

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of)
Cellco Partnership d/b/a Verizon Wireless)
Unauthorized Third-Party Billing Charges)
File No.: EB-TCD-14-00016543
Account No.: 201532170014
FRN: 0003290673

ORDER

Adopted: May 12, 2015

Released: May 12, 2015

Chief, Enforcement Bureau:

1. The Enforcement Bureau (Bureau) and Cellco Partnership d/b/a Verizon Wireless (Verizon) have entered into a Consent Decree as part of a global settlement totaling \$90,000,000 in fines, payments, and restitution to consumers. This Consent Decree resolves allegations that Verizon charged consumers for third-party products and services that the consumers did not authorize, a practice that is more commonly known as cramming. Verizon provides mobile voice and data services to consumers throughout the United States. Verizon bills its customers not only for its own voice and data services, but also for the products and services of third parties. Until at least January 2014, Verizon included charges for third-party Premium Short Message Services (PSMS) on its customers' telephone bills. PSMS charges included services such as monthly subscriptions for ringtones, wallpapers, and text messages providing horoscopes, flirting tips, celebrity gossip, and other information. The charge for these types of subscriptions ranged from \$0.99 to \$14.00, but typically was \$9.99 per month. As compensation for its services, Verizon retained 30% or more of each PSMS charge that it billed.

2. Verizon's practices generated a number of complaints from consumers who contended that they never authorized the PSMS charges that showed up on their bills. For example, in just eight months in 2013 to 2014, Verizon billed tens of thousands of PSMS charges to wireless customers who complained that they had never requested or authorized the services for which they were charged. Customers complained that Verizon refused to refund the charges or refunded charges for only a few months. Consumers have complained to the FCC and other government authorities alleging they were billed by Verizon for third-party charges they did not authorize.

3. The Bureau has investigated these matters and contends that Verizon violated the law by engaging in an unjust and unreasonable practice of billing consumers for products or services they had not authorized. To resolve the Bureau's investigation, and as part of the global settlement reached with the Consumer Financial Protection Bureau and Attorneys General of the fifty States and the District of Columbia, Verizon will provide a total of \$90,000,000 in payments and funds for consumer redress. Specifically, Verizon will pay \$70,000,000 to fund a consumer redress program to provide refunds to its customers who were charged for unauthorized third party services, \$16,000,000 to the fifty states and District of Columbia participating in the settlement, and \$4,000,000 in fines to the United States Treasury. The Consent Decree will also, among other things, prohibit Verizon from charging customers for third-

party PSMS products or services; require Verizon to develop and implement a system to verify third-party charges via consumers' express informed consent before charges are placed on bills; require Verizon to block third-party charges for free when a customer requests a block; help customers identify unwanted charges by implementing a system to provide separate purchase confirmations for third-party charges, and place clear descriptions of such charges in a dedicated section on customer bills; designate a senior corporate manager as a compliance officer; implement a training program to ensure customer service personnel resolve customer complaints about unauthorized third-party charges; and report on its compliance with the terms of the settlement for six years.

4. In this Order, we adopt the attached Consent Decree entered into between the Bureau and Verizon. The Consent Decree terminates the investigation initiated by the Bureau regarding Verizon's compliance with Section 201(b) of the Communications Act of 1934, as amended, 47 U.S.C. § 201(b).

5. The Bureau and Verizon have negotiated the terms of the Consent Decree that resolves these matters. A copy of the Consent Decree is attached hereto and incorporated by reference.

6. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the referenced investigation.

7. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether Verizon possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

8. Accordingly, **IT IS ORDERED**, pursuant to Section 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. § 154(i), and the authority delegated by Sections 0.111 and 0.311 of the Commission's rules, 47 C.F.R §§ 0.111, 0.311, that the attached Consent Decree **IS ADOPTED**.

9. **IT IS FURTHER ORDERED** that the above-captioned matter **IS TERMINATED**.

10. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Chris Miller, VP & Associate General Counsel, 1320 N. Courthouse Rd., Suite 900, Arlington, VA 22201.

FEDERAL COMMUNICATIONS COMMISSION

Travis LeBlanc
Chief, Enforcement Bureau

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CONSENT DECREE

The Enforcement Bureau of the Federal Communications Commission and Cellco Partnership d/b/a Verizon Wireless (“Verizon”) by their authorized representatives, hereby enter into this Consent Decree that resolves and terminates an investigation into Verizon’s compliance with Section 201(b) of the Communications Act of 1934, as amended.¹

I. DEFINITIONS

1. For the purposes of this Consent Decree, the following definitions shall apply:
 - (a) “Account Holder” means any individual or entity who is or was responsible for paying all charges associated with all lines on that individual’s or entity’s mobile phone account with Verizon.
 - (b) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*
 - (c) “Adopting Order” means an order of the Commission or the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
 - (d) “Bill” means a Consumer’s mobile telephone bill or prepaid mobile account, as applicable.
 - (e) “Block” means a restriction placed on a Consumer’s account that prevents one or more lines from being used to purchase Third-Party Products and from being billed for Third-Party Charges on a Consumer’s Bill.
 - (f) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
 - (g) “CFPB” means the Consumer Financial Protection Bureau.
 - (h) “CFPB Settlement” means the Stipulated Final Judgment and Order in the case captioned Consumer Financial Protection Bureau v. Cellco Partnership d/b/a

¹ 47 U.S.C. § 201(b).

Verizon Wireless (“CFPB Stipulated Order”), as filed with the District Court for the District of New Jersey.

- (i) A statement is “Clear and Conspicuous” if it is disclosed in such size, color, contrast, location, duration, and/or audibility that it is readily noticeable, readable, understandable, and capable of being heard. A statement may not contradict or be inconsistent with any other information with which it is presented. If a statement materially modifies, explains or clarifies other information with which it is presented, then the statement must be presented in proximity to the information it modifies, explains or clarifies, in a manner that is readily noticeable, readable, and understandable, and not obscured in any manner. In addition:
 - i. An audio disclosure must be delivered in a volume and cadence sufficient for a consumer to hear and comprehend it;
 - ii. A television or Internet disclosure must be of a type size, location, and shade and remain on the screen for a duration sufficient for a consumer to read and comprehend it based on the medium being used;
 - iii. Disclosures in a print advertisement or promotional material, including, but without limitation, a point of sale display or brochure materials directed to consumers, must appear in a type size, contrast, and location sufficient for a consumer to read and comprehend them; and
 - iv. A text-message disclosure must be of a format, to the extent controlled by the sender, so that Consumers can notice and read it on their mobile devices, and hyperlinks included as part of the text message should be clearly labeled or described.
- (j) “Commercial PSMS” means the use of PSMS to bill for Third-Party Products.
- (k) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
- (l) “Communications Laws” mean the Act, the Rules, and the published and promulgated orders and decisions of the Commission to which Verizon is subject.
- (m) “Compliance Plan” means the compliance obligations, program, and procedures described in this Consent Decree at Paragraph 11.
- (n) “Consumer” means a current or former Verizon customer, subscriber, or purchaser of Third-Party Products for which Third-Party Charges are or were placed on the Consumer’s Bill from Verizon, whether that person is the individual responsible for paying the Bill or has a device that is billed to a shared account. “Consumer” does not include any business entity or any state, federal, local, or other governmental entity, if (1) the business entity or government, and not the employees or individuals working for or with that business entity or government, is solely liable to Verizon for payment of all charges billed on that account, and (2) the ability to process Third-Party Charges through that account is not available unless the business entity or government affirmatively requests that certain or all mobile devices be provided the ability to authorize placement of such Third-Party Charges.

- (o) “Effective Date” means the date that the Stipulated Final Judgment and Order is entered by the District Court for the District of New Jersey as part of the CFPB Settlement.
- (p) “Express Informed Consent” means an affirmative act or statement giving unambiguous assent to be charged for the purchase of a Third-Party Product that is made by a Consumer after being provided a Clear and Conspicuous disclosure of material facts.
- (q) “Investigation” means the inquiry undertaken by the Bureau in File No. EB-TCD-14-00016543, and involving the facts and allegations set forth in Paragraphs 1-2 of this Consent Decree.
- (r) “Newly Acquired Entities” means any entities Verizon acquires in the future.
- (s) “Participating States” means the following states and commonwealths: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, as well as the District of Columbia.
- (t) “Parties” mean Verizon and the Bureau, each of which is a “Party.”
- (u) “Person” shall have the same meaning as defined in 47 U.S.C. § 153(39).
- (v) “Premium Short Messaging Service,” or “PSMS,” means a service that distributes paid content to a Consumer using the Short Message Service and Multimedia Messaging Service communication protocols via messages that are routed using a Short Code, resulting in a Third-Party Charge.
- (w) “Rules” mean the Commission’s regulations found in Title 47 of the Code of Federal Regulations.
- (x) “Short Code” means a common code leased from the CTIA Common Short Code Administration that is composed of a set of numbers, usually 4 to 6 digits, to and from which text messages can be sent and received using a mobile telephone.
- (y) “Participating States Settlement” means the Assurances of Voluntary Compliance executed by Verizon and the Participating States, or similar document as required by applicable state law, to resolve the concurrent investigation by the Participating States regarding Unauthorized Third-Party Charges.
- (z) “Third Party” means an entity or entities, other than Verizon, that provides a Third-Party Product to Consumers for which billing is made through Verizon’s Bills.
- (aa) “Third-Party Charge” means a charge for the purchase of a Third-Party Product placed on a Consumer’s Bill.
- (bb) “Third-Party Product” means content or services offered or sold by a Third Party that can be used on a mobile device, for which charges are placed on the Consumer’s Bill or deducted from a prepaid account by Verizon. “Third-Party

Product” excludes contributions to charities, candidates for public office, political action committees, campaign committees, campaigns involving a ballot measure, or other similar contributions. “Third-Party Product” also excludes white label products and co-branded or co-marketed products where goods and services are offered or sold jointly and cooperatively by Verizon and a Third Party, where the charge for such goods or services is placed on the Consumer’s Bill or deducted from a Prepaid Account as a Verizon charge; and where Verizon is responsible for accepting complaints, processing refunds, and other communications with the Consumer regarding the charge. “Third-Party Product” also excludes equipment protection services, including mobile device insurance and extended warranty offerings.

- (cc) “Third-Party Merchant” means any Person, other than Verizon, that purportedly provides one or more Third-Party Products to mobile telephone users.
- (dd) “Unauthorized Third-Party Charge” means a Third-Party Charge placed on a Consumer’s Bill without the Consumer’s Express Informed Consent.
- (ee) “Verizon” means Cellco Partnership d/b/a Verizon Wireless, including its successors and assigns.

II. BACKGROUND

1. Verizon provides mobile voice and data services to Consumers throughout the United States. Verizon bills its customers not only for its own voice and data services, but also for the products and services of some third parties. Until at least January 2014, Verizon included Third-Party Charges on its customers’ telephone Bills for services such as monthly subscriptions for ringtones, wallpaper, and text messages providing horoscopes, flirting tips, celebrity gossip, and other information. The charge for these types of subscriptions ranged from \$0.99 to \$14.00, but typically was \$9.99 per month. Verizon retained 30% or more of each PSMS charge that it billed.

