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HOUSE LAWMAKERS UNANIMOUSLY PASS BILL TO BAN 'CRAMMING'

Chicago — Attorney General Lisa Madigan today applauded House lawmakers for their unanimous support of legislation to ban a scam known as phone bill 'cramming' that has hit hundreds of thousands of consumers and businesses with bogus charges on their phone bills. House members voted 105-0 today to send House Bill 5211 to the Senate.

"Phone cramming is a multibillion-dollar business for con artists who sneak unauthorized charges onto unsuspecting customers' bills, affecting everyone from residential users to small business owners, even nonprofit organizations and government agencies," Attorney General Madigan said. "The only way to put an end to this scam is by instituting a ban on third-party charges on our phone bills."

Cramming is a scheme perpetrated by third-party vendors that use consumers' phone numbers much like a credit card. They add charges to phone bills for bogus products or services, such as identity theft protection, website design or email service, that consumers and businesses never asked for or wanted – and never used.

The legislation, which was sponsored in the House by Rep. Kelly Burke and will be sponsored by Sen. David Koehler in the Senate, would ban all billing by a third-party company but for limited, common sense exceptions for legitimate services.

"I applaud my fellow lawmakers for their support today," Burke said. "This legislation will better protect consumers from a scheme that uses their phone numbers like a credit card and has cost them millions of dollars in unauthorized charges."

Estimates indicate that telephone companies place at least 300 million third-party charges on their customers' bill each year. According to a U.S. Senate Commerce Committee report, third-party billing generates at least \$2 billion annually.

Phone cramming scams originally were perpetrated primarily through telemarketers, especially before the Do Not Call registry was established. More recently, however, the scam has flourished online. Internet users report simply submitting their phone number, among other personal information, for online prize drawings, surveys or free recipes. Weeks or months later, consumers find charges on their phone bills for unauthorized services.

To date, the Attorney General's Office has filed 30 lawsuits against crammers, representing more than 200,000 Illinois businesses and residences who were victim to these phone billing schemes. Among the most glaring of targets for these scams was cited in Madigan's 2009 lawsuit against US Credit Find Inc., a Venice, Calif.-based operation, which crammed a Springfield public library's dial-a-story telephone line.

Attorney General Madigan has previously advocated for a nationwide ban on phone bill cramming, testifying last July before the U.S. Senate Commerce Committee and filing comments with the Federal Communications Commission.

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