PROTECTING OLDER CONSUMERS

2018-2019

A Report of the Federal Trade Commission

Federal Trade Commission | Report to Congress

October 18, 2019

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FEDERAL TRADE COMMISSION

Joseph J. Simons, Chairman

Noah Joshua Phillips, Commissioner

Rohit Chopra, Commissioner

Rebecca Kelly Slaughter, Commissioner

Christine S. Wilson, Commissioner

Contents

I. Introduction 1

II. Developing Effective Strategies to Protect Older Consumers 2

A. Research and Data Analysis 2

1. Consumer Sentinel Reports from Older Adults 2

2. Alerting the Public About Shifting Trends and Tactics 9

3. Hearing Directly from Older Consumers About FTC Imposters 10

B. Coordinated Efforts to Protect Older Consumers 11

III. FTC Enforcement Activities Affecting Older Consumers 12

A. Fake Medical Insurance Plans 13

B. Tech Support 13

C. Robocall Credit Card Interest Reduction 14

D. Business Opportunity Schemes 15

E. Money Transfer System Fraud 15

F. Real Estate Scam 16

G. Negative Option Marketing 16

H. Anti-Aging/Health Claims 17

I . Other Enforcement Highlights 18

1. Relevant Settlements 18

2. Warning Letters 19

3. Consumer Monetary Relief 20

4. Criminal Liaison Unit 21

IV. Outreach and Education Activities 22

A. *Pass it On* Education Campaign 22

B. Talking About Fraud Videos 23

C. Common Ground and Ethnic Media Events 23

D. Other Outreach Events Relating to Older Adults 24

V. Conclusion 25

Appendix A: Federal Trade Commission FY 2019 26

I. Introduction

As the nation's primary consumer protection agency, the Federal Trade Commission ("FTC" or "Commission") has a broad mandate to protect consumers from unfair, deceptive, or fraudulent practices in the marketplace.[1] It does this by, among other things, filing law enforcement actions to stop unlawful practices and, when possible, returning money to consumers. The FTC also protects the public through education and outreach on consumer protection issues. Through research and collaboration with federal, state, international, and private sector partners, the FTC strategically targets its efforts to achieve the maximum benefits for consumers, including older adults.[2]

Protecting older consumers in the marketplace is one of the FTC's top priorities.[3] Unfortunately, in numerous FTC cases, older adults have been targeted or disproportionately affected by fraud. For example, the FTC has brought numerous enforcement actions in federal court to stop deceptive technical support schemes that affected older consumers.[4] As the population of older adults grows, the FTC's aggressive efforts to bring law enforcement action against scams that affect them, as well as provide useful consumer advice, become increasingly important.[5]

The FTC submits this second annual report to the Committees on the Judiciary of the United States Senate and the United States House of Representatives to fulfill the reporting requirements of Section 101(c)(2) of the Elder Abuse Prevention and Prosecution Act of 2017.[6] The law requires the FTC Chairman to file a report listing the FTC's enforcement actions "over the preceding year in each case in which not less than one victim was an elder or that involved a financial scheme or scam that was either targeted directly toward or largely affected elders." Given the large number of consumers affected in FTC actions, this list includes every administrative and federal district court action filed in the one-year period. Appendix A to this report lists all of the FTC's enforcement

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[1] The FTC has wide-ranging law enforcement responsibilities under the Federal Trade Commission Act, 15 U.S.C. § 41 *et seq.,* and enforces a variety of other laws ranging from the Telemarketing and Consumer Fraud and Abuse Prevention Act to the Fair Credit Reporting Act. In total, the Commission has enforcement or administrative responsibilities under more than 70 laws. *See* http://www.ftc.gov/ogc/stats.shtm

[2] This report will focus on the Bureau of Consumer Protection's work to protect older adults. The FTC's Bureau of Competition also serves older adults through its competition work in various sectors of the economy, such as health care, consumer products and services, technology, manufacturing, and energy.

[3] This report refers to persons 60 and older when using the terms "older adults" or "older consumers" to be consistent with the requirements in Section 2(1) of the Elder Abuse Prevention and Prosecution Act, which references Section 2011 of the Social Security Act (42 U.S.C. 1397j(5)) (defining "elder" as an individual age 60 or older).

[4] *See, e.g., FTC v. Elite IT Partners, Inc.,* No. 2:19-cv-125 (D. Utah filed Feb. 25, 2019), *available at* https://www.ftc.gov/enforcement/cases-proceedings/182-3114/elite-it-partners-inc. In technical support scams, consumers often receive pop-up messages on their computers or telemarketing calls indicating that their computer is infected and in critical need of repair, followed by sham scans of their computers and requests for payments to "fix" the computer problem.

[5] According to U.S. Census Bureau projections, by 2030 more than 20 percent of U.S. residents will be over age 65, compared to 13 percent in 2010 and 9.8 percent in 1970. *See* Sandra L. Colby and Jennifer M. Ortman, U.S. Dep't of Commerce, U.S. Census Bureau, *Projections of the Size and Composition of the U.S. Population: 2014 to 2060,* March 2015*,* at 1, *available at* www.census.gov/content/dam/Census/library/publications/2015/demo/p25-1143.pdf.

[6] Public Law 115–70, 115th Congress (enacted Oct. 18, 2017).

actions over the preceding year. In addition to the list, the FTC files this report to provide detail on the agency's efforts to protect older consumers, including its research and strategic initiatives, its law enforcement actions that noted an impact on older adults, and its targeted consumer education and outreach.

II. Developing Effective Strategies to Protect Older Consumers

The FTC conducts research and analysis, publishes information about patterns and trends, and engages in coordinated efforts to protect older adults from financial loss and assist them with other consumer issues such as identity theft protection. The agency is able to spot patterns and trends through its data analysis and research and it works closely with stakeholders to learn about the top issues concerning older adults. The FTC can then use its limited resources strategically to respond to the needs of older consumers through enforcement, policy, education, and other initiatives.

A. Research and Data Analysis

The FTC collects and analyzes consumer report information through its Consumer Sentinel Network ("Sentinel") to inform its consumer protection mission. Sentinel is an online database that provides federal, state, and local law enforcement agencies with secure access to consumer reports on a wide variety of fraud-related topics. Law enforcement agencies and other organizations[7] contribute consumer reports to the database, which is searchable by criteria such as the type of fraud and the name, address, and telephone number of the reported entity. Using Sentinel, the FTC and its law enforcement partners can analyze reports filed by older adults to look for patterns and trends, identify problematic business practices and enforcement targets, and develop cases against targets under investigation.

1. Consumer Sentinel Reports from Older Adults

During 2018, Sentinel took in nearly 3.1 million reports from consumers directly and through its data contributors (Fraud: 1.5 million; Identity theft: 444,383; Other: 1.2 million).[8] Consumers reported losing nearly $1.6 billion to fraud. About 45 percent of fraud reports filed in 2018 included consumer age information. Consumers who said they were 60 and older (older adults) filed 256,404 fraud reports with reported losses of nearly $400 million.

Key findings from the 2018 data are:

- In 2018, older adults were still the least likely of any age group to report losing money to fraud, but their individual median dollar losses remained higher than for younger adults.

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[7] A list of Sentinel data contributors, including the U.S. Senate Special Committee on Aging and the AARP Fraud Watch Network, is located at https://www.ftc.gov/enforcement/consumer-sentinel-network/data-contributors.

[8] *See generally* FTC, *FTC Consumer Sentinel Network* (July 29, 2019), *available at* https://public.tableau.com/profile/federal.trade.commission. Consumer Sentinel data is self-reported and not a survey. As such, individuals decide whether or not to file a report. As noted below, not all consumers who file a report provide their age, payment method, amount of dollar loss, etc.

- Compared to 2017 numbers, reported median individual losses among consumers 60 and over increased, and the increase was particularly large for people 80 and over.
- Older adults were much more likely than younger consumers to report losing money on tech support scams, prize, sweepstakes & lottery scams, and family & friend impersonation.
- Phone scams were the most lucrative against older consumers in terms of aggregate losses, and online scams were a distant second.
- Gift cards became the payment of choice for scammers, but wire transfers persisted in the top spot for total dollars paid.

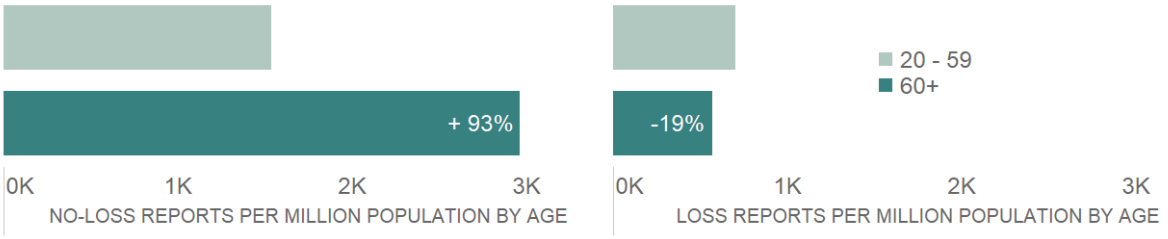
These findings, explored more fully below, help inform the FTC's consumer education and law enforcement mission.

a) Most Older Consumers Who Filed Fraud Reports Avoided Losing Any Money

Like last year, the overwhelming majority of Sentinel fraud reports filed in 2018 by consumers 60 or older did not indicate any monetary loss. Figure 1, which controls for population size,[9] shows that older adults filed these no-loss reports about fraud they had spotted or encountered – but avoided losing money on – at nearly twice the rate of consumers ages 20-59.

FIGURE 1: 2018 FRAUD LOSS AND NO-LOSS REPORTS PER MILLION POPULATION BY AGE

Older adults were 93% *more likely* than consumers ages 20-59 to file fraud reports with no reported dollar loss, but 19% *less likely* to file fraud reports indicating that they had lost money.



Moreover, it remained true through 2018 that older adults were less likely than younger consumers (ages 20-59) to report losing any money to fraud. Figure 1 shows that, after controlling for population size, older adults were nearly 20% less likely to report losing money to fraud than consumers ages 20-59. This suggests that older adults may be more likely to avoid losing money when exposed to fraud, more inclined to report fraud when no loss has occurred, or a combination of these or other factors. Notably, the FTC fraud survey has also found that the rates of victimization for the various categories of frauds included in the survey were generally lower for those 65 and older than for younger consumers.[10]

[9] The comparison of older adults and younger consumers is normalized against the population size of each age group. The analysis is based on U.S. Census Bureau data for population by age. *See* U.S. Census Bureau, *Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties and Puerto Rico Commonwealth and Municipios* (June 2019), *available at* https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2018_PEPAGESEX&prodType=table.

[10] *See* FTC Bureau of Economics Staff Report, *Consumer Fraud in the United States, 2011: The Third FTC Survey,* at 56-59 (Apr. 2013), *available at* https://www.ftc.gov/reports/consumer-fraud-united-states-2011-third-ftc-survey.

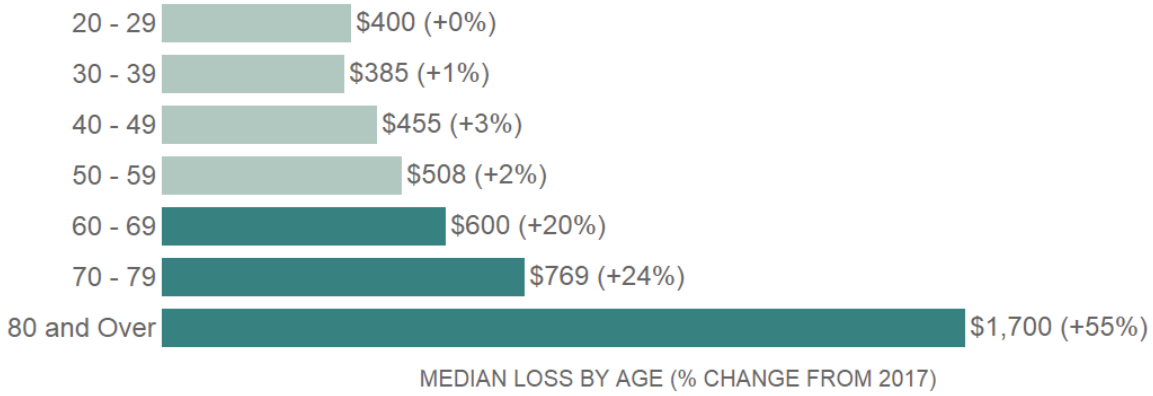
b) Older Consumers Reported Higher Median Dollar Losses in 2018 than in 2017

In 2018, the broad trend from prior years held strong: younger consumers were more likely to report losing money to fraud than older consumers, but older consumers who did report losing money, reported much higher individual losses. In addition, the median individual losses reported by older consumers rose significantly in 2018.

In 2018, median reported losses were fairly stable for younger adults as compared to 2017, but increased for older adults (Figure 2). Consumers ages 80 and older reported the largest median losses of $1,700 as well as the largest increase as compared to 2017. The median dollar loss for this 80 and over age group was more than four times the median loss amount reported by consumers in their 20s and 30s and more than two to three times that of other age groups. This striking growth for people 80 and older was driven in large part by increases in reported median dollar losses on prize, sweepstakes and lottery scams, and family and friend imposter scams (often called the "grandparent scam").[11] For people ages 60-79, a surge in reports of losses to imposters posing as the Social Security Administration during the second half of 2018 contributed to the upward trend in median losses.[12]

FIGURE 2: 2018 MEDIAN INDIVIDUAL MONETARY LOSS REPORTED BY AGE

Older adults reported higher median losses than younger age groups as well as large increases in median losses compared to 2017.



Percent change from 2017 shown in parenthesis. Median losses calculated based on reports in each age group indicating a monetary loss of $1 to $999,999.

[11] Reported median losses by people 80+ increased 124% to $5,000 on prize, sweepstakes and lottery scams and 39% to $5,000 on family and friend imposter scams in 2018.

[12] The number of loss reports about government imposter scams by consumers ages 60-79 increased 27% in 2018, and reported median individual losses on government imposter scams increased 33% to $1,200 for this age group.

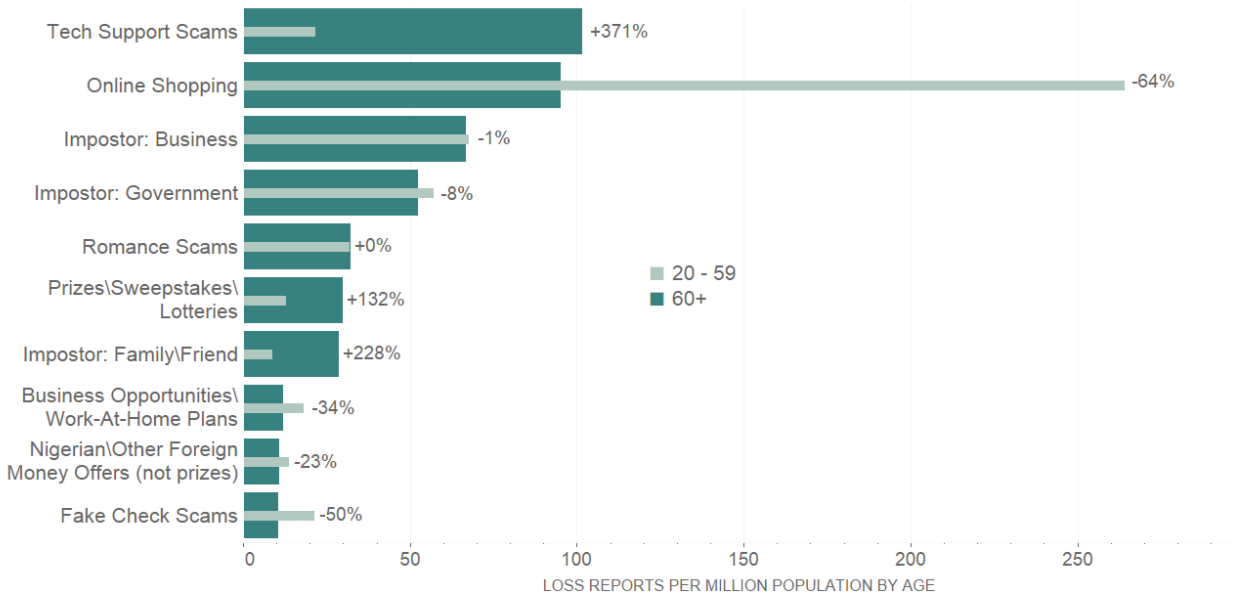
The growth in median losses among consumers 60 and over can also be explained, in part, by differences in the types of fraud older adults reported more frequently than younger consumers. For example, median individual losses on real estate and timeshare resale frauds, both of which are far more likely to harm older adults, are among the highest reported in Sentinel.[13] In contrast, median individual losses to online shopping frauds, which are more heavily reported by younger consumers, are among the lowest reported. However, even when median individual losses were compared across all frauds, older adults reported higher median losses for the vast majority of frauds tracked in Sentinel.

c) Older Adults Are More Likely Than Younger Consumers to Report Losing Money to Tech Support, Prize, Sweepstakes and Lottery, and Family and Friend Impersonation Scams

As noted above, not all fraud reports indicate that the consumer lost money. To identify the top scams that had a financial effect on consumers, Figure 3 displays the top fraud categories reported by older consumers in which they indicated they lost *any* money. As shown in Figure 3, controlling for population size, older adults were *more likely* than younger consumers to report financial losses to certain types of frauds, but *less likely* to file loss reports on many other frauds. Notably, older

FIGURE 3: 2018 LOSS REPORTS BY AGE AND FRAUD TYPE

Older and younger consumers differ on loss reporting rates by fraud type. Percentages indicate the difference in the loss reporting rates for each fraud type by older adults as compared to consumers ages 20-59.



Fraud types ranked by the number of loss reports filed by consumers 60 and over. Sentinel fraud types classified as "unspecified" are excluded.

[13] In 2018, adjusting for population size, older adults were 381% more likely than younger consumers to report losing money to timeshare resale fraud, and 496% more likely to report a loss to real estate fraud (unrelated to timeshares). The median individual losses reported by older adults to these frauds were $6,000, $9,500, and $12,662 respectively.

adults filed loss reports on tech support scams more frequently than on any other fraud, and were 371% more likely to report losing money on these scams than younger consumers. The aggregate amount older consumers reported losing on tech support scams in 2018 was nearly $21 million. Older adults were also far more likely to report a loss on prize, sweepstakes and lottery scams, and family and friend imposter scams, but were notably less likely than younger consumers to report losing money to online shopping frauds, government imposter scams, and fake check scams.

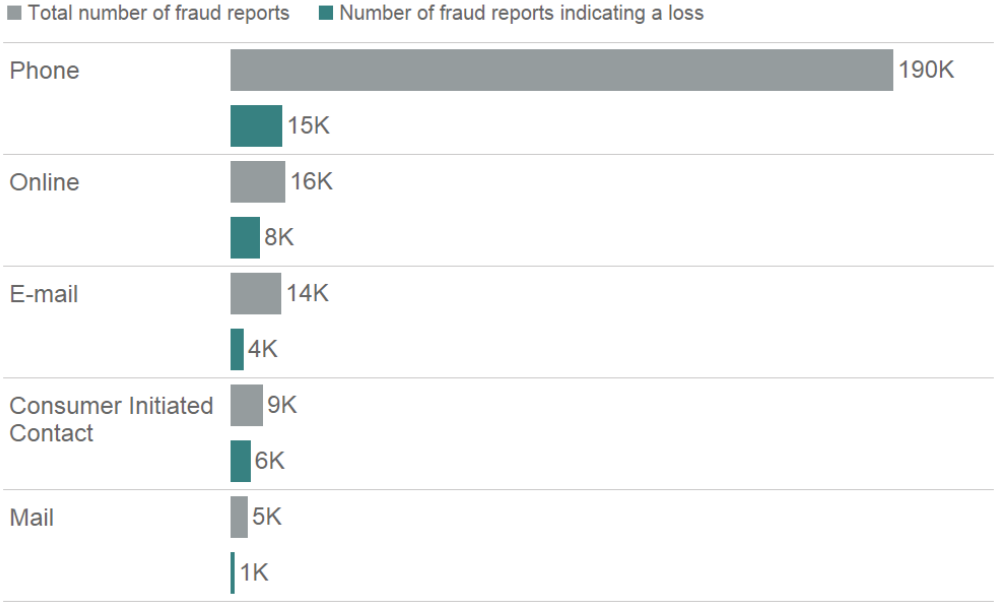
An analysis of total dollars lost on these frauds presents a slightly different picture. For the frauds listed in Figure 3, the highest aggregate dollar losses reported were in the romance scam category, with older consumers reporting aggregate losses of $56 million in 2018.[14] Prize, sweepstakes and lottery scams are next, claiming $52 million from older consumers in that time period. The government imposter category follows as a close third, with $50 million in aggregate dollar losses reported. The losses on government imposter scams are an exemplar of the broader theme observed at the opening of this section—older consumers are less likely to report losing money to government imposter scams than younger consumers are.[15] When they do lose money, however, older consumers lose a lot more than younger consumers.

d) Phone Scams Were Most Lucrative Against Older Consumers

Phone scams continue to be a tremendous problem for consumers of all ages. Older adults reported that a phone call was the initial contact method in numbers four times higher than all other contact methods combined (see Figure 4). This high rate of phone fraud reporting was driven largely by

FIGURE 4: 2018 REPORTS BY CONTACT METHOD (AGES 60 AND OVER)

Phone calls were the top fraud contact method reported by older adults.



[14] *See* FTC Consumer Protection Data Spotlight, *Romance scams rank number one on total reported losses* (Feb. 12, 2019), *available at* https://www.ftc.gov/news-events/blogs/data-spotlight/2019/02/romance-scams-rank-number-one-total-reported-losses.

[15] In 2018, adjusting for population size, aggregate reported losses on government imposter scams were about twice as high for older adults as for younger consumers. Reported median individual dollar losses on government imposter scams were $1,374 for older adults and $800 for younger consumers.

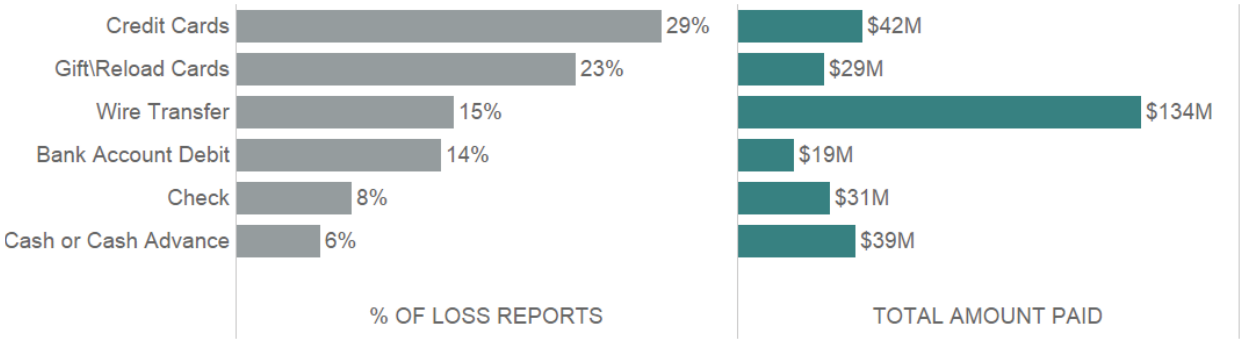
reported calls from government imposters, particularly Social Security Administration imposters.[16] However, as the teal bars show in Figure 4, when reports with no monetary losses are excluded, the disparity in reporting levels between phone and other contact methods is far less pronounced.

Consumers 80 and over filed more loss reports about calls from family and friend imposters than other phone frauds, while consumers ages 60-79 most often reported losing money on phone calls from tech support scammers. Tech support scams, which can start with an alarming browser pop-up message rather than a phone call, were also the top online fraud reported by older adults.

e) Gift Cards Are Becoming Payment Method of Choice for Scammers, but Wire Transfers Persist in the Top Spot for Total Dollars Paid

Consumers reporting fraud frequently indicate what payment method they used, and this information helps the FTC identify opportunities for enforcement and consumer education. The first column in Figure 5 shows that older adults most often reported paying fraudsters with a credit card, gift or reload card, or wire transfer in 2018. The second column in Figure 5 shows the aggregate dollar losses that older adults reported for the payment methods shown. During the course of 2018, the number of older adults who said they paid with gift cards or reload cards

FIGURE 5: 2018 TOP PAYMENT METHODS AND TOTAL AMOUNT PAID (AGES 60 AND OVER)



Percentage calculations based on 31,845 reports directly to FTC by consumers ages 60+ indicating a payment method. Wire transfer companies MoneyGram International and Western Union, and reload card provider Green Dot, contribute a significant number of reports to Sentinel each year. To avoid distorting the number of complaints reporting certain payment methods, data provided by data contributors are excluded.

[16] *See* FTC Consumer Protection Data Spotlight, *Growing Wave of Social Security Imposters Overtakes IRS Scam* (Apr. 12, 2019), *available at* https://www.ftc.gov/news-events/blogs/data-spotlight/2019/04/growing-wave-social-security- imposters-overtakes-irs-scam.

increased dramatically.[17] In fact, during the second half of 2018 (and continuing into 2019), gift and reload cards were the most frequently reported payment method by older adults, even for tech support scams. This is a sharp reversal from 2017 trends, which indicated tech support scammers typically demanded payment with credit cards. This is a concerning trend as gift and reload cards offer virtually no fraud protections for consumers. Credit cards offer the strongest fraud protections for consumers.

As in 2017, older adults reported sending more money to fraudsters by wire transfer than by any other method, and wire transfers sent in connection with romance scams and prize, sweepstakes, and lottery scams were drivers of this trend. In fact, consumers in their 60s reported far higher aggregate losses on romance scams than on any other fraud in 2018, and the vast majority of those dollars were sent by wire transfer. Wire transfers were also the top payment method on prize, sweepstakes and lottery frauds, which had the highest aggregate reported losses for people 70 and older. While cash or cash advance remained a relatively uncommon payment method, extremely high median losses by older adults who mailed cash for grandparent scams (i.e., family/friend imposter scams) in 2018 contributed to total losses that exceeded some more frequently used payment methods.[18] These findings are important as a wire transfer, gift card purchase, or large cash withdrawal will typically involve an in-person interaction with a business in the consumer's community. Recent research has shown that these front line businesses can make a substantial difference in helping consumers to avoid losing money.[19] More specifically, over fifty percent of consumers who reported an intervention by a third party during a scam in progress avoided a loss.[20] This is notable given that these interventions are likely to occur at a stage when the consumer is heavily under the influence of the scammer and on the cusp of sending money.

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[17] The number of loss reports made directly to the FTC by older adults indicating gift or reload cards as the method of payment increased by 85% in 2018. The rise of gift cards as payment for scams was explored in a *Consumer Protection Data Spotlight*. *See* FTC Consumer Protection Data Spotlight, *Scammers increasingly demand payment by gift card* (Oct. 16, 2018), *available at* https://www.ftc.gov/news-events/blogs/data-spotlight/2018/10/scammers-increasingly-demand-payment-gift-card.

[18] A *Consumer Protection Data Spotlight* described an increase in people 70+ mailing cash on grandparent scams. The median cash amount sent was $9,000. *See* FTC Consumer Protection Data Spotlight, *New twist to grandparent scam: mail cash* (Dec. 3, 2018), *available at* https://www.ftc.gov/news-events/blogs/data-spotlight/2018/12/new-twist-grandparent-scam-mail-cash.

[19] The study involved a survey of respondents who had reported a scam. Among those survey respondents, 20% reported a third-party intervention or attempted intervention. Of those, 51% said that they did not lose money. By contrast, survey respondents who said they engaged with a scammer were also significantly more likely to report losing money if they had not talked to anyone while it was happening. *See* FINRA Investor Education Foundation, BBB Institute for Marketplace Trust, & Stanford Center on Longevity, *Exposed to Scams: What Separates Victims from Non-Victims?* at 9, 12 (Sept. 2019) *available at* https://www.finrafoundation.org/sites/finrafoundation/files/exposed-to-scams-what-separates-victims-from-non-victims_0_0.pdf.

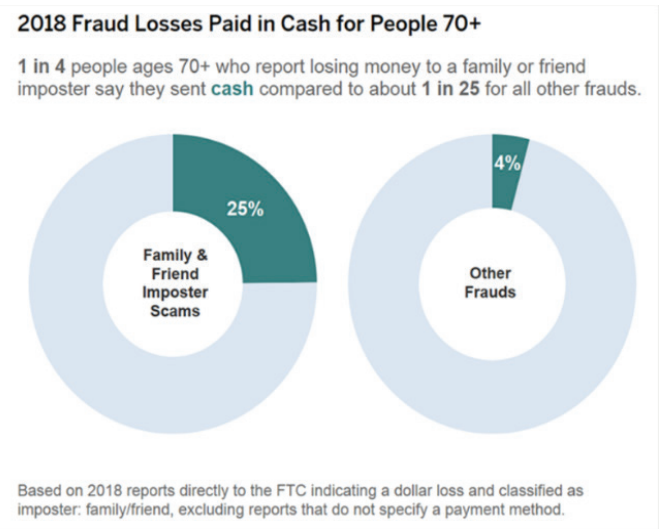
[20] *Id.*

The FTC monitors Sentinel data for these and other important trends to inform its strategies for protecting older adults. Significant improvements to the Sentinel system have contributed to the agency's efforts to identify enforcement targets strategically and enhance the agency's education messages. Outreach efforts with stakeholders, described below, further improve the system by increasing the number of reports from consumers. The FTC has also worked to increase the number of data contributors providing reports to Sentinel, and was pleased to welcome the Microsoft Corporation Cyber Crime Center in 2018, adding thousands of reports about tech support scams to the Sentinel database.

2. Alerting the Public About Shifting Trends and Tactics

Older adults were about **5 times more likely** to report losing money on tech support scams (2018)

The FTC made aggregate consumer reporting data more accessible in 2018 by publishing Sentinel data on a quarterly basis in a new interactive online format.[21] Previously, aggregate Sentinel data were released only in the FTC's annual *Consumer Sentinel Network Data Book*. This engaging new tool, available at www.ftc.gov/exploredata, provides a more timely snapshot of what consumers are reporting and empowers users to explore data by fraud type, contact or payment method, and a variety of other dimensions. Users can track trends over time or click on interactive maps to see what consumers are reporting in their area. Dashboards showing data by consumer age enable users to explore age-related trends and differences in losses and reporting levels by age. By making Sentinel data more accessible, the FTC hopes to encourage reporting and to promote data-driven outreach by the media, government agencies, and consumer groups to help the public spot and avoid fraud.



The FTC also launched the *Consumer Protection Data Spotlight* publication in the fall of 2018 to illuminate emerging trends in the data and important stories the agency is hearing from consumers. The *Spotlight* has regularly highlighted differences in how fraud affects older adults, particularly the much higher median losses reported on a variety of frauds. One *Spotlight* told the story of older adults mailing thousands of dollars in cash to scammers posing as their

[21] Interactive Sentinel dashboards are hosted on the Tableau Public website and can be accessed from www.ftc.gov/exploredata.

grandchildren.[22] The *Spotlight* noted that people 70 and older who sent cash to these kinds of scammers, reported median individual losses of $9,000. Another *Spotlight* highlighted the vastly disproportionate harm Sentinel data suggest tech support scams are causing older adults.[23] As stated in the *Spotlight*, in 2018, people 60 and older were about five times more likely to report losing money to tech support scams than younger people. The data stories and consumer tips highlighted in the *Spotlight* have reached millions of consumers through coverage by both local and national news programs, network morning shows, syndicated news columns, and through the agency's own outreach channels.

3. Hearing Directly from Older Consumers About FTC Imposters

Imposter scams were the top type of scam reported to the FTC in 2018. In particular, reports about scammers impersonating the government (often the Internal Revenue Service or the Social Security Administration) have risen to the top of the list. The FTC has also been impersonated through the years.[24]

To better understand imposter scams, this year, the FTC directly engaged with older consumers who reported losing money to scammers pretending to be FTC staff. Between July 1, 2018 and June 30, 2019, more than 100 consumers aged 60+ reported to the FTC that they lost more than $1,000 to FTC impersonators. Most of these people reported that the scammers told them they had won prizes, money, or grants, and the FTC would distribute the benefits once the consumers paid fees. FTC staff spoke to the majority of these complainants to clarify that the FTC does not distribute prizes, money or grants, and provided additional information to the consumers about government imposter scams as needed.

Several key takeaways came from talking with these consumers about their experiences. First, and not surprisingly, the fact that the scammers presented themselves as representing a federal agency made a difference in how the consumers reacted. The consumers said they believed they were less likely to be scammed by a person from a government source as opposed to a company. Some scammers went to great lengths, making up details about the FTC, to make themselves seem authentic. Second, even after conversation with real FTC staff, many of these consumers still wondered whether the person who had called them was, in fact, an FTC employee. Further conversation was required in many cases to help them understand that the calls – and the information the scammer had provided – were false. Third, consumers reported that these types of scams were often a long, drawn out process. In numerous instances, the scammers contacted the consumers daily, building relationships and creating trust. Frequently, large money losses occurred through multiple contacts over the course of weeks or months.

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[22] *See* FTC Consumer Protection Data Spotlight, *New twist to grandparent scam: mail cash* (Dec. 3, 2018), *available at* https://www.ftc.gov/news-events/blogs/data-spotlight/2018/12/new-twist-grandparent-scam-mail-cash.

[23] *See* FTC Consumer Protection Data Spotlight, *Older adults hardest hit by tech support scams* (Mar. 7, 2019), *available at* https://www.ftc.gov/news-events/blogs/data-spotlight/2019/03/older-adults-hardest-hit-tech-support-scams.

[24] *See, e.g.,* Consumer Alert, FTC, *No prizes from the FTC* (June 22, 2018) *available at* https://www.consumer.ftc.gov/blog/2018/06/no-prizes-ftc.

While the economic impact of losing large amounts of money varied from difficult to devastating, the consumers reported feeling a sense of embarrassment and shame at having been scammed. Many reported feeling a loss to their self-image as competent people with a lifetime of experience that would help them avoid being fooled. Some reported seeing this as proof that they were now too old to be handling their own money. This type of self-doubt was alarming to numerous consumers, and independent of the monetary loss they also suffered.

The special outreach to this group of older consumers has not only helped the agency deliver consumer education more directly, it has also improved our understanding of how these scams unfold. The insights gained from these conversations will continue to inform how the FTC works to combat government imposter fraud.

B. Coordinated Efforts to Protect Older Consumers

The FTC's Every Community Initiative leads the agency's strategic planning for the protection of older consumers. Understanding that different types of frauds affect different groups of consumers, the Initiative examines the impact of different schemes on different groups of consumers, including older adults, military service members and veterans, African Americans, Latinos, Asian Americans, Native Americans, and other groups. The Initiative includes staff throughout the Bureau of Consumer Protection and the FTC's regional offices who use research and input from stakeholders in communities to develop strategies to prevent fraud, inform the agency's law enforcement program, and expand outreach to such communities. As discussed further in Section IV, these partnerships across the country have been extremely valuable as the FTC identifies potential cases and further develops strategies to protect older adults in a wide range of communities from financial loss.

The FTC continues to coordinate with federal, state, and international law enforcement agencies, including those with criminal authority, leveraging resources to track down fraudsters and build actions to stop them. With the Department of Justice ("DOJ"), the FTC organizes and participates in the International Mass Marketing Fraud Working Group, a multilateral network of agencies that enforces laws prohibiting mass marketing fraud. The Working Group has been pivotal in enforcement actions against entities that have allegedly defrauded millions of older consumers out of hundreds of millions of dollars. In March 2019, the FTC, the DOJ, the U.S. Postal Inspection Service, and a number of other domestic and foreign law enforcement partners announced civil and criminal actions against a host of defendants.[25]

Further, the FTC has continued to be an active member of the Elder Justice Coordinating Council, a multi-agency federal entity charged with identifying and proposing solutions to elder abuse, neglect, and financial exploitation. Part of the Council's mission is to develop recommendations to the Secretary of the Department of Health and Human Services ("DHHS") for the coordination

[25] Press Release, U.S. Dept. of Justice, *Justice Department Coordinates Largest-Ever Nationwide Elder Fraud Sweep* (March 7, 2019), *available at* https://www.justice.gov/opa/pr/justice-department-coordinates-largest-ever-nationwide-elder-fraud-sweep-0. As part of this effort, the FTC filed an action seeking to shut down a technical support scheme that affected elderly consumers. *FTC v. Elite IT Partners, Inc.,* No. 19-cv-00125-RJS (D. Utah Feb. Feb. 25, 2019), *available at* https://www.ftc.gov/news-events/press-releases/2019/03/ftc-halts-tech-support-scam-part-major-initiative-focused-older.

of relevant activities.[26] FTC staff serve on the Council's working group and subcommittees. Staff also presented information about the FTC's work to protect older consumers at the DOJ's *Rural and Tribal Elder Justice Summit* in Des Moines, Iowa, in November 2018[27]. This work connects the agency with other federal government offices that are working to combat elder abuse and facilitates information sharing and coordination.

III. FTC Enforcement Activities Affecting Older Consumers

Aggressive law enforcement is a key component in the FTC's efforts to protect older consumers.[28] Congress has directed the FTC to list "each case in which not less than one victim was an elder or that involved a financial scheme or scam that was either targeted directly toward or largely affected elders." [29] Most FTC enforcement actions involve numerous consumers of all ages. Further, the ages of consumers affected are not typically known. Therefore, Appendix A to this report lists all new enforcement actions brought by the FTC (or by the DOJ on the FTC's behalf) between October 1, 2018, and September 30, 2019. Based upon our law enforcement experience, the Commission is of the view that people ages 60 or older are in the groups of affected consumers in almost every consumer protection case filed. The 66 cases listed in Appendix A involve a wide range of matters, including alleged business opportunity and money-making schemes, deceptive health product advertising claims, deceptive negative option schemes, data security and privacy violations, charity frauds, scams directed at small business owners, and more.[30]

To provide a better description of the FTC's work to protect older consumers, the next section summarizes ten enforcement actions filed within the last fiscal year where the Commission notes a significant impact on older consumers. Also listed are additional agency actions — including settlements, warning letters, issuance of consumer refunds, and subsequent criminal

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[26] DHHS convened the Elder Justice Coordinating Council in accordance with the Elder Justice Act of 2009. The Council consists of heads of federal departments and other government entities, including the FTC, identified as having responsibilities, or administering programs, relating to elder abuse, neglect, and exploitation. *See* DHHS, *What is the Elder Justice Coordinating Council?* (last modified Mar. 29, 2019), *available at* https://www.acl.gov/programs/elder-justice/elder-justice-coordinating-council-ejcc.

[27] Press Release, U.S. Department of Justice, *Justice Department, Department of Agriculture Host Inaugural Rural and Tribal Elder Justice Summit* (Nov. 14, 2018) *available at* https://www.justice.gov/opa/pr/justice-department-department-agriculture-host-inaugural-rural-and-tribal-elder-justice.

[28] When staff identifies unfair or deceptive acts or practices that harm consumers, the FTC often sues the fraudsters in federal district court, seeking injunctive relief to stop illegal business practices as well as monetary relief in the form of redress for consumers or disgorgement of ill-gotten gains. The agency can also bring cases through administrative process. In some circumstances, the Department of Justice files cases on the FTC's behalf for rule violations or to secure civil penalties for violations of FTC administrative orders.

[29] The Elder Abuse Prevention and Prosecution Act, PUBLIC LAW 115–70, Oct. 18, 2017. Sec. 101(c)(2).

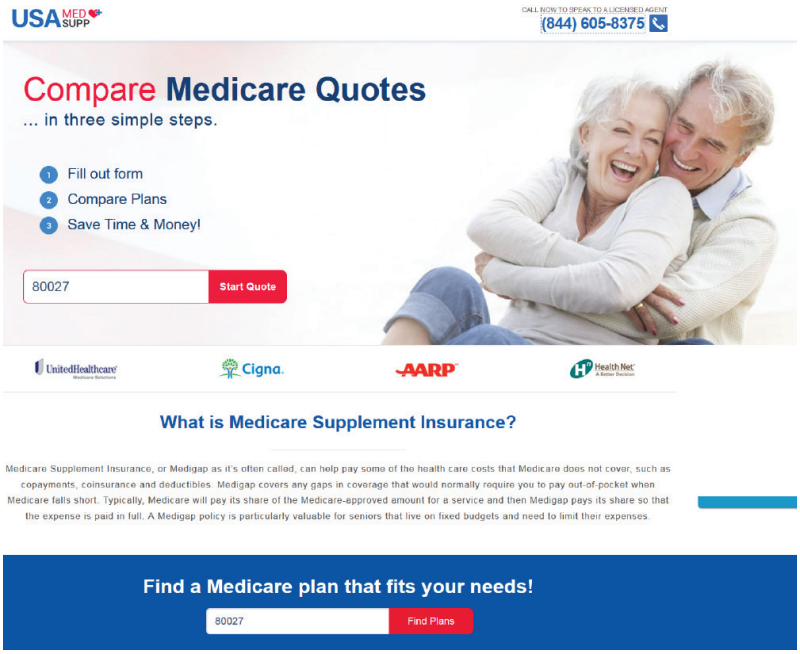
[30] This list includes cases involving student loan debt relief schemes and violations of children's privacy laws. The perpetrators of such schemes may not typically target older adults, but the cases are listed because they involve large and diverse groups of consumers. The affected consumers are likely to include an older adult paying off student debt for him or herself or for an adult child, or an older parent or grandparent caring for children who go online and wish to protect the child's privacy.

action by other agencies relating to FTC matters — that affected older consumers. These actions illustrate some of the key consumer issues that disproportionately affect older adults.

A. Fake Medical Insurance Plans

In *Simple Health Plans, LLC,*[31] the FTC alleged that the defendants falsely claimed to be selling a variety of comprehensive healthcare plans. The defendants falsely held themselves out as experts on and providers of government-sponsored health insurance policies, including Medicare. The defendants' lead generation websites advertised "Medicare Health Plans for Your Needs and Budget," or "Medicare Senior Health Insurance Options." The defendants also claimed affiliation with AARP. In reality, the defendants did not actually offer the comprehensive plans that they marketed and had no affiliation with AARP. Instead, at most, the defendants enrolled consumers in limited benefit plans and medical discount programs that offered none of the promised coverage. At the FTC's request, a federal court froze the defendants' assets and halted their marketing efforts. This litigation is ongoing.

FIGURE A – SCREENSHOT OF A PORTION OF A WEBSITE IN SIMPLE HEALTH PLANS, LLC



B. Tech Support

In *Elite IT Partners, Inc.,*[32] the FTC alleged that the defendants had been operating a technical support scheme using internet ads targeting consumers looking for email password recovery help.

[31] *FTC v. Simple Health Plans, LLC*, No. 18-cv-62593, (S.D. Fla. filed Oct. 28, 2019), *available at* https://www.ftc.gov/enforcement/cases-proceedings/172-3148/simple-health-plans-llc.

[32] *FTC v. Elite IT Partners, Inc.,* No. 2:19-cv-125, (D. Utah filed Feb. 25, 2019), *available at* https://www.ftc.gov/enforcement/cases-proceedings/182-3114/elite-it-partners-inc.

FIGURE B – SCREENSHOT OF A PORTION OF A WEBSITE IN ELITE IT PARTNERS, INC.

The defendants' representatives falsely told consumers that their computer problems most likely stemmed from a computer virus or infection. The telemarketers ran bogus "diagnostic" tests and used scare tactics and misrepresentations to sell additional service plans. The vast majority of consumers that the defendants contacted were older. At the FTC's request, the federal court temporarily shut down the defendants' scheme and froze their assets. This litigation is ongoing. The case was brought as part of a coordinated effort with DOJ and other federal and state agencies to take down technical support scams.[33]

C. Robocall Credit Card Interest Reduction

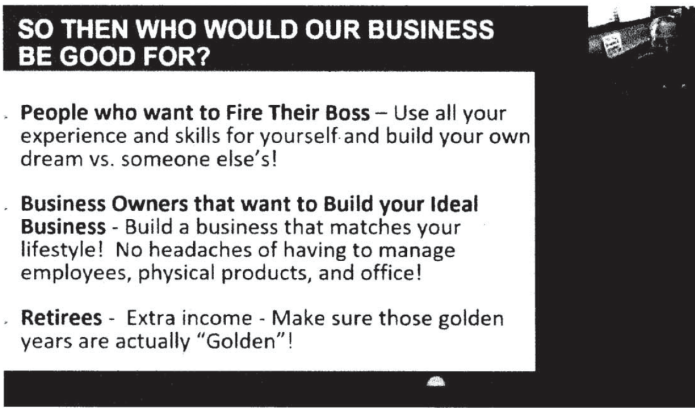
In *First Choice Horizon LLC,*[34] the FTC alleged that the defendants robocalled financially distressed and older consumers, including many whose phone numbers were on the Do Not Call Registry, about a bogus credit card interest rate reduction service. Under the guise of confirming consumers' identities, the defendants tricked consumers into providing their personal financial information, including their Social Security and credit card numbers. Consumers were promised they could lower their credit card interest rates to zero percent for the life of the debt, thereby saving them thousands of dollars on their credit card debt. In reality, the defendants applied for new credit cards with only a promotional rate that lasted for a limited time, after which the interest rate increased significantly. The defendants did not disclose that their service could lead to consumers paying substantial additional bank or transaction fees. In many instances, the FTC alleged when consumers did not agree to use the defendants' service, the defendants used consumers' personal financial information to apply for credit cards on their behalf without their knowledge or consent. Upon the FTC's request, the court froze the defendants' assets and issued an order that prohibited the defendants from engaging in telemarketing to offer any sort of debt relief product or service. This litigation is ongoing.

[33] Press Release, FTC, *FTC Halts Tech Support Scam as Part of Major Initiative Focused on Older Adults Hit Hardest by These Scam*s (Mar. 7, 2019), *available at* https://www.ftc.gov/news-events/press-releases/2019/03/ftc-halts-tech-support-scam-part-major-initiative-focused-older.

[34] *FTC v. First Choice Horizon LLC,* No. 19-cv-1028-40LRH, (M.D. Fla. filed June 3, 2019), *available at* https://www.ftc.gov/enforcement/cases-proceedings/172-3161-x190029/first-choice-horizon-llc.

D. Business Opportunity Schemes

FIGURE C - SCREENSHOT OF A PORTION OF A WEBSITE IN 8 FIGURE DREAM LIFESTYLE LLC



In 8 Figure Dream Lifestyle LLC,[35] the FTC alleged that the defendants consistently made false or unsubstantiated claims about how much consumers could earn through their programs. They often said, for example, that a typical person with no prior skills could make $5,000 to $10,000 in 10 to 14 days. While the defendants marketed their scheme broadly, they also directly targeted older consumers. Their marketing to retirees said, "Make sure those golden years are actually 'Golden'!!" The reality was less shiny, as people who bought the program spent up to $22,000, and rarely earned substantial income. In fact, they typically lost their entire investment, and often incurred significant loans and credit card debt. This litigation is ongoing.

E. Money Transfer System Fraud

In November 2018, the FTC settled charges in *MoneyGram International* over allegations that the company failed to take steps required under a 2009 FTC order that requires the company to protect consumers from fraud through its money transfer system.[36] In its new filing addressing violations of the 2009 order, the FTC alleged that MoneyGram failed to implement the comprehensive fraud prevention program mandated by the 2009 order, which requires the company, among other things, to promptly train, investigate, restrict, suspend, and terminate high-fraud agents. The 2009 order requires MoneyGram to conduct timely fraud investigations of any agent location that has received two or more fraud complaints within 30 days; has fraud complaints totaling 5 percent or more of the location's total monthly received transactions; or has displayed any unusual or suspicious money transfer activity. MoneyGram also must terminate locations that may be complicit in fraud-induced money transfers. The original FTC case described several scams perpetuated through the MoneyGram payment system including lottery or prize scams that often involve older adults.[37] MoneyGram agreed to a $125 million payment as part of a global settlement, which resolved allegations that MoneyGram also violated a separate 2012 deferred prosecution agreement with the Department of Justice.

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[35] FTC v. *8 Figure Dream Lifestyle LLC,* No. 8:19-cv-01165-AG-KES (C.D. Cal. filed June 12, 2019), *available at* https://www.ftc.gov/enforcement/cases-proceedings/182-3117/8-figure-dream-lifestyle-llc.

[36] Press Release, FTC, *MoneyGram Agrees to Pay $125 Million to Settle Allegations that the Company Violated the FTC's 2009 Order and Breached a 2012 DOJ Deferred Prosecution Agreement* (Nov. 8, 2018) *available at* https://www.ftc.gov/news-events/press-releases/2018/11/moneygram-agrees-pay-125-million-settle-allegations-company.

[37] *FTC v. MoneyGram Int'l,* 1:09-cv-06576 (N.D. Ill. Complaint filed Oct. 19, 2009) (complaint para. 30), *available at* https://www.ftc.gov/sites/default/files/documents/cases/2009/10/091020moneygramcmpt.pdf.

F. Real Estate Scam

In *In re Sanctuary Belize Litigation*,[38] the FTC alleged that the defendants bilked more than $100 million from consumers, largely retirees, in a massive land sale scam. According to the complaint, recidivist Andris Pukke perpetrated an international scheme selling lots in a development in remote southern Belize with promises that he never intended to keep. The alleged scheme took in more than $100 million, marketing lots in what supposedly would become a luxury development in Central America known by several names, including Sanctuary Belize, Sanctuary Bay, and The Reserve. Among other things, the defendants falsely promised that the development would include luxury amenities and be completed soon, and that the value of the lots would rapidly appreciate. Litigation in this action, including a contempt action against former FTC defendant Pukke, is ongoing.