2. Verizon did not itself obtain authorization from its subscribers prior to placing charges on its customers’ Bills. Instead, Verizon relied upon third-party aggregators, who, on behalf of various Third-Party Merchants, passed along charges for Verizon to place on Consumer Bills. Consumers have complained that they were billed by Verizon for Third-Party Charges that they did not authorize. For example, in just eight months in 2013 to 2014, Verizon billed tens of thousands of PSMS charges to wireless customers who complained that they had never requested or authorized the services for which they were charged. Some Third-Party Merchants circumvented Verizon’s procedural requirements in certain cases. Verizon provided full refunds to some customers. However, other customers complained that Verizon refused to refund the charges or only refunded charges for a few months. Consumers have complained to the FCC and other government authorities alleging they were billed by Verizon for Third-Party Charges they did not authorize.

3. Section 201(b) of the Act states, in pertinent part, that “[a]ll charges, practices, classifications, and regulations for and in connection with [interstate or foreign] communication service [by wire or radio], shall be just and reasonable, and any such charge, practice, classification, or regulation that is unjust or unreasonable is declared to be unlawful” The Commission has held that the inclusion of unauthorized charges and fees on consumers’ telephone bills is an “unjust and unreasonable” practice under Section 201(b).

4. The Bureau charges that Verizon, through the course of conduct above, violated Section 201(b) of the Act, by engaging in an unjust and unreasonable practice, for or in connection with an interstate or foreign communication service by radio by assessing charges on its customers’ telephone bills for products or services they had not authorized; and

5. The Bureau and Verizon negotiated the following terms and conditions of settlement and hereby enter into this Consent Decree as provided below.

III. TERMS OF AGREEMENT

6. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Commission or the Bureau by incorporation of such provisions by reference in the Adopting Order.

7. **Jurisdiction.** For purposes of this matter, Verizon agrees that the Commission, acting through the Bureau, has jurisdiction over it and the matters contained in this Consent Decree and that the Bureau has the authority to enter into and adopt this Consent Decree.

8. **Execution Date; Violations.** The Parties agree that this Consent Decree shall become binding upon execution. The Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Commission. For Newly Acquired Entities, Verizon shall have a reasonable period of time, which in no event shall exceed twelve (12) months, in which to bring said entities into compliance with this Consent Decree, during which period Verizon shall take reasonable steps to obtain Express Informed Consent before a Consumer is billed for any Third-Party Charge. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Commission order, entitling the Commission to exercise any rights and remedies attendant to the enforcement of a Commission order. If the Bureau determines that Verizon made any material misrepresentation or material omission relevant to the resolution of this Investigation, the Bureau retains the right to seek modification of this Consent Decree.

9. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate the Investigation. In consideration for the termination of the Investigation, Verizon agrees to the terms, conditions, and procedures contained herein. The Parties, by and through their counsel, have agreed that entry of this Consent Decree fully and finally resolves all issues between them arising from or related to PSMS or claims of Unauthorized Third-Party Charges for all time periods up to the date of entry of this Consent Decree and precludes further litigation between the Commission and Verizon on the resolved issues except for purposes of enforcing this Consent Decree. The Parties understand and agree that this Consent Decree is a compromise settlement of disputed issues. It is the intent of the Parties that this Consent Decree shall not be used as evidence or precedent in any action or proceeding, except an action to enforce this Consent Decree, and does not constitute an admission, finding of law, or fact. The Parties agree this Consent Decree is for settlement purposes only and does not constitute an adjudication on the merits or a factual or legal determination regarding compliance or non-compliance.

10. **Compliance Officer.** Within thirty (30) days of the Effective Date, Verizon shall designate a senior corporate manager with the requisite corporate and organizational authority to serve as Compliance Officer for this matter and to discharge the duties set forth below. The Compliance Officer shall be responsible for developing, implementing, and administering the Compliance Plan and ensuring that Verizon complies with the terms and conditions of the Compliance Plan and this Consent Decree.

