

PROTECTING OLDER CONSUMERS

———— 2019 — 2020 —————

A Report of the Federal Trade Commission

Federal Trade Commission | Report to Congress
October 18, 2020



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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 or deceptive acts or 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. For example, as discussed below, the FTC has brought ten new enforcement actions this year to stop unsubstantiated claims for products that purport to treat various illnesses and conditions affecting older consumers. As the population of older adults grows, the FTC’s aggressive efforts to bring law enforcement actions against scams that affect them, as well as provide useful consumer advice, become increasingly important.⁴

The FTC submits this third 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 2017.⁵ The law requires the FTC Chairman to file a report listing the FTC’s enforcement actions “over the preceding fiscal 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, found in

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 focuses on the Bureau of Consumer Protection’s work to protect older adults. The FTC’s Bureau of Competition also serves older adults through its 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 According to U.S. Census Bureau projections, by 2030 all baby boomers will be older than 65 and “one in every five Americans is projected to be [at] retirement age.” See Jonathan Vespa, Lauren Medina, and David M. Armstrong, U.S. Dep’t of Commerce, U.S. Census Bureau, *Demographic Turning Points for the United States: Population Projections for 2020 to 2060*, (Mar. 2018, Rev. Feb. 2020), at 1, available at <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p25-1144.pdf>.

⁵ Public Law 115–70, 115th C. 9-45ongress (enacted Oct. 18, 2017).



Appendix A, includes every administrative and federal district court action filed in the one-year period. In addition, 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 impacted 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 also 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’s most recent fraud survey released in October 2019 found that 15.9 percent of survey participants—representing 40 million U.S. adults—were victims of one or more of the frauds included in the survey.⁶ That same research demonstrated that, contrary to popular thinking, older Americans are not necessarily defrauded at higher rates than younger consumers for the surveyed frauds.⁷ Nevertheless, certain types of scams are more likely to affect certain groups. For example, older adults in the survey (ranging in age from 55 to 74) were more likely to be victims of fraudulent computer repair (“tech support”) schemes than were younger consumers.⁸

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 reports from consumers about the fraud and other consumer problems they have experienced. Law enforcement agencies and other organizations⁹ 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.

⁶ FTC Bureau of Economics Staff Report, *Mass-Market Consumer Fraud in the United States: A 2017 Update*, at 23-24 (Oct. 2019), available at <https://www.ftc.gov/system/files/documents/reports/mass-market-consumer-fraud-united-states-2017-update/p105502massmarketconsumerfraud2017report.pdf> (hereinafter “FTC Fraud Survey”).

⁷ *Id.* at 76.

⁸ *Id.* at 76-77, 79.

⁹ 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>.



1. Consumer Sentinel Reports from Older Adults

During calendar year 2019, Sentinel took in more than 3.2 million reports from consumers directly and through its data contributors. Of that number, 1.7 million reports were about fraud, 650,547 were about identity theft, and another 907,521 were about other consumer problems.¹⁰ Consumers reported losing over \$1.8 billion to fraud in 2019. About half of fraud reports filed in 2019 included consumer age information. Consumers who said they were 60 and older (older adults) filed 318,850 fraud reports with reported losses of more than \$440 million.

Key findings from the 2019 Sentinel data are:

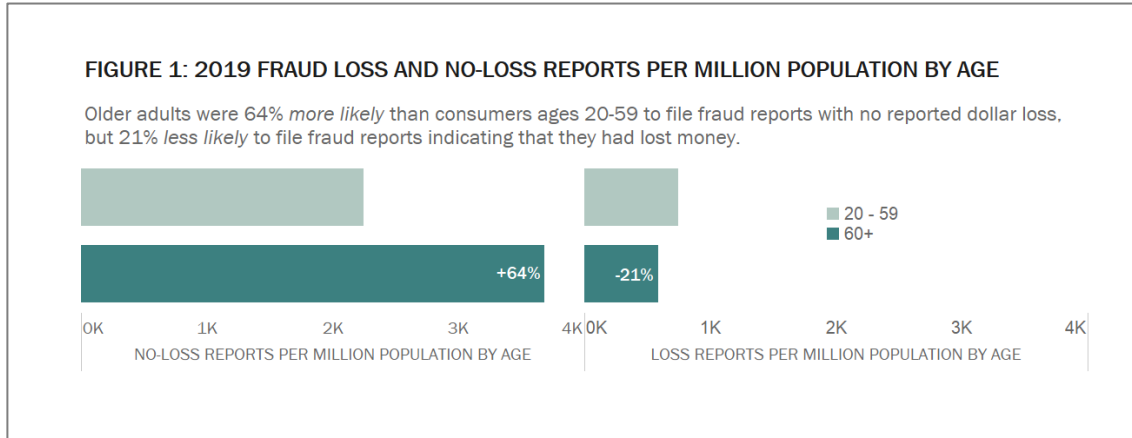
- Older adults (ages 60 and over) were still the least likely of any age group to report losing money to fraud.
- Older consumers continued to report higher individual median dollar losses than younger adults (ages 20-59). The disparity in reported losses was particularly large among people 80 and over compared to younger adults.
- Older adults continued to be much more likely than younger consumers to report losing money on tech support scams, prize, sweepstakes and lottery scams, and family and friend impersonation.
- Online shopping was the most commonly reported category of fraud in which people of all ages indicated they lost money, but older adults were less likely to report losing money to online shopping fraud than younger adults.
- Romance scams, government imposter scams, and prize, sweepstakes and lottery scams caused the highest aggregate reported losses for older adults.
- When comparing contact methods, phone scams continued to result in the highest aggregate reported losses by older adults, particularly those 80 and older.
- Gift cards were still the overall payment method of choice for scammers, but wire transfer payments reportedly took the most dollars from older adults.

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

¹⁰ See generally FTC, *FTC Consumer Sentinel Network* (July 8, 2020), available at <https://public.tableau.com/profile/federal.trade.commission>. These figures do not include reports about unwanted calls. Consumer Sentinel data is self-reported and not a survey. As such, individuals decide whether to file a report and decide what information, if any, to provide. As noted below, not all consumers who file a report provide their age, payment method, amount of dollar loss, etc.

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

As in 2017 and 2018, the overwhelming majority of Sentinel fraud reports filed in 2019 by consumers 60 or older did not indicate any monetary loss. Figure 1, which controls for population size,¹¹ shows that older adults were 64% more likely to file these no-loss reports about fraud they had spotted or encountered – but avoided losing money on – than consumers ages 20-59.



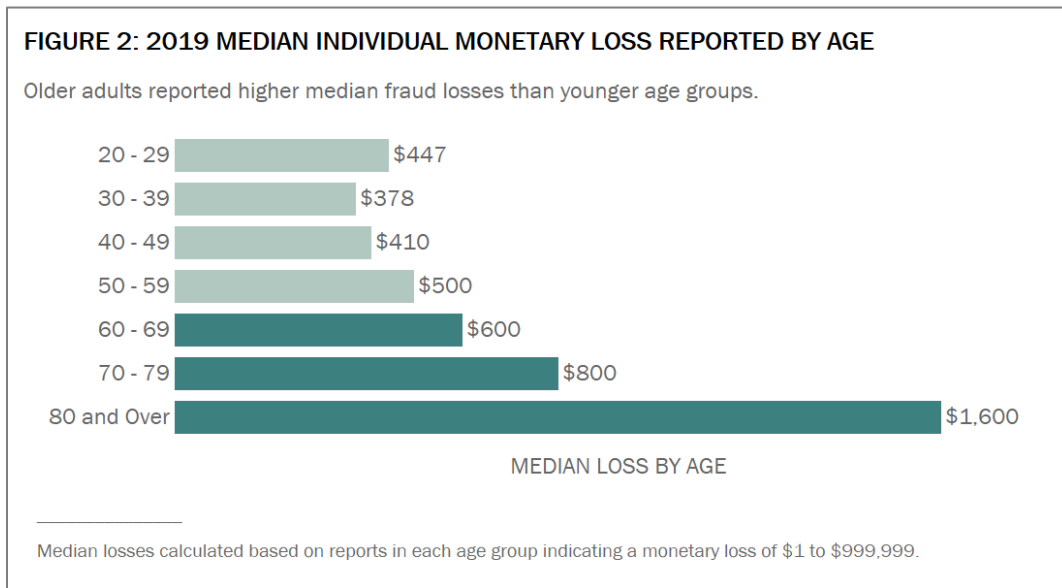
Moreover, it remained true in 2019 that older adults were *less likely* than younger consumers to report losing any money to fraud. Figure 1 shows that, after controlling for population size, older adults were 21% less likely to report losing money to fraud than consumers ages 20-59. This suggests that 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. As mentioned, the FTC fraud survey 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.¹²

¹¹ 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* (June 2020), available at <https://www.census.gov/data/tables/time-series/demo/popest/2010s-national-detail.html>.

¹² See FTC Fraud Survey at 76-79.

b) Older Adults Reported Higher Median Individual Dollar Losses than Younger Consumers

In 2019, the broad trend from prior years held: 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. Consumers 80 and over reported the largest median losses of \$1,600. The median individual dollar loss for this 80 and over age group was about two to four times the median loss amounts reported by other age groups. These overall findings were about the same as those reported in 2018, with the median loss for those 80 and over decreasing slightly from \$1,700 in 2018 to \$1,600 in 2019.¹³



A closer look at the data shows a trend toward significantly lower median losses for older adults than appears at first glance. Higher reported median individual dollar losses in 2018 as compared to 2017 were due in large part to a surge in reports by older adults of losses to scammers posing as the Social Security Administration (SSA).¹⁴ Reports by older adults of SSA imposters continued to climb through the first quarter of 2019, when the median dollar loss reported by older adults reached \$801, the highest on record.¹⁵ However, the numbers declined in subsequent quarters, a trend that has continued in 2020. By the second quarter of 2020, the median individual dollar loss reported by older adults fell to \$419, about *half* the high reached

¹³ See FTC Report to Congress, *Protecting Older Consumers 2018-2019*, at 4-5 (Oct. 18, 2019), available at https://www.ftc.gov/system/files/documents/reports/protecting-older-consumers-2018-2019-report-federal-trade-commission/p144401_protecting_older_consumers_2019_1.pdf.

¹⁴ *Id.*

¹⁵ The median individual dollar loss reported in Q1 of 2019 by age group was \$700 (60-69), \$900 (70-79), and \$2,000 (80 and over).



just over a year earlier.¹⁶ The marked decline in median losses during this period can be explained, in part, by changes in the types of frauds in which older adults most often reported losing money and a decline in reports of phone fraud, as discussed below.

Additional insights can be found by looking at the Sentinel reports filed on behalf of older consumers by adult children, spouses, caretakers, or others. In 2019, about 18% of reports for people 80 and over indicated they were submitted by a person on behalf of the consumer, compared to about 5% for people 70-79 and less than 3% for all other age groups.¹⁷ Notably, reported losses were higher for all reports submitted by third parties, but the median dollar loss for reports filed on behalf of adults 80 and over, at \$3,800, was much higher than other reports.¹⁸ Also of note, nearly 90% of reports filed on behalf of people 80 and over were about a scam that started with a phone call. This suggests that third party interventions can be very helpful for recognizing and reporting fraud, especially where higher individual dollar losses occur.

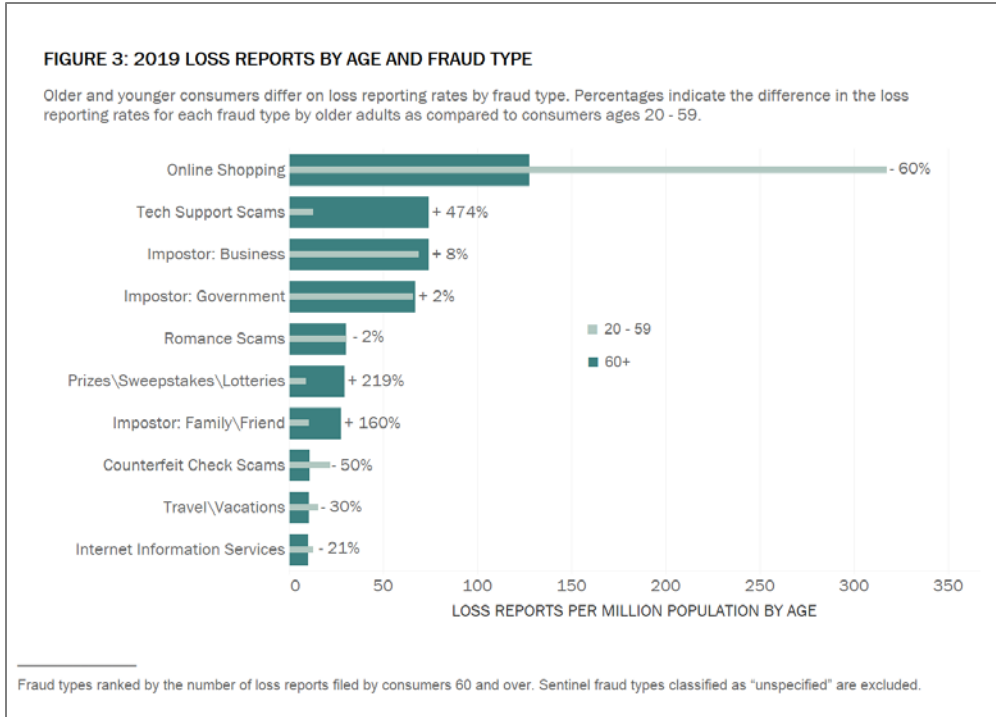
c) *Some Types of Fraud Affected Older Consumers Differently from Younger Consumers*

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. The dark teal bars show the number of loss reports submitted by older adults (age 60 and over), and the light green lines show the number of loss reports filed by younger people (ages 20 to 59) for each category of fraud. 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. Three categories of fraud stand out. Older adults were: 1) nearly six times, or 474%, more likely than younger consumers to report losing money on a tech support scam; 2) three times more likely to report a loss on prize, sweepstakes or lottery scam; and 3) more than twice as likely to report a loss on a family or friend imposter scam.

¹⁶ The median individual dollar loss reported in Q2 of 2020 by age group was \$300 (60-69), \$500 (70-79), and \$1,000 (80 and over). These figures represent the lowest quarterly median dollar losses on record for adults 60-69 and 70-79, and a three-year low for adults 80 and over.

¹⁷ The percentage of reports submitted by another person on behalf of a consumer are as follows: 17.6% (80 and over), 5.2% (70-79), 2.5% (60-69), 1.9% (50-59), 1.4% (40-49), 1.3% (30-39), 1.7% (20-29). These figures exclude reports provided by Sentinel data contributors.

¹⁸ The reported median individual dollar loss on all fraud reports directly to the FTC in 2019 was \$420, compared to \$1,250 on fraud reports submitted directly to the FTC by another party on behalf of the consumer. The reported median individual dollar losses by age for this subset of reports were as follows: \$3,800 (80 and over), \$2,000 (70-79), \$1,300 (60-69), \$1,000 (50-59), \$1,000 (40-49), \$700 (30-39), \$892 (20-29). These figures exclude reports provided by Sentinel data contributors.



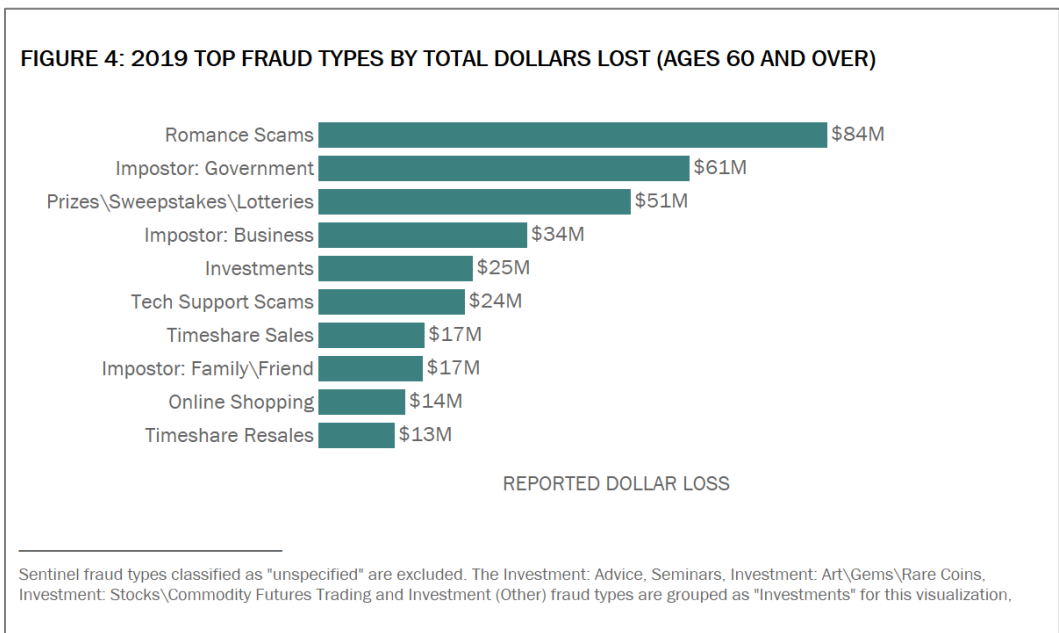
Although older adults continued to be *less likely* than younger consumers to report losing money to online shopping fraud, this fraud nonetheless surpassed tech support scams to become the top fraud type older adults reported losing money on in 2019.¹⁹ The number of reports of losses to online shopping by adults 60 and over more than doubled from the first quarter to the last quarter of 2019.²⁰ This upward trend accelerated dramatically in the second quarter of 2020, with a rise in reports about online shopping problems related to the COVID-19 pandemic.²¹ However, the reported median individual dollar loss to online shopping fraud by older adults in 2019 was relatively small at \$129. Nevertheless, the increasing number of adults of all ages who have reported a loss to online shopping is significant.

¹⁹ Older adults filed 9,532 reports indicating a loss on online shopping fraud in 2019 compared to 5,548 such reports on tech support scams, the second highest category.

²⁰ Older adults filed 1,499 reports indicating a loss on online shopping fraud in Q1 2019 compared to 3,174 such reports in Q4 2019.

²¹ Older adults filed 6,228 reports indicating a loss on online shopping fraud in Q2 2020. See FTC Consumer Protection Data Spotlight, *Pandemic purchases lead to record reports of unreceived goods* (July 1, 2020), available at <https://www.ftc.gov/news-events/blogs/data-spotlight/2020/07/pandemic-purchases-lead-record-reports-unreceived-goods>.

Analysis of total dollars reported lost by older adults, by fraud type, as seen in Figure 4, highlights the devastating effects of romance scams, government imposter scams, and prize, sweepstakes, and lottery scams on older adults. The highest aggregate dollar losses reported in 2019 by those 60 and older were again in the romance scam category. Older adults reported aggregate losses of nearly \$84 million on romance scams in 2019. Adults 60-69 and 70-79 reported over \$80 million of these losses, making romance scams the category of highest reported losses for both of these age groups.²² Government imposter scams ranked next, taking \$61 million from adults 60 and over in 2019. The prize, sweepstakes, and lottery category ranked third for adults 60 and over, with \$51 million in aggregate dollar losses reported. Note that almost half (over \$22 million) of the losses reported by older adults on prize, sweepstakes, and lottery scams were reported by adults 80 and over, making that category of fraud the highest on total dollars reported lost for adults 80 and over.



²² For adults 80 and over, romance scams ranked sixth on aggregate reported dollar losses, with those adult reporting \$3.3 million in aggregate losses on romance scams in 2019. Sentinel fraud types classified as “unspecified” are excluded from fraud type ranking.

Scammers posing as the Social Security Administration pushed reports of losses on government imposter scams by older adults to the highest level on record in 2019, more than 30% higher than the 2018 number.²³ Reported aggregate losses on government imposter scams by older adults also reached a record high. The number of loss reports on these scams began to decline in the last quarter of 2019, coinciding with a decline in reports of unwanted phone calls more generally.²⁴ Scammers posing as government officials have been a menace to consumers of all ages for many years. Using low-cost VOIP phone services and robocall technology, they have reached millions of households posing as virtually every government agency, including the FTC. While a period of decline in government imposter reports is encouraging, the numbers of complaints about unwanted calls has been creeping up again. Monitoring of Sentinel reports will be essential to alert the public to new variations of these scams.²⁵

d) Phone Scams Again Caused Large Losses, Particularly for Those 80 and Older

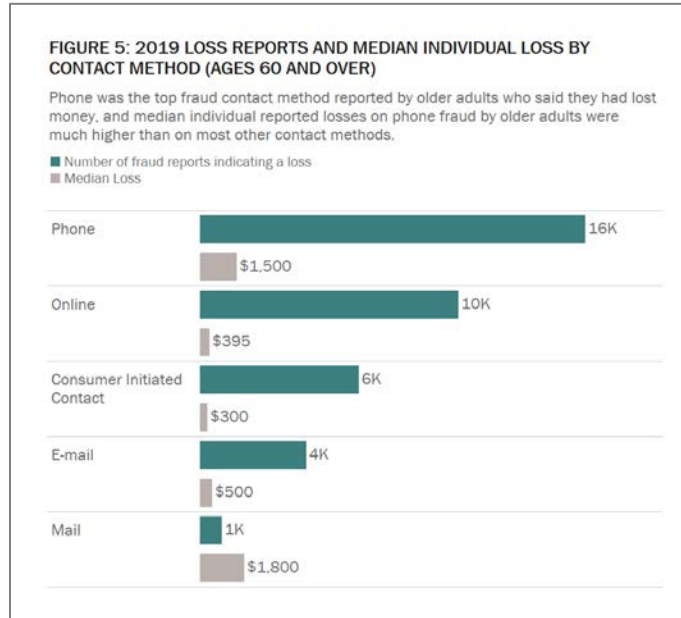
Phone scams continued to be a tremendous problem for older adults in 2019. Controlling for population size, older adults reported disproportionate aggregate losses on phone scams compared to younger consumers, as well as higher median individual losses.²⁶ Median losses reported on phone fraud by older adults were far higher than on any other method of contact with the exception of mail fraud, which was much less frequently reported (see Figure 5). Phone scams were particularly costly to adults 80 and over. This age group reported median individual losses from phone scams of \$3,500, and these losses were at a rate nearly four times that reported by adults 20-59. The data also suggest that *attempted* phone fraud is a tremendous concern for older adults. Over 70% of fraud reports to Sentinel by adults 60 and over in 2019 were about phone contacts with no reported dollar loss.

²³ Older adults filed 5,015 reports indicating a loss on government imposter scams in 2019, compared to 3,809 reports in 2018.

²⁴ See FTC Consumer Alert, *The FTC keeps attacking robocalls*, (Apr. 3, 2020) available at: <https://www.consumer.ftc.gov/blog/2020/04/ftc-keeps-attacking-robocalls>; FTC Consumer Alert, *Robocall reports still down, FTC still fighting*, (June 15, 2020) available at: <https://www.consumer.ftc.gov/blog/2020/06/robocall-reports-still-down-ftc-still-fighting>.

²⁵ Survey research found that respondents who had heard about the specific scam before being targeted were significantly less likely to lose money. 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 (Sept. 2019) available at https://www.finrafoundation.org/sites/finrafoundation/files/exposed-to-scams-what-separates-victims-from-non-victims_0_0.pdf.

²⁶ In 2019, the median individual dollar losses reported by older adults to phone fraud were \$1,100 (age 60-69), \$1,625 (age 70-79), and \$3,500 (age 80 and over), compared to \$998 by consumers age 20-59. Reported losses to phone fraud per million population by age were \$2.0 million (age 60-69), \$2.7 million (age 70-79), and \$3.8 million (age 80 and over), compared to \$1.0 million by adults 20-59.



With respect to scams that started with a phone call, people 80 and over submitted more loss reports about prizes, sweepstakes, and lottery scams as well as family and friend imposters, while people 60-79 most often reported losing money on phone calls from government and business impersonators. Tech support scams, while no longer in the top spot, continued to be in the top four on phone fraud loss reports for both the 60-79 and 80 and over age groups.

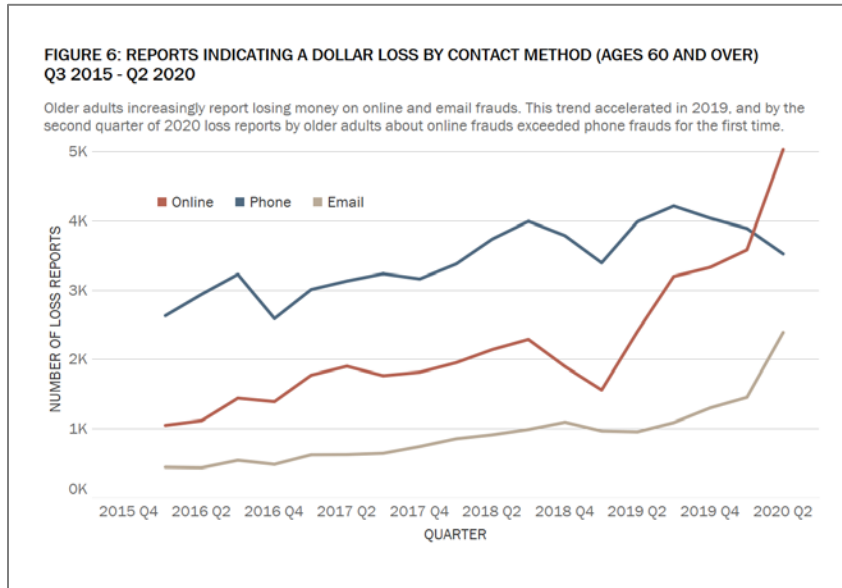
Reports to Sentinel suggest that email and other online contact methods, including social media, are increasingly used to defraud older adults (see Figure 6).²⁷ By the third quarter of 2019, the combined number of loss reports by older adults that indicated the scam started online or with an email surpassed those that started with a phone call.²⁸ That trend became more pronounced with the COVID-19 pandemic. In the second quarter of 2020, the tremendous volume of loss reports made by older adults about online shopping caused loss reports about online fraud to eclipse phone fraud loss reports.²⁹ Notably, reports by adults in their 60s and 70s drove this trend. This did not hold true for people 80 and over, as this population continued to report losses on phone frauds in numbers exceeding any other method of contact.³⁰

²⁷ The number of loss reports by older adults indicating social media as the contact method increased from 289 in Q1 2019 to 967 in Q2 2020. These reports are included in the online data category displayed in Figure 6.

²⁸ In the Q3 of 2019, the methods of contacts reported by older adults indicating a dollar loss were phone (39%), online (29%), consumer initiated contact (16%), email (10%), other (4%), mail (2%).

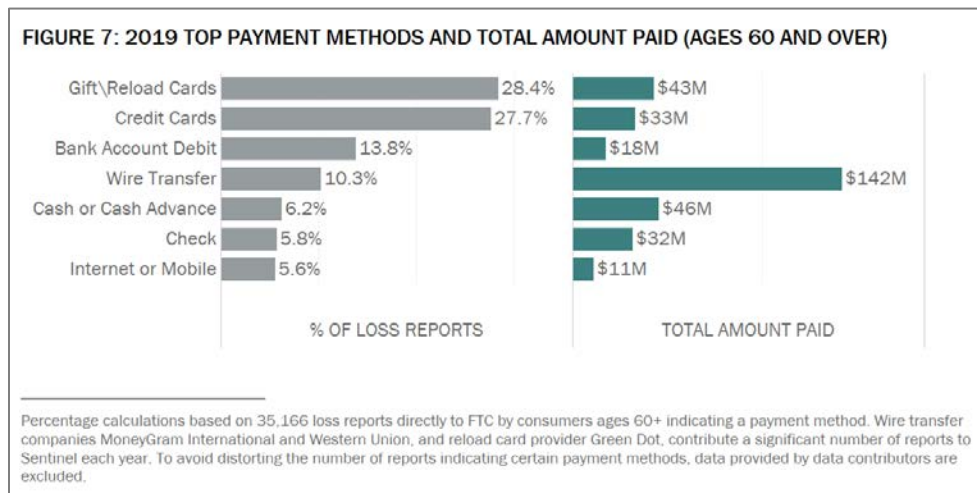
²⁹ In the Q2 of 2020, the methods of contacts reported by older adults indicating a dollar loss were phone (24%), online (34%), consumer initiated contact (20%), email (16%), other (3%), mail (2%).

³⁰ In the Q2 of 2020, the methods of contacts reported by adults 80 and over indicating a dollar loss were phone (50%), online (22%), consumer initiated contact (13%), email (10%), other (3%), mail (3%).



e) Gift Cards Became the 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 7 shows that older adults most often reported paying fraudsters with a gift card, reload card, or credit card in 2019. The second column in Figure 7 shows the aggregate dollar losses that older adults reported for the payment methods shown.



Beginning in 2018, the number of older adults who said they paid with gift cards or reload cards increased dramatically. This upward trend continued in the first half of 2019, peaking in the second quarter of 2019 before beginning a steady decline that has continued in 2020.³¹ Over the same period, credit cards payments by older adults increased. Older adults also increasingly reported using internet or mobile payment services such as PayPal. The growth in reports of payments made by credit card and payment services can be attributed, in large part, to the increase in online shopping reports that came into Sentinel. Gift cards and reload cards continue to be the top payment method reported by older adults on many scams, including government and business imposter scams, tech support scams, family and friend emergency scams, and sweepstakes, prize, and lottery scams.

In 2019, older adults again reported sending more money to fraudsters by wire transfer than by any other method. The median individual loss reported on wire transfers was \$6,000, higher than on any other payment method.³² Wire transfers sent in connection with romance scams accounted for about \$46 million, nearly a third of the dollars older adults reported wiring to scammers. In fact, the vast majority of the dollars reported lost on romance scams by older adults were sent by wire transfer, with a reported median individual dollar loss of \$18,000.³³

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

³¹ In Q2 2019, adults 60 and over filed 2,611 reports directly with the FTC indicating payment by gift card or reload card. By Q2 2020, that number had dropped to 1,853. These figures exclude reports classified as online shopping fraud. The FTC has tracked the gift card brands that are most often mentioned in fraud reports, and has initiated discussions with top brands regarding fraud prevention measures. 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>. Currently, eBay is the most frequently reported gift card brand.

³² In 2019, reported median dollar losses by older adults for the payment methods included in Figure 7 were as follows: wire transfer (\$6,000), cash or cash advance (\$5,500), check (\$1,500), gift/reload cards (\$1,000), internet or mobile (\$250), credit cards (\$220), bank account debit (\$199). Median dollar losses are based on the total loss amount indicated in each individual report, which can include more than one financial transaction. Wire transfer companies MoneyGram International and Western Union, and reload card provider Green Dot, contribute a significant number of reports to Sentinel each year. As noted in Figure 7, to avoid distorting the number of reports indicating certain payment methods, data provided by data contributors are excluded.

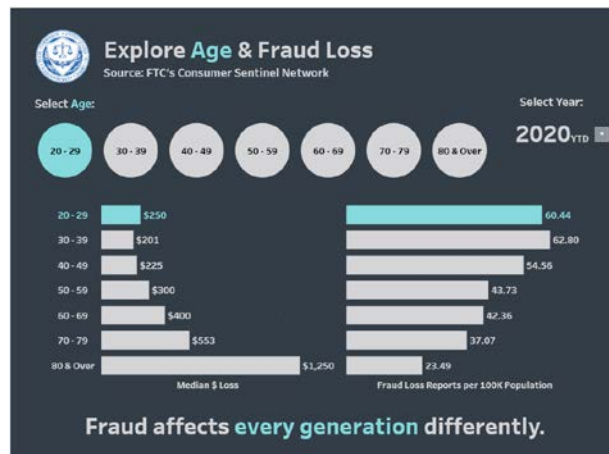
³³ In 2019, 68% of the dollars reported lost on romance scams by older adults were sent by wire transfer. The median dollar loss figure of \$18,000 is based on the total loss amount indicated in each romance scam report, which will often include more than one wire transfer transaction. As in the previous footnote, data provided by data contributors are again excluded.

pleased to welcome Utilities United Against Scams in 2019, adding thousands of reports about utility company impersonators to the Sentinel database.

2. Alerting the Public to Consumer Reporting Trends

The FTC makes aggregate consumer reporting data accessible by publishing Sentinel data on a quarterly basis in interactive online dashboards available at www.ftc.gov/exploredata. The dashboards include both quarterly and annual report information by age and fraud type.³⁴

Image A – Portion of the Explore Age & Fraud Losses interactive infographic

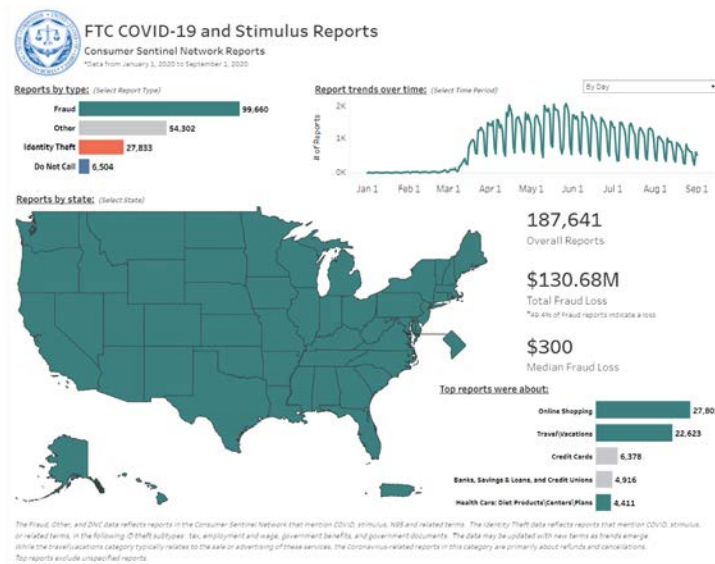


In 2020, in response to the pandemic, the FTC launched interactive dashboards providing aggregate data about the reports of frauds associated with COVID-19 and related stimulus money offers. The dashboards show trends about the reports by age, type of fraud, and geographical location.³⁵ These dashboards are updated daily, providing the media, consumer groups, and other government agencies with the most current data available to respond to consumer protection problems related to the pandemic. These and other interactive dashboards help users understand and visualize consumer reporting trends.

³⁴ In 2019, the FTC added new dashboards pertaining to age. The new Explore Age & Fraud Losses interactive infographic is available at <https://public.tableau.com/profile/federal.trade.commission#!/vizhome/AgeandFraud/Infographic>, and the new Age Details interactive dashboard is available at <https://public.tableau.com/profile/federal.trade.commission#!/vizhome/FraudReports/AgeDetails>.

³⁵ FTC COVID-19 and Stimulus Reports interactive dashboards are available at <https://public.tableau.com/profile/federal.trade.commission#!/vizhome/COVID-19andStimulusReports/Map>.

Image B – FTC COVID-19 and Stimulus Reports Interactive Dashboard



3. Hearing Directly from Older Consumers About FTC Imposters

The FTC continued a pilot program this year that directly engages with older consumers who reported losing money to scammers pretending to be FTC staff.³⁶ Between July 1, 2019 and June 30, 2020, more than 100 consumers age 60 and over 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, cars, or boats, and the FTC would distribute the benefits once the consumers paid fees. Some of the FTC imposter reports described identity theft and malware schemes. FTC staff spoke to the majority of people who filed these reports to explain that the FTC does not distribute prizes, money or grants, and provided additional information to the consumers as needed.

Scammers used the government’s name to generate immediate trust, and built on that relationship by collecting personal details that helped create anticipation over time. A perceived connection with the government made the consumers more willing to believe the caller and more likely to send funds. The older adults who described the sweepstakes and prize scams provided details of long, drawn out schemes in which the scammers built relationships with the older adults to gain their trust. The scammers kept track of details in the consumer’s life, asked about the consumer’s family and health, and presented themselves as friends. The scammers often asked for smaller amounts of money several times instead of asking for one large payment. They

³⁶ See, e.g., FTC Consumer Alert, *Scammers impersonate the FTC, too* (July 14, 2020) available at <https://www.consumer.ftc.gov/blog/2020/07/scammers-impersonate-ftc-too>.

gave detailed instructions on how these payments were to be made and checked back to see that the payments had been sent. The scammers maintained excitement and reinforced secrecy by making their calls into a daily “update” for an event that will change the consumer’s life, and that only they know about. One older adult was told that he was under a “gag” order and that if he told anyone of his prize or the fees he was paying that it would immediately be forfeited.

These scams take a significant emotional toll. Once they accept that they have been speaking to impostors and that they have sent away large sums of money that they are not likely to recover, many of these older adults expressed feelings of profound shame and embarrassment. Some have sent much of their savings in the hope that the prize winnings would be their legacy to their children and grandchildren. All of the older adults are deeply affected by having been lied to and having believed those lies long enough to give away a great deal of money. In addition to providing important information to these older adults, these conversations provide valuable insights 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 various schemes on distinct groups, including older adults, military service members and veterans, Black 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. 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, local, 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 defrauded millions of older consumers.

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 (“HHS”) for the coordination of relevant activities.³⁷ The FTC’s Elder Justice Coordinator presented information about the FTC’s enforcement, data analysis, and outreach materials at the December 2019 and June 2020 EJCC meetings.³⁸ This work connects the agency with other federal government offices that are working to combat elder abuse and facilitates valuable 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.³⁹ 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.”⁴⁰ Most FTC enforcement actions involve numerous consumers of all ages, but the actual ages of consumers affected in a given case are not typically known. 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 every consumer protection case filed this past year. 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, 2019, and September 30, 2020. The cases listed in Appendix A involve a wide range of matters, including alleged business opportunity and money-making schemes, unsubstantiated product claims, privacy and security issues, credit or debt relief schemes, and more.⁴¹

To provide a better description of the FTC’s work to protect older consumers, the next section summarizes nineteen enforcement actions filed within the last fiscal year where the Commission notes a significant impact on older consumers. Also listed are additional agency

³⁷ HHS 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 HHS, *What is the Elder Justice Coordinating Council?* (last modified Aug. 26, 2020), available at <https://www.acl.gov/programs/elder-justice/elder-justice-coordinating-council-ejcc>.

³⁸ Recordings of the EJCC’s meetings are available at <https://acl.gov/programs/elder-justice/fall-2019-ejcc-meeting> and <https://acl.gov/programs/elder-justice/spring-2020-ejcc-meeting>.

³⁹ 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 DOJ files cases on the FTC’s behalf for rule violations or to secure civil penalties for violations of FTC administrative orders.

⁴⁰ The Elder Abuse Prevention and Prosecution Act, Public Law 115–70, Oct. 18, 2017. Sec. 101(c)(2).

⁴¹ 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 may 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 their privacy.

actions that affected older consumers, including final resolutions and settlements in prior actions, warning letters, issuance of consumer refunds, and subsequent criminal action by other agencies relating to FTC matters. These actions illustrate many of the key consumer issues that disproportionately affect older adults.

A. Credit Card Interest Rate Reduction Scheme

In *GDP Network LLC*, the FTC and the Florida Attorney General’s Office alleged that the defendants ran a sham credit card interest rate reduction operation that often targeted financially distressed consumers and older adults.⁴² The defendants allegedly blasted consumers with telemarketing cold calls promising to permanently and substantially reduce their credit card interest rates. After convincing consumers they were affiliated with the consumers’ existing credit card companies or well-known credit card networks such as MasterCard or Visa, the defendants allegedly promised to save them thousands of dollars in credit card interest and enable them to pay off their credit card debt three to five times faster. The complaint states that the defendants charged upfront fees of as much as \$3,995 for their bogus services and that many consumers who paid the fees received no permanent debt reduction and were left with more debt and worse credit. A federal court temporarily halted the operation, froze the defendants’ assets, and appointed a receiver over the businesses. Litigation is ongoing.

B. Deceptive Publications and Government Check Program

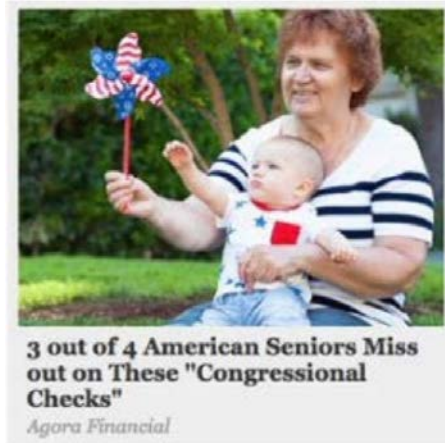
In *Agora Financial, LLC*, the FTC alleged that the defendants tricked older adults into buying books, newsletters, and other publications that falsely promised a cure for type 2 diabetes or promoted a phony plan to help get money from a government-affiliated check program.⁴³ The defendants allegedly made several baseless claims and told consumers that type 2 diabetes could be cured in 28 days with a combination of hard-to-find natural ingredients. In reality, the FTC alleged, their claims were unsubstantiated, and the defendants’ purported treatment consisted of common, widely available supplements. The FTC also alleged that the defendants marketed additional publications falsely promising to show how to claim hundreds to thousands of dollars every month from a “Congressional” check program and that consumers who bought the publications found that they merely described an investment strategy focused on stocks that pay dividends, requiring consumers to risk thousands of dollars to obtain the promised amounts. This litigation is ongoing.

⁴² *FTC v. GDP Network LLC*, No. 6:20-cv-1192-Orl-78DCI (M.D. Fla. filed Jul. 6, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/192-3137/gdp-network-llc-et-al-ftc-v-yf-solutions>.

⁴³ *FTC v. Agora Financial, LLC*, No. 1:19-03100 (D. MD filed Oct. 24, 2019), available at <https://www.ftc.gov/enforcement/cases-proceedings/182-3116/agora-financial-llc>.



Image C – Online Advertisement from *Agora Financial, LLC*



C. Business Opportunities, Pyramids, and Money-Making Schemes

In *OTA Franchise Corp.*, the FTC alleged that the defendants used false or unsubstantiated earnings claims, often targeted at older consumers, to sell “training programs” costing as much as \$50,000.⁴⁴ The FTC also alleged that the defendants misrepresented that the company had a patented “strategy” that anyone could use to generate substantial income from trading in the financial markets. Evidence obtained by the FTC indicated that many of the defendants’ customers did not make any money, and many lost money on top of the money they paid the defendants. Evidence obtained by the FTC also indicated that instructors’ claims of amassing wealth were false or unsubstantiated. A federal court has granted the FTC’s request for a preliminary injunction. In September 2020, the defendants agreed to a settlement order that among other things prohibits them from making claims about potential earnings unless the claims are truthful and they have written documentation to support them. The defendants will be required to offer debt forgiveness to thousands of consumers who purchased its “training programs,” while the company’s founder and other individuals will together pay between \$5 and \$9.1 million and turn over assets under the terms of a settlement that is expected to result in more than \$10 million to benefit consumers.⁴⁵

In *Nudge LLC*, the FTC and the Utah Division of Consumer Protection alleged that the defendants made empty promises about earning money by “flipping” houses, to convince

⁴⁴ *FTC v. OTA Franchise Corp.*, 8:20-cv-00287-JVS-KES (C.D. Cal. filed Feb. 12, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/1823175/online-trading-academy>.

⁴⁵ Press Release, FTC, *FTC Settlement Requires Online Trading Academy to Forgive Consumer Debt, and Principals to Turn Over Millions in Cash and Assets* (Sept. 15, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/09/ftc-settlement-requires-online-trading-academy-forgive-consumer>.

consumers to buy real estate training packages that cost thousands of dollars.⁴⁶ The complaint states that the defendants marketed training through real estate celebrities who promised to reveal strategies for making “amazing profits” at seminars included in the packages but that in truth, the seminars were mostly designed to sell additional training, not to help consumers make money. The FTC also alleged the defendants encouraged consumers to incur significant debt to purchase defendants’ purported training programs. Consumers victimized by this scheme included those on limited fixed incomes and retirees. The parties reached a stipulated preliminary injunction in December 2019. In August 2020, the FTC filed a motion to amend the complaint to add two celebrities that the defendants used to promote their real estate training programs.⁴⁷ This litigation is ongoing.

In *Neora LLC (formerly Nerium International, LLC)* the FTC alleged the defendants operated as an illegal pyramid scheme and falsely promised recruits they would achieve financial independence if they joined.⁴⁸ The company sold supplements, skin creams, and other products through a network of “brand partners.” The FTC alleged the company pushed distributors or brand partners to focus on recruiting new distributors, rather than retail sales to customers. The defendants allegedly incentivized recruits to make a substantial upfront investment in products and then commit to additional product purchases each month. The FTC also alleged that the defendants deceptively promoted one of its products, “EHT” supplements, as an antidote to concussions and chronic traumatic encephalopathy caused by repetitive brain trauma, as well as Alzheimer’s disease and Parkinson’s disease. Without having a scientific basis for the claims, the defendants’ website allegedly highlighted the benefits for individuals facing memory loss, cognitive decline, and other ailments associated with aging. The FTC settled with two of the defendants and those defendants are barred from making baseless claims about EHT or other supplements. Litigation is ongoing with the remaining defendants.

⁴⁶ *FTC v. Nudge, LLC*, No. 2:19-cv-00867-RJS (D. Utah filed Nov. 5, 2019), available at <https://www.ftc.gov/enforcement/cases-proceedings/182-3016/nudge-llc>.

⁴⁷ Press Release, FTC, *FTC Seeks to Add Real Estate Investment Celebrities Dean Graziosi and Scott Yancey as Defendants in Real Estate Training Case* (Aug. 31, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/08/ftc-seeks-add-real-estate-investment-celebrities-dean-graziosi>.

⁴⁸ *FTC v. Neora, LLC, formerly known as Nerium International, LLC, et al.*, No. 3:19-cv-19699 (D.N.J. filed Nov. 1, 2011), available at <https://www.ftc.gov/enforcement/cases-proceedings/162-3099/nerium-international-llc>.

Image D – Advertising Image from *Neora, LLC*

In two additional cases, *Giannulis*⁴⁹ and *Bransfield*,⁵⁰ the FTC sued a group of affiliate marketers who lured consumers into a business coaching and investment scheme known as *My Online Business Education (MOBE)*, which the agency sued in 2018.⁵¹ The FTC alleged that these affiliates made millions of dollars in commissions by enticing thousands of consumers to pay as much as \$60,000 for *MOBE* “mentoring” services, using false claims and misleading testimonials about how much money they could make. The defendants advertised on social media, YouTube, online news sites, and at live events, specifically targeting teenagers, students, and older consumers. The FTC alleged that ultimately, most people who bought into the *MOBE* program were unable to recoup their costs, and many experienced crippling losses or mounting debts. The FTC further alleged that one set of defendants started another deceptive coaching scheme, called “My Ecom Club,” after *MOBE* was shut down. The matters settled with orders permanently banning the defendants from selling or marketing any business coaching program or money-making method. One of the settlement orders requires one of the defendants to pay \$3.3 million. The other orders impose monetary judgments of \$1.8 to \$31.6 million, which are

⁴⁹ *FTC v. Giannulis*, No. 6:20-cv-00371-CEM-GJK (M.D. Fla. filed Mar. 3, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/192-3089/michael-giannulis-ftc-v>.

⁵⁰ *FTC v. Bransfield*, No. 6:20-cv-00372-CEM-GJK (M.D. Fla. filed Mar. 3, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/steven-j-bransfield>.

⁵¹ *FTC v. MOBE, Ltd.*, No. 6:18-cv-862-ORL-37DCI (M.D. Fla. filed June 4, 2018), available at <https://www.ftc.gov/enforcement/cases-proceedings/172-3072/mobe-ltd-et-al>.

suspended due to the defendants' inability to pay, with some of the defendants paying partial amounts.⁵²

D. Assisting and Facilitating Payments

In *Qualpay Inc.*, the FTC alleged the company processed payments for years for *MOBE*, the online coaching and investment scheme mentioned above that targeted U.S. consumers, including service members, veterans, and older adults.⁵³ *Qualpay* allegedly processed tens of millions of dollars in consumer payments for *MOBE*'s worthless coaching products, ignoring clear warning signs that its client operated an unlawful scheme. The FTC alleged *Qualpay* did not follow its own internal policies when failing to review *MOBE*'s business practices in detail because such review would have revealed numerous elements that should have eliminated *MOBE* as a client. The parties agreed to a settlement order that prohibits *Qualpay* from processing payments for business coaching companies or other merchants designated as high-risk. The settlement also prohibits *Qualpay* from making, or assisting merchants in making, deceptive statements to consumers or working to avoid fraud or risk monitoring programs, and requires the company to engage in careful screening and monitoring of card-not-present merchants. The settlement imposes a monetary judgment over \$46 million, which is suspended due to *Qualpay*'s inability to pay.

In *RevenueWire, Inc.*, the FTC alleged the defendants laundered credit card payments for, and assisted and facilitated, two tech support scams previously sued by the FTC.⁵⁴ The FTC's complaint states that *RevenueWire* entered into contracts with payment processors to obtain merchant accounts to process credit card charges for its own sales of eBooks and software, and that the contracts prohibited *RevenueWire* from submitting third-party sales through its merchant accounts. However, the FTC alleged that *RevenueWire* used its accounts to process credit card charges and collect payments from consumers on behalf of two companies that tricked consumers, many of whom were older adults, out of millions of dollars through tech support schemes. In the previous lawsuits against *Inbound Call Experts, Inc.*⁵⁵ and *Boost*

⁵² Press Release, FTC, *Affiliate Marketers to Pay More Than \$4 Million to Settle Charges that They Promoted a Fraudulent Business Coaching and Investment Scheme* (Mar. 5, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/03/affiliate-marketers-pay-more-4-million-settle-charges-they>.

⁵³ *FTC v. Qualpay, Inc.*, No. 6:20-cv-00945 (M.D. Fla. filed June 1, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/192-3103/qualpay-inc>; see also *FTC v. MOBE, Ltd.*, No. 6:18-cv-862-ORL-37DCI (M.D. Fla. filed June 4, 2018), available at <https://www.ftc.gov/enforcement/cases-proceedings/172-3072/mobe-ltd-et-al>.

⁵⁴ *FTC v. RevenueWire, Inc.*, No. 1:20-cv-01032 (D.D.C. filed Apr. 20, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/162-3087/revenuewire-inc>.

⁵⁵ *FTC v. Inbound Call Experts, LLC*, No. 9:14-cv-81395-KAM (S.D. Fla. filed Nov. 10, 2014), available at <https://www.ftc.gov/enforcement/cases-proceedings/132-3135/inbound-call-experts-llc>.



Software, Inc.,⁵⁶ the FTC alleged the companies deceptively represented that consumers' devices had viruses or performance problems and needed to be repaired at a cost of hundreds of dollars. *RevenueWire* also allegedly processed charges for lead generators that directed consumers to call the deceptive computer repair companies. The defendants agreed to an order requiring them to pay \$6.75 million and permanently banning them from any further payment laundering. They are also required to screen and monitor high-risk clients to ensure those clients are not misleading consumers.

E. Unsubstantiated Health Claims

The FTC filed ten new actions this year against entities for deceptively pitching products that would purportedly treat or cure medical concerns that disproportionately affect older adults. In all of the complaints, the FTC alleged that the defendants could not substantiate their claims.

In *NatureCity, LLC*, the FTC alleged the defendants deceived consumers with false and unsupported claims that two products, TrueAloe and AloeCran, were effective treatments for a range of conditions affecting older adults, including chronic pain, ulcerative colitis, diabetes, and acid reflux.⁵⁷ The parties agreed to a settlement order that bars the defendants from making false and unsubstantiated health claims and requires them to pay \$537,500. In May 2020, the FTC sent over 22,000 checks totaling over \$470,000 to consumers who purchased the defendants' products.⁵⁸

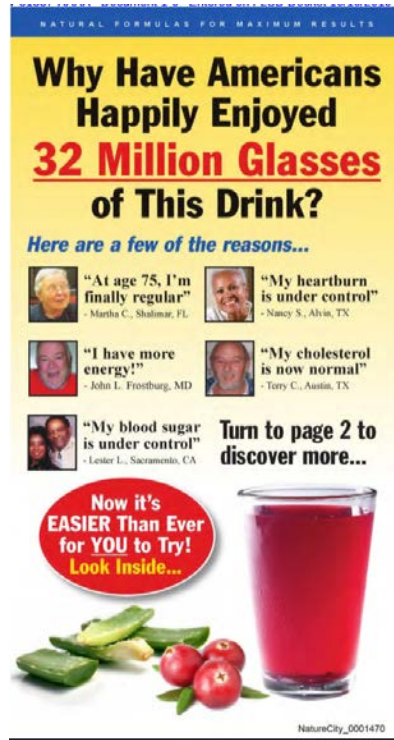
⁵⁶ *FTC v. Boost Software, Inc.*, No. 14-cv-81397 (klr) (S.D. Fla. filed Nov. 10, 2014), available at <https://www.ftc.gov/enforcement/cases-proceedings/132-3283-x150040/boost-software-inc>.

⁵⁷ *FTC v. NatureCity, LLC*, No. 9:19-81387 (S.D. Fla. filed Oct. 10, 2019), available at <https://www.ftc.gov/enforcement/cases-proceedings/172-3153/naturecity-llc>.

⁵⁸ Press Release, FTC, *FTC Sending Refund Checks Totaling More Than \$470,000 to Consumers Defrauded by Misleading Health Claims for TrueAloe and AloeCran Supplements* (May 26, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/05/ftc-sending-refund-checks-totaling-more-470000-consumers>.



Image E – Advertisement for AloeCran in *Nature City, LLC*



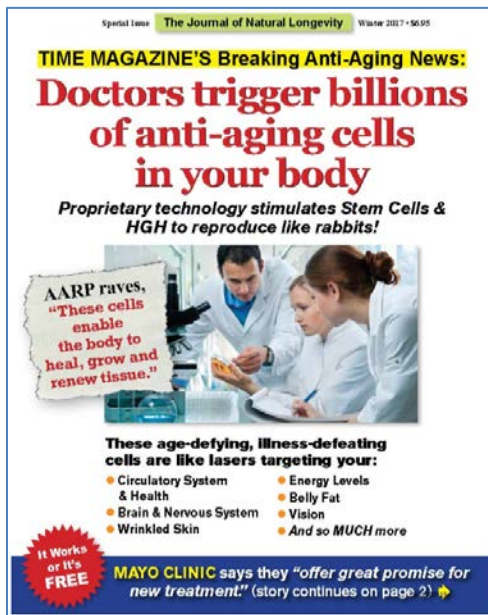
In *A.S. Research LLC*, the FTC alleged the defendants used deceptive tactics to mislead consumers into thinking their dietary supplement called Synovia could treat arthritis and alleviate joint pain.⁵⁹ The defendants allegedly featured consumer testimonials that were often phony, including one showing a user who purportedly “gave away his walker” after using Synovia. The complaint further alleged that the defendants falsely claimed that consumers needed to pay extra for a version of Synovia containing an added ingredient to increase pain relief and speed joint repair, when in fact all purchasers received that product. The defendants agreed to a settlement that bars them from making deceptive claims, prohibits them from misrepresenting the results of any scientific study or endorsement, and requires them to disclose any material connections they have with endorsers. It imposes a judgment of more than \$4.1 million, which will be partially suspended after they pay \$821,000.

In *Quantum Wellness Botanical Institute, LLC*, the FTC alleged the defendants deceptively claimed that their product, a pill called ReJuvination containing amino acids and

⁵⁹ *FTC v. A.S. Research LLC*, No. 1:19-cv-03423 (D. Col. filed Dec. 5, 2019), available at <https://www.ftc.gov/enforcement/cases-proceedings/182-3126/research-llc-synovia>.

herbal extracts, was a virtual cure-all for age-related ailments — including cell damage, heart attack damage, brain damage, blindness, and deafness — and even aging itself.⁶⁰ According to the defendants’ ads, ReJuveneration could reverse the aging process and repair age-related damage to the body by increasing human growth hormone and the number of stem cells in the body. The ads also claimed users would see the reduced appearance of wrinkles and significant improvements in their memory and cognitive functioning. In addition, the defendants claimed that ReJuveneration could repair the damage from or reverse a number of ailments, including Alzheimer’s disease, Parkinson’s disease, and Crohn’s disease. The FTC charged these claims were misleading or lacked substantiation. The orders settling the FTC’s complaint prohibit the defendants from making such claims unless they are true and supported by scientific evidence. The orders also require disgorgement of \$660,000. As of June 2020, the FTC has sent full refunds to 1,310 consumers who bought ReJuveneration.⁶¹

Image F – Advertising Mailer from *Quantum Wellness Botanical Institute, LLC*



⁶⁰ *FTC v. Quantum Wellness Botanical Institute, LLC*, No. 2:20-cv-00244-SMB (D. Ariz. filed Feb. 3, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/172-3131/quantum-wellness-botanical-institute-llc>.

⁶¹ Press Release, FTC, *FTC Sending Refund Checks Totaling Almost \$149,000 to Consumers Who Bought ReJuveneration “Anti-Aging” Pill* (June 1, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/06/ftc-sending-refund-checks-totaling-almost-149000-consumers-who>.

In *ZyCal Bioceuticals Healthcare Company, Inc.*, the FTC alleged the defendants falsely claimed their products could grow bone and cartilage, and thereby relieve joint pain.⁶² The complaint alleged that the claims were not supported by scientific evidence, and that the defendants used deceptive testimonials to sell the products. Two of the defendants, Excellent Marketing Results and its president, agreed to settle the case as to claims for their product StimTein. They are prohibited from making health-related product claims without competent and reliable scientific evidence and from using deceptive testimonials. The \$3.6 million StimTein judgment was partially suspended upon payment of \$145,000. In September 2020, the FTC sent over 12,000 checks totaling more than \$110,000 to StimTein consumers.⁶³ Litigation continues against the Zycal defendants.

In *Neurometrix, Inc.*, the FTC alleged the defendants deceptively claimed their product, Quell, an electrical nerve stimulation device, would treat pain throughout the body when placed below the knee.⁶⁴ The FTC alleged that the defendants lacked scientific evidence to support widespread chronic pain relief claims and that their claims about clinical proof and the scope of clearance by the U.S. Food and Drug Administration (FDA) were false. The order settling the case bars the defendants from making pain-relief claims unless they are true, not misleading, and supported by competent and reliable scientific evidence; prohibits misrepresentations about clinical proof or the scope of FDA clearance; and requires them to pay redress. The order imposes a \$4 million judgment and requires the defendants to turn over up to an additional \$4.5 million in future foreign licensing payments. In September 2020, the FTC returned almost \$3.9 million to consumers in this case.⁶⁵

In *Health Center Inc.*, the FTC alleged the defendants deceptively advertised and sold three “cure-all” health and wellness products that targeted older consumers.⁶⁶ The defendants advertised that these products, Rejuvi-Cell, Rejuvi-Sea, and Rejuvi-Stem, could treat or cure a wide range of serious diseases and health conditions, including cancer, diabetes, Alzheimer’s disease, heart disease, obesity, rheumatoid arthritis, and depression, without having the scientific evidence to back up their claims. The defendants also falsely claimed that Rejuvi-Cell contained

⁶² *FTC v. ZyCal Bioceuticals Healthcare Company, Inc.*, No. 1:20-cv-10249-TSH (D. Mass. filed Feb. 20, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/182-3133/zycal-bioceuticals-healthcare-company-inc-et-al>.

⁶³ Press Release, FTC, *FTC Refunds More Than \$110,000 to Consumers Who Bought StimTein Joint Pain Relief Pills* (Sept. 17, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/09/ftc-refunds-more-110000-consumers-who-bought-stimtein-joint-pain>.

⁶⁴ *FTC v. Neurometrix, Inc.*, No. 1:20-cv-10428 (D. Mass. filed Mar. 3, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/1723130/neurometrix-inc>.

⁶⁵ Press Release, FTC, *FTC Refunds Almost \$3.9 Million to Purchasers of Deceptively Advertised Quell Wearable Pain-Relief Device* (Sept. 8, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/09/ftc-refunds-almost-39-million-purchasers-deceptively-advertised>.

⁶⁶ *FTC v. Health Center Inc.*, No. 2:20-cv-547 (D. Nev. filed Mar. 19, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/182-3002/health-center-inc>.

human growth hormone, when it actually only contained pig growth hormone. Further, the FTC alleged the advertisements contained fake consumer testimonials in which the company’s employees provided positive product reviews. The defendants agreed to a settlement order prohibiting them from engaging in the alleged deceptive conduct and imposing an \$8.62 million judgment, which will be partially suspended after they pay the FTC \$5,000.

Image G – Excerpt from the Rejuvi-Sea Website, www.healthcenterinc.net

**SENIORS DESERVE OUR BEST ...MARINE
PHYTOPLANKTON for HEALTH and WELLNESS**

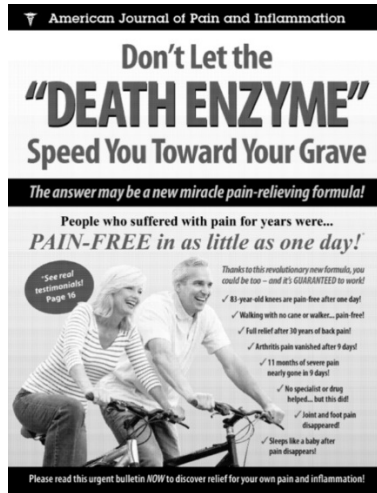
We love our seniors and in fact, the majority of our clients are past the age of 70. Thru the years we have met sons and daughters, grandchildren, great-grandchildren, even great-great grandchildren and we are so grateful for the opportunity to be of service to these truly precious people.

In *Renaissance Health Publishing*, the FTC alleged the defendants promoted their Isoprex supplement, mostly herbs and spices, to older adults as a miracle cure for pain and joint inflammation.⁶⁷ The defendants falsely claimed to have tests and studies to back up their product claims. The FTC also alleged the defendants failed to disclose that the endorsers appearing in their Isoprex ads either were compensated for their testimonials, or were company employees or their relatives. The defendants agreed to an order prohibiting them from making further unproven claims and from misrepresenting the results of scientific tests, studies, or research, including those regarding pain relief and inflammation. The order requires the defendants to disclose any material connections with their product endorsers, and it imposes a judgment of \$3.93 million, which will be partially suspended due to an inability to pay, after the defendants pay \$100,000. In September, the FTC sent over 4,700 checks totaling more than \$76,000 to consumers who bought Isoprex.⁶⁸

⁶⁷ *FTC v. Renaissance Health Publishing, LLC*, No. 9:20-cv-80640-DMM (S.D. Fla. filed Apr. 15, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/renaissance-health-matter>.

⁶⁸ Press Release, FTC, *FTC Refunds More Than \$76,000 to Consumers Who Bought Deceptively Marketed “Miracle” Pain Cure for Older Adults* (Sept. 24, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/09/ftc-refunds-more-76000-consumers-who-bought-deceptively-marketed>.

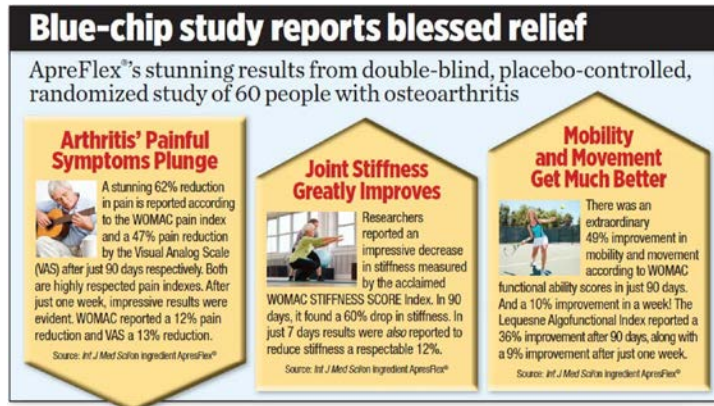
Image H – Advertisement from *Renaissance Health Publishing*



In *Mile High Madison Group, Inc.*, the FTC alleged the marketers of three supplements called Neurocet, Regenify, and Resetigen-D deceptively promoted their products to older Americans through direct mailing and online using false claims that their products could stop pain and treat age-related ailments.⁶⁹ The defendants claimed their products were anti-aging cure-alls that could repair cells and were clinically proven to treat multiple ailments. The FTC alleged the defendants also deceptively advertised through fake doctor endorsements and consumer testimonials. The defendants agreed to a settlement order barring them from making any claims about the health benefits of their products unless they are true and supported by scientific evidence. The order also imposed a judgment of more than \$38.1 million, which will be partially suspended due to an inability to pay, after the defendants pay \$1.3 million.

⁶⁹ *FTC v. Mile High Madison Group, Inc.*, No. 1:20-cv-21622-FAM (S.D. Fla. filed Apr. 17, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/172-3132-172-3143/nordic-clinical-inc-encore-plus-solutions-inc>.

Image I – Portion of Mailer in *Mile High Madison Group, Inc.*



In *Physician’s Technology LLC*, the FTC alleged the defendants deceptively claimed their light therapy device called Willow Curve could treat chronic, severe pain and associated inflammation.⁷⁰ They also allegedly misrepresented that Willow Curve was approved by the FDA to diagnose and treat chronic, severe pain and reduce inflammation. In addition, the FTC alleged that the defendants’ marketing campaign included the use of deceptive “native” ads, which were commercial content disguised as independent journalistic content. Further, the complaint states that defendants deceptively claimed Willow Curve came with a “risk free money back” guarantee, whereas, in reality, consumers who returned the device had to pay shipping and handling costs and often did not receive a refund at all or had to wait more than a year for it. The defendants agreed to a settlement order prohibiting the deceptive health claims, barring the deceptive refund and native advertising practices, and prohibiting them from providing others with the means to engage in the same illegal conduct. The order imposes a \$22 million judgment, which will be partially suspended after two of the defendants each pay \$200,000, based on their ability to pay.

⁷⁰ *FTC v. Physician’s Technology LLC*, No. 2:20-cv-11694-NGE-RSW (E.D. Mich. filed June 25, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/172-3129/physicians-technology-llc>.

Image J - Advertisement for Willow Curve from *Physician's Technologies*

In *Golden Sunrise Nutraceutical, Inc.*, the FTC alleged the defendants deceptively advertised a group of dietary supplements as a safe and effective treatment for COVID-19, the disease caused by coronavirus.⁷¹ The defendants began marketing their “Emergency D-Virus plan” as a treatment for COVID-19 in March 2020, falsely claiming that the company’s supplements—ImunStem, Aktiffvate, and AnterFeerons—were “uniquely qualified to treat and modify the course of the coronavirus epidemic in CHINA and other countries,” and that users could expect the “disappearance of viral symptoms within two to four days.” The FTC sent a letter to the company in April 2020, warning that it should immediately remove all advertising claims that the products could prevent, treat, or cure COVID-19. Yet the defendants continued to market the plan as a COVID-19 treatment. The FTC also alleged that the defendants have promoted and sold dietary supplements as treatments for cancer and Parkinson’s disease, as well as many other serious health conditions and diseases. Some of the defendants’ treatments cost as much as \$170,000 to \$200,000. In reality, the FTC alleged, the defendants’ supplements are composed of mainly various herbs and spices, and the health claims are unsubstantiated. The complaint also alleged that the defendants falsely claimed their products and treatment plans have been reviewed, accepted by, and deemed safe and effective by the FDA. This litigation is ongoing.

F. Other Enforcement Highlights

During Fiscal Year 2020, the FTC announced additional developments in prior enforcement actions affecting older consumers.

1. Warning Letters

During the pandemic, the FTC has seen a wide range of false treatment claims related to COVID-19 and scams related to the financial effects of the pandemic. The FTC determined that

⁷¹ *FTC v. Golden Sunrise Nutraceutical, Inc.*, No. 1:20-cv-01060-DAD-SKO (E.D. Cal. filed July 30, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3146/golden-sunrise-nutraceutical-inc>.

the fastest way to get some of these false claims and deceptive marketing taken down is to pursue a rigorous warning letter program. To accomplish this, the FTC sends warning letters to companies and individuals warning them that their conduct is likely unlawful, and they can face serious legal consequences, such as a federal lawsuit, if they do not immediately stop. Since March 2020, the FTC has sent more than 330 warning letters to a range of companies and individuals about potentially false or misleading advertising or marketing related to the coronavirus pandemic, providing an opportunity to rectify their practices.⁷² Overwhelmingly, companies that have received FTC warning letters these past several months have taken quick steps to correct their problematic claims. As a result, warning letters are frequently the most rapid and efficient means to address the problem. However, when a warning letter does not work, or is not appropriate given the conduct at issue, the FTC has pursued law enforcement.

The vast majority of the warning letters went to companies allegedly selling products that may violate the law by making deceptive or scientifically unsupported claims about their ability to treat or cure coronavirus, COVID-19.⁷³ Some of these warning letters were jointly issued with the FDA. Although COVID-19 affects people of all ages, some of the letters included example representations relating to older adults in the companies' marketing.⁷⁴

⁷² A full list of all of the warning letters sent during the pandemic is available at <https://www.ftc.gov/coronavirus/enforcement/warning-letters>.

⁷³ Press Release, FTC, *FTC, FDA Send Warning Letters to Seven Companies about Unsupported Claims that Products Can Treat or Prevent Coronavirus* (Mar. 9, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/03/ftc-fda-send-warning-letters-seven-companies-about-unsupported>; Press Release, FTC, *FTC Announces Latest Round of Letters Warning Companies to Cease Unsupported Claims that Their Products Can Treat or Prevent Coronavirus* (Apr. 14, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/04/letters-warning-companies-cease-unsupported-coronavirus-claims>; Press Release, FTC, *FTC Sends 45 More Letters Warning Marketers to Stop Making Unsupported Claims That Their Products and Therapies Can Effectively Prevent or Treat COVID-19* (May 7, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/05/ftc-sends-45-more-letters-warning-marketers-stop-making>; Press Release, FTC, *FTC Sends Letters Warning 35 More Marketers to Stop Making Unsupported Claims That Their Products and Therapies Can Effectively Prevent or Treat COVID-19* (June 4, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/06/ftc-sends-letters-warning-35-more-marketers-stop-making>; Press Release, FTC, *FTC Sends Letters Warning 20 More Marketers to Stop Making Unsupported COVID-19 Treatment* (Aug. 14, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/08/ftc-letters-warning-20-more-marketers-stop-making-covid-19-claims>.

⁷⁴ The FTC also sent warning letters to sixteen multi-level marketers to address claims that they or their participants were making about their products' ability to treat or prevent coronavirus disease or about the earnings people who have recently lost income can make, or both. See Press Release, FTC, *FTC Sends Warning Letters to Multi-Level Marketers Regarding Health and Earnings Claims They or Their Participants are Making Related to Coronavirus* (Apr. 24, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/04/ftc-sends-warning-letters-multi-level-marketers-regarding-health>; Press Release, FTC, *FTC Sends Second Round of Warning Letters to Multi-Level Marketers Regarding Coronavirus Related Health and Earnings Claims* (June 5, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/06/second-round-warning-letters-to-mlms-regarding-coronavirus>.

- In April 2020, the FTC and FDA sent a warning letter to **Genesis II Church of Health and Healing**.⁷⁵ Their marketing material allegedly contained a story about an 85-year-old patient who purportedly recovered from the coronavirus with the help of their product, a liquid additive to water.
- In April 2020, the FTC sent **American Medical Aesthetics** a warning letter citing advertising that, among other things, claimed the stem cell treatments they sold could successfully treat and reverse COVID-19, and even prevent death, in the elderly (especially men) with compromised health.⁷⁶
- In June 2020, the FTC sent a warning letter to **BioXcellerator** citing its marketing of its stem cell treatments claiming they were a “safe and effective approach for treating patients with COVID-19 pneumonia, including elderly patients with severe cases of pneumonia.”⁷⁷
- In July 2020, the FTC sent a warning letter to **Gesundheit! Nutrition Center** for claiming its oils and products could treat COVID-19.⁷⁸ On its website, it allegedly promoted its eucalyptus oil as “A wonderful option for the elderly who suffer from, or worry about, COVID-19.”
- In August 2020, the FTC and FDA sent a warning letter to **Living Senior, LLC** for claiming its NAC (n-acetyl cysteine), CBD (cannabidiol), and other products could treat or prevent COVID-19 in seniors.⁷⁹

The FTC also sent warning letters to three companies that allegedly advertised they could provide government stimulus money to customers to purchase their hearing aids. The State of Wisconsin also sent a letter to one of the companies⁸⁰ and the Office of the Missouri Attorney

⁷⁵ See FTC & FDA letter to *Genesis II Church of Health and Healing* (Apr. 8, 2020), available at https://www.ftc.gov/system/files/warning-letters/fda-covid-19-letter-genesis_ii_church_of_health_and_healing.pdf.

⁷⁶ See FTC letter to *American Medical Aesthetics* (Apr. 17, 2020), available at https://www.ftc.gov/system/files/warning-letters/covid-19-letter_to_american-medical-aesthetics.pdf.

⁷⁷ See FTC letter to *BioXcellerator* (June 5, 2020), available at https://www.ftc.gov/system/files/warning-letters/covid-19-letter_to_bioxcellerator.pdf.

⁷⁸ See FTC letter to *Gesundheit Nutrition Center* (July 7, 2020), available at https://www.ftc.gov/system/files/warning-letters/covid-19-letter_to_gesundheit_nutrition_center.pdf.

⁷⁹ See FTC & FDA letter to *Living Senior, LLC* (Aug. 19, 2020) available at https://www.ftc.gov/system/files/warning-letters/fda-covid-19-letter_living_senior_llc.pdf.

⁸⁰ Press Release, FTC, *FTC and State of Wisconsin Warn Hearing Aid Sellers About Deceptive Stimulus Payment Claims* (Aug. 21, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/08/ftc-state-wisconsin-warn-hearing-aid-sellers-about-deceptive>.

General sent letters to two of the companies.⁸¹ The letters highlighted the following claims from the companies' advertisements:

- “COVID-19 HEALTHCARE STIMULUS PROGRAM” and “Receive up to \$3000 through our HEALTHCARE STIMULUS PROGRAM. Must register by July 31.”
- “Call Today to Secure Your Stimulus Money. For Stimulus Voucher Appointments, Call Today!” and “CORONA-VIRUS (sic) PANDEMIC HEARING AID STIMULUS PACKAGE ANNOUNCED FOR MISSOURI.”

2. Case Resolutions

The FTC has also reached resolutions in six prior pending cases that impacted older consumers.

In December 2019, a federal court ruled in the FTC's favor granting summary judgment in *Apartment Hunters, Inc.* The court issued a final order resolving allegations that the defendants made false and unsubstantiated claims on their *WeTakeSection8.com* website targeting low-income, disabled, and older adults.⁸² The court ordered the defendants to pay more than \$6 million and permanently banned them from offering rental listing services.

In August 2020, a federal court ruled in the FTC's favor after trial in *In Re Sanctuary Belize Litigation*.⁸³ The defendants operated a massive overseas real estate scam that took in more than \$100 million, marketing lots in what supposedly would become a luxury development in Central America. They targeted small business owners and couples nearing retirement. The court granted the FTC's request for a permanent injunction in the matter and imposed a \$120 million judgment.

In December 2019, the FTC settled charges against *Elite IT Partners, Inc.*, resolving allegations that the defendants deceived consumers, many of whom were elderly, into believing their computers were infected with viruses in order to sell them costly computer repair

⁸¹ Press Release, FTC, *FTC and Missouri Attorney General Warn Hearing Aid Sellers About Deceptive Stimulus Payment Claims* (July 21, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/07/ftc-missouri-attorney-general-warn-hearing-aid-sellers-about>.

⁸² Press Release, FTC, *Court Orders Operators of Deceptive Rental Listing Websites to Pay \$6 Million, Permanently Bans Them from Offering Rental Listings* (Dec. 16, 2019), available at <https://www.ftc.gov/news-events/press-releases/2019/12/court-orders-operators-deceptive-rental-listing-websites-pay-6>.

⁸³ Press Release, FTC, *Statement of FTC Bureau of Consumer Protection Director Andrew Smith on the Memorandum Opinion Issued by U.S. District Court Judge Peter J. Messitte in the Matter of In re Sanctuary Belize Litigation* (Sept. 1, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/09/bureau-consumer-protection-director-on-sanctuary-belize-opinion>.



services.⁸⁴ The settlement order permanently bans the defendants from offering tech support products and services to consumers. It also prohibits the defendants from falsely claiming an affiliation with another company or that a consumer’s product is infected with a computer virus. The order also imposes a \$13.5 million judgment against the defendants, which will be suspended upon payment of \$173,000 and the turnover of other assets due to inability to pay.

In May 2020, the FTC settled charges in *AH Media Group, Inc.*, resolving allegations that the defendants operated a scheme that deceived consumers with supposedly “free trial” offers for cosmetics and dietary supplements with claims that they promote younger-looking skin or weight loss, and then enrolled consumers in subscriptions and billed them without their consent.⁸⁵ The court orders ban the defendants from negative option marketing and requires they get consumers’ consent before billing them. The order imposes a \$74.5 million judgment against one set of defendants and a \$67 million judgment against the other set of defendants. The monetary judgments are partially suspended based on inability to pay, after the defendants turn over approximately \$4.3 million.

In July 2020, the FTC settled charges against *First Choice Horizon*, resolving allegations that the defendants defrauded financially distressed consumers, many of whom were older adults, with deceptive robocalls claiming they could save them money by reducing the interest rates on their credit cards.⁸⁶ The order permanently bans the defendants from: 1) any involvement in the sale of debt-relief products or services; 2) all telemarketing; 3) applying for any product or service on behalf of a consumer without their knowledge and consent or if the defendants know or have reason to believe any of the information on the application is false or misleading; 4) obtaining a cash advance on a consumer’s credit card or submitting billing information for payment without prior approval; and 5) using or benefitting from any consumer information collected through the scheme. The order also imposes a judgment of almost \$13.9 million, which will be partially suspended based on the defendants’ inability to pay.

In February 2020, the FTC settled with the two key perpetrators of *MOBE*, settling charges that the defendants deceptively lured consumers, including older adults and retirees, to join their online coaching program by promising a pathway to online entrepreneurship and significant income, but then charged consumers tens of thousands of dollars for worthless

⁸⁴ Press Release, FTC, *Operators of Tech Support Scam Settle FTC Allegations they Tricked Consumers into Buying Computer Repair Services* (Dec. 10, 2019), available at <https://www.ftc.gov/news-events/press-releases/2019/12/operators-tech-support-scam-settle-ftc-allegations-they-tricked>.

⁸⁵ Press Release, FTC, *FTC Halts Online Subscription Scheme, that Deceived People with Free Trials* (May 8, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/05/ftc-halts-online-subscription-scheme-deceived-people-free-trial>.

⁸⁶ Press Release, FTC, *Scammers Who Used Robocalls to Target Cash-Strapped Consumers Banned from Selling Debt Relief Services and Telemarketing* (July 24, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/07/scammers-who-used-robocalls-target-cash-strapped-consumers-banned>.

program membership upgrades.⁸⁷ The defendants have agreed to pay more than \$17 million as part of the settlements. The stipulated order permanently bans one of the defendants from selling business coaching programs and investment opportunities. The estate of the other defendant, now deceased, agreed to surrender more than \$1.3 million. The FTC previously announced a settlement with one other defendant in 2018 and is seeking default judgments against the remaining defendants.

3. Consumer Monetary Relief

FTC law enforcement actions resulted in over \$642.5 million⁸⁸ in refunds to consumers of all ages in Fiscal Year 2020.⁸⁹ These payments provide consumers some recompense for the losses that occurred due to a specific incident.

In addition to *Nature City*, *Quantum*, *Neurometrix*, and *ZyCal Bioceuticals*, mentioned above, multiple other distributions were made in FTC cases that had an impact on older consumers:

- In October 2019, the FTC sent approximately \$2.7 million in redress to over 8,000 consumers allegedly defrauded by a timeshare resale scheme in *J. William Enterprises, LLC*.⁹⁰
- In February 2020, the FTC sent over \$551,000 in refunds to more than 27,000 consumers who purchased purported “cognitive improvement” supplements in *Global Community Innovations LLC*.⁹¹
- In March 2020 and September 2020, approximately \$300 million was mailed to 142,000 consumers in refunds in the actions filed by the FTC, the DOJ, and the U.S. Postal Inspection Services against the *Western Union Company*.⁹²

⁸⁷ Press Release, FTC, *Defendants Responsible for International Business Coaching Operation to Pay More Than \$17 Million in FTC Settlements* (Feb. 13, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/02/defendants-responsible-international-business-coaching-operation>.

⁸⁸ Yearly information about refunds to consumers resulting from FTC cases is available at https://public.tableau.com/profile/federal.trade.commission#!/vizhome/Refunds_15797958402020/RefundsbyDate.

⁸⁹ Typically, the FTC sends refunds directly to consumers. In some cases, the refunds are provided by defendants or sent by another federal agency that partnered with the FTC on a case. See <https://www.ftc.gov/enforcement/cases-proceedings/refunds/how-ftc-provides-refunds>.

⁹⁰ Press Release, FTC, *FTC Sending Refund Checks for Nearly \$2.7 Million to Consumers Defrauded in Timeshare Resale Scheme* (Oct. 10, 2019), available at <https://www.ftc.gov/news-events/press-releases/2019/10/ftc-sending-refund-checks-nearly-27-million-consumers-defrauded>.

⁹¹ Press Release, FTC, *FTC Refunding Consumers Defrauded by Cognitive Improvement Claims* (Feb. 25, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/02/ftc-refunding-consumers-defrauded-cognitive-improvement-claims>.



- In June 2020, the FTC sent over \$8.7 million in refunds to almost 190,000 consumers allegedly tricked by the “risk-free” trial offers in *Triangle Media Corporation*.⁹³
- In June 2020, the FTC issued a second round of payments totaling over \$1.87 million to more than 7,000 consumers allegedly defrauded in a business opportunity scheme in *Advertising Strategies, LLC*.⁹⁴
- In July 2020, the FTC sent more than \$16 million to more than 27,000 individuals who lost money to a debt relief scheme in *Jeremy Lee Marcus* that allegedly took tens of millions of dollars from financially strapped consumers, including the elderly and disabled.⁹⁵

4. Criminal Liaison Unit

The FTC’s Criminal Liaison Unit works with federal and state criminal prosecutors to better address consumer fraud.⁹⁶ 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. For example, in October 2019, the Maricopa County Attorney’s Office in Arizona charged former FTC defendant Susan Rodriguez and others for operating a telemarketing scheme that targeted older adults and other consumers.⁹⁷ The FTC previously sued Rodriguez and others responsible for this operation, who tricked consumers into purchasing ecommerce websites through false promises of substantial income and a money-back guarantee.⁹⁸ The FTC obtained

⁹² Press Release, FTC, *First Round of Refunds Totaling \$153 Million Sent to Consumers As a Result of Multi-Agency Case Against Western Union* (Mar. 10, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/03/first-round-refunds-totaling-153-million-sent-consumers-result>; Press Release, FTC, *Second Round of Refunds, Totaling \$147 Million, Sent to Consumers As a Result of Multi-Agency Case Against Western Union* (Sept. 23, 2020); available at <https://www.ftc.gov/news-events/press-releases/2020/09/second-round-refunds-totaling-147-million-sent-consumers-result>.

⁹³ Press Release, FTC, *FTC Sending Refund Checks Totaling More Than \$8.7 Million to Consumers Defrauded by Deceptively Marketed Online “Risk-Free Trial” Offers* (June 22, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/06/ftc-sending-refund-checks-totaling-more-87-million-consumers>.

⁹⁴ Information about the two rounds of refunds issued in this case can be found at <https://www.ftc.gov/enforcement/cases-proceedings/refunds/advertising-strategies-refunds>.

⁹⁵ Press Release, FTC, *FTC Sends More Than \$16 Million in Refunds to Victims of Bogus Debt Relief Operation* (July 14, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/07/ftc-sends-more-16-million-refunds-victims-bogus-debt-relief>.

⁹⁶ Information about the FTC’s Criminal Liaison Unit is available at <https://www.ftc.gov/enforcement/criminal-liaison-unit>.

⁹⁷ Sharon Hess, *13 Arrested In \$40 Million National Telemarketing Fraud Sting, Patch* (Oct. 2, 2019), available at <https://patch.com/arizona/phoenix/13-arrested-40-million-phoenix-telemarketing-fraud-sting>.

⁹⁸ Press Release, FTC, *Business Opportunity Scheme Operators Banned from Telemarketing and Selling Investment Opportunities; Will Return Millions to Consumers* (Mar. 13, 2017), available at <https://www.ftc.gov/news-events/press-releases/2017/03/business-opportunity-scheme-operators-banned-telemarketing>.

more than \$7 million in redress for consumers through the civil case,⁹⁹ and the criminal case is ongoing.

In November 2019, the DOJ announced charges against former FTC defendant Shane Hanna and others for allegedly running a telemarketing operation that sold purported business development services to older adults and other consumers.¹⁰⁰ The indictment charged that despite promises to the contrary, consumers were not able to earn any money from these services and ended up heavily in debt. The DOJ alleged that when the defendants exhausted consumers' available credit or ran out of products to sell, they then unrelentingly tricked consumers into paying additional fees up-front by falsely promising to settle or refinance their debts.¹⁰¹ The criminal case is ongoing.

Following extradition and after pleading guilty in November 2019, Canadian nationals Mark El Bernachawy and Clifford Kirstein were sentenced to a total of 82 months (almost seven years) in prison in March 2020 for running a grandparent scam targeting older adults in the United States.¹⁰² The scammers contacted their elderly victims by telephone and fraudulently induced them to send money by pretending to be a grandchild or other relative who was in distress in a foreign nation. The FTC provided assistance to the DOJ in this case.

IV. Outreach and Education Activities

A. Pass It On Education Campaign



⁹⁹ 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>.

¹⁰⁰ Press Release, FTC, *Defendants Who Allegedly Took Millions from Consumers Trying to Launch Or Succeed in Home-Based Businesses Settle FTC Charges* (June 24, 2014), available at <https://www.ftc.gov/news-events/press-releases/2014/06/defendants-who-allegedly-took-millions-consumers-trying-launch-or>.

¹⁰¹ Press Release, U.S. Department of Justice, *10 Defendants Charged In Manhattan Federal Court With Running Nationwide Telemarketing Fraud Scheme Targeting The Elderly* (Nov. 20, 2019), available at <https://www.justice.gov/usao-sdny/pr/10-defendants-charged-manhattan-federal-court-running-nationwide-telemarketing-fraud>.

¹⁰² Press Release, U.S. Department of Justice, *Canadian National Who Conned U.S. Senior Citizens out of Money via 'Grandparent Scam' Sentenced to 41 months in Federal Prison* (Mar. 9, 2020), available at <https://www.justice.gov/usao-cdca/pr/canadian-national-who-conned-us-senior-citizens-out-money-grandparent-scam-sentenced-41>; *United States v. Kirstein*, No. 13-cr-469 (C.D. Cal. Mar. 3, 2020) (Minute Entry: Minutes of Sentencing).

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. When the *Pass It On* campaign began, its print and online material addressed seven common frauds: 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. In 2019, the FTC expanded *Pass It On* again, by adding material about Unwanted Calls, Home Repair Scams, Work-at-Home Scams and Money Mule Scams. Materials refresh and add to readers’ knowledge by briefly summarizing how certain scams work and what the reader can do in response.

The FTC has distributed more than 14 million *Pass It On* items since the campaign began, including 2.3 million items in Fiscal Year 2020. The free English and Spanish print material is requested by groups such as banks, libraries, police departments, adult protective service offices, state attorneys general, military support groups, and educational and community groups nationwide. Campaign materials are available at ftc.gov/PassItOn, ftc.gov/pasalo (Spanish), and ftc.gov/Bulkorder.

The FTC sends online Consumer Alerts about many of the topics covered by *Pass It On* and other topics of interest to older adults, such as Social Security imposter scams; and health care, online safety, and mystery shopper scams. The FTC emails the alerts to more than 425,600 subscribers, which includes individual consumers, community groups, advocates, news media outlets, and other stakeholders, and posts the material on its website to share the prevention messages.¹⁰³

B. Communicating through Video

This year, the FTC released the *Hang up On Social Security Scam Calls* video, with stories from two older men who got intimidating calls from Social Security imposters.¹⁰⁴ They describe the calls’ shocking – and false – threats of a “no bail warrant for your arrest,” and an “armed marshal at your door,” and explain how important it is to talk with people about these experiences, so they can help others prepare for the calls. The FTC distributes videos like this to people in the community through various partners, including ethnic and mainstream media, legal aid offices, consumer advocacy groups, the Better Business Bureau, and fellow law enforcement agencies.

¹⁰³ Information about subscribing to this service is available at www.ftc.gov/subscribe.

¹⁰⁴ This video can be viewed, shared, or downloaded at <https://www.consumer.ftc.gov/media/video-0192-hang-social-security-scam-calls>.



C. Common Ground 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.

- In October 2019, FTC Chairman Simons and the Virginia Attorney General gave the opening remarks at a Common Ground conference in Chesterfield, Virginia titled, *Protecting Virginia's Consumers*.¹⁰⁵ Speakers from the FTC, state attorney general's office, and AARP Virginia participated in a panel about scams that affect older adults, and how they can avoid being defrauded.
- In December 2019, regulators from five states, legal services organizations, federal, and Canadian consumer protection and competition agencies attended a two-day Common Ground conference in Seattle, Washington, titled *Protecting Northwest Consumers*.¹⁰⁶ Panelists from the FTC, Washington Attorney General's Office, and AARP discussed how to reach and educate people who are vulnerable and isolated.
- In March 2020, advocates, law enforcement personnel, regulators, social service providers and others gathered in Memphis, Tennessee for a two-day Common Ground conference, titled *Working Together to Protect Heartland Consumers*.¹⁰⁷ Speakers included Bureau of Consumer Protection Director Andrew Smith, the Tennessee Attorney General, and staff from the DOJ, the Securities and Exchange Commission, and the US Postal Inspection Service. Panel discussions addressed issues affecting older adults and protecting underserved communities from consumer fraud.

D. Other Outreach Relating to Older Adults

The FTC collaborates with many organizations across the country to share its consumer education messages and inform the public about its work. In the past year, FTC staff in

¹⁰⁵ Information about this conference is available at <https://www.ftc.gov/news-events/events-calendar/protecting-virginias-consumers-common-ground-conference>.

¹⁰⁶ Information about this conference is available at https://www.ftc.gov/system/files/documents/public_events/1567993/2019_common_ground_agenda_-_december_12.pdf.

¹⁰⁷ Information about this conference is available at <https://www.ftc.gov/news-events/events-calendar/working-together-protect-heartland-consumers-common-ground-conference>.

Washington, DC and eight regional offices have presented, exhibited, or participated in more than 275 outreach events with the public, other law enforcement agencies, and/or other stakeholders who share its goal of protecting members of various communities. More than 100 of the outreach events served older adults and the people who work with them, or engaged partner organizations in discussions about issues that affect older adults.

FTC staff participated in events with local, state, and federal organizations, including the National Association for Area Agencies on Aging, Better Business Bureau, Senior Medicare Patrols, as well as adult housing communities, public libraries, consumer organizations, legal services providers, and law enforcement task forces. Staff joined in more than a dozen activities with AARP, including nationwide webinars about imposters and tax identity theft, national and statewide tele-town halls, and three in-person Scam Jams. Staff attended workshops and expos to meet with older adults in their communities, and presented on webinars about robocalls affecting older consumers. FTC staff discussed scams that affect older adults at several conferences in 2020, including the National Aging and Law Conference, American Society on Aging Conference, New England Library Association Conference, and Elder Abuse conferences with the Federal Bureau of Investigation and at the Washington State Criminal Justice Center. Staff also spoke about frauds that affect Asian American and Pacific Island elders at a Berkeley Law School event and presented on a National Caucus and Center on Black Aging Senior Day webinar. Further, in March, the FTC and Social Security Administration held a Facebook Live event to talk about scams that involve people pretending to be Social Security officials.

The FTC's outreach with groups and communities throughout the country provides a way to share the agency's important prevention messages, and opens up the communication lines so the FTC 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.

E. Coronavirus Education and Outreach to Older Adults

When the coronavirus pandemic began, the FTC quickly pivoted to provide information to the public about the myriad of COVID-related scams and issues that surfaced. The FTC issued its first alert about a potential scam related to the virus on February 10, 2020, highlighting how scammers like to use such events in their schemes.¹⁰⁸ Shortly thereafter, the FTC developed a multi-media campaign with consumer and business advice, all available from [ftc.gov/coronavirus](https://www.ftc.gov/coronavirus). This webpage, available in English and Spanish, is a directory to the FTC's coronavirus education resources. The site contains tips for consumers on how to stay safe during the pandemic; links to blog posts and alerts; a collection of short social media materials; infographics; links to fact sheets in five Asian languages; and a list of additional government

¹⁰⁸ Consumer Alert, FTC, *Coronavirus: Scammers follow the headlines* (Feb. 10, 2020) available at <https://www.consumer.ftc.gov/blog/2020/02/coronavirus-scammers-follow-headlines>.



resources. The page contains tabs to additional information for consumers and businesses, information about law enforcement actions related to the pandemic, how to report COVID-related consumer issues, and other resources. As of September 30, visitors have viewed a collective 4.7 million pages of the material available.

The FTC has issued more than 120 blog posts and Consumer Alerts on pandemic-related topics including stimulus payments, health and treatment claims, charity fraud, government imposter scams, contact tracing, privacy issues, and scams targeting small business. A Consumer Alert about potential scams related to the government stimulus payments received the most hits, with 1.6 million views.¹⁰⁹ The FTC has worked aggressively to educate consumers of all ages about coronavirus-related scams, but offered several Consumer Alerts on issues affecting older consumers¹¹⁰ including one about what to do if a nursing home or care facility wrongfully took your stimulus check,¹¹¹ as well as one warning about “grandparent scam” calls with a coronavirus twist.¹¹² The FTC and Consumer Financial Protection Bureau Office for Older Americans published joint alerts about caregiving scams and government imposter scams during the pandemic.¹¹³ Local media and community partners that subscribe to these alerts, including libraries, banks, and local law enforcement, share and forward the information to their members, which expands the FTC’s audience.

FTC staff in Washington, DC and eight regional offices have conducted local and national outreach related to the pandemic with its partners and engaged with ethnic media, community organizations and many others through webinars, tele-town halls, Twitter chats, Facebook Live events, and interviews with local and national media. A small sample includes webinars with the Better Business Bureau in several states; the American Bankers Association Foundation; Small Business Development Corporations; the FDIC; affordable housing managers; members of the Puerto Rico Bar Association; FEMA emergency responders; the National Asian American Coalition; and public librarians in several states. Staff conducted a

¹⁰⁹ Consumer Alert, FTC, Checks from the government (Mar. 18, 2020) available at <https://www.consumer.ftc.gov/blog/2020/03/checks-government>.

¹¹⁰ See, e.g., Consumer Alert, FTC, 60 and over in the time of COVID-19? Read on (Mar. 30, 2020) available at <https://www.consumer.ftc.gov/blog/2020/03/60-and-over-time-covid-19-read>.

¹¹¹ Consumer Alert, FTC, Did a nursing home or assisted living facility take your stimulus check? (Mar. 15, 2020) available at <https://www.consumer.ftc.gov/blog/2020/05/did-nursing-home-or-assisted-living-facility-take-your-stimulus-check>.

¹¹² Consumer Alert, FTC, Grandparent scams in the age of Coronavirus (Apr. 3, 2020) available at <https://www.consumer.ftc.gov/blog/2020/04/grandparent-scams-age-coronavirus>.

¹¹³ Consumer Alert, FTC, Avoid scams while finding help during quarantine (Apr. 7, 2020) available at <https://www.consumer.ftc.gov/blog/2020/04/avoid-scams-while-finding-help-during-quarantine>; Consumer Alert, FTC, How to avoid COVID-19 government imposter scams (June 1, 2020) available at <https://www.consumer.ftc.gov/blog/2020/04/avoid-scams-while-finding-help-during-quarantine>.



dozen media interviews in English and Spanish, and joined with the DOJ and HHS to warn people about contact tracing scams.¹¹⁴

FTC staff participated in more than 30 coronavirus education and outreach events with older adults and the people who work with them, such as task force partners, legal service providers, aging service providers, state agencies, and other outreach partners. FTC staff participated in national and statewide AARP tele-town halls about coronavirus scams – one of which reached 850,000 participants. Staff shared coronavirus information with people who get home-delivered meals in Seattle and Washington, DC, and residents of a Tennessee retirement community. They presented information about coronavirus scams to older adults in Illinois, Minnesota, Missouri, and Wisconsin, at webinars hosted by local Better Business Bureaus. The FTC joined a Center for Medicare Services’ tele-town hall with government and senior service providers, and worked with members of Congress on almost a dozen coronavirus outreach events. Staff in Washington, DC and four regional offices provided members with English- and Spanish-language material and participated in their calls and webinars with older adults and other constituents. All of these efforts have worked to provide key prevention information about coronavirus-related scams and consumer concerns to older consumers.

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.

¹¹⁴ Press Release, DOJ, *The Justice Department, Department of Health and Human Services, and the Federal Trade Commission Partner to Alert Public of Contact Tracing COVID-19 Fraud Schemes* (June 30, 2020) <https://www.justice.gov/opa/pr/justice-department-department-health-and-human-services-and-federal-trade-commission-partner#:~:text=The%20Justice%20Department%2C%20HHS%20and,or%20ftc.gov%2Fcomplaint>.



Appendix A



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STYLE OF CASE	Case Number	Court Name	Date	Case Type	Description	Outcome
Federal Trade Commission v. AdvoCare International, L.P, <i>et al.</i>	4:19-cv-00715	Eastern District of Texas	10/02/19	Multi-Level Marketing	Alleged the defendants operated an illegal pyramid scheme that deceived consumers into believing that they could earn significant income.	Partial Settlement
Federal Trade Commission v. NatureCity, LLC, <i>et al.</i>	9:19-81387	Southern District of Florida	10/10/19	Unsubstantiated Health Claims	Alleged the defendants deceived consumers with false and unsupported claims that products were effective treatments for a range of conditions.	Settlement
Federal Trade Commission v. Devumi, LLC and German Calas, Jr.	9:19-cv-81419-RKA	Southern District of Florida	10/18/19	Fake Social Media Account Sales	Alleged the defendants used deceptive online marketing tactics and sold fake indicators of social media influence.	Settlement
In the Matter of Sunday Riley Modern Skincare, LLC and Sunday Riley	FTC Matter No. 192 3008	FTC Administrative Matter	10/21/19	Fake Product Reviews	Alleged the respondents misled consumers by posting fake product reviews and by failing to disclose that the reviewers were company employees.	Pending Consent Order
Federal Trade Commission v. Agora Financial LLC <i>et al.</i>	1:19-03100	District of Maryland	10/24/19	Deceptive sale of publications	Alleged the defendants marketed publications that falsely promised a cure for type 2 diabetes and promoted a fake plan to participate in a government-affiliated check program.	Litigation Ongoing
Federal Trade Commission v. Neora, LLC, <i>et al.</i>	19-19699	District of New Jersey	11/01/19	Multi-Level Marketing and unsubstantiated health claims	Alleged the defendant operated as an illegal pyramid scheme, falsely promising recruits financial independence, and deceptively promoting dietary supplements.	Partial Settlement
Federal Trade Commission v. American Financial Support Services Inc., <i>et al.</i>	8:19-02109-JVS-ADS	Central District of California	11/04/19	Student Debt Relief	Alleged the defendants deceptively marketed student loan forgiveness, consolidation, and repayment programs.	Partial settlement, litigation ongoing
In the Matter of NTT Global Data Centers Americas, Inc.	FTC Matter No. 182 3189	FTC Administrative Matter	11/05/19	EU-U.S. Privacy Shield	Alleged the respondent misled consumers about its participation in the EU-U.S. Privacy Shield framework and failed to adhere to the program's requirements before allowing its certification to lapse.	pending consent order
Federal Trade Commission, and Utah Division of Consumer Protection v. Nudge, LLC, <i>et al.</i>	2:19-cv-00867	District of Utah	11/05/19	Real Estate money-making scheme	Alleged the defendant made empty promises about earning money by "flipping" houses, to convince consumers to buy real estate training packages that cost thousands of dollars.	Litigation Ongoing

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Federal Trade Commission v. Effen Ads, LLC, <i>et al.</i>	2:19-cv-00945	District of Utah	11/26/19	Work at home scheme	Alleged the defendants used misleading spam emails to lure consumers into buying work-from-home services.	Settlements
Federal Trade Commission v. A.S. Research, LLC, <i>et al.</i>	1:19-cv-03423	District of Colorado	12/05/19	Unsubstantiated Health Claims	Alleged the defendants used deceptive tactics to mislead consumers into thinking their product could treat arthritis and alleviate joint pain.	Settlement
Federal Trade Commission v. On Point Global LLC, <i>et al.</i>	1:19-cv-25046-RNS	Southern District of Florida	12/09/19	Government Impersonation	Alleged the defendants operated misleading websites that promised quick and easy government service.	Litigation Ongoing
Federal Trade Commission v. The University of Phoenix, Inc. and Apollo Education Group, Inc.	2:19-cv-05772-ESW	District of Arizona	12/10/19	Deceptive for profit school advertising	Alleged the defendants used deceptive advertisements that falsely touted their relationships and job opportunities with well-known companies.	Settlement
Federal Trade Commission and State of Maine v. Health Research Laboratories, LLC and Kramer Duhon	2:17-cv-00467-JDL	District of Maine	12/17/19	Unsubstantiated Health Claims	Alleged the defendants promoted their products using unproven claims that they can treat and cure diseases, in violation of a 2018 FTC settlement order.	Litigation Ongoing
Federal Trade Commission v. Fleetcor Technologies, Inc. and Ronald Clarke	1:19-cv-05727-ELR	Northern District of Georgia	12/20/19	Fuel Card Fees	Alleged the defendants charged customers hidden fees on fuel cards.	Litigation Ongoing
In the Matter of InfoTrax Systems L.C. and Mark Rawlins	FTC Matter No. 162 3130	FTC Administrative Matter	12/30/19	Data Security	Alleged the respondents failed to put in place reasonable security safeguards, allowing a hacker to access the personal information of more than a million consumers.	Consent Order
United States of America v. Mortgage Solutions FCS, Inc.	4:20-cv-00110-DMR	Northern District of California	01/06/20	Privacy	Alleged that defendants revealed personal information about consumers in response to negative reviews posted on Yelp.	Settlement
In the Matter of Medable	FTC Matter No. 182 3192	FTC Administrative Matter	01/06/20	EU-U.S. Privacy Shield	Alleged the respondent falsely claimed participation in the EU-U.S. Privacy Shield framework.	Consent Order
Federal Trade Commission v. James D. Noland, Jr., <i>et al.</i>	2:20-cv-00047-DWL	District of Arizona	01/08/20	Multi-Level Marketing	Alleged the defendants operated a pyramid scheme that uses false promises of wealth and income to entice thousands of consumers to join.	Litigation Ongoing

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Federal Trade Commission v. Grand Bahama Cruise Line, LLC, <i>et al.</i>	6:20-cv-00052-RBD-GJK	Middle District of Florida	01/10/20	Robocall - Do Not Call Violations	Alleged the defendants made illegal robocalls pitchings free cruise vacations.	Partial Settlements
In the Matter of Global Data Vault LLC	FTC Matter No. 192 3093	FTC Administrative Matter	01/23/20	EU-U.S. Privacy Shield	Alleged the respondent falsely claimed participation in the EU-U.S. Privacy Shield framework.	Consent Order
In the Matter of Click Labs, Inc.	FTC Matter No. 192 3090	FTC Administrative Matter	01/23/20	EU-U.S. Privacy Shield	Alleged the respondent falsely claimed participation in the EU-U.S. Privacy Shield framework.	Consent Order
In the Matter of TDARX, Inc.	FTC Matter No. 192 3084	FTC Administrative Matter	01/23/20	EU-U.S. Privacy Shield	Alleged the respondent falsely claimed participation in the EU-U.S. Privacy Shield framework.	Consent Order
In the Matter of Incentive Services, Inc.	FTC Matter No. 192 3078	FTC Administrative Matter	01/23/20	EU-U.S. Privacy Shield	Alleged the respondent falsely claimed participation in the EU-U.S. Privacy Shield framework.	Consent Order
Federal Trade Commission v. Production Media Company <i>et al.</i>	3:20-cv-00143-BR	District of Oregon	01/23/20	Small Business Advertising Scheme	Alleged the defendants deceptively sold advertising to small businesses.	Settlement
Federal Trade Commission v. Quantum Wellness Botanical Institute, LLC, <i>et al.</i>	2:20-cv-00244-SMB	District of Arizona	02/03/20	Unsubstantiated Health Claims	Alleged the defendants deceptively claimed that their product was a virtual cure-all for age-related ailments.	Settlement
Federal Trade Commission v. ZyCal Bioceuticals Healthcare Company, Inc., <i>et al.</i>	1:20-cv-10249	District of Massachusetts	02/10/20	Unsubstantiated Health Claims	Alleged the defendants made false claims that their pills were scientifically proven to alleviate joint pain by growing new bone and cartilage.	Partial Settlement
Federal Trade Commission v. OTA Franchise Corporation, <i>et al.</i>	8:20-cv-00287-JVS-KES	Central District of California	02/12/20	Business Coaching Scheme	Alleged the defendants used false or unsubstantiated earnings claims to sell investment "training programs."	Settlement
Federal Trade Commission v. Neurometrix, Inc. and Shai Gozani	1:20-cv-10428	District of Massachusetts	03/03/20	Unsubstantiated Health Claims	Alleged the defendants made deceptive claims about efficacy of their electrical nerve stimulation device to treat pain.	Settlement

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Federal Trade Commission v. Michael A. Giannulis, <i>et al.</i>	6:20-cv-00371-CEM-GJK	Middle District of Florida	03/03/20	Business Coaching Scheme	Alleged the defendants used false claims and misleading testimonials to market "mentoring" services.	Settlement
Federal Trade Commission v. Steven J. Bransfield, <i>et al.</i>	6:20-cv-00372-CEM-GJK	Middle District of Florida	03/03/20	Business Coaching Scheme	Alleged the defendants used false claims and misleading testimonials to market "mentoring" services.	Settlements
Federal Trade Commission v. Teami, LLC <i>et al.</i>	8:20-cv-518	Middle District of Florida	03/05/20	Unsubstantiated Health Claims & Endorsements	Alleged the defendants promoted its products using deceptive health claims and endorsements by well-known social media influencers who did not adequately disclose that they were being paid.	Settlement
Federal Trade Commission v. BoostMyScore LLC <i>et al.</i>	1:20-cv-641	District of Colorado	03/06/20	Credit repair scheme	Alleged the defendants misled consumers with promises to "drastically and immediately" improve credit scores and increase access to lower rates on mortgages.	Settlement
Federal Trade Commission v. SLAC, Inc. <i>et al.</i>	5:20-cv-00470-JFW	Central District of California	03/09/20	student loan debt relief	Alleged the defendants falsely promised to lower or eliminate consumers' student loans for an illegal upfront fee, and paid consumers for positive reviews.	Settlement
In the Matter of T&M Protection Resources, LLC	FTC Matter No. 192 3092	FTC Administrative Matter	03/16/20	EU-U.S. Privacy Shield	Alleged the respondent misrepresented its participation in and compliance with the EU-U.S. Privacy Shield framework.	Consent Order
Federal Trade Commission v. Health Center, Inc. and Peggy Pearce	2:20-cv-547	District of Nevada	03/19/20	Unsubstantiated Health Claims	Alleged the defendants made deceptive advertising claims about three "cure-all" health and wellness products.	Settlement
In the Matter of Retina-X Studios, LLC and James N. Johns, Jr.	FTC Matter No. 172 3118	FTC Administrative Matter	03/26/20	Data Security & Children's Privacy	Alleged the respondents failed to secure the data collected by its "stalking" apps and ensure the apps were used for legitimate purposes.	Consent Order
Federal Trade Commission v. Renaissance Health Publishing, LLC and James Digeorgia	9:20-cv-80640	Southern District of Florida	04/17/20	Unsubstantiated Health Claims	Alleged the defendants promoted a supplement as a miracle cure for pain and joint inflammation.	Settlement
Federal Trade Commission v. Mile High Madison Group, Inc. <i>et al.</i>	1:20-cv-21622-FAM	Southern District of Florida	04/17/20	Unsubstantiated Health Claims	Alleged the defendants deceptively promoted supplements using false claims that their products could stop pain and treat age-related ailments.	Settlement

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Federal Trade Commission v. Ponte Investments, LLC and John C. Ponte	1:20-cv-00177	District of Rhode Island	04/17/20	Deceptive Small Business Loans	Alleged the defendants falsely claimed to be an approved lender for a federal coronavirus relief lending program	Settlement
Federal Trade Commission v. Progressive Leasing, LLC	1:20-cv-01668	Northern District of Georgia	04/20/20	Rent-to-Own	Alleged the defendants misled customers about the true price of items purchased through its rent-to-own payment plans.	Settlement
Federal Trade Commission v. Fashion Nova, Inc.	2:20-cv-03641	Central District of California	04/20/20	Online merchandise sales	Alleged the defendants didn't properly notify consumers when it failed to ship merchandise in a timely manner, and illegally used gift cards to compensate rather than refunds.	Settlement
Federal Trade Commission v. RevenueWire, Inc. and Roberta Leach	1:20-cv-01032	District of Columbia	04/21/20	Credit Card Laundering	Alleged the defendants laundered credit card payments for, and assisted and facilitated, two tech support scams.	Settlement
In the Matter of Marc Ching	FTC Matter No. 202 3110	FTC Administrative Matter	04/22/20	Unsubstantiated Health Claims	Alleged the respondent made baseless claims that its supplement could treat, prevent, or reduce the risk of COVID-19.	Consent Order
Federal Trade Commission v. Lead Express, Inc. <i>et al.</i>	2:20-cv-00840-JAD-NJK	District of Nevada	05/11/20	Pay Day Lending	Alleged the defendants deceptively overcharged consumers and withdrew money repeatedly from consumers' bank accounts without their permission.	Litigation Ongoing
Federal Trade Commission vs. Position Gurus, LLC <i>et al.</i>	2:20-cv-710	Western District of Washington	05/12/20	Business Coaching	Alleged the defendants targeted people who were trying to start new businesses online and used deception to sell them bogus marketing products and services.	Settlements
In the Matter of Federal-Mogul Motorparts LLC	FTC Matter No. 172 3102	FTC Administrative Matter	05/12/20	Claims About Brake Pads	Alleged the respondent made unsubstantiated claims that its brake pads could stop a vehicle in a shorter distance in an emergency and reduce the risk of collisions, compared to competitors' brake pads.	Consent Order
Federal Trade Commission v. American Future Systems, Inc.	2:20-cv-02266	Eastern District of Pennsylvania	05/13/20	Unordered Merchandise	Alleged the defendants charged organizations for books and newsletter subscriptions they never ordered and threatened the organizations if they failed to pay for the unordered merchandise.	Litigation Ongoing

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In the Matter of Tapplock, Inc.	FTC Matter No. 192 3011	FTC Administrative Matter	05/18/20	Data Security	Alleged the respondent falsely claimed that its smart locks were designed to be “unbreakable” and that it took reasonable steps to secure the data it collected from users.	Consent Order
Federal Trade Commission v. First Data Merchant Services LLC and Chi W. Ko	1:20-cv-3867	Southern District of New York	05/19/20	Payment Processing	Alleged the defendants knowingly processed payments and laundered, or assisted laundering of, credit card transactions for scams that targeted hundreds of thousands of consumers.	Settlements
Federal Trade Commission v. Liberty Chevrolet, Inc. and Carlo Fittanto	1:20-cv-03945-PAE	Southern District of New York	05/21/20	Auto Financing	Alleged the defendants discriminated against African-American and Hispanic car buyers by charging higher financing markups and fees.	Settlement
In the Matter of Shop Tutors, Inc, <i>et al.</i>	FTC Matter No. 182 3180	FTC Administrative Matter	05/21/20	Fake Reviews	Alleged the respondent promoted deceptive rankings of financial products for a fee and posted fake positive reviews of its website.	Consent Order
Federal Trade Commission v. Qualpay, Inc.	6:20-cv-00945	Middle District of Florida	06/01/20	Payment Processing	Alleged the defendants ignored clear warning signs and processed payment for an unlawful business coaching and investment scheme	Settlement
United States of America v. HyperBeard, Inc. <i>et al.</i>	3:20-cv-03683	Northern District of California	06/03/20	Children's Privacy	Alleged the defendants allowed third-party ad networks to collect personal information to track users of the company's child-directed apps, without notifying parents or obtaining verifiable parental consent.	Settlement
United States of America v. Kohl's Department Stores, Inc.	2:20-cv-859	Eastern District of Wisconsin	06/08/20	Fair Credit Reporting	Alleged the retailer refused to provide complete records of transactions to consumers whose personal information was used by identity thieves.	Settlement
Federal Trade Commission v. RCG Advances, LLC <i>et al.</i>	1:20-cv-04432	Southern District of New York	06/10/20	Small Business Financing/Collection	Alleged the defendants deceived small businesses and others by misrepresenting the terms of merchant cash advances they provided, and then used unfair collection practices to compel consumers to pay.	Litigation Ongoing
Federal Trade Commission v. Traffic Jam Events, LLC and David J. Jeansonne II	2:20-cv-1740	Eastern District of Louisiana	06/16/20	Auto Advertising	Alleged the defendants deceived consumers with mailers supposedly directing them how to obtain federal COVID-19 stimulus benefits, which instead lured them to a used car sale.	Voluntary Dismissal, New Administrative Action

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Federal Trade Commission v. Physician's Technology, LLC <i>et al.</i>	2:20-cv-11694-NGE-RSW	Eastern District of Michigan	06/25/20	Unsubstantiated Health Claims	Alleged the defendants falsely marketed a low-light therapy device and made deceptive claims that the device treats chronic, severe pain and associated inflammation.	Settlement
In the Matter of Miniclip S.A.	FTC Matter No. 192 3129	FTC Administrative Matter	06/29/20	Children's Privacy	Alleged the respondent misled consumers about its membership in a program aimed at ensuring companies adhere to requirements of the Children's Online Privacy Protection Act.	Consent Order
Federal Trade Commission and Office of the Attorney General, State of Florida, v. GDP Network LLC <i>et al.</i>	6:20-cv-1192-Orl-78DCI	Middle District of Florida	07/06/20	Credit Card Interest Rate Reduction Scheme	Alleged the defendants conducted a sham credit card interest rate reduction operation.	Litigation Ongoing
Federal Trade Commission v. SuperGoodDeals.com, Inc and Kevin J. Lipsitz	1:20-cv-03027	Eastern District of New York	07/08/20	Online merchandise sales	Alleged the defendants falsely promised consumers next-day shipping of facemasks and other personal protective equipment.	Litigation Ongoing
In the Matter of Ortho-Clinical Diagnostics, Inc.	FTC Matter No. 192 3050	FTC Administrative Matter	07/08/20	EU-U.S. Privacy Shield	Alleged the respondent misled consumers about its participation in the EU-U.S. Privacy Shield framework.	Consent Order
In the Matter of Williams-Sonoma, Inc.	FTC Matter No. 202 3025	FTC Administrative Matter	07/13/20	Made in the USA Claims	Alleged the respondent made false, misleading, or unsubstantiated claims that products were all or virtually all made in the United States.	Consent Order
Federal Trade Commission v. National Landmark Logistics LLC <i>et al.</i>	0:20cv2592	District of South Carolina	07/13/20	Phantom Debt	Alleged the defendants engaged in deceptive and abusive debt collection practices.	Litigation Ongoing
Federal Trade Commission v. Absolute Financial Services LLC <i>et al.</i>	0:20cv2596	District of South Carolina	07/13/20	Phantom Debt	Alleged the defendants engaged in deceptive and abusive debt collection practices.	Litigation Ongoing
United States of America v. MyLife.com, Inc. and Jeffrey Tinsley	2:20-cv-06692	Central District of California	07/27/20	Fair Credit Reporting	Alleged that defendants misled consumers to think its reports on individuals might contain criminal and other records.	Litigation Ongoing

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Federal Trade Commission v. F & G International Group Holdings, LLC <i>et al.</i>	6:08-tc-05000	Southern District of Georgia	07/28/20	R-value claims	Alleged the defendants falsely overstated the R-value ratings of the coatings, making deceptive statements about heat flow and insulating power	Litigation Ongoing
Federal Trade Commission, v. SPM Thermo-Shield, Inc. <i>et al.</i>	2:20-cv-00542	Middle District of Florida	07/28/20	R-value claims	Alleged the defendants falsely overstated the R-value ratings of the coatings, making deceptive statements about heat flow and insulating power	Litigation Ongoing
Federal Trade Commission v. Superior Products International II, Inc. and Joseph E. Pritchett	2:20-cv-02366	District of Kansas	07/28/20	R-value claims	Alleged the defendants falsely overstated the R-value ratings of the coatings, making deceptive statements about heat flow and insulating power	Litigation Ongoing
Federal Trade Commission v. SUPERTHERM, Inc. <i>et al.</i>	3:20-CV-08190	District of Arizona	07/28/20	R-value claims	Alleged the defendants falsely overstated the R-value ratings of the coatings, making deceptive statements about heat flow and insulating power	Litigation Ongoing
Federal Trade Commission v. Golden Sunrise Nutraceutical, Inc. <i>et al.</i>	1:20-cv-01060-DAD-SKO	Eastern District of California	07/30/20	Unsubstantiated Health Claims	Alleged the defendants advertised a treatment plan as a scientifically proven way to treat COVID-19.	Litigation Ongoing
Federal Trade Commission v. Yellowstone Capital LLC <i>et al.</i>	1:20-cv-06023	Southern District of New York	08/03/20	Merchant Cash Advance	Alleged the defendants unlawfully withdrew millions of dollars in excess payments from their customers' accounts, and to the extent they provided refunds, sometimes took weeks or even months to provide them.	Litigation Ongoing
Federal Trade Commission v. Zaappaaz LLC and Azim Makanojiya	4:20-cv-02717	Southern District of Texas	08/04/20	Online merchandise sales	Alleged the defendants failed to notify consumers of shipping delays in a timely manner and give consumers the chance to cancel orders and receive prompt refunds.	Litigation Ongoing
Federal Trade Commission v. QYK Brands LLC <i>et al.</i>	8:20-cv-01431-JLS-KES	Central District of California	08/04/20	Online merchandise sales	Alleged the defendants failed to notify consumers of shipping delays in a timely manner and give consumers the chance to cancel orders and receive prompt refunds.	Litigation Ongoing
Federal Trade Commission v. American Screening, LLC <i>et al.</i>	4:20-cv-1021	Eastern District of Missouri	08/04/20	Online merchandise sales	Alleged the defendants failed to notify consumers of shipping delays in a timely manner and give consumers the chance to cancel orders and receive prompt refunds.	Litigation Ongoing

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In the Matter of Traffic Jam Events, LLC and David J. Jeansonne II	FTC Matter No. 202 3127	FTC Administrative Matter	08/07/20	Auto Advertising	Alleged that respondents deceived consumers with mailers supposedly directing them to obtain federal COVID-19 stimulus benefits.	Litigation Ongoing
Federal Trade Commission, v. Age of Learning, Inc.	2:20-cv-07996	Central District of California	9/1/2020	Negative Option Scheme	Alleged the defendant unfairly billed users without their authorization and made it difficult for consumers to cancel their memberships, preventing consumers from avoiding additional charges.	Settlement
Federal Trade Commission; the People of the State of New York, the Commonwealth of Virginia, State of Minnesota, and State of New Jersey, v. Outreach Calling, Inc., <i>et al.</i>	1:20-cv-07505-MKV	Southern District of New York	9/15/2020	Charity	Alleged the defendants served as the primary fundraisers for a number of sham charities that were the subject of numerous law enforcement actions.	Settlements
Federal Trade Commission v. NutraClick, LLC, <i>et al.</i>	2:20-cv-08612	Central District of California	9/21/2020	Negative Option Scheme	Alleged the defendants continued to deceptively market their products in a negative option scheme in violation of a prior FTC order.	Settlements
Federal Trade Commission v. Critical Resolution Mediation LLC, <i>et al.</i>	1:20cv3932	Northern District of Georgia	9/22/2020	Phantom/abusive debt collection	Alleged the defendants used deceptive practices, often posing as government or law enforcement officials, to collect on debt that consumers did not owe.	Litigation Ongoing