



# Department of Justice

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## **JUSTICE DEPARTMENT SETTLES CIVIL CONTEMPT CLAIM AGAINST AT&T INC.**

### ***AT&T Agrees to Pay More Than \$2 Million as Part of a Civil Settlement for Violating Two Court Orders***

WASHINGTON – AT&T Inc. has agreed to pay more than \$2 million as part of a civil settlement with the Department of Justice that resolves AT&T’s alleged violations of two court orders entered in connection with AT&T’s acquisition of Dobson Communications Corporation.

The Department today filed a petition in the U.S. District Court for the District of Columbia asking it to find AT&T in civil contempt of a 2008 consent decree and a related court order. At the same time, the Department filed a settlement agreement and order, subject to court approval, that would resolve the Department’s concerns. The payment to the United States includes reimbursement to the government for the cost of its investigation into AT&T’s alleged violations.

“It is imperative that companies fully abide by their court-ordered obligations in order for our settlements to be effective in preserving competition and protecting consumers,” said Deborah A. Garza, Acting Assistant Attorney General in charge of the Department’s Antitrust Division. “When companies fail to comply with a court order, the Antitrust Division will take swift and certain action to ensure that companies fulfill their responsibilities.”

Under the consent decree entered by the court in March 2008, AT&T was required to divest mobile wireless telecommunications businesses in three rural service areas (RSAs) – two in Kentucky and one in Oklahoma. Pending divestiture, a management trustee was appointed to oversee the businesses to be divested. Under the consent decree and a related court order, AT&T was required to take all steps necessary to ensure that the divested businesses were operated independently of AT&T and that AT&T did not influence how they were managed. AT&T was also required to take all reasonable efforts to preserve the confidentiality of information material to the operation of the divested businesses and not give unauthorized personnel access to such information.

According to the petition filed by the Department, AT&T failed to fulfill its obligations under the two court orders. The petition alleges that AT&T failed to separate confidential customer account information of the divested businesses from its own customer records and to take other actions needed to prevent unauthorized disclosure. Consequently, AT&T personnel

obtained unauthorized access to the divested businesses' competitively sensitive customer information and in some situations used it to solicit and win away the divested businesses' customers. The petition further alleges that AT&T, without authorization by the management trustee, waived early termination fees for several customers of the divested businesses to facilitate switching their wireless service from the divested businesses to AT&T.

Certain provisions of the orders were adopted by the Federal Communications Commission (FCC) in its Nov. 15, 2007 order approving the merger of AT&T and Dobson. The Department has coordinated with the FCC throughout its investigation.

AT&T, headquartered in Dallas, is the largest provider of mobile wireless voice and data services in the United States, serving approximately 73 million customers.

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