11. **Compliance Plan.** Verizon shall implement and comply with the following:

- (a) **Commercial PSMS.** Verizon shall not make available to Consumers the option to purchase Third-Party Products through Commercial PSMS and shall not bill new charges for Commercial PSMS.
- (b) **Authorization of Third-Party Charges.** Verizon shall obtain Express Informed Consent before a Consumer is billed for any Third-Party Charge. The Consumer's Express Informed Consent may be provided to Verizon or to another person or entity obligated to Verizon to obtain such consent. Verizon or other person or

entity shall retain sufficient information to allow such consent to be verified. If Express Informed Consent is not directly collected by Verizon, Verizon shall implement reasonable policies and practices² to confirm Express Informed Consent shall be appropriately collected and documented by the person or entity obligated to do so, and shall monitor and enforce those policies and practices to confirm Express Informed Consent is appropriately collected and documented, and where Express Informed Consent has not been appropriately collected and documented, shall require remedial action (which may include, for example, suspension, proactive credits, or retraining) or cease billing for such charges. While the system described by this Subparagraph is being developed and implemented, Verizon shall take reasonable steps to obtain Express Informed Consent before a Consumer is billed for any Third-Party Charge.

- (c) **Purchase Confirmation for Third-Party Charges.** Beginning no later than July 1, 2015, Verizon shall implement a system whereby the Consumer (and, for multiline accounts, the Account Holder, if designated) will be sent a Clear and Conspicuous purchase confirmation separate from the Bill of every Third-Party Charge, including recurring charges, that will appear on his or her Bill. Such purchase confirmation shall be sent within a reasonable period of time following the purchase or renewal of a Third-Party Product, and shall identify Blocking options that Verizon makes available to Consumers and/or provide access to such information. For multiline accounts, Verizon may provide the Account Holder the option to elect not to receive such purchase confirmations for purchases made on other lines.
- (d) **Information on Blocking.** Beginning no later than July 1, 2015, Verizon shall:
- i. At no charge to the Consumer, offer Blocking of Third-Party Charges; and
 - ii. Provide a Clear and Conspicuous disclosure about Third-Party Charges and Blocking options in informational material provided to Consumers at or near the time of subscribing to or activating service, to the extent Third-Party Charges are offered and available with the service, and which is provided in a context separate from the actual subscriber agreement documents. Such disclosure shall include or provide access to a description of Third-Party Charges, how Third-Party Charges appear on Bills, and options available to Consumers to Block Third-Party Charges. Consumers shall not incur any data or text charges for receiving or accessing the information discussed in this Subparagraph.
- (e) **Billing Information and Format.** Beginning no later than September 1, 2015:
- i. Except for pre-paid mobile accounts, all Third-Party Charges shall be presented in a dedicated section of the Consumer's Bill (or in a dedicated section for each mobile line on the account, if the Bill sets forth charges by each line) and shall be set forth in such a manner as to distinguish the Third-Party Charges contained therein from Verizon's service, usage, and other charges. This section of the Consumer's Bill shall contain a heading that Clearly and Conspicuously identifies that the charges are for Third-Party Products.

² For purposes of this Section, for charges incurred through operating system storefronts, such reasonable policies and practices may, for example, consist of Verizon or its agents making a statistically valid random sample of purchases to demonstrate whether the storefront is collecting Express Informed Consent consistent with this Consent Decree. Such policies and practices shall be fully implemented by Verizon no later than July 1, 2015.

- ii. The Third-Party Charge billing section required by this Subparagraph shall include a Clear and Conspicuous disclosure of a Consumer's ability to Block Third-Party Charges, including contact and/or access information that Consumers may use to initiate such Blocking. If Verizon includes a Third-Party Charge billing section for each mobile line on the account, Verizon shall have the option to include the disclosure of a Consumer's ability to Block Third-Party Charges in only the first Third-Party Charge billing section that appears on the Bill, rather than in all Third-Party Charge billing sections.
- (f) **Consumer Contacts.** When a Consumer contacts Verizon with regard to a Third-Party Charge incurred after the Effective Date, or a Block, Verizon shall:
- i. Provide the Consumer with access to a customer service representative who shall have access to the Consumer's account information concerning Third-Party Charges for at least the prior twelve (12) months. For Newly Acquired Entities, if such information is not available, Verizon shall have twelve (12) months to come into compliance with respect to such entities, and, while coming into compliance, respond to the Consumer's inquiry within ten (10) days using any available information;
 - ii. Beginning no later than September 15, 2015, for any Consumer who claims he or she did not authorize a Third-Party Charge incurred after the Effective Date:
 - 1. for disputed Third-Party Charges (either a single charge or recurring charge) initially incurred within the prior twelve (12) months, either (1) provide the Consumer a full refund or credit of any and all disputed Third-Party Charges not previously credited or refunded to the Consumer, or (2) deny a refund if Verizon has information demonstrating that the Consumer provided Express Informed Consent to the Third-Party Charge, offers to provide such information to the Consumer, and, upon request, provides such information to the Consumer;
 - 2. for disputed Third-Party Charges (either a single charge or a recurring charge) initially incurred more than twelve (12) months prior to when the Consumer contacted Verizon, within 10 business days from receipt of the claim, either (1) provide the Consumer a full refund or credit of any and all disputed Third-Party Charges not previously credited or refunded to the Consumer, or (2) deny a refund if Verizon has information demonstrating that the Consumer provided Express Informed Consent to the Third-Party Charge, offers to provide such information to the Consumer, and, upon request, provides such information to the Consumer. This Subparagraph (f)(ii) shall expire four (4) years from the Effective Date;
 - iii. if the Consumer claims that he or she did not authorize a Third-Party Charge, and the Consumer is a current customer of Carrier, offer the Consumer the opportunity to Block future Third-Party Charges;
 - iv. not require the Consumer to first contact the Third Party in order to receive a refund/credit of any claimed Unauthorized Third-Party Charge, although this Subparagraph does not prohibit asking the Consumer if he or she has contacted the Third Party and/or if the Consumer has already received a credit or refund from the Third Party for some or all of the claimed Unauthorized Third-Party Charge.

- (g) **Training**. Verizon shall, for six (6) years from the Effective Date, conduct a training program with its customer service representatives, at least annually, to administer the requirements of this Consent Decree. To the extent that Verizon no longer permits Third-Party Charges on Consumers' Bills, Verizon shall conduct one training program within three months of such cessation and shall have no further obligation to conduct training programs under this Paragraph so long as Verizon does not permit Third-Party Charges on Consumers' Bills.
- (h) **Record Keeping**. No later than September 15, 2015, Verizon shall:
- i. Implement a process to track (1) all Consumer claims that a Third-Party Charge was unauthorized for which Verizon demonstrated that the purchaser provided Express Informed Consent; (2) refunds/credits provided pursuant to Paragraph 11(f); and (3) any other information necessary to prepare the Quarterly Reports described in Paragraph 11(j); and
 - ii. Implement systems that allow it to maintain the information described in this Paragraph. Each record created pursuant to this Paragraph shall be maintained for a period of six (6) years from the date of its creation. Verizon's obligation to maintain records for six years from the date of their creation shall continue after Verizon's obligation to provide the Quarterly Reports described in Paragraph 11(j) expires.
- (i) **Cooperation with the Bureau**: Verizon shall designate a contact to whom the Bureau may provide information regarding any concerns about Unauthorized Third-Party Charges, and from whom the Bureau may request information and assistance in investigations. The information and assistance shall include information regarding the identity of Third Parties placing charges on Verizon's Bill, revenue from such Third Parties, refunds provided relating to such Third Parties, any audits conducted of such Third Parties (to the extent not protected by attorney-client privilege or attorney work product doctrine), and any applications or other information provided by Third Parties, to the extent that Verizon has access to such information. Consistent with Verizon's legal obligations to safeguard the confidential or proprietary information of Consumers and Third Parties, Verizon shall provide such information within a reasonable period and shall cooperate in good faith with such requests, including investigating any reports of Unauthorized Third-Party Charges Verizon receives from the Bureau.
- (j) **Reporting Requirements**.
- i. Verizon shall, for six (6) years from the period beginning September 1, 2015, provide a report to the Bureau every three (3) months ("Quarterly Reports") documenting its compliance with the requirements of Paragraph 11(f). Without limiting Verizon's obligations under Paragraph 11(f), the Quarterly Reports shall include the following:
 1. The total number of Consumer claims for Unauthorized Third-Party Charges for which Verizon has demonstrated that the purchaser provided Express Informed Consent or for which Verizon has demonstrated that the claim was untimely under Paragraph 11(f)(ii);
 2. All refunds/credits provided, in dollars, due to Verizon's inability to provide proof of Express Informed Consent in response to such a claim by Consumers;

3. All other refunds/credits provided in response to Consumer claims for Unauthorized Third-Party Charges, in dollars;
 4. For the claims and refunds/credits identified under Subparagraphs 1, 2, and 3 above, the Third-Party Product, the Third Party, and the entity responsible for ensuring Express Informed Consent from the Consumer if different than Verizon; and
 5. A description of any remedial action taken by Verizon against Third Parties for Unauthorized Third-Party Charges, including, but not limited to, any actions taken to limit or terminate a Third Party's ability to place Third-Party Charges on a Consumer's Bill. The description of any remedial action provided under this Subparagraph shall include: (a) the name and contact information of such Third Party, (b) a description of the Third-Party Product in connection with which the remedial action that was taken, (c) an indication of whether the Third-Party Product was suspended or terminated (and if the Third-Party Product was suspended, Verizon shall include the date or conditions for reinstatement), and (d) the reason for the remedial action.
- ii. Information in Quarterly Reports shall be presented on a national basis and provided electronically in a format to be agreed to by the Parties. Quarterly Reports shall be provided within thirty (30) days of the end of each calendar quarter.
 - iii. This Paragraph 11(j) shall expire six (6) years from the Effective Date.
- (k) **Consumer Redress for Unauthorized Charges**. The Parties recognize that Verizon has agreed to the Consumer Redress Plan described in Section III of the CFPB Settlement, which sets forth a detailed process for consumer redress. This Consent Decree incorporates by reference the Consumer Redress Plan contained in Section III of the CFPB Settlement, but does not alter, amend, replace, or expand the Consumer Redress Plan described in Section III of the CFPB Settlement.
- (l) **Settlement Amount**. Verizon agrees to a global settlement with the FCC, CFPB, and Participating States with a value of no more than ninety million dollars (\$90,000,000) to fully resolve the Investigation as well as the allegations and claims related to Third Party Charges that are the subject of the CFPB Settlement and the Participating States Settlement. Specifically:
- i. As part of and pursuant to this Consent Decree, Verizon shall pay four million dollars (\$4,000,000) to the United States Treasury within thirty (30) days of the Effective Date;
 - ii. Verizon shall pay sixteen million dollars (\$16,000,000) to the Participating States;
 - iii. Verizon shall provide refunds under the Consumer Redress Plan, as described in Section III of the CFPB Settlement, of at least \$35,000,000, not to exceed \$70,000,000, to all Consumers entitled to a refund. Once Verizon provides at least \$35,000,000 in refunds to Consumers, Verizon may claim a \$16,000,000 credit for refunds previously paid to Consumers by Verizon. If the Redress Amount still has not been exhausted after the \$16,000,000 credit for refunds is

applied, Verizon may claim an additional \$5,000,000 credit for costs associated with administering redress to Consumers.

12. **Section 208 Complaints; Subsequent Investigations.** Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to Section 208 of the Act against Verizon for alleged violations of the Act, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission's adjudication of any such complaint shall be based solely on the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the Commission from investigating new evidence of noncompliance by Verizon with the Communications Laws.

13. **Payment Process.** Verizon acknowledges and agrees that upon execution of this Consent Decree, the four million dollars in paragraph 11(l)(i) shall become a "Claim" or "Debt" as defined in 31 U.S.C. § 3701(b)(1).³ Verizon shall send electronic notification of this fine payment to Richard Hindman at richard.hindman@fcc.gov and to fcebacaccess@fcc.gov on the date it is made. It must be made by check or similar instrument, wire transfer, or credit card, and must include the Account Number and FRN referenced above. Regardless of the form, a completed FCC Form 159 (Remittance Advice) must be submitted.⁴ When completing the FCC Form 159, enter the Account Number in block number 23A (call sign/other ID) and enter the letters "FORF" in block number 24A (payment type code). Below are additional instructions Verizon must follow based on the form of payment it selects:

- Payment by check or money order must be made payable to the order of the Federal Communications Commission. Such payment (along with the completed Form 159) must be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.
- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. To complete the wire transfer and ensure appropriate crediting of the wired funds, a completed Form 159 must be faxed to U.S. Bank at (314) 418-4232 on the same business day the wire transfer is initiated.
- Payment by credit card must be made by providing the required credit card information on FCC Form 159 and signing and dating the Form 159 to authorize the credit card payment. The completed Form 159 must then be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.

If Verizon has questions regarding payment procedures, it may contact the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e-mail, ARINQUIRIES@fcc.gov.

14. **Construction.** Nothing in any provision of this Consent Decree shall be read or construed to require Verizon (a) to share customer proprietary network information ("CPNI") with any person not legally entitled to receive CPNI; (b) to share customer information in such a way that it would violate any applicable law, or violate any privacy policy restricting access to account information; or (c) to grant more than one full refund for any single Unauthorized Third-Party Charge. Verizon shall not amend its privacy policy to excuse its compliance with the reporting, tracking, or other provisions of this Consent Decree related to the sharing of customer information unless required by law.

³ Debt Collection Improvement Act of 1996, Pub. L. No. 104-134, 110 Stat. 1321, 1358 (1996).

⁴ An FCC Form 159 and detailed instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

15. **Waivers.** Verizon waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal, or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Bureau issues the Adopting Order as defined herein. Verizon shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither Verizon nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Verizon shall waive any statutory right to a trial *de novo*. Verizon hereby agrees to waive any claims it may have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

16. **Invalidity.** In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

17. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent Rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which Verizon does not expressly consent) that provision shall be superseded by such Rule or Commission order.

18. **Successors and Assigns.** Verizon agrees that the provisions of this Consent Decree shall apply to Verizon and its officers, employees, successors, assigns, merged or acquired entities, wholly owned subsidiaries, and all other persons or entities acting in concert or participation with any of them, who receive actual notice of this Consent Decree, regarding Verizon's placement of Third-Party Charges on Consumer Bills.

19. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties with respect to the Investigation.

20. **Modifications.** Except as specified in Paragraph 17, above, this Consent Decree cannot be modified without the advance written consent of both Parties.

21. **Paragraph Headings.** The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

22. **Authorized Representative.** The individual signing this Consent Decree on behalf of Verizon represents and warrants that he is authorized by Verizon to execute this Consent Decree and to bind Verizon to the obligations, including all payment obligations, set forth herein. The FCC signatory represents that he is signing this Consent Decree in his official capacity and that he is authorized to execute this Consent Decree.

23. **Entire Agreement; Counterparts.** Except where specifically noted herein, this Consent Decree (and any attachments) represents the full and complete terms of the settlement entered by the parties hereto. This Consent Decree may be signed in any number of counterparts (including by facsimile and by electronic copy), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

Craig L. Silliman
Executive Vice President & General Counsel
Verizon

Date

Travis LeBlanc
Chief
Enforcement Bureau

Date