

**AGENCY
TELECOMMUNICATIONS
REPRESENTATIVE
BULLETIN**

Date: 7/28/2011

ATR 11-06

P. O. Box 1810, MS #Y-13
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(916) 657-9150

SUBJECT: UNAUTHORIZED CHARGES TO AT&T PHONE BILL – CRAMMING

AT&T provides billing and collection services to Third Party Billers for the benefit of both the service providers and customers. AT&T requires companies that bill services through AT&T follow strict guidelines and obtain proper authorization from the customer for any charges that will appear on AT&T phone bills. If the billing parties do not follow these guidelines, AT&T can terminate their billing contracts or take other measures to assure compliance. Third-Party Billers can be service providers (companies that provide services to end users) or billing "clearinghouses" (companies that process billing for service providers). This type of billing will appear on a customer's AT&T bill, and for CALNET customers will also appear on their ACUS bill (flow-through).

When complaints are made by customers who believe they may have been billed for unauthorized third-party charges (cramming), the State and AT&T take these complaints seriously and work hard to protect and immediately help these customers.

AT&T will issue credits to all customers who call to report cramming complaints on their bills. AT&T will remove the unauthorized charges from the bill and offer to block the billing of third-party charges on any specific account, at no charge to the customer. AT&T will also proactively offer this option to customers who contact AT&T with cramming complaints in general. Customers will not be required to pay AT&T for disputed third-party charges. (Credits generally appear on customers' bills within one or two months).

AT&T also provides third-party bill blocking to any customers that request it, regardless of whether they have cramming complaints.

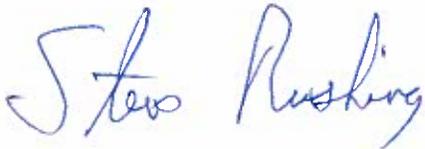
AT&T's third-party billing contracts include several safeguards designed to prevent, detect and discipline service providers including:

- Restrictions on marketing and promotion of services to be billed through our customers' phone bills;
- At minimum, one of the following forms of authorization or verification for all transactions:
 - Written document signed by the customer (signature may be electronic); or

- A recorded verbal authorization obtained by an independent third party.
- More stringent authorization requirements for Internet transactions;
- A second “opt-in” process after the customer has authorized the transaction. The customer must confirm each purchase and its price twice, for all Internet transactions;
- Strict monthly cramming complaint thresholds;
- Required procedures for handling of customer complaints, including “800” numbers for live help and self-help websites; and
- Annual audits of all third-party billing “clearinghouses” (entities that process billing for most third-party service providers).

If you have questions or suspect that this may have occurred contact your AT&T Billing Representative at 800-505-5400 or your AT&T Account Manager.

If you require any additional support please call our CALNET Customer Assistance line at 916-657-9150 or send an e-mail to stndhelpme@state.ca.gov.

A handwritten signature in blue ink that reads "Steve Rushing". The signature is written in a cursive, flowing style.

STEVE RUSHING, Deputy Director
Statewide Telecommunications and Network Division
Office of Technology Services
SR: