



June 26, 2013

ATTORNEY GENERAL MADIGAN: CELL PHONE "CRAMMING" A GROWING CONSUMER THREAT, URGES FTC TO TAKE ACTION

Chicago — Attorney General Lisa Madigan today urged the Federal Trade Commission (FTC) to address the growing problem of cell phone "cramming" as the federal agency pursues a national examination of trends involving unauthorized charges on mobile phone bills.

Madigan said wireless cramming is poised to become a major source of consumer fraud, much like it did on landline phones before the practice was banned in Illinois. A recent study points to the extent of the problem, showing that 60 percent of third-party charges placed on mobile phone bills of Vermont residents were "crammed" during a two-month period in 2012, according to a survey conducted by the University of Vermont and the Vermont Attorney General's office.

Cramming happens when third-party vendors use consumers' phone numbers much like a credit card. Vendors add charges to phone bills for bogus products or services, such as celebrity gossip items, horoscopes and joke-of-the-day offerings, that consumers and businesses never requested – and never used. But because the charges are unauthorized, consumers rarely, if ever, detect the scam, allowing the scammer to illegally profit for months at a time.

In 2012, Madigan drafted and negotiated a law that banned unauthorized charges on landline phones, making Illinois only the second state in the nation to ban the practice on wired phone lines. But as more people use cell phones as their primary phones, scam artists are now migrating to wireless billing schemes, spurring the need for stronger consumer protections.

"Cramming charges on landline phone bills has been a problem for a long time," Madigan said. "Now, cramming is spreading rapidly to our cell phones, so we need protections in place to prevent scammers from illegally profiting by putting these unapproved 'crammed' charges on our monthly cell bills."

The Attorney General's office has filed 30 lawsuits against crammers. 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.

Over the last several years, Attorney General Madigan has advocated for a nationwide ban on phone bill cramming, testifying in July 2011 before the U.S. Senate Commerce Committee and filing comments with the Federal Communications Commission. The filing with the FTC is her latest effort to call for action to stop cramming on wireless bills.

For more information on how to protect against phone bill cramming or to report being scammed, contact Attorney General Madigan's Consumer Fraud Hotlines:

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

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