



## NEWS RELEASE

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### **Attorney General Jackley Announces \$90 Million Cramming Settlement with T-Mobile**

Attorney General Marty Jackley announced that South Dakota and 49 States and the District of Columbia, the Federal Trade Commission, and the Federal Communications Commission reached settlements with T-Mobile USA, Inc. that include at least \$90 million in payments, and that resolve allegations that T-Mobile placed charges for third-party services on consumers' mobile telephone bills that were not authorized by the consumer, a practice known as "mobile cramming." Consumers who have been "crammed" often complain about charges, typically \$9.99 per month, 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. The Attorneys General and federal regulators allege that cramming occurred when T-Mobile placed charges from third-parties on consumers' mobile telephone bills without the consumer's knowledge or consent. The State of South Dakota will receive \$194,431.89 as part of this settlement.

"Consumers were billed for services on their cell phones they did not authorize and this settlement addresses this bad business practice," said Jackley. "South Dakota consumers who were victims of this mobile cramming scam should file a claim immediately."

Under the terms of the settlements, T-Mobile must provide each victim of cramming who files a claim under its Premium SMS Refund Program an opportunity for a full refund. The settlement terms require that T-Mobile pay at least \$90 million; of this sum, at least \$67.5 million must be paid to consumers—a portion of which may be paid by forgiving debts consumers may owe T-Mobile. T-Mobile will also pay \$18 million to the Attorneys General and \$4.5 million to the Federal Communications Commission.

Consumers can submit claims under the Program by visiting <http://www.t-mobilerefund.com>. On that website, consumers can submit a claim, find information about refund eligibility and how to obtain a refund, and can request a free account summary that details PSMS purchases on their accounts. Consumers who have questions about the Program can visit the Program website or call the Refund Administrator at (855) 382-6403.

The settlement requires T-Mobile to stay out of the commercial PSMS. T-Mobile must also take a number of steps designed to ensure that it only bills consumers for third-party charges that have been authorized, including the following:

- T-Mobile must obtain consumers' express consent before billing consumers for third-party charges, and must ensure that consumers are only charged for services if the consumer has been informed of all material terms and conditions of their payment;

- T-Mobile must give consumers an opportunity to obtain a full refund or credit when they are billed for unauthorized third-party charges;
- T-Mobile must inform its customers when they sign up for services that their mobile phone can be used to pay for third-party charges, and must inform consumers of how those third-party charges can be blocked if the consumer doesn't want to use their phone as a payment method for third-party products; and
- T-Mobile must present third-party charges in a dedicated section of consumers' mobile phone bills, must clearly distinguish them from T-Mobile charges, and must include in that same section information about the consumers' ability to block third-party charges.