



Federal Trade Commission

Congressional Budget Justification

Fiscal Year 2024





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Office of the Chair

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

March 13, 2023

The Honorable Steve Womack
Chairman
Subcommittee on Financial Services and General Government
U.S. House of Representatives
Washington, DC 20515

The Honorable Chris Van Hollen
Chairman
Subcommittee on Financial Services and General Government
United States Senate
Washington, DC 20510

Dear Chairmen Womack and Van Hollen:

This letter transmits the budget justification for the Federal Trade Commission (FTC) in support of the President's fiscal year (FY) 2024 budget request.

The FTC's FY 2024 budget requests a program level of \$590,000,000 and 1,690 full-time equivalent (FTE) positions. This is an increase of \$160,000,000 from the FY 2023 enacted appropriations level. As the justification materials describe, this budget will permit the FTC to continue to meet the ongoing challenges of its mission to protect consumers and promote competition.

By direction of the Commission.

A handwritten signature in cursive script that reads "Lina Khan".

Lina M. Khan
Chair, Federal Trade Commission



Budget Request



Budget Request Summary

(\$ in thousands)

	Fiscal Year 2023		Fiscal Year 2024		Change	
	FTE	Dollars	FTE	Dollars	FTE	Dollars
Budget by Goal:						
Protecting Consumers	675	\$218,512	781	\$288,872	106	\$70,360
Promoting Competition	705	\$211,488	909	301,128	204	89,640
Total	1,380	\$430,000	1,690	\$590,000	310	\$160,000

Budget by Funding Source:

Offsetting Collections						
HSR Filing Fees		\$190,000		\$323,000		\$133,000
Do Not Call Fees		20,000		13,000		-7,000
Prior Year Offsetting Collections		172,000		---		-172,000
Subtotal Offsetting Collections		\$382,000		\$336,000		-\$46,000
General Fund		48,000		254,000		206,000
Total		\$430,000		\$590,000		\$160,000

Needed Resources for FY 2024

The FTC is an independent agency with a unique dual mission to police unfair methods of competition and target unfair or deceptive practices across the economy. The FTC is dedicated to advancing the interests of consumers, workers, and honest businesses while encouraging innovation and promoting a fair economy and widespread prosperity. To maintain its high level of performance in FY 2024, the FTC is requesting \$590,000,000 and 1,690 FTE. This is an overall increase of \$160,000,000 and an estimated 310 FTE above the FTC's FY 2023 enacted appropriation. This budget request leverages the agency's existing Regional Office structure to expand the agency's candidate pool and community presence, and implements a more flexible workforce that will work seamlessly on both Consumer Protection and Competition matters. The agency will work closely with leaders in each of these programmatic areas and the existing Regional Offices to develop a comprehensive plan for operationalizing these changes that will address issues such as space, logistics and administrative support, and management and reporting structure. More specifically this request consists of the following:

- Increase of \$17,570,000 for mandatory expenses needed to support the agency's existing FTE levels at FY 2024 costs. Examples include costs to support an anticipated 5.2 percent pay raise in FY 2024, costs for upward grade classifications pursuant to C.F.R. 531.401 et seq., and corresponding benefit increases for each of these pay adjustments.
- Increase of \$70,835,000 for 310 additional FTE:
 - 106 FTE in the Bureau of Competition to support:
 - identifying, challenging, and litigating anticompetitive mergers and conduct,
 - conducting merger and merger remedy retrospectives,
 - development and implementation of HSR rulemaking proposals,
 - processing and reviewing increasingly complex HSR merger filings and associated transactions,
 - increasing the FTC's enforcement capacity to meet the demands of anticompetitive practices across markets when warranted, and
 - enhancing the FTC's ability to understand quickly evolving technological issues implicated by its casework and keep pace with litigation demands.
 - 62 FTE in the Bureau of Consumer Protection to support:
 - increasingly complex consumer protection investigations, including privacy and data security issues,
 - ensuring effective compliance monitoring and enforcement investigations,
 - emerging technology in the area of marketing practices,
 - supporting rulemaking and monitoring compliance with Notices of Penalty Offenses, and
 - enhancing the FTC's ability to understand quickly evolving technological issues implicated by its casework and keep pace with litigation demands.
 - 26 FTE in the Bureau of Economics (BE) to provide increased support and economic analysis to BC and BCP matters and to increase the amount of economic analysis that guides the Commission's consumer protection and competition policies and enforcement.

