



# NEWS RELEASE

## PRESS OFFICE

---

**Release Date:** February 4, 2004

**Release Number:** 04-07

[www.sba.gov/news/](http://www.sba.gov/news/)

**Contact:** Sue Hensley (202) 205-6444

**Internet Address:**

## **FTC Hotline to Assist Small Businesses and Other Victims to Recover from Web Cramming Scam**

*SBA had warned consumers about deceptive practices*

**WASHINGTON** – The Federal Trade Commission has launched a consumer hotline to assist alleged victims of a Web cramming scam operated by Miami-based Epixtar Corporation and several of its subsidiaries, including one formerly known as SBA Online, Inc. The hotline number is 202-326-2998 and will advise consumers how to obtain a refund.

The hotline was established as a result of a lawsuit filed by the FTC against Epixtar and its subsidiaries for allegedly violating federal law by deceptively marketing a free trial of Internet services, and then unfairly billing customers' telephone accounts without their expressed informed consent and without their knowledge. The FTC investigation was prompted in part by the U.S. Small Business Administration's objections to the unauthorized use of its trademark by the company and complaints to the SBA from small business owners.

Cramming refers to the practice of billing businesses for services that were never authorized and have little value. The bogus charges usually appear on businesses' telephone bills.

The SBA had warned small businesses across the country in March 2003 about a company calling itself "SBA Online" after receiving a number of complaints from members of the public advising that representatives of the company were contacting their businesses seeking to interest them in purchasing certain commercial services allegedly offered by their organization, or in paying to become members of "SBA." The SBA does not charge the public for its materials, nor for membership in its programs.

The FTC and the defendants last November agreed to an injunction that prohibits the companies from continuing this practice, requires the defendants to notify customers that they are being billed for Web services, and also to permit customers to cancel any unauthorized service. The FTC's complaint alleged that the defendants "crammed" a charge of \$29.95 per month on the telephone bills of those businesses that did not cancel the service during the trial period, without obtaining consumers' permission to bill them.

The FTC is advising consumers who believe they have been victims of the scam to call the hotline for advice on how to proceed. Also, consumers who receive notices from the defendants stating that they are being billed for Internet services, are being advised to determine whether they authorized the charges and, if not, to call the number on the notice and cancel the service.