



# News Release

## Office of the Attorney General

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### **Attorney General Announces \$158 Million Settlement with Sprint and Verizon**

*Consumers harmed by mobile cramming practices now eligible for refunds*

Tennessee Attorney General Herbert H. Slatery III and Bill Giannini, acting Director of the Tennessee Division of Consumer Affairs today announced settlements with Sprint Corporation (“Sprint”) and Celco Partnership d/b/a Verizon Wireless (“Verizon”) that include \$158 million in payments. The settlement with the state of Tennessee, the other 49 states, and the District of Columbia resolves allegations that Sprint and Verizon placed charges for third-party services on consumers’ mobile telephone bills that were not authorized by the consumers, a practice known as “mobile cramming.”

Cramming on mobile phone bills typically involves a \$9.99 per month fee for “premium” text message subscription services (also known as “PSMS” subscriptions) such as horoscopes, trivia, and sports scores that the consumers have never heard of or requested.

“Consumers should not be charged for products or services they did not knowingly agree to purchase. We are pleased that both Sprint and Verizon are making an effort to end this practice,” said Attorney General Slatery.

Under the terms of the settlements, Sprint will pay \$50 million and Verizon will pay \$70 million to victims of cramming. Beginning today, consumers may submit claims by visiting [www.SprintRefundPSMS.com](http://www.SprintRefundPSMS.com) and/or [www.CFPBSettlementVerizon.com](http://www.CFPBSettlementVerizon.com) where they can also find information about refund eligibility and request a free account summary that details PSMS purchases on their accounts. In addition, they can call the settlement administrators at: (877) 389-8787 (Sprint), and/or (888) 726-7063 (Verizon).

“This settlement is another great example of the Attorney General’s Office and the Division of Consumer Affairs working together to help benefit Tennesseans,” said Bill Giannini, acting Director of the Tennessee Division of Consumer Affairs.

Sprint and Verizon are the third and fourth mobile telephone providers to enter into nation-wide settlements to resolve cramming allegations. AT&T reached a \$105 million settlement in October 2014 followed by T-Mobile’s \$90 million in December of 2014. National mobile cramming settlements now total \$353 million.



Similar to the settlements with AT&T and T-Mobile, Sprint and Verizon are required to stay out of the commercial PSMS business and are now required to obtain consent before billing for third party charges. If an unauthorized charge is identified, mobile carriers must provide the consumer with a full refund or credit. In addition, carriers are required to inform consumers of how to block third party products from their phone and third party charges must appear in a separate section of the monthly bill.

The settlement requires Sprint to pay \$12 million to the Attorneys General and \$6 million to the Federal Communications Commission. Verizon will also pay \$16 million to the Attorneys General and \$4 million to the Federal Communications Commission.