- 30 FTE in the Office of Policy Planning (OPP) to provide more attorneys to support the agency's increased use of 6(b) studies and to increase the FTC's Rulemaking capacity as well as to support BC and BCP matters.
- 15 FTE in the Office of General Counsel (OGC) to advise the Commission, Bureaus, and Offices on legal matters such as jurisdiction, statutory authority, administrative procedures, amicus briefs, etc.
- 11 FTE in the Commissioners Offices to address the increased workload throughout the agency.
- 3 FTE in the Office of International Affairs (OIA) to build deeper and stronger relationships with competition, consumer protection, and privacy enforcers to further the FTC's enforcement and policy objectives.
- 7 FTE in the Office of the Secretary to support the agency's records management, processing of internal and external filings, posting Commission documents to the [FTC.gov](https://www.ftc.gov) website, and virtual meeting support.
- 37 FTE in the Office of the Executive Director (OED) to serve a variety of functions, such as implementing IRM Strategic Plan initiatives, compliance with government wide IT mandates, improving data governance and data-driven decision making, supporting personnel security, program management, acquisitions, HR operations and information systems, and evaluating and improving the agency's training programs.
- 2 FTE in the Office of Congressional Relations (OCR) to address increased Congressional correspondence, information requests, and oversight.
- 3 FTE in the Office of Public Affairs (OPA) to provide additional media relations and strategic communications support to internal stakeholders.
- 3 FTE in the Office of the Inspector General (OIG) to address increases in investigative activity under the Inspector General's jurisdiction.
- 2 FTE in the Office of the Chief Privacy Officer to address the ever-changing landscape of personal proprietary data privacy.
- Increase of \$71,595,000 for agency critical non-compensation related investments:
 - \$30,000,000 for IT systems modernization and infrastructure upgrades to support a larger decentralized and remote workforce.
 - \$15,000,000 for competition related expert witness needs due to increased numbers of complex investigations and litigations.
 - \$5,000,000 for costs associated with changes and updates to the current security requirements and system infrastructure in the Consumer Sentinel Network, BCP expert witnesses, tech lab upgrades, and removing language barriers between the FTC and the public.
 - \$21,595,000 for other non-comp costs attributable to the additional FTE requested, such as rent, utilities, security, IT equipment, software/licenses, travel, training, and other inflationary adjustments.

Justification for Programmatic Increases

Bureau of Competition

This budget reflects an ongoing effort to right-size the Bureau of Competition and the three regional offices in which it has a presence, to accommodate marked increases in workload. The primary drivers of the Commission's increased resource needs are the high levels of market concentration in major economic sectors including healthcare, significant merger activity economy-wide, increased complexity of proposed transactions, and the agency's commitment to taking action to protect the American public from harmful acquisitions and other anticompetitive business conduct. Substantial merger activity and signs of market concentration and related competition concerns have dramatically increased the pressure on staffing resources in recent years. The merger workload – including resource-intensive and fast-paced merger litigation against major corporations – diverts resources from the Commission's efforts to reinvigorate and refocus its commitment to identifying and challenging anticompetitive conduct in complex and increasingly pervasive technology markets for which the Bureau has designated significant resources. Building upon recent increases, BC's FTE request reflects continued growth in our investigative and litigation capacity to meet the increasing, broad-based anticompetitive challenges in healthcare and technology markets, and beyond. This request also expands the Bureau of Competition's regional presence, ensuring that the three regional offices with competition expertise have sufficient capacity to independently conduct multiple significant investigations and to support federal court or administration litigations without reinforcements from other divisions.

In addition, the FTE request accounts for commensurate increases in specialized litigation personnel, including experienced litigators and litigation support personnel, additional program support personnel to accommodate expanded operations, additional support for document productions and litigation technology, and additional staff for BC's Premerger Notification Office, which administers the HSR program on behalf of the FTC and Department of Justice (DOJ).