G. Negative Option Marketing

In *F9 Advertising, LLC*,[39] the FTC alleged that the defendants engaged in a deceptive negative option marketing scheme when they marketed trial-offer skin care products through their website. Products included the defendants' Revived Youth Cream, Revived Youth Serum, Aura Youth Cream, and Aura Youth Serum. The defendants advertised free trial products for a nominal shipping and handling charge. Among other things, the FTC alleged that the defendants failed to disclose that consumers would be automatically charged full-price for the products, as well as for monthly auto-shipments, unless they cancelled their order within 14-15 days. The defendants charged consumers who ordered the "Free Trial" more than $90 and enrolled them in auto-ship programs. The complaint further alleged the defendants frequently charged consumers without their consent for additional products, enrolled them in additional auto-ship programs, and used a confusing checkout process that led consumers to unintentionally sign up for products they did not want. This litigation is ongoing, but presently stayed due to the criminal prosecution of one of the defendants.

In *AH Media Group, Inc*.,[40] the FTC alleged that the defendants operated an online subscription scam that primarily sold cosmetics and dietary supplements, including Amabella Allure, Adelina, Parisian Glow, and Tone Fire Garcinia, with claims that they promote younger-looking skin or weight loss. The FTC alleged that the defendants sold their products through deceptive websites, which failed to disclose that defendants would charge consumers for both the "trial" product and ongoing monthly subscription plans. The defendants claimed consumers would have to pay only a small shipping and handling fee for the trial, usually $4.99 or less, while burying the true cost of these trials behind small-font "terms" links and faded background text. In reality, after 14 days

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[38] *FTC v. Ecological Fox,* LLC, No. 1:18-cv-3309 (D. Md. Complaint filed Oct. 31, 2018) and *FTC v. AmeriDebt, Inc.,* No. 1:18-c-3309 (D. Md. Contempt Action filed Oct. 31, 2018), *available at* https://www.ftc.gov/enforcement/cases-proceedings/0223171/ameridebt-inc

[39] *FTC v. F9 Advertising,* LLC, No. 3:19-cv-01174 (D.P.R. filed Feb. 21, 2019), *available at* https://www.ftc.gov/enforcement/cases-proceedings/1723164/f9-advertising-llc.

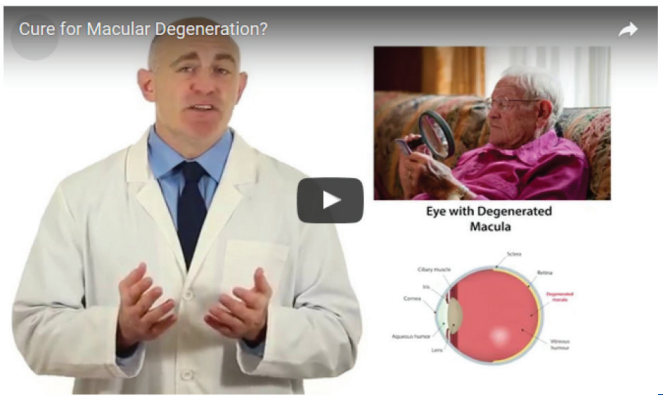
[40] *FTC v. AH Media Group,* LLC, No. 3:19-cv-04022-JD (N.D. Cal. filed July 12, 2019), *available at* https://www.ftc.gov/enforcement/cases-proceedings/182-3047/ah-media-group-llc.

the defendants charged consumers around $90 for the trial product and enrolled them in unwanted subscription plans with additional monthly charges. The defendants have agreed to a preliminary injunction that stops the defendants from misleading consumers about supposedly "free trial" offers, enrolling them in unwanted continuity plans, billing them without their authorization, and making it nearly impossible for them to cancel or get their money back. The litigation is ongoing.

H. Anti-Aging/Health Claims

In *Regenerative Medical Group, Inc.,*[41] the defendants advertised their stem cell therapy treatments through social media and various websites. The initial treatments cost from $9,500 to $15,000 and the defendants encouraged patients to undergo multiple treatments, including a $5,000-$8,000 "booster." The defendants did not conduct any studies on their treatments or otherwise prove that they would treat, alleviate, or cure various ailments, such as Parkinson's disease and macular degeneration, or were comparable or superior to conventional medical treatments. The defendants settled with the FTC, including agreeing to a partially-suspended $3.31 million judgment and injunctive relief.[42] The settlement order prohibits the defendants from making the challenged claims unless supported by competent and reliable human clinical testing and other health-related claims unless supported by competent and reliable scientific evidence, as defined in the order. In April 2019, the FTC sent 270 refund checks totaling over $515,000 to consumers who had paid for what the FTC alleged was deceptively advertised therapy.[43]

FIGURE D - ADVERTISEMENT IN REGENERATIVE MEDICAL GROUP, INC.



In *Global Community Innovations LLC*,[44] the FTC alleged the defendants deceptively marketed "cognitive improvement" supplements. As alleged in the complaint, the defendants used fake news websites, references to non-existent clinical studies, and fraudulent

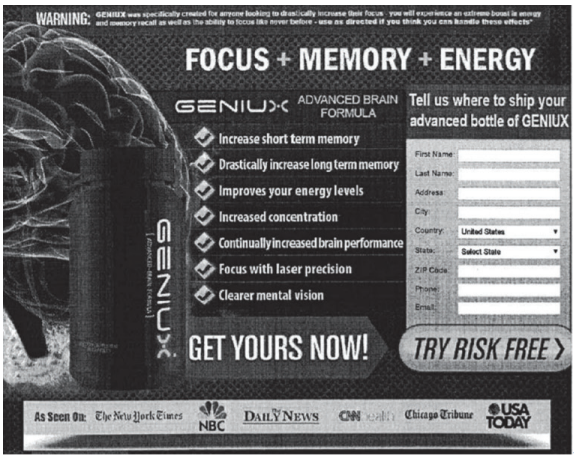
[41] *FTC v. Regenerative Med. Grp., Inc.,* No. 8:18-cv-01838 (M.D. Fla. filed Oct. 12, 2018), *available at* https://www.ftc.gov/system/files/documents/cases/172_3062_regenerative_med_grp_complaint.pdf.

[42] *Regenerative Med. Grp.,* No. 8:18-cv-01838 (M.D. Fla. filed Oct. 25, 2018), *available at* https://www.ftc.gov/system/files/documents/cases/regenerative_medical_group_signed_order_10-25-18.pdf.

[43] Press Release, FTC, *FTC Returns Almost $515,000 to Consumers Who Bought Deceptively Marketed "Amniotic Stem Cell Therapy" Between 2014 and 2017* (Apr. 30, 2019) *available at* https://www.ftc.gov/news-events/press-releases/2019/04/ftc-returns-almost-515000-consumers-who-bought-deceptively.

[44] *FTC v. Glob. Cmty. Innovations LLC,* No. 5:19-CV-00788, (N.D. Ohio filed Apr. 10, 2019), *available at* https://www.ftc.gov/enforcement/cases-proceedings/162-3135/global-community-innovations-llc-et-al-geniux.

FIGURE E – ADVERTISEMENT IN GLOBAL COMMUNITY INNOVATIONS LLC



endorsements to deceptively claim the products were clinically proven to improve memory, increase focus, increase IQ, and prevent memory loss. To settle the FTC's charges, the two sets of defendants agreed to injunctive and other equitable relief. The orders impose partially-suspended judgments of $14,564,891 and $11,587,117 respectively.[45] The orders also prohibit the defendants from making, among other misrepresentations, the challenged health claims without competent and reliable human clinical testing, other health-related claims unless supported by competent and reliable scientific evidence, and false claims of scientific proof.[46]

I . Other Enforcement Highlights

During Fiscal Year 2019, the FTC announced additional developments in prior enforcement actions affecting older consumers.

1. Relevant Settlements

In March 2019, the FTC settled charges against the defendants in *Hite Media Group, LLC,* a sham grant scheme that targeted older adults and consumers with disabilities who sought help with personal expenses.[47] The FTC had alleged the defendants called consumers offering grant money, then charged upfront fees ranging from hundreds to thousands of dollars. The settlement orders impose a $3 million judgment and ban the defendants from grant services and telemarketing.

In March 2019, the FTC and the State of Missouri settled their case against the operators of a sweepstakes scam, *Next-Gen*, that targeted or affected older adults[48]. The defendants agreed to forfeit $30 million in cash and assets and be permanently banned from the prize promotion business. The settlement requires the defendants to turn over more than $21 million in cash, as well as two luxury vacation homes, a yacht, a Bentley automobile, and other personal property. The case represents the largest forfeiture the FTC has ever obtained in a case against a sweepstakes scam, and the proceeds will be used to refund money to victims.

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[45] Press Release, FTC, *Geniux Dietary Supplement Sellers Barred from Unsupported Cognitive Improvement Claims* (Apr. 10, 2019) *available at* https://www.ftc.gov/news-events/press-releases/2019/04/geniux-dietary-supplement-sellers-barred-unsupported-cognitive.

[46] *Glob. Cmty. Innovations,* No. 5:19-CV-00788, (N.D. Ohio filed Apr. 30, 2019), *available at* https://www.ftc.gov/system/files/documents/cases/geniux_entered_stipulated_final_j_and_perm_injphs_ds2019-04-30.pdf and https://www.ftc.gov/system/files/documents/cases/geniux_entered_stipulated_final_j_and_perm_inj2019-04-30.pdf.

[47] *FTC v. Hite Media Grp., LLC,* No. 2:18-cv-02221, (D. Ariz. filed July 16, 2018), *available at* https://www.ftc.gov/enforcement/cases-proceedings/172-3157/premium-grants.

[48] *FTC & State of Missouri v. Next-Gen, Inc.,* No. 4:18-CV-0128, (W.D. Mo. filed Feb. 20, 2018), *available at* https://www.ftc.gov/enforcement/cases-proceedings/172-3133/federal-trade-commission-state-missouri-v-next-gen-inc.

In June 2019, the FTC and the Florida Attorney General's Office settled their case against *Lifewatch, Inc.*[49] According to the complaint, the defendants bombarded primarily older consumers with at least a billion unsolicited robocalls to pitch supposedly "free" medical alert systems. One order permanently bans one set of defendants from telemarketing, prohibits them from misrepresenting the terms associated with the sale of any product or service, and imposes a judgment of $25.3 million. Another order permanently bans another set of defendants from robocalling, calling consumers whose phone numbers are on the Do Not Call Registry, calling anyone who is on an entity-specific do not call list and "spoofing" caller ID information. It also imposes financial judgments of $8.9 million against the second set of defendants. The financial judgments will be partially suspended after the defendants pay $2 million.

In June 2019, the FTC and the Florida Attorney General's office also settled a case against *Life Management Services, Inc.*[50] According to the complaint, the defendants bombarded consumers with illegal robocalls, attempting to sell them bogus credit card interest rate reduction services. The defendants allegedly tailored their debt-elimination pitch to consumers who were over the age of 60. The settlement permanently bans 17 Life Management defendants from engaging in telemarketing and debt relief services. It also imposes a judgment of $23.1 million against them, jointly and severally, which will be suspended after they turn over virtually all their assets. The order also resolves the claims against two relief defendants who were not directly involved in the scheme, but benefitted from it financially. The FTC won summary judgment and obtained a permanent injunction and monetary relief against scheme leader Kevin Guice in December 2018.

In May, the FTC settled charges with operators of a worldwide negative option scam in *Triangle Media Corp.*[51] The FTC alleged the defendants sold anti-aging products, including a cognitive enhancement supplement and an anti-aging cream, using deceptively advertised free trial offers. The court orders resolving the FTC's complaint bar the defendants from such illegal conduct and require them to turn over more than $9 million in assets.

2. Warning Letters

In February, the FTC and the U.S. Food and Drug Administration sent three warning letters to companies selling dietary supplements claiming to treat Alzheimer's disease and remediate or cure other serious illnesses such as Parkinson's disease, heart disease, and cancer. The joint letters stated that the companies' advertisements may violate the FTC Act by making false or unsubstantiated health claims and instructed the companies to contact the FTC regarding actions taken to address the agency's concerns.[52] The letters also indicated that the FTC can bring civil enforcement actions

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[49] *FTC & State of Florida v. Lifewatch, Inc.,* No. 1:15-cv-05781, (N.D. Ill. filed June 30, 2015) *available at* https://www.ftc.gov/enforcement/cases-proceedings/142-3123/lifewatch-inc.

[50] *FTC & State of Florida v. Life Management Servs, Inc.,* No. 6:16-cv-982-Orl-41TBS, (M.D. Fla. filed July 7, 2016) *available at* https://www.ftc.gov/enforcement/cases-proceedings/152-3216/life-management.

[51] Press Release, FTC, *Online Marketers Barred from Deceptive "Free Trial" Offers, Unauthorized Billing* (May 31, 2019), *available at* https://www.ftc.gov/news-events/press-releases/2019/05/online-marketers-barred-deceptive-free-trial-offers-unauthorized.

[52] Press Release, FTC, *FTC and FDA Send Warning Letters to Companies Selling Dietary Supplements Claiming to Treat Alzheimer's Disease and Remediate or Cure Other Serious Illnesses Such as Parkinson's, Heart Disease, and Cancer* (Feb. 11, 2019), *available at* https://www.ftc.gov/news-events/press-releases/2019/02/ftc-fda-send-warning-letters-companies-selling-dietary.

against companies for deceptively promoting, marketing, or selling health-related products, and seek monetary redress for consumers.

In September, the FTC sent warning letters to three companies that sell oils, tinctures, capsules, "gummies," and creams containing cannabidiol (CBD), a chemical compound derived from the cannabis plant.[53] The letters warned the companies that it is illegal to advertise that a product can prevent, treat, or cure human disease without competent and reliable scientific evidence to support such claims. Each company advertised that its CBD products treat or cure serious diseases and health conditions, including Alzheimer's disease, Parkinson's disease, and arthritis.

3. Consumer Monetary Relief

In addition to the *Regenerative Medical Group* case mentioned above, the FTC also sent checks to consumers in five cases this year that noted an impact on older consumers:

In Health Research Laboratories, LLC, the FTC sent refund checks totaling more than $750,000 to consumers who bought two deceptively marketed dietary supplements.[54] The sellers of these supplements, which each cost about $40 per bottle, falsely claimed that they would treat conditions that affect older consumers, such as Alzheimer's disease, dementia, and arthritis.

In Tarr, Inc., the FTC mailed refund checks totaling more than $6 million to consumers who purchased health products from the defendants.[55] The FTC's complaint alleged the defendants sold more than 40 different products mostly advertised as promoting weight loss, muscle building, or wrinkle reduction.

In Troth Solutions, Inc., the FTC sent more than $26,000 to people deceived by the operators of an alleged tech support scheme.[56] The complaint alleged that the defendants tricked consumers, many of whom were older adults, into believing their computers were infected with viruses and malware, and then charged them hundreds of dollars for unnecessary repairs.

In Advertising Strategies, LLC, the FTC sent refund checks totaling more than $7 million to people deceived by the operators of an alleged business opportunity fraud that targeted older consumers and others living on a fixed income.[57]

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[53] Press Release, FTC, *FTC Sends Warning Letters to Companies Advertising Their CBD-Infused Products as Treatments for Serious Diseases, Including Cancer, Alzheimer's, and Multiple Sclerosis* (Sept. 10, 2019) *available at* https://www.ftc.gov/news-events/press-releases/2019/09/ftc-sends-warning-letters-companies-advertising-their-cbd-infused.

[54] Press Release, FTC, *FTC Returns more than $750,000 to Consumers Who Bought Two Deceptively Marketed Supplements from Health Research Laboratories, LLC* (Nov. 29, 2018), *available at* https://www.ftc.gov/news-events/press-releases/2018/11/ftc-returns-more-750000-consumers-who-bought-two-deceptively.

[55] Press Release, FTC, *FTC Returns More Than $6 Million to Consumers Who Bought Deceptively Marketed Health Products from Tarr, Inc.* (Feb. 1, 2019) *available at* https://www.ftc.gov/news-events/press-releases/2019/02/ftc-returns-more-6-million-consumers-who-bought-deceptively.

[56] Press Release, FTC, *FTC to Send Refund Check to Consumers who Lost Money to Tech Support Scam* (Feb. 11, 2019) *available at* https://www.ftc.gov/news-events/press-releases/2019/02/ftc-send-refund-checks-consumers-who-lost-money-tech-support-scam.

[57] Press Release, FTC, *FTC to Send Refund Checks to Consumers who Lost Money in Business Opportunity Telemarketing Scam* (Mar. 5, 2019), *available at* https://www.ftc.gov/news-events/press-releases/2019/03/ftc-send-refund-checks-consumers-who-lost-money-business.

In All Us Marketing LLC, the FTC sent more than $314,000 to consumers who paid up-front for worthless credit card interest rate reduction programs pitched by the defendant's illegal robocalls.[58] The complaint alleged that the defendant illegally called thousands of consumers, including many older adults, to convince them to provide their credit card information in this scheme.

In XXL Impressions LLC, the FTC sent refund checks totaling more than $113,000 to fully refund consumers who bought FlexiPrin, a deceptively marketed joint pain supplement.[59] The Commission brought the Health Research Labs and XXL Impressions cases jointly with the Maine Attorney General.

4. Criminal Liaison Unit

The FTC's Criminal Liaison Unit works with federal and state criminal prosecutors to better address consumer fraud. Many of these prosecutors have brought criminal cases that built on facts exposed as the FTC developed evidence in support of its civil law enforcement actions.[60] For example, in March 2019, FTC defendant Fawaz Sebai,[61] and his co-conspirators Vassilos Klouvatos and Lefkothea Klouvatos, were sentenced to a total of ten years for operating a call center that defrauded older adults by selling them bogus medical discount cards[62]. Sebai and his co-conspirators were extradited from Canada and prosecuted in the United States.

In August 2019, three-time FTC defendant Crystal Ewing[63] was charged with, and pled guilty for, operating a fraudulent mass-mailing scheme that tricked thousands of older adults into paying up-front fees for the false promise of a large cash prize.[64] DOJ prosecuted Ewing and her FTC co-defendants, Steve McLenahan,[65] Tully Lovisa,[66] and Glen Burke[67] for their roles in a

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[58] Press Release, FTC, *FTC Returns Nearly $315,000 to Consumers Who Bought Worthless Credit Card Interest Rate Reduction Programs* (May 23, 2019), *available at* https://www.ftc.gov/news-events/press-releases/2019/05/ftc-returns-nearly-315000-consumers-who-bought-worthless-credit.

[59] Press Release, FTC, *FTC Refunds Consumers Who Bought FlexiPrin Joint Pain Supplement* (Aug. 22, 2019), *available at* https://www.ftc.gov/news-events/press-releases/2019/08/ftc-refunds-consumers-who-bought-flexiprin-joint-pain-supplement.

[60] A description of the FTC's Criminal Liaison Unit is *available at* https://www.ftc.gov/enforcement/criminal-liaison-unit.

[61] Press Release, FTC, *FTC Stops Marketers of Phony Health Care 'Discount' Schemes Directed at Older Americans and Spanish-Speaking Consumers* (Sept. 12, 2014), *available at* https://www.ftc.gov/news-events/press-releases/2014/09/ftc-stops-marketers-phony-health-care-discount-schemes-directed.

[62] Press Release, *U.S. Department of Justice, Canadian Telemarketers Who Defrauded Elderly Americans in Prescription Drug Discount Scam Headed to Prison* (Mar. 27, 2019), *available at* https://www.justice.gov/usao-sdil/pr/canadian-telemarketers-who-defrauded-elderly-americans-prescription-drug-discount-scam.

[63] *See* Press Release, FTC, *Sweepstakes Promoters Will Pay $1.4 Million To Settle FTC Charges* (Apr. 23, 2007), *available at* https://www.ftc.gov/news-events/press-releases/2007/04/sweepstakes-promoters-will-pay-14-million-settle-ftc-charges; Press Release, FTC, *FTC Obtains $9.5 Million Judgment Against Sweepstakes Promoter for Contempt* (Feb. 11, 2015), *available at* https://www.ftc.gov/news-events/press-releases/2015/02/ftc-obtains-95-million-judgment-against-sweepstakes-promoter; Press Release, FTC, *FTC Brings Action to Stop Marketer from Making Deceptive Opiate Addiction and Withdrawal Treatment Claims* (Nov. 17. 2015), *available at* https://www.ftc.gov/news-events/press-releases/2015/11/ftc-brings-action-stop-marketer-making-deceptive-opiate-addiction.

[64] *See United States v. Ewing,* No. 2:19cr170 (Criminal Information) (D. Nev. Jul. 31, 2019); *id.* (Plea Agreement).

[65] *See United States v. McClenahan,* No. 2:19cr339 (Information) (E.D.N.Y. Jul. 26, 2019); *id.* (Minute Entry: Criminal Cause for Guilty Plea)

[66] U.S. Department of Justice, Press Release, *Five Charged for Elder Fraud Schemes* (July 11, 2018) *available at* |https://www.justice.gov/opa/pr/five-charged-elder-fraud-schemes.

[67] U.S. Department of Justice, Press Release, *Two Defendants Plead Guilty in Multimillion Dollar Prize Promotion Scams Targeting Elderly Victims* (Dec. 20, 2017), *available at* https://www.justice.gov/opa/pr/two-defendants-plead-guilty-multimillion-dollar-prize-promotion-scams-targeting-elderly.

sweepstakes scam ring, and each has either pled guilty, been sentenced, or is currently awaiting sentencing.

In April 2019, the DOJ announced charges against Ghopalkrishna Pai,[68] whom the FTC had sued for operating an internet mass marketing scheme that tricked many older adults into ordering supposedly "free" trial offers of youth cream or other personal care products, only to subject these consumers to monthly charges for unwanted shipments.[69] The FTC's matter against Mr. Pai is ongoing.

IV. Outreach and Education Activities

A. *Pass it On* Education Campaign

Pass It On is the FTC's ongoing fraud prevention education campaign for older adults. Campaign materials show respect for the readers' life experience and accumulated knowledge, and provide resources they can read and "pass on" to family and friends to start conversations about fraud.[70] The *Pass It On* campaign began with a variety of print and online material that addressed common frauds like Identity Theft, Imposter Scams, Charity Fraud, Health Care Scams, Paying Too Much, and "You've Won" Scams. In response to users' requests, the FTC added articles about Tech Support Scams, Grandkid Scams, Online Dating Scams and IRS Imposter Scams. Materials build on and refresh readers' knowledge by briefly summarizing how certain scams work and what the reader can do in response.

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[68] U.S. Department of Justice, Press Release, *Texas Man Indicted In Puerto Rico For Wire And Bank Fraud Scheme* (May 17, 2019), *available at* https://www.justice.gov/usao-pr/pr/texas-man-indicted-puerto-rico-wire-and-bank-fraud-scheme.

[69] Press Release, FTC, *FTC Continues Actions to Stop Deceptive Free-Trial and Negative Option Pitches* (Feb. 28, 2019), *available at* https://www.ftc.gov/news-events/press-releases/2019/02/ftc-continues-actions-stop-deceptive-free-trial-negative-option.

[70] Conversations about fraud are critical to avoiding fraud losses. Survey research shows that awareness of scams is extremely important in helping people avoid fraud losses, and that word of mouth is a primary source of information about scams, second only to news stories. *See* FINRA Investor Education Foundation, BBB Institute for Marketplace Trust, & Stanford Center on Longevity, *Exposed to Scams: What Separates Victims from Non-Victims?* at 11-13 (Sept. 2019) *available at* https://www.finrafoundation.org/sites/finrafoundation/files/exposed-to-scams-what-separates-victims-from-non-victims_0_0.pdf

The FTC has distributed more than 11.3 million *Pass It On* items since the campaign began, including almost 2 million items in fiscal year 2019, to banks, libraries, police departments, adult protective service offices, state attorneys general, military support groups and a variety of educational and community groups. Campaign materials are available at FTC.gov/PassItOn, FTC.gov/pasalo (Spanish), FTC.gov/PassItOnImposters, and FTC.gov/Bulkorder.

In 2019, the FTC expanded the *Pass It On* materials again to add articles about Home Repair Scams and Unwanted Calls.[71] These materials are designed to provide important information to older adults about these scams that may interest them.

The FTC also issues online Consumer Alerts on many of the topics covered by *Pass It On* and other topics of interest to older adults, such as Social Security imposter scams, responding to unwanted calls, and secret shopper scams. The FTC sends the alerts to its more than 291,000 subscribers, which include news media outlets, and posts the material on our website to share the prevention messages.

B. Talking About Fraud Videos

As part of the Every Community Initiative, the FTC has underscored the importance of talking about fraud by conveying this message in a series of videos told from the perspective of real people who faced the threat of losing money.[72] This year, the FTC added another video in this series, highlighting the experience of an older adult who experienced a tech support scam.[73] The man appearing in this video tells a powerful story of an older adult fighting back against a scammer; a story that the agency hopes will inspire others to warn their friends and families about the scams they see in their communities and report them to law enforcement. The FTC continues to deploy these videos through various partners, including ethnic and mainstream media, legal aid offices, consumer advocacy groups, and fellow law enforcement agencies.

C. Common Ground and Ethnic Media Events

As part of the Every Community Initiative, the FTC hosted three Common Ground conferences in the past year that brought together stakeholders – including local law enforcement officials, legal services providers, and community-based organizations – to talk about consumer protection issues and spur cooperation on these issues. One of the conferences took place in Los Angeles and focused exclusively on issues affecting older adults. It included speakers from AARP, the National Center on Elder Abuse, the University of Southern California Keck School of Medicine, as well as law enforcement, community partners, a Federal Bureau of Investigation victim specialist, and other elder abuse prevention advocates. The sessions included presentations by scientists, law enforcement, consumer education and outreach specialists, and others. The Department of Justice's Elder Justice Coordinator for the Southern District of California also provided remarks. The conference participants discussed the unique issues presented when

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[71] *See* https://www.consumer.ftc.gov/features/feature-0030-pass-it-on#home-repair-scams and https://www.consumer.ftc.gov/features/feature-0030-pass-it-on#unwanted-calls.

[72] *See* Fraud Affects Every Community Video Series *available at* https://www.consumer.ftc.gov/features/every-community.

[73] Video *available at* https://www.consumer.ftc.gov/media/video-0181-how-avoid-tech-support-scam.

older adults are victimized by fraud and discussed strategies for combating fraud affecting older adults. Common Ground conferences in Minneapolis and San Francisco also included segments regarding older consumer issues.

The FTC also conducted four more Community and Ethnic Media briefings this year, in Birmingham, Oklahoma City (hosted by AARP), Milwaukee, and Charleston, West Virginia. These events engaged community stakeholders, local media, and law enforcement in the ongoing conversation about how we can work together to do more to protect a wide range of consumers in local communities.[74] These convenings have been critical as the agency refines its strategy for protecting the growing number of older adults from diverse communities.

D. Other Outreach Events Relating to Older Adults

The FTC partners with many organizations across the country to share its consumer education messages and inform the public about its work. In the past year, the FTC staff including its regional offices have presented, exhibited, or participated in more than 200 outreach events with the public, other law enforcement agencies, and/or other stakeholders aimed at protecting various communities. This included a variety of events with AARP, including several nationwide webinars and tele-town halls, a series of fraud prevention videos aimed at Asian American Pacific Islander older adults,[75] and nine events with AARP in Washington, Oregon, California, and West Virginia. In addition, FTC staff spoke about scams and older adults at several nationwide conferences, including the American Society on Aging, Home and Community Based Services, the American Bar Association (ABA) National Aging and Law Conference, and the ABA Equal Justice Conference. In sum, over 70 of the outreach events either directly served older adults and those who work with them, or involved partner organizations to discuss issues affecting older adults, including events with the Better Business Bureau, the National Association of Area Agencies on Aging, and others.

In response to the increase in Social Security imposter scams, the FTC partnered with other agencies and non-profits to alert consumers about government imposter calls. The FTC updated IdentityTheft.gov to include IdentityTheft.gov/SSA, a page that tells consumers what to do if they get an SSA imposter call and how to report identity theft if someone misuses their Social Security number. As noted, the FTC also worked with AARP to offer nationwide webinars and tele-town halls about government imposter scams. Further, the FTC and Social Security Administration offered a Facebook Live event about government imposters during National Consumer Protection Week. Finally, to spread the word about the growing number of Social Security imposter scams, the FTC and SSA collaborated with the Consumer Financial Protection Bureau to create a fraud prevention placemat (often used by congregate meal sites). More than 56,000 copies were ordered in the first week alone – for use at senior living facilities, banks and more.

In addition, the Every Community Initiative is conducting a series of webinars for each state, bringing together federal, state, and local law enforcement in each jurisdiction with stakeholders

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[74] *See* FTC's Common Ground and Ethnic Media Event list *available at* www.consumer.gov/commonground

[75] *See* videos on Medicare scams (https://www.youtube.com/watch?v=51I-szr0JEY), IRS scams (https://www.youtube.com/watch?v=o7U1k7bumDA), and robocalls (https://www.youtube.com/watch?v=8rDKxLUhbUE).

from a range of local consumer groups including aging service providers and senior organizations, rural extension offices, libraries, military and veterans organizations, and others. The webinars share data about the frauds affecting consumers in each state, describe resources to help consumers spot the most common scams, identify where residents can go for help, and explain how to report to law enforcement. Attorneys General offices, the Better Business Bureaus, legal service providers, and others have spoken on these webinars, sharing information about the services available in their respective states. Regional representatives for the Centers for Medicare and Medicaid as well as the state Senior Medicare Patrols have shared information on these webinars about the new Medicare cards designed to prevent identity theft and deter Medicare scams. Staff completed seven more of these webinars this year.[76]

The FTC's outreach with groups and communities throughout the country provides a way to share the agency's important prevention messages, but also opens up the communication lines so the Commission hears about the scams and other consumer protection problems affecting the public. This, in turn, can generate opportunities for policy and education initiatives as well as new case leads.

V. Conclusion

The FTC remains firmly committed to protecting older consumers through aggressive law enforcement and effective consumer education and outreach. Research, law enforcement experience, and input from stakeholders will continue to be critical as the Commission strategizes about how to use its resources to protect the growing population of older adults in the years ahead.

[76] *See* www.consumer.gov/statewebinars for the state webinar presentation materials

Appendix A - Federal Trade Commission FY 2019

STYLE OF CASE	Case Number	Court Name	Date	Case Type	Description	Outcome
Federal Trade Commission v. Match Group, Inc.	3:19-02281	Northern District of Texas	9/25/19	Dating website	Alleged the defendant used fake love interest advertisements to trick consumers into purchasing paid subscriptions.	Litigation Ongoing
Federal Trade Commission v. Truly Organic Inc.and Maxx Harley Appelman.	1:19-23832	Southern District of Florida	9/13/19	Environmental marketing	Alleged the defendants deceptively marketed personal care products as "100% organic" or "certified organic.	Settlement
Federal Trade Commission, Plaintiff v. Student Advocates Team, LLC	8:19-cv-01728	Central District of California	9/11/19	Student loan debt relief scheme	Alleged the defendants charged illegal upfront fees and falsely promised to lower or event eliminate consumers' loan payments or balances.	Settlement
Federal Trade Commission and State of Minnesota v. Manhattan Beach Venture, LLC, *et al.*	2:19-cv-07849	Central District of California	9/11/19	Student loan debt relief scheme	Alleged the defendants charged illegal upfront fees and falsely promised to lower or even eliminate consumers' loan payments or balances.	Settlement
United States of America and People of the State of New York v. Google LLC and YouTube, LLC	1:19-cv-02642	District of Columbia	9/4/19	Children's privacy	Alleged the defendants illegally collected personal information from children without their parents' consent.	Settlement
In the Matter of 214 Technologies, Inc., also doing business as Trueface.ai	FTC Matter No. 1823193	FTC Administrative Matter	9/3/19	EU-U.S. Privacy Shield Program	Alleged the respondent falsely claimed that it participated in the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield frameworks.	Consent Agreement
In the Matter of EmpiriStat, Inc.	FTC Matter No. 1823195	FTC Administrative Matter	9/3/19	EU-U.S. Privacy Shield Program	Alleged the respondent falsely claimed that it participated in the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield frameworks.	Consent Agreement

Appendix A - Federal Trade Commission FY 2019

In the Matter of LotaData, Inc.	FTC Matter No. 1823194	FTC Administrative Matter	9/3/19	EU-U.S. Privacy Shield Program	Alleged the respondent falsely claimed that it participated in the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield frameworks.	Consent Agreement
In the Matter of DCR Workforce, Inc.	FTC Matter No. 1823188	FTC Administrative Matter	9/3/19	EU-U.S. Privacy Shield Program	Alleged the respondent falsely claimed that it participated in the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield frameworks.	Consent Agreement
In the Matter of Thru, Inc.	FTC Matter No. 1823196	FTC Administrative Matter	9/3/19	EU-U.S. Privacy Shield Program	Alleged the respondent falsely claimed that it participated in the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield frameworks.	Consent Agreement
Federal Trade Commission v. Career Education Corporation *et al.*	1:19-cv-05739	Northern District of Illinois	8/27/19	Use of illegal lead generation	Alleged the defendants used sales leads from lead generators that falsely told consumers they were affiliated with the U.S. military, and used other unlawful tactics to generate leads.	Settlement
In the Matter of Unroll.Me Inc.	FTC Matter No. 1723139	FTC Administrative Matter	8/5/19	Deceptive collection of consumer data	Alleged the respondent deceived consumers about how it accesses and uses their personal emails.	Consent Agreement
United States of America v. Facebook, Inc.	1:19-cv-2184	District of Columbia	7/24/19	Order violation - privacy	Alleged the defendant violated a 2012 FTC order by deceiving users about their ability to control the privacy of their personal information.	Settlement

Appendix A - Federal Trade Commission FY 2019

In the Matter of Cambridge Analytica, LLC, *et al.*	FTC Matter Nos. 1823107 & 1823106	FTC Administrative Matter	7/24/19	Deceptive collection of consumer data	Alleged the respondent employed deceptive tactics to harvest personal information from Facebook users for voter profiling and targeting.	Litigation Ongoing
Federal Trade Commission v. Equifax Inc.	1:19-cv-3297	Northern District of Georgia	7/22/19	Data breach	Alleged the defendant failed to take reasonable steps to secure its network that led to a data breach in 2017 affecting approximately 147 million people.	Settlement
Federal Trade Commission and State of Ohio v. Educare Centre Services, Inc. *et al.*	3:19-cv-196	Western District of Texas	7/18/19	Interest rate reduction services scheme	Alleged the defendants sold sham credit card interest rate reduction services to consumers through telemarketers.	Litigation Ongoing
Federal Trade Commission and State of Ohio v. Madera Merchant Services, LLC *et al.*	3:19-cv-195	Western District of Texas	7/18/19	Payment processing	Alleged the defendants generated and processed remotely created payment orders or checks that allowed many unscrupulous merchants, including deceptive telemarketing schemes, to withdraw money from their victims' bank accounts.	Litigation Ongoing
Federal Trade Commission v. AH Media Group, LLC *et al.*	3:19-cv-4022	Northern District of California	7/12/19	Negative option scheme for skin creams and diet supplements	Alleged the defendants deceptively marketed online trials of skin creams and dietary supplements, made unauthorized charges to consumers' credit cards and enrolled them in costly, unwanted continuity plans.	Litigation Ongoing
Federal Trade Commission v. Elegant Solutions, Inc. *et al.*	8:19-cv-1333	Central District of California	7/8/19	Student loan debt relief	Alleged the defendants lured consumers into paying illegal upfront fees with false promises to lower consumers' monthly student loan payments.	Litigation Ongoing

Appendix A - Federal Trade Commission FY 2019

United States of America v. Bartoli	6:19-cv-1160	Middle District of Florida	6/21/19	Robocalls - Do Not Call violations	Alleged the defendant sent millions of calls to numbers on the DNC registry and used fake caller ID information.	Settlement
United States of America v. Media Mix 365, LLC, *et al.*	8:19-cv-1243	Central District of California	6/21/19	Robocalls - Do Not Call violations	Alleged the defendants called phone numbers on the DNC Registry and repeatedly or continuously called consumers with the intent of annoying, abusing, or harassing them.	Settlement
Federal Trade Commission v. Grand Teton Professionals, LLC *et al.*	3:19-cv-933	District of Connecticut	6/17/19	Credit Repair	Alleged the defendants charged illegal upfront fees and falsely claimed to repair consumers' credit.	Litigation Ongoing
In the Matter of SecurTest, Inc.	FTC Matter No. 1823152	FTC Administrative Matter	6/14/19	EU-U.S. Privacy Shield Program	Alleged the respondent falsely claimed that it participated in the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield frameworks.	Consent Agreement
Federal Trade Commission v. 8 Figure Dream Lifestyle LLC *et al.*	8:19-cv-1165	Central District of California	6/12/19	Money-making scheme	Alleged the defendants marketed and sold fraudulent money-making opportunities.	Litigation Ongoing
In the Matter of Lightyear Dealer Technologies, LLC d/b/a DealerBuilt	FTC Matter No. 1723051	FTC Administrative Matter	6/12/19	Data security	Alleged the respondent failed to implement readily available and low-cost measures to protect personal information it obtained from its auto dealer clients.	Consent Agreement
Federal Trade Commission v. First Choice Horizon LLC *et al.*	6:19-cv-1028	Middle District of Florida	6/3/19	Credit card interest rate reduction scheme	Alleged the defendants used illegal robocalls to offer bogus credit card interest rate reduction services.	Litigation Ongoing

Appendix A - Federal Trade Commission FY 2019

In the Matter of Shore to Please Vacations LLC	FTC Matter No. 1823088	FTC Administrative Matter	5/22/19	Consumer reviews	Alleged the respondent illegally used non-disparagement provisions in consumer form contracts in the course of renting vacation homes.	Consent Agreement
In the Matter of Staffordshire Property Management, LLC	FTC Matter No. 1823084	FTC Administrative Matter	5/22/19	Consumer reviews	Alleged the respondent illegally used non-disparagement provisions in consumer form contracts in the course of processing rental applications.	Consent Agreement
Federal Trade Commission v. Alliedwallet, Inc. *et al.*	2:19-cv-4355	Central District of California	5/20/19	Payment processing	Alleged the defendants knowingly processed payments for merchants that were engaged in fraud.	Settlement
In the Matter of A. Waldron HVAC, LLC d/b/a Waldron Electric Heating and Cooling, LLC	FTC Matter No. 1823077	FTC Administrative Matter	5/8/19	Consumer reviews	Alleged the respondent included non-disparagement text in form contracts offered to prospective customers.	Consent Agreement
In the Matter of National Floors Direct, Inc.	FTC Matter No.1823085	FTC Administrative Matter	5/8/19	Consumer reviews	Alleged the respondent included non-disparagement text in form contracts it offered to consumers.	Consent Agreement
In the Matter of LVTR LLC d/b/a/ Las Vegas Trail Riding and Tomi A. Truax	FTC Matter No. 1823098	FTC Administrative Matter	5/8/19	Consumer reviews	Alleged the respondents included non-disparagement text in form contracts they offered consumers.	Consent Agreement

Appendix A - Federal Trade Commission FY 2019

Federal Trade Commission v. ibackpack of Texas LLC *et al.*	3:19-cv-160	Southern District of Texas	5/6/19	Deceptive crowdfunding scheme	Alleged the defendants told consumers they were raising money to develop a high-tech backpack and other products, but failed to deliver any of the products and instead used much of the funds for the individual defendant.	Litigation Ongoing
United States of America v. Unixiz, Inc. *et al.*	5:19-cv-2222	Northern District of California	4/24/19	Children's privacy	Alleged the defendants failed to obtain parental consent before collecting personal information from children and failed to provide reasonable security for the data collected.	Settlement
In the Matter of James V. Grago, Jr., d/b/a ClixSense.com	FTC Matter No. 1723003	FTC Administrative Matter	4/24/19	Data security	Alleged the respondent's website's inadequate security allowed hackers to gain access to consumers' sensitive information through the company's network.	Consent Agreement
Federal Trade Commission v. Avant, LLC	1:19-cv-2517	Northern District of Illinois	4/15/19	Deceptive and unfair loan servicing practices	Alleged the defendant engaged in deceptive and unfair loan servicing practices.	Settlement
Federal Trade Commission v. Global Community Innovations LLC *et al.*	5:19-cv-788	Northern District of Ohio	4/10/19	Deceptive endorsements for diet supplements	Alleged the defendants deceptively marketed "cognitive improvement" supplements.	Settlement
United States of America v. iSpring Water Systems, LLC *et al.*	1:19-cv-1620	Northern District of Georgia	4/10/19	Order violation - Made in America claims	Alleged the defendants violated a 2017 FTC administrative order by making false claims that wholly imported Chinese water filtration systems were made in the United States.	Settlement

Appendix A - Federal Trade Commission FY 2019

Federal Trade Commission v. Interbill, Ltd. *et al.*	2:06-cv-1644	District of Nevada	4/10/19	Order violation	Alleged the defendants repeatedly violated a 2009 court order issued against them by facilitating processing of consumer payments for merchants while knowing or consciously avoiding knowing that the merchants' business practices were, or were likely to be, deceptive or unfair.	Settlement
In the Matter of Urthbox, Inc. and Behnam Behrouzi	FTC Matter No. 1723028	FTC Administrative Matter	4/3/19	Negative option scheme and deceptive endorsements	Alleged the respondents misrepresented that customer reviews were independent and failed to adequately disclose terms of its "free trial" renewal programs.	Consent Agreement
Federal Trade Commission v. Office Depot, Inc. *et al.*	9:19-cv-80431	Southern District of Florida	3/27/19	Deceptive computer repair scheme	Alleged the defendants tricked customers into buying millions of dollars worth of computer repair and technical services by deceptively claiming their software had found malware symptoms on the customers' computers.	Settlement
Federal Trade Commission and State of Florida v. American Veterans Foundation, Inc. *et al.*	8:18-cv-00744	Middle District of Florida	3/27/19	Charity fraud	Alleged the defendants deceptively claimed that consumers' donations would be used for specific charitable purposes, including care packages for deployed service members, immediate assistance to veterans facing homelessness, and counseling.	Settlement

Appendix A - Federal Trade Commission FY 2019

Federal Trade Commission and State of Missouri v. Disabled Police And Sheriffs Foundation *et al.*	4:19-cv-667	Eastern District of Missouri	3/27/19	Charity fraud	Alleged the defendants falsely claimed that consumers' donations would be used to help police officers and families of slain officers, provide life-saving equipment to law enforcement agencies, and provide advanced, specialized training for law enforcement officers and departments.	Settlement
Federal Trade Commission v. Day Pacer LLC *et al.*	1:19-cv-1984	Northern District of Illinois	3/22/19	Do Not Call registry violations	Alleged the defendants made illegal calls about educational programs to consumers who submitted their contact information to websites promising help with job searches, public benefits, and other programs.	Litigation Ongoing
United States of America v. Musical.Ly *et al.*	2:19-cv-1439	Central District of California	2/27/19	Children's privacy	Alleged the defendants illegally collected personal information from children.	Settlement
Federal Trade Commission v. Elite IT Partners *et al.*	2:19-cv-125	District of Utah	2/25/19	Technical support scheme	Alleged the defendants used deceptive tactics to gain access to consumers' computers and then sold costly and unnecessary computer repair and other services.	Litigation Ongoing
Federal Trade Commission v. F9 Advertising LLC *et al.*	3:19-cv-1174	District of Puerto Rico	2/21/19	Negative option scheme	Alleged the defendants deceptively charged consumers who ordered a "Free Trial" for skin care products and enrolled them in auto-ship programs	Litigation Ongoing

Appendix A - Federal Trade Commission FY 2019

Federal Trade Commission v. Cure Encapsulations, Inc. *et al.*	1:19-cv-982	Eastern District of New York	2/19/19	Unsubstantiated claims and fake reviews	Alleged the defendant made false and unsubstantiated claims for their weight-loss supplement and that they paid a third-party website to write and post fake reviews.	Settlement
Federal Trade Commission v. Worldwide Executive Job Search Solutions, LLC *et al.*	4:19-cv-495	Southern District of Texas	2/13/19	Job placement scheme	Alleged the defendants operated a sham job placement and resume repair services scheme.	Litigation Ongoing
Federal Trade Commission v. Global Asset Financial Services Group, LLC *et al.*	3:19-cv-55	Western District of North Carolina	2/4/2019	Phantom debt collection	Alleged the defendants bilked consumers out of millions of dollars using deceptive and threatening tactics to collect phantom debts that they did not owe.	Litigation Ongoing
Federal Trade Commission v. Fat Giraffe Marketing Group, LLC *et al.*	2:19-cv-63	District of Utah	1/29/19	Business opportunity	Alleged the defendants charged consumers an up-front fee to join a program that purportedly would allow them to make significant income from home by posting advertising links onto websites.	Settlement
United States v. Lawrence L. Duskin	1:18-cv-7359	Northern District of California	12/6/18	Contact lens sales	Alleged the defendant provided contact lenses to consumers without obtaining the required prescription, failed to verify the prescription information, and failed to keep required records.	Settlement

Appendix A - Federal Trade Commission FY 2019

Federal Trade Commission v. Nobetes Corporation *et al.*	2:18-cv-10068	Central District of California	12/3/18	Deceptive diabetes treatment claims	Alleged the defendants made unsubstantiated health claims, misled consumers about the terms of "free trial" offers, billed consumers without their consent, and employed other practices related to the use of endorsements and consumer testimonials.	Settlement
Federal Trade Commission v. Apex Capital Group, LLC *et al.*	2:18-cv-9573	Central District of California	11/14/18	Deceptive negative option scheme	Alleged the defendants marketed supposedly "free trial" offers for personal care products and dietary supplements online, but then charged consumers the full price of the products and enrolled them in negative option continuity plans without their consent.	Partial settlement
Federal Trade Commission v. Moneygram International, Inc.	1:09-cv-6576	Northern District of Illinois	11/8/18	Order violation	Alleged the defendant failed to take steps required under a 2009 FTC order to crack down on fraudulent money transfers that cost U.S. consumers millions of dollars.	Settlement
Federal Trade Commission v. Impetus Enterprise, Inc. *et al.*	8:18-cv-1987	Central District of California	11/6/18	Student loan debt relief	Alleged the defendants tricked consumers into paying illegal upfront fees in hopes of reducing or eliminating their student loan debt.	Litigation Ongoing
In the Matter of Creaxion Corporation, *et al.*	FTC Matter Nos. 1723066 and 1723067	FTC Administrative Matter	11/5/18	Deceptive endorsements	Alleged the respondents misrepresented that paid endorsements were independent consumer opinions and that commercial advertising was independent journalistic content.	Consent Agreement

Appendix A - Federal Trade Commission FY 2019

Federal Trade Commission v. Ecological Fox, LLC *et al.*	1:18-cv-3309	District of Maryland	10/31/18	Real estate scheme	Alleged the defendants duped consumers into buying Sanctuary Belize lots by falsely promising that the development would include luxury amenities and be completed soon, and that the value of the lots would rapidly appreciate.	Litigation Ongoing
Federal Trade Commission v. Simple Health Plans, LLC *et al.*	0:18-cv-62593	Southern District of Florida	10/29/18	Deceptive health insurance claims	Alleged the defendants deceptively sold medical plans.	Litigation Ongoing
In the Matter of Social Finance, Inc. *et al.*	FTC Matter No. 1623197	FTC Administrative Matter	10/25/18	Deceptive student loan refinancing	Alleged the respondents made false statements about loan refinancing savings in their advertisements.	Consent Agreement
Federal Trade Commission and State of New York v. Campbell Capital LLC *et al.*	1:18-cv-1163	Western District of New York	10/23/18	Debt collection scheme	Alleged the defendants tricked people into agreeing to pay more money than what they allegedly owed, according to defendants' own business records.	Litigation Ongoing
Federal Trade Commission v. Realpage, Inc	3:18-cv-2737	Northern District of Texas	10/16/18	Fair Credit Reporting	Alleged the defendant failed to take reasonable steps to ensure the accuracy of tenant screening information that it provided to landlords and property managers.	Settlement
Federal Trade Commission v. Forms Direct, Inc. *et al.*	3:18-cv-6294	Northern District of California	10/15/18	Impersonation of USCIS	Alleged the defendants implied that their websites were affiliated with the U.S. Citizenship and Immigration Services, and utilized this to sell immigration form preparation services to consumers.	Settlement

Appendix A - Federal Trade Commission FY 2019

Federal Trade Commission v. Regenerative Medical Group, Inc. *et al.*	8:18-cv-1838	Central District of California	10/12/18	Deceptive health claims	Alleged the defendants deceptively advertised that "amniotic stem cell therapy" can treat serious diseases, including Parkinson's disease, autism, macular degeneration, cerebral palsy, multiple sclerosis, and heart attacks.	Settlement
Federal Trade Commission v. Jason Cardiff *et al.*	5:18-cv-2104	Central District of California	10/10/18	Deceptive health claims and unauthorized billing	Alleged the defendants deceptively marketed oral film strips and enrolled consumers in a negative option continuity plan without their knowledge or consent.	Partial settlement
Federal Trade Commission v. Passport Imports, Inc. *et al.*	8:18-cv-3118	District of Maryland	10/10/18	Deceptive recall notices	Alleged the defendants mailed fake "urgent recall" notices to consumers to lure them to visit dealerships.	Settlement