

## **NEVADA AND NATIONAL MOBILE CRAMMING SETTLEMENTS**

The Nevada Attorney General Adam Paul Laxalt aims to protect consumers from fraud and exploitation. The Attorney General demonstrated his ongoing commitment to consumer protection, when he announced settlements on with Sprint Corporation and Cellco Partnership, also doing business as Verizon Wireless, for the practice of mobile cramming.

The settlement resolved allegations that these cell phone carriers placed charges for third-party services on consumers' mobile telephone bills, not authorized by those customers. This settlement is not the first instance of mobile cramming; similar settlements were reached with AT&T and T-Mobile in 2014. Attorney General Laxalt remains vigilant in safeguarding the rights of Nevada's consumers by continuing to monitor mobile providers for fair business practices.

### **Verizon Wireless, 2015**

Attorney General Laxalt joined the Attorneys General of 49 states, the District of Columbia, the Consumer Financial Protection Bureau (CFPB) and the Federal Communications Commission (FCC) in a state-federal settlement with mobile provider Verizon Wireless to address ongoing issues of mobile cramming. An investigation of Verizon's business practices revealed use of Premium Short Messaging Services (PSMS) which created unauthorized third-party charges on consumers' bills. As part of the settlement, Verizon is required to pay a total of \$90 million to affected parties. Nevada's share of the settlement is \$201,729.07.

### **Settlement Provisions**

The [settlement](#) creates the following new consumer protection provisions:

1. Verizon shall not use or bill for PSMS;
2. Verizon must receive consent from the consumer before billing for third-party services;
3. Beginning July 1, 2015, Verizon must confirm every third-party charge that the account holder will be billed for;
4. Beginning July 1, 2015, Verizon must provide clear disclosure of information about third-party charges and how to block these charges;

5. Beginning September 1, 2015, Verizon must include a section of the account holder's bill dedicated to third-party charges, including information on how to block these charges;
6. Beginning September 15, 2015, Verizon must provide customer service to consumers inquiring about third-party charges and refund any charges that the consumer did not consent to;
7. For six years after the effective date of the settlement, Verizon must conduct an annual training session with customer service representatives to instruct them on the requirements of the settlement;
8. Verizon must establish a point of contact for the Attorney General to provide concerns regarding unauthorized third-party charges and to request information for any investigation of third-party charges;
9. Verizon must initiate and maintain a system to report refunds of third-party charges.

### **Restitution to Consumers and Payments to Other Parties**

The settlement requires Verizon to pay \$16 million to the participating states. Of this, \$201,729.07 shall be paid to the state of Nevada. Verizon is further required to pay \$4 million to the FCC. Verizon has allocated \$70 million in order to refund the consumers who were victims of mobile cramming.

### **Eligibility for Refund – The deadline to submit a claim is December 31, 2015**

Current or former Verizon Wireless account holders, who believe unauthorized PSMS charges from third-parties may have been placed on their Verizon Wireless telephone bill(s) since July 1, 2010, may be eligible for a refund.

Verizon consumers who believe they may have been affected by mobile cramming may submit claims to redress programs by visiting [www.CFPBSettlementVerizon.com](http://www.CFPBSettlementVerizon.com). Information is available both in English and in Spanish. Claims must either be submitted electronically or postmarked no later than December 31, 2015. Consumers with questions about the redress program may call the settlement administrators at: (888) 726-7063.

### **Supporting Documents**

Read the Nevada Attorney General office press release [here](#).

Read Verizon's Frequently Asked Questions [here](#).

Read the CFPB Stipulated Final Judgment and Order [here](#).

## **Sprint Corporation, 2015**

In this settlement, Sprint Corporation agreed to pay a total of \$68 million as part of an agreement to resolve allegations of mobile cramming. Of this, \$151,279.15 shall be paid to the state of Nevada. Similar to the case concerning Verizon Wireless, Sprint is required to alter its procedures regarding unauthorized third-party charges. The settlement provides a greater guarantee that mobile companies will provide services to their consumers in a fair and responsible manner.

### **Settlement Provisions**

The [settlement](#) includes the following provisions:

1. Sprint shall not use or bill for PSMS;
2. Sprint must receive consent from the consumer before billing for third-party services;
3. Beginning September 15, 2015, Sprint must confirm every third-party charge that the accountholder will be billed for;
4. Beginning June 1, 2015, Sprint must provide clear disclosure of information about third-party charges and how to block these charges;
5. Beginning September 15, 2015, Sprint must initiate and maintain a system to report refunds of third-party charges;
6. Sprint must include a section on the accountholder's bill dedicated to third-party charges, including information on how to block these charges;
7. Sprint must provide customer service to consumers inquiring about third-party charges and refund any charges that the consumer did not consent to;
8. For six years after the effective date of the settlement, Sprint must conduct an annual training session with customer service representatives to instruct them on the requirements of the settlement;
9. Sprint must establish a point of contact for the Attorney General to provide concerns regarding unauthorized third-party charges and to request information for any investigation of third-party charges.