While staff resources represent the bulk of the Bureau's request, BC's substantial workload generates various other operational expenses. Most notably, the Bureau's technology enforcement efforts will continue to require significant expert witness resources. BC retains expert witnesses in support of investigations and litigations. Expert witnesses are a critical element of all antitrust litigations, where explaining complex market dynamics to generalist judges is essential. These witnesses typically are highly skilled economists and other experienced industry practitioners who work hand-in-hand with FTC staff attorneys and economists to develop the analytical support necessary to successfully challenge an antitrust case and to rebut analyses conducted by defendants' experts. It is commonplace for defendants in FTC litigations to outspend the Commission by a significant amount on expert support, which often results in FTC experts having to conduct more extensive—and thus more costly—rebuttal analyses. This budget continues the agency's efforts to more closely align the resources available for expert witness support with actual anticipated expenditures for these critical services. This budget also provides additional resources for travel, stenographic services, and staff development (the latter of which will be critical as the Bureau continues to onboard a substantial number of new staff).

Bureau of Consumer Protection

This budget would add staff to BCP's division and regional offices to increase the FTC's ability to litigate larger and more complex cases in areas such as privacy and data security, financial and marketing practices, national advertising, and practices targeting specific populations.

From halting COVID fraud to protecting workers and small businesses to challenging practices that target historically underserved communities—including communities of color, elder Americans, rural communities, and low-income communities—the FTC has been on the front lines of pressing issues consumers face. The agency has also continued to employ authorities Congress has given us, including bringing cases pursuant to the Opioid Addiction Recovery Fraud Prevention Act, using the COVID-19 Consumer Protection Act to hold pandemic profiteers accountable, and bringing our first action under the Military Lending Act. In addition, the

FTC continued its longstanding efforts to fight other unfair or deceptive practices, including combatting illegal robocalls and protecting consumers' rights to repair their products.

In response to the Supreme Court's decision in *AMG Capital Mgmt., LLC v. FTC*, which held that the FTC does not have the ability to obtain monetary relief pursuant to Section 13(b) of the FTC Act, the FTC also reinvigorated underused remedial powers, such as the FTC's Penalty Offense authority, and pursued rulemakings, including finalizing the Made in the USA Rule, initiating an auto rule under the Dodd-Frank Wall Street Reform and Consumer Protection Act, initiating a rule to prohibit impersonation frauds, and initiating a rule to address deceptive and unfair earnings claims. While not a replacement for the FTC's ability to return money to consumers under Section 13(b), these efforts have bolstered our ability to go after lawbreakers.

In each of these areas, additional staff will allow the agency to investigate and litigate more and increasingly complex matters, such as those involving health privacy and children's privacy; unfair or deceptive practices by platforms; frauds using new technologies in the areas of online and mobile transactions; harmful practices in multilevel marketing and the gig economy; and unlawful conduct in the fintech and payment processing space.

The Sentinel Network Services (SNS) contract with Leidos covers the operation of the Consumer Response Center (CRC), the Consumer Sentinel Network (CSN), and the National Do Not Call (DNC) Registry. Additional funding is needed to cover costs associated with changes and updates to the current security requirements and system infrastructure in the Consumer Sentinel Network, as outlined in the Executive Order on Improving the Nation's Cybersecurity, the Zero Trust Assessment, and the Rev 5 FISMA Security and Privacy Controls.

Additional funding is also required to cover rising expert witness contract costs as BCP litigates larger and more complex cases. BCP also requires funding to pay for some of the professional services associated with using Relativity and upgrade and acquire new equipment for the Tech Lab.

Additional funding would also enable BCP to extend its mission to millions of Americans who are not proficient in English by adding telephonic interpretive services and translate all the non-English complaints currently in the Consumer Sentinel Network. Additional funding will also enable BCP to improve language access to education and communicate with communities that speak languages other than English.

Bureau of Economics

Economic analysis supports the law enforcement and rulemaking activities that the FTC undertakes to advance its competition and consumer protection missions. Additional BE FTEs will be used to employ a larger number of antitrust economists to support the anticipated substantial growth in BC activities, including: support for FTC merger and nonmerger enforcement investigations and litigation; competition rulemakings; and mission-relevant research—including merger retrospective studies—to help the FTC focus antitrust enforcement to maximize the agency's ability to maintain competitive input and output markets. Additional FTEs would also be used to increase the number of statisticians, financial analysts, and research analysts, who work alongside the agency's antitrust economists to support investigations, litigation, rulemakings, and research.

The additional FTEs also will allow growth in BE's ability to support the FTC's consumer protection mission. Additional consumer protection economists will help the agency assess the costs and benefits of alternative policy approaches; provide day-to-day guidance on rulemakings and investigations; enhance litigation support; and to ensure all consumer protection actions taken by the Commission are consistent with, and informed by, sound economic principles. Additional FTEs would also be used to increase the number of statisticians, financial analysts, and research analysts, who work alongside the agency's consumer protection economists to support investigations, litigation, rulemakings, and research.

Office of Policy Planning

Additional FTE in OPP will allow the agency to incorporate a greater knowledge base and range of skillsets into the agency's work. OPP has a primary role within the FTC of supporting the FTC's 6(b) authority. Under the

6(b) authority OPP researches specific industries or topics to bring a fuller understanding of that industry or topic to the FTC. 6(b) studies demand a lot of FTE resources to implement, carry forward and draft a study the Commission can be proud of. If understaffed, 6(b) studies can take too long to be considered relevant or cutting edge. These studies are one of the primary ways OPP can assist the Commission in developing and implementing long-range competition and consumer protection enforcement and policy initiatives and advise staff on cases raising new or complex policy and legal issues. OPP also needs new FTE attorneys to help with newly invigorated rulemaking authorities. Bringing on additional attorneys and analysts who are deeply familiar with the mechanics of rulemaking will ensure that the FTC is better positioned to craft thoughtful rules for the American public. OPP continues to provide a crucial role in preparing advocacies for the Commission, submitting filings supporting competition and consumer protection principles to state legislatures, regulatory boards, and officials; state and federal courts; other federal agencies; and professional organizations. Additional FTE will support this key practice within OPP. Additional FTE will also support OPP in reinvigorating the agency's amicus practice, which similarly helps the agency advocate positions that support competition and consumer protection. OPP also needs additional FTE attorneys to support the principal role OPP plays in developing ideas for public workshops as well as an expanded role in planning public hearings and listening sessions. For both workshops and listening sessions, OPP can follow up by drafting reports for either the Commission or staff to issue. These reports provide forward thinking information for the public and can contribute to significant national and international policy debates. Additional resources will allow the agency to engage in timely intervention as it will have had the resources to be attentive to evolving business practices. OPP will also provide analysis and research of antitrust and consumer protection issues on an ongoing basis, acting as a central resource to both program areas and promoting a more holistic, interdisciplinary approach. Having this expertise in-house will reduce reliance on external experts and will build institutional knowledge by having FTC employees work on these projects continuously.

Office of General Counsel

OGC requests additional FTE to provide legal advice to the agency on a number of issues such as jurisdiction, statutory authority, administrative procedure, confidentiality, congressional requests for information, rulemaking proceeding, and ethics and employment law, among other things. The additional FTE will allow OGC to provide better and more timely advice and assistance on these legal issues, which will in turn allow the agency to better carry out its important missions.

Office of the Executive Director

The Office of the Executive Director (OED) requests additional funding to support the continued implementation of the FTC's Information Resource Management (IRM) Strategic Plan, with a focus on cybersecurity, digital transformation, and operations and maintenance of mission essential IT systems and services. Specific investments include the implementation of a Zero Trust network architecture in accordance with OMB Memorandum M-22-09, digital transformation of FTC matter and information management processes, and anticipated growth in FTC data processing and storage related to electronic discovery and merger review. OED also requests funding to extend the lease of the FTC's office space at Constitution Center, originally scheduled to expire in FY 2024, through FY 2027. Lastly, funding will be needed to accommodate the proposed increase in FTE across the agency and the reliable infrastructure associated with expanded remote work and telework to include additional space, security, HR support and HC systems, acquisition support, etc.

Other Offices

Other additional FTE are requested for the Commissioners Offices, Office of International Affairs, Office of Congressional Relations, Office of Public Affairs, Office of the Secretary, Office of the Inspector General, and the Office of the Chief Privacy Officer to support the increased workload throughout the agency.

APPROPRIATIONS LANGUAGE PROVISIONS

Federal Deposit Insurance Corporation Improvement Act: The Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) amended the Federal Deposit Insurance Act. As originally enacted, the FDICIA imposed various statutory responsibilities on the FTC that the agency did not have the resources or expertise to perform effectively. Accordingly, since 1992, Congress, with Administration support, has prohibited the FTC from spending funds on some or all of the responsibilities assigned to it under section 151 of the Act.

The requested appropriations language for FY 2024 continues the spending restriction, reflecting legislation enacted in October 2006, which maintains an appropriately narrow role for the FTC under section 151. This role enables the FTC to continue to enforce the provisions requiring non-federally insured depository institutions to disclose that they do not have federal insurance and that the federal government does not guarantee the depositor will get back his or her money, and retains the implementation ban with respect to “look-alike” provisions.

Other Provisions: The requested appropriations language continues in effect provisions in prior-year appropriation acts that: (1) allow for the purchase of uniforms and hire of motor vehicles; (2) allow for services as authorized by 5 U.S.C. 3109; (3) limit to \$300,000 the amount available for contracts for collection services in accordance with 31 U.S.C. 3718; (4) allow up to \$2,000 for official reception and representation expenses; (5) allow for the collection of offsetting fees; (6) allow for the gross sum appropriated to be reduced as offsetting fees are collected; and (7) allow all funding to be available until expended.

OFFSETTING FEE COLLECTIONS

This submission assumes that total offsetting collections from HSR filing fees and DNC fees will provide the FTC with \$336,000,000 in FY 2024. The FTC assumes the \$254,000,000 difference between offsetting collections and the \$590,000,000 request will be funded through a direct appropriation.

HSR Premerger Filing Fees. This submission assumes offsetting HSR fee collections will provide the FTC with \$323,000,000. These fees are authorized by section 605 of Public Law 101-162, as amended effective February 1, 2001, in the FY 2001 Commerce-Justice-State Appropriations Act (Section 630, Public Law 106-553). The HSR Act requires that fees be split 50-50 between the FTC and the Antitrust Division of the U.S. Department of Justice.

Do Not Call Fees. This submission assumes offsetting collections of \$13,000,000 from DNC fees. These fees, first collected in FY 2003, will be used to maintain and enforce a national database of telephone numbers of consumers who choose not to receive telephone solicitations from telemarketers and to carry out other Telemarketing Sales Rule activities.

Overview Statement

HIGHLIGHTS OF FY 2022 ACCOMPLISHMENTS

PROTECTING CONSUMERS

This fiscal year, the FTC continued to tackle a wide variety of unfair or deceptive practices in key areas, including national advertising, privacy and data security, financial and marketing practices, and practices targeting specific populations. From halting COVID fraud to protecting workers and small businesses to challenging practices that discriminate against communities of color, the FTC has been on the front lines of pressing issues consumers face. We have also made aggressive use of new authorities Congress has given us, including bringing our first case pursuant to the Opioid Addiction Recovery Fraud Prevention Act, using the COVID-19 Consumer Protection Act to hold pandemic profiteers accountable with civil penalties, and bringing our first action under the Military Lending Act. In addition, the FTC continued its longstanding efforts to fight other unfair and deceptive practices, including combatting illegal robocalls and protecting consumers' rights to repair their products.

Responding to the Supreme Court's decision in *AMG Capital Mgmt., LLC v. FTC*, which held that the FTC does not have the ability to obtain monetary relief pursuant to Section 13(b) of the FTC Act, the FTC also reinvigorated underused remedial powers, such as the FTC's Penalty Offense authority, and pursued rulemakings, including finalizing the Made in the USA Rule and initiating an auto rule under the Dodd-Frank Wall Street Reform and Consumer Protection Act. While not a replacement for the FTC's ability to return money to consumers under Section 13(b), these efforts have bolstered our ability to go after lawbreakers. Finally, The FTC aggressively enforced its orders against repeat offenders, referring cases to criminal authorities as appropriate.

In FY 2022, the FTC filed 33 complaints in federal district court and obtained 41 permanent injunctions and orders requiring defendants to pay more than \$162.7 million in consumer redress or disgorgement of ill-gotten gains. Defendants also were required to pay over \$102.7 million under one civil contempt order. In addition, cases referred to the Department of Justice (DOJ) resulted in 11 court judgments imposing over \$162.3 million in civil penalties. Furthermore, the FTC issued 14 new administrative complaints and entered 12 final administrative orders requiring defendants to pay over \$5.6 million. The FTC also reviewed compliance in over 300 matters, including nearly 2000 defendants.

In FY 2022, the Commission also issued 15 reports on consumer protection and released 104 new consumer and business education publications.

Stopping Deceptive Advertising and Marketing Practices

- **COVID-19 Related Claims:** The Commission ruled that Traffic Jam Events, Inc. and its owner, David J. Jeansonne, II, violated both the FTC Act and the Truth in Lending Act (TILA), finding that the defendants illegally misled consumers into believing that their websites were affiliated with a government stimulus program and sent consumers deceptive mailings about prizes they had supposedly won. The Commission's order bans Traffic Jam and Jeansonne from advertising, selling, or leasing automobiles for 20 years. The order also prohibits them misrepresenting any material fact while marketing any product or service of any kind, as well as from any further violations of TILA's disclosure requirements.

The FTC sued Xlear, Inc., a Utah-based company, for violating the COVID-19 Consumer Protection Act, alleging that it falsely pitched its saline nasal sprays as an effective way to prevent and treat COVID-19. The FTC alleges that since at least March 2020, Xlear and its founder and President, Nathan Jones, have promoted Xlear nasal sprays by falsely claiming they provide four hours of protection against infection from the coronavirus and therefore are "a simple, safe, and cheap option that could be an effective solution to the pandemic." In reality, the FTC alleges the company has conducted no clinical trials to support its COVID-related claims, and its advertising grossly misrepresented the purported findings and relevance of

several scientific studies. The agency's staff sent Xlear and Jones a warning letter in July 2020. According to the complaint, the defendants promised to remove the claims from their website and other platforms but continued making them.

The FTC, jointly with DOJ and the U.S. Food and Drug Administration, sued B4B Corp., a New York-based marketer of herbal tea, seeking to permanently block deceptive ads that claim its Earth Tea is clinically proven to treat, cure, and prevent COVID-19. The FTC also is seeking to impose civil penalties on the defendants behind Earth Tea under the COVID-19 Consumer Protection Act. According to the joint agency complaint, Andrew Martin ("Busta") Sinclair and the two companies he owns and operates sell Earth Tea for \$60 per 16-ounce bottle to consumers nationwide via social media and the Internet. Since at least April 2020, the complaint alleges, on their own websites and through social media posts and videos on Facebook, Instagram, Twitter TikTok, and YouTube, Sinclair, and his companies have misrepresented that Earth Tea prevents or treats COVID-19 and falsely claimed to have evidence of its efficacy.

The FTC and State of Florida took action against Grant Bae and its owner, Traeshonna P. Graham, a COVID-19 scammer preying on minority-owned small businesses seeking pandemic relief. The complaint alleges that the fictitious grant-writing service scammed each business out of thousands of dollars with false promises of easy access to "guaranteed" grant funding and COVID-19 economic benefits that did not materialize. In response to a complaint filed by the FTC and the State of Florida, a federal court temporarily shut down the company and froze the defendants' assets.

- **Deceptive Earnings Claims:** The operators of RagingBull.com, an online stock trading site that used bogus earnings claims to trick consumers into signing up for services and then trapped them into hard-to-cancel subscription plans with costly charges, agreed to a settlement requiring them to pay \$2.4 million, end the earnings deception, get affirmative approval from consumers for subscription sign ups, and provide consumers with a simple method to cancel recurring charges. The FTC alleged that Raging Bull marketed its stock and options trading services to consumers with deceptive earnings claims, including claims that consumers who followed the advice and trade recommendations of Raging Bull's "gurus" could "double or triple" their trading accounts quickly and easily.

Universal Guardian Acceptance, LLC (UGA), the funder and servicer of the payment plans used by consumers to pay for expensive and often ineffective investment "trainings" from Online Trading Academy (OTA), is required to offer debt forgiveness to consumers under a settlement with the FTC. UGA and Universal Account Servicing, LLC (UAS) agreed to settle FTC charges that they facilitated consumers' payments to OTA, when they knew or should have known that OTA was deceiving consumers. In February 2020, the FTC brought a lawsuit alleging that OTA had deceived consumers with false and unsupported claims that purchasers of its investment training were likely to generate significant income. OTA charged consumers tens of thousands of dollars for its training and offered financing to enable consumers to pay OTA, in the form of short-term, high-interest retail installment contracts. UAS underwrote and serviced the contracts, and UGA provided funding for OTA's operations by agreeing to purchase substantial quantities of the contracts in advance.

The FTC cracked down on Warrior Trading's day-trading investment scheme for making misleading and unrealistic claims of big investment gains to consumers. The FTC alleged that Warrior Trading and its CEO, Ross Cameron, used those claims to convince consumers to pay hundreds or thousands of dollars for a trading system that ultimately failed to pay off for most customers. Warrior Trading is required to pay \$3 million to refund consumers and is prohibited from making baseless claims about the potential for consumers to earn money using their trading strategies.

- **For-Profit College Fraud:** The FTC took action against Saint James School of Medicine, a for-profit medical school in the Caribbean, and its Illinois-based operators, alleging they deceptively marketed the school's

medical license exam test pass rate and residency matches to lure prospective students. The school and its operators were also charged with violating the Holder Rule, which preserves rights for injured consumers, and the Credit Practices Rule, which protects consumers in credit contracts. The \$1.2 million judgment against Saint James School of Medicine and its operators will go toward refunds and debt cancellation for students harmed by the deceptive marketing.

The FTC worked with the U.S. Department of Education as they announced the cancellation of more than \$70 million in debt for defrauded DeVry students. This action builds the FTC's prior federal court order against DeVry University, which resulted in more than \$100 million returned to DeVry students

- **Government Impersonator Scam:** The FTC's trial win against On Point Global made \$102 million in refunds available to consumers who were harmed by a wide-ranging scheme that led them to pay money or hand over personal information to fake government websites. The scammers ran hundreds of deceptive websites that promised a quick and easy government service, such as renewing a driver's license, or eligibility determinations for public benefits like Section 8 housing or food stamps. The money being used to provide payments to consumers is a result of a contempt motion filed by the FTC against one of the defendants in the case, Burton Katz. Katz was previously sued by the FTC for placing millions of dollars in unwanted charges on consumers' mobile phone bills by using spam text messages pitching "free" gift cards. As a result of that suit, Katz was placed under a court order prohibiting from any further violations of the FTC Act. Because of his involvement in this new fake government websites scam, the FTC filed the motion alleging that Katz and other defendants were in contempt of that order. The court ruled in the FTC's favor on the motion and awarded the monetary relief.
- **Franchise Rule:** The FTC filed suit against fast-food chain Burgerim, accusing the chain and its owner, Oren Loni, of enticing more than 1,500 consumers to purchase franchises using false promises while withholding information required by the Franchise Rule. In a complaint filed on the FTC's behalf by DOJ, the FTC alleges that Burgerim and Loni recruited potential franchisees by pitching the opportunity as "a business in a box," that required little to no business experience, downplaying the complexity of owning and operating a restaurant. According to the complaint, many consumers paid Burgerim between \$50,000 and \$70,000 in franchise fees, and the company targeted veterans with discount programs to lure them into the business. The complaint also alleges that although Burgerim pocketed tens of millions of dollars in such fees, and the majority of the people who paid them were never able to open restaurants.
- **Protecting Low-Income Taxpayers:** The FTC took action against Intuit Inc., the maker of the popular TurboTax tax filing software for deceiving consumers with bogus advertisements pitching "free" tax filing. The Commission alleges that the company's ubiquitous advertisements touting their supposedly "free" products, some of which consisted almost entirely of the word "free" spoken repeatedly, mislead consumers into believing that they can file their taxes for free with TurboTax when, in reality, the company's "free" service is not available to millions of taxpayers.
- **False Internet Speed Claims:** Under an order with the FTC and two California law enforcement agencies, Frontier Communications is prohibited from tricking consumers about its slow internet service and required to support its speed claims. Frontier must also provide current customers with free and easy cancellations when it fails to deliver the promised speeds. The order requires Frontier to pay \$8.5 million in civil penalties and costs to the Los Angeles County and Riverside County District Attorneys' offices on behalf of California consumers as well as \$250,000 that will be distributed to Frontier's California customers harmed by the company's practices. In addition, the company must discount the bills of California customers who have not been notified that they are receiving DSL service that is much slower than the highest advertised speed. Frontier is required to deploy fiber-optic internet service, which is generally much faster than DSL, to 60,000 residential locations in California over four years at an estimated cost of \$50 million to \$60 million.

- **Deceptive Energy-Efficiency Claims:** In response to legal action by the FTC, the U.S. District Court for the Middle District of Florida ordered SPM Thermo-Shield, Inc. to permanently halt deceptive energy-efficiency claims it was making about wall coating products that it sells for houses and other buildings. The court issued a permanent injunction prohibiting SPM Thermo-Shield and its officers from misrepresenting the coatings' insulating or energy-saving capabilities.
- **Telemarketing Robocalls:** The FTC obtained a court order holding the purveyor of a subscription scam called Publishers Business Services and its officers accountable for the deceptive telemarketing scheme they used to fleece consumers and harass them over the phone. The order also imposed a suspended \$14.47 million penalty. The Commission's original monetary relief in this action was vacated following the Supreme Court's decision in *AMG Capital Management LLC v. FTC*, which would have resulted in a monetary windfall to the alleged scammers behind Publishers Business Services. The FTC's settlement of this matter for a suspended judgment of \$14.47 million, after originally having been awarded \$24 million at trial, demonstrates the challenges since the Supreme Court's *AMG* decision.

The FTC took action against Voice over Internet Protocol (VoIP) service provider VoIP Terminator, Inc., a related company, and the firms' owner for assisting and facilitating the transmission of millions of illegal prerecorded telemarketing robocalls, including those they knew or should have known were scams, to consumers nationwide. Many of the calls originated overseas, and related to the COVID-19 pandemic, with the defendants allegedly failing to act as a gatekeeper to stop them. Acting on the Commission's behalf, DOJ filed the complaint in federal district court, along with an order permanently stopping the defendants from such illegal conduct. The order also included a suspended civil penalty of more than \$3 million.

At the request of the FTC, federal courts in California ordered Deltracon, Inc. and XCast Labs, Inc., two VoIP service providers, to turn over information that the agency is seeking as part of ongoing investigations into potentially illegal robocalls. Companies that fail to comply with such federal court orders can be held in contempt. The first order requires VoIP service provider XCast Labs, Inc. (XCast), headquartered in Los Angeles, California, to comply with a CID issued as part of an FTC investigation into a series of illegal robocalls. The second order requires VoIP service provider Deltracon, Inc., located in Irvine, California, to turn over information required under another Commission CID issued in January 2021.

- **Illegal Telemarketing:** The FTC sued American Vehicle Protection Corporation (AVP), a Florida-based group of defendants, for allegedly calling hundreds of thousands of consumers nationwide to pitch them expensive "extended automobile warranties" using deceptive telemarketing tactics. According to a complaint, AVP and related defendants bilked consumers out of more than \$6 million over the last four years, pretending to represent their dealer