



**For Immediate Release
July 11, 2007**

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MADIGAN: ILLINOIS JOINS AGREEMENT WITH AOL REGARDING CANCELLATION ISSUES

Chicago – Attorney General Lisa Madigan today announced that her office, 47 other states and the District of Columbia, have reached an agreement with Virginia-based AOL, LLC (AOL), requiring the company to make significant changes in how it handles cancellation requests and to provide refunds to consumers who tried but were unable to cancel their AOL service.

Madigan and other attorneys general began investigating AOL based on numerous consumer complaints alleging that overly aggressive AOL representatives solicited consumers to reconsider the decision to cancel and often offered them a free month of AOL service if they would agree to continue service. When the free month expired, however, some consumers who again tried to cancel said that AOL representatives persisted in pressuring them to stay with the company. Other consumers reported that they believed they had canceled their paid AOL service only to receive yet another AOL bill for one or more months after the supposed cancellation.

“In this agreement, we insisted that AOL put in place a framework that resolves existing consumer complaints and establish clear policies and procedures to prevent these problems in the future,” Madigan said.

AOL has recently restructured its business model from paid monthly Internet service to free e-mail access in which current members can switch their paid e-mail accounts to free accounts. AOL customers who take advantage of the free e-mail access will need to obtain underlying Internet service or purchase dial up service from AOL.

As part of the agreement, the attorneys general worked to ensure that AOL customers will be able to take advantage of this switch to free email access. The agreement specifically requires AOL to allow those customers who wish to convert or cancel their accounts to have the option of doing so online. Additionally, the agreement requires that when current AOL members cancel or convert to free e-mail, AOL must clearly disclose the amount of time remaining on the account and any outstanding balance and must immediately provide the member with a confirmation number showing that they have canceled their service.

Under the agreement, AOL also must clearly disclose to consumers the terms of AOL’s service before asking for a consumer’s acceptance or requiring payment information when a new account is created or reactivated.

Madigan said AOL has been addressing consumer complaints through her office's complaint mediation process. While denying that it violated any laws, AOL has committed to continue to address consumer complaints as they arise and to provide refunds to consumers who were billed after they cancelled their AOL accounts.

Under terms of the settlement, AOL also has agreed to pay \$3 million to the participating States. Illinois will receive \$165,000 for use in investigating allegations of consumer fraud and providing consumer education.

States joining Illinois in the settlement include: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. The District of Columbia also joined in the settlement.

Bureau Chief Elizabeth Blackston and Assistant Attorney General Louis Gale are handling the case for Madigan's Consumer Fraud Bureau.

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