## **Restitution to Consumers and Payments to Other Parties**

The settlement requires Sprint to pay \$12 million to all participating states and Nevada will receive \$151,279.15. Sprint is also required to pay \$6 million to the FCC. Sprint has allocated \$50 million in order to refund the consumers, victims of mobile cramming.

### **Eligibility for Refund – The deadline to submit a claim is December 31, 2015**

Current or former Sprint account holders, who believe unauthorized PSMS charges from third-parties may have been placed on their Sprint telephone bills since July 1, 2010, may be eligible for a refund.

Sprint consumers who believe they may have been affected by mobile cramming may submit claims to redress programs by visiting [www.SprintRefundPSMS.com](http://www.SprintRefundPSMS.com). Information is available both in English and in Spanish. Claims must either be submitted electronically or postmarked no later than December 31, 2015. Consumers with questions about the redress program may call the settlement administrators at: (877) 389-8787.

### **Supporting Documents**

Read the Nevada Attorney General's office press release [here](#).

Read Sprint's Frequently Asked Questions [here](#).

Read the CFPB Stipulated Final Judgment and Order [here](#).

### **AT&T Mobility, 2014**

The settlement with AT&T Mobility resolves an investigation into the company's use of mobile cramming. Former Attorney General Catherine Cortez Masto pursued these allegations to reach a settlement requiring alterations to AT&T's business practices and \$105 million to be paid to affected parties. Of this amount, the state of Nevada will receive \$252,955.67.

### **Settlement Provisions**

The [settlement](#) requires AT&T to implement the following changes:

1. AT&T shall not use or bill for PSMS;
2. AT&T must receive consent from the consumer before billing for third-party services;
3. AT&T must confirm every third-party charge that the accountholder will be billed for;
4. Beginning September 30, 2014, AT&T must provide clear disclosure of information about third-party charges and how to block these charges;
5. AT&T must include a section of the accountholder's bill dedicated to third-party charges, including information on how to block these charges;
6. AT&T must provide customer service to consumers inquiring about third-party charges and refund any charges that the consumer did not consent to;
7. For six years after the effective date of the settlement, AT&T must conduct an annual training session with customer service representatives to instruct them on the requirements of the settlement;
8. Beginning February 1, 2015, AT&T must initiate and maintain a system to report refunds of third-party charges;
9. AT&T must establish a point of contact for the Attorney General to provide concerns regarding unauthorized third-party charges and to request information for any investigation of third-party charges.

### **Restitution to Consumers and Payments to Other Parties**

The settlement requires AT&T to pay \$20 million to all participating states. Of this, \$252,955.67 shall be paid to the state of Nevada. AT&T is also required to pay \$5 million to the FCC. AT&T has allocated \$80 million in order to refund the consumers, victims of mobile cramming.

### **Eligibility for Refund – The deadline to submit a claim was May 1, 2015**

If you have any questions, visit [www.FTC.gov/ATT](http://www.FTC.gov/ATT) or call 1-877-819-9692.

### **Supporting Documents**

Read the Nevada Attorney General's office press release [here](#).

Read the Federal Trade Commission settlement [here](#).

## **T-Mobile USA, 2014**

The state of Nevada reached a settlement with T-Mobile USA for the company's use of unauthorized third-party charges. Accomplished under former Attorney General Catherine Cortez Masto, the settlement requires T-Mobile to alter its business practices and to pay a sum of \$112.5 million to affected parties.

### **Settlement Provisions**

The [settlement](#) requires T-Mobile to make the following changes going forward:

1. T-Mobile shall not use or bill for PSMS;
2. T-Mobile must receive consent from the consumer before billing for third-party services;
3. Beginning April 1, 2015, T-Mobile must confirm every third-party charge that the accountholder will be billed for;
4. Beginning April 1, 2015, T-Mobile must provide clear disclosure of information about third-party charges and how to block these charges;
5. Beginning April 1, 2015, T-Mobile must include a section of the accountholder's bill dedicated to third-party charges, including information on how to block these charges;
6. Beginning April 1, 2015, T-Mobile must initiate and maintain a system to report refunds of third-party charges.
7. T-Mobile must provide customer service to consumers inquiring about third-party charges and refund any charges that the consumer did not consent to;
8. For six years after the effective date of the settlement, T-Mobile must conduct an annual training session with customer service representatives to instruct them on the requirements of the settlement;
9. T-Mobile must establish a point of contact for the Attorney General to provide concerns regarding unauthorized third-party charges and to request information for any investigation of third-party charges;

### **Restitution to Consumers and Payments to Other Parties**

The settlement requires T-Mobile to pay \$18 million to all participating states. Of this amount, \$227,660.11 shall be paid to the state of Nevada. T-Mobile is also

required to pay \$4.5 million to the FCC. T-Mobile has allocated \$90 million in order to refund the consumers, victims of mobile cramming.

**Eligibility for Refund - The deadline to submit a claim was June 30, 2015.**

If you have any questions, call (877) 453-1304.

### **Supporting Documents**

Read the Nevada Attorney General's office press release [here](#).

Read T-Mobile's Frequently Asked Questions [here](#).

Read the Federal Trade Commission settlement [here](#).