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For Immediate Release

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California DAs Settle Privacy Lawsuit with Bank of America for \$1.975 Million

Consumers Have a Right to Know of and Object to Recordings

[San Diego County District Attorney's Office](#) announced today that its Consumer Protection Unit, working with the consumer protection units of the Los Angeles, Riverside, Ventura and Alameda District Attorneys' Offices, has settled a nearly \$2 million lawsuit against Bank of America Bank, N.A.

The civil complaint, filed in Los Angeles Superior Court, alleges that Bank of America violated sections 632 and 632.7 of the California Penal Code by failing to timely and adequately disclose its automatic recording of phone calls with members of the public. Laws in California regarding recording phone calls are more stringent than in many other states. In California, each party to a confidential conversation must be advised at the outset if a call is being recorded, so that any party can object or terminate the call if he or she does not wish to be recorded.

“Preserving our right to privacy is among the greatest challenges we face in the digital age,” [District Attorney Bonnie Dumanis](#) said. “Our office is committed to protecting California’s consumers from intrusions and privacy violations in the marketplace.”

Once notified by the prosecutors' offices of the alleged deficiencies in their recording disclosures, Bank of America and its counsel worked cooperatively to implement changes in the bank's policies nationwide, without admitting liability. As part of the settlement agreement, Bank of America must comply with California's standards for recording confidential communications between the bank and its customers by making a clear, conspicuous, and accurate disclosure to consumers about the recording at the beginning of any such communication. Bank of America

has also agreed to implement an internal compliance program to ensure that the policy changes are made.

Under the terms of the court-approved judgment, which was entered without admission of liability, Bank of America will pay civil penalties totaling \$1,635,000 and will reimburse the prosecutors' investigative costs of \$240,000. The San Diego County District Attorney's Office will receive \$327,000, of the civil penalties and \$48,000 of the costs. All of the penalties must by law be used for future consumer protection work.

In addition to the penalties and investigative costs, Bank of America will contribute \$100,000 to the statewide California Consumer Protection Prosecution Trust Fund to support further investigation and enforcement of consumer rights cases in California.

This case was handled by Tom Papageorge, the head of the Consumer Protection Unit.

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