TRUE NATURE OF THE SERVICES BEING PROVIDED OR THE CHARGES BEING MASKED, IN OTHER WORDS, THE COMPANY THAT WAS PUTTING THESE THIRD PARTY CHARGES -- WAS SUPPOSEDLY PROVIDING THE THIRD PARTY CHARGES WOULD HAVE A COMPANY NAME, SOMETHING LIKE BASIC DATA PLAN.

SO IF YOU WERE IN VERMONT, ONE OF THE 20% WHO KNEW THAT THE COMPANIES COULD BE PUTTING THIRD PARTY CHARGES ON YOUR BILLS AND YOU SCRUTINIZED YOUR BILL, YOU MIGHT NOT WELL DISCOVER IT BEING THERE.
HI.
CHAIRMAN WHEELER, YOU'VE HIGHLIGHTED INCREASINGLY CLOSE RELATION SOMEPLACE YOU'RE HOPING TO HAVE WITH THE FTC ON THIS ISSUE.
THE FTC ALREADY TOOK T MOBILE TO COURT ON A SIMILAR MATTER, IS THE FTC BRINGING CHARGES AGAINST T MOBILE ON CRAMMING?
>> YOU MISSED THE SAME POINT AT TIME THAT THE FTC MADE THEIR ANNOUNCEMENT, WE TALKED ABOUT OUR ENFORCEMENT ACTION THAT WE'RE BRINGING AGAINST T MOBILE.
IT HAS BEEN ONGOING.
I CAN ASSURE YOU THAT CHAIRMAN RAMIREZ AND I ARE IN FREQUENT CONVERSATION ABOUT THAT TOPIC.
WE'RE MOVING WITH ALL DELIBERATE SPEED.
>> THE FTC PREVIOUSLY BROUGHT ACTIONS AGAINST THE COMPANIES THAT WERE MAKING THESE CHARGES BILLING CONSUMERS THROUGH AT&T.
IN THIS CASE, HAVE YOU BROUGHT CHARGES AGAINST THOSE COMPANIES OR SHUT THEM DOWN OR SEIZED ASSETS OR ANY OF THOSE MEASURES THAT YOU'VE DONE IN SOME OF THE OTHER CASES?
>> WE HAVE TAKEN ACTION AGAINST SOME OF THE THIRD PARTY MERCHANT THAT IS ARE INVOLVED IN THIS FRAUDULENT ACTIVITY.
AT THE SAME TIME WE THINK IT'S IMPORTANT TO TAKE ACTION AT ALM OF THE LINKS IN THE CHAIN INVOLVED HERE.
THAT'S WHY IN ADDITION TO THOSE ACTIVITIES WE BROUGHT AN ACTION AGAINST AT&T AND THAT WAS THE REASON FOR THE T
MOBILE SUIT.
>> BUT THAT'S THE GREAT OPPORTUNITY THAT EXISTS HERE. THAT'S WHY WE'RE SAYING THERE'S NO DAYLIGHT BETWEEN US, BECAUSE WE HAVE TWO DIFFERENT STATUTES, BUT WE'RE ACTING IN A CONCERTED EFFORT TO GO AT A SET OF PROBLEMS.
>> DOES THAT ANSWER YOUR QUESTION?
>> I JUST WONDER SOMEONE INVOLVED WITH AT&T -- BROUGHT CHARGES AGAINST THEM-I. CERTAIN OF THE COMPANIES, WE HAVE. WE HAVE BROUGHT CHARGES AGAINST AT LEAST THREE OF THE COMPANIES INVOLVED IN THE AT&T CHARGES. YOU CAN LOOK THEM UP. ONE IS MEDIA. TEDO, AND DIGITAL. THREE CASES THAT ARE POSTED ON THE FTC WEBSITE.
AND
>> AND I MIGHT ADD CERTAIN STATE HAVE GONE AGAINST THE THIRD PARTY COMPANIES. TEXAS, CERTAINLY IS ONE IF YOU CAN FIND THAT CASE, OR I CAN GET IT FOR YOU.
>> FROM A CONSUMER STANDPOINT, YOU POINTED OUT IT'S HARD TO SEE ON THE AT&T BILL, AND I GET AT&T, SO I LOOK AT THESE BILLS -- WHAT THE CHARGES ARE. FOR SOMEBODY WHO THINKS THAT MIGHT HAVE BEEN CHARGED UNFAIRLY, YOU KNOW, GOING BACK THROUGH MONTHS AND MONTHS OF BILLS MIGHT BE THE SECOND STEP. IT LOOKS LIKE THE EXAMPLES, YOU POINTED OUT ARE TEXT MESSAGES.
HAVE I RECEIVED ANY WEIRD TEXT MESSAGES.
BUT I WANTED TO ASK ABOUT OTHER FORMS OF THIRD PARTY BILLING.
WHAT SHOULD PEOPLE LOOK OUT FOR, AND HOW WOULD YOU KNOW.
WHAT SIGNS SHOULD YOU LOOK FOR THAT YOU SHOULD LOOK BACK THROUGH THE BILLS AND GO TO THE WEBSITE AND SEE IF YOU CAN GET A REFUND?

>> I THINK THERE'S SEVERAL.
ONE, AS CHAIRMAN RAMIREZ POINTS OUT.
GENERAL SORREL POINTED OUT.
DOES THIS MAKE SENSE, THE FACT THAT YOU GOT THIS TAG ON HERE.
DOES THIS MAKE SENSE?
SECOND OF ALL, GENERAL SOREL IS CORRECT THAT SOME OF THESE ARE, YOU KNOW, SIGNIFICANTLY LARGER NUMBERS AND TENDED TO KONG GREAT AT THE 9.99 LEVEL.
SO TAKE AN EXTRA HARD LOOK.
CORRECT.
SOME OF THESE ARE SIGNIFICANTLY LARGER NUMBERS,
BUT THEY TENDED TO CONGREGATE AT THE 9.99 LEVEL.
SO TAKE AN EXTRA HARD LOOK AT THOSE.
THERE'S A PROCESS SET UP FOR CONSIURMS WHO BELIEVE THEY'VE BEEN WRONGED.
THAT'S THE PROCESS THATD FTC IS GOING TO BE ADMINISTERING FOR THE PURPOSE OF DISPERSING THE $80 MILLION.

>> ANY CUSTOMERS WHO BELIEVE THEY'VE BEEN AFFECTED CAN GO TO THE WEBSITE AND PROVIDE ADDITIONAL INFORMATION.
THEY NEED TO CERTIFY THAT THEY'VE BEEN THE VICTIMS OF CRAMMING, AND THAT'S THE WAY
TO GET RELIEF.
>> LET ME ASK THIS.
AND JUST ASKING YOUR CARRIER
IF YOU HAVE BEEN A VICTIM OF
CRAMMING.
THAT’S A WAY TO GET RELIEF.
>> JUST ASKING YOUR CARRIER
WHETHER YOU HAVE AT ANY TIME
DURING THE TIME THAT YOU’VE
BEEN GETTING SERVICES FROM THE
CARRIER, HAVE YOU HAD ANY
THIRD PARTY CHARGES ON YOUR
BILL.
YOU SHOULD GET THAT
INFORMATION FROM YOUR CARRIER.
>> I ALSO WANTED TO ADD MORE
BROADLY WITH THE FTC MAKING
RECOMMENDATIONS TO THE
INDUSTRY AS A WHOLE, IN
ADDITION TO PROVIDING BETTER
DISCLOSURES WHEN IT COMES TO
BILLING.
WE’D ALSO LIKE TO SEE CARRIERS
PROVIDE MORE CHOICES FOR
CONSUMERS.
FOR INSTANCE, CONSUMERS WHO
DON’T INTEND TO USE THIRD
PARTY -- TO USE THEIR MOBILE
PHONE AS A BILLING PLATFORM,
WE’D LIKE TO SEE CARRIERS
ALLOW THEM AN OPT OUT TO BLOCK
ALL FORM OF THIRD PARTY
BILLING.
WE’D ALSO LIKE TO SEE THIS
PART OF THE AT&T SETTLEMENT
ITSELF, AND ALSO COMPANIES
SHOULD HAVE LESS STRINGENT
REFUND POLICIES.
THAT WAS A PROBLEM WE SAW WITH
AT&T.
THEY WERE WILLING TO PROVIDE
CERTAIN REFUNDS, BUT IF A
CONSUMER COMPLAINED THEY WOULD
ONLY PROVIDE REFUNDS TOUP TWO
MONTHS.
AND THAT’S PARTED OF WHAT
WE'RE GETTING AT IT STRENGTHEN
THE AT&T REFUND PROCESS.
>> GREAT.