



October 24, 2011

MADIGAN: BAN USE OF PHONE NUMBERS AS CREDIT CARDS***Attorney General Urges FCC to Outlaw Cramming Practice That Costs Consumers \$2 Billion a Year***

Chicago — Attorney General Lisa Madigan today urged the Federal Communications Commission to implement a nationwide ban on phone bill “cramming,” a practice that uses unaware consumers’ telephone numbers like credit cards, racking up hundreds of unauthorized charges consumers never asked for or wanted.

Madigan filed comments with the Commission today as it decides how to detect and prevent the practice of cramming, calling for a ban on all third-party billing on local telephone bills.

“Most consumers don’t understand that their phone number can be used as a credit card for products and services that have absolutely nothing to do with their phone,” Attorney General Madigan said. “This scam has become such a persistent problem that it’s costing consumers up to \$2 billion a year. It’s clear that the only effective solution is a ban on third-party charges on phone bills.”

In July, Madigan testified before the U.S. Senate Commerce, Science and Transportation Committee, urging lawmakers to pass a ban to prevent cramming. In recent years, Madigan said consumers have increasingly reported being scammed online. Internet users report simply submitting their phone number, among other information, for online prize drawings, surveys or free recipes. Weeks or months later, consumers find charges on their phone bill for services they did not authorize or use.

Madigan has filed 30 lawsuits against third-party billing companies and investigated many others. In one lawsuit, a company billed more than 9,800 Illinois consumers for credit repair services. The billed consumers included a county coroner’s office, a Steak ‘n Shake restaurant and a Springfield public library dial-a-story telephone line. For more information or to report being scammed, contact Madigan’s Consumer Fraud Hotlines:

Chicago 1-800-386-5438
Springfield 1-800-243-0618
Carbondale 1-800-243-0607

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