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Telephone billing scam: Expanded state law cracks down on 'cramming'

Scheme tacks on charges that customers never requested

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Illinois Gov. Pat Quinn has beefed up an existing state law to target companies that add charges to consumers' telephone bills for services they never ordered, a scam known as "cramming."

Cramming happens when a third-party provider responsible for billing customers on behalf of phone companies adds services, such as enhanced voice mail, without a customer's consent.

The amendment to the Consumer Fraud and Deceptive Business Practices Act, which Quinn signed Sunday, calls for third-party providers to disclose any new charges and terms, and requires an independent party to confirm with customers any new services before they are billed.

Third-party providers also must provide consumers with a toll-free contact number for questions or complaints and keep for at least two years records of customers who agree to pay for new services.

"We use our phones in a lot of different ways," Quinn said. "It's not a luxury. It's definitely a necessity ... so it's important, especially in economic hard times, that we protect consumers from unscrupulous operators in the telecommunications marketplace. And cramming has become more and more prevalent."

Any provider that doesn't comply must answer to Illinois Attorney General Lisa Madigan, who can fine them \$50,000 per violation of the consumer fraud act, Madigan spokeswoman Robyn Ziegler said. Madigan also can ask a judge to force the provider to pay consumers back any money they lost, among other penalties, Ziegler said.

David Kolata, executive director of the Citizens Utility Board, said CUB analyzes thousands of phone bills every day and about a year ago had an uptick in the number of people complaining about services they never ordered appearing on their phone bills.



Cramming mostly happens to land-line phone service bills, Kolata said, adding that enhanced voice mail and Internet-related services are the most common unauthorized charges.

"You only want to pay for what you actually want and what you're actually using," Kolata said. "So we'd encourage people to take a close look at their phone bill. ... Those involved in the cramming scam, they hope that customers won't read the fine print."

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