

HOW TO AVOID TELEPHONE CARRIER FRAUD

Two illegal practices to look out for are “slamming” and “cramming”.

“Slamming” is changing a telephone service without the customer’s permission. For many years slamming has been a major headache for consumers but, as telephone companies merge, there are now fewer competitors to try to get us to switch carriers.

The Federal Communication Commission requires companies to obtain clear permission for any change in one of two ways.

A Letter of Agency may be written or electronic and must include:

- The customer’s complete name and address
- Each telephone number to be included in the change
- A clear statement that the customer intends to change from this company to that one
- A statement that the customer is designating the new carrier to act as their agent to make the change
- A statement of any associated charges for the change of service.

The Letter of Agency must also be completely separate from any promotional materials, such as prizes or entry forms, etc.

If a carrier solicits the change by phone or electronically over the Internet, they are still required to verify authorization for the change. Sometimes they ask the customer to call a toll-free number or they may also employ another company to verify the request to change companies.

If slammed, simply call the slamming company and tell them that you will not pay for the first 30 days of long distance service. Then call the authorized company and tell them about the slam. Ask them to reinstate you and tell them that you want all “change of carrier charges” removed from your bill. Then call the FCC at 888.225.5322 for information on filing a complaint.

“Cramming” is the addition of unauthorized, misleading, or deceptive charges on a customer’s phone bill. Local carriers often bill customers for long distance or other services that are provided by other companies.

There are many tricks that are used to try to get consumers to agree to deceptive charges. For example, a contest entry form can include, in very small print, that submitting the entry form enrolls you in a calling card or other service. This charge then begins to appear on the bill, even though you have no need for the service and don’t even know that you signed up for it. Or, you might call an 800 number to claim your “prize”- your number is captured and you are automatically enrolled in a service that you never receive, but are billed for on your phone bill!

To avoid being crammed, it is necessary to check phone bills every month for



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unfamiliar charges and unknown companies that are listed on the bill.

Things like “service fee”, “service charge”, “other fees”, “voice mail”, “calling plan”, “membership”, “usage fee” or “monthly fee” may indicate cramming. Also, services provided by your carrier, but not authorized by you, such as beeper or perhaps pager services, are considered cramming. Often times, these recurring monthly fees may be so small and unclear that they are easy to overlook. That is the crammer’s strategy.

The Federal Trade Commission advises:

1. Keep a record of all telephone services you authorize.
2. Read the small print on sweepstakes and contest entry forms.
3. Read your phone bill carefully.
4. Be cautious about calling unfamiliar 800 numbers, especially if asked to leave your name, answer “yes” to prompts, or enter codes of some sort.
5. Be aware that calling a 900 number always costs money, even if calling to claim a “free” prize. (All 900 numbers that cost more than \$2 must give you a brief introductory message about the service, the service provider, and the cost of the call. You have three seconds after the message ends to hang up without being charged.)
6. Do not pay for charges until they are explained and understood.
7. Call the FTC at 877.382.4357 to file a complaint or get more information on consumer fraud issues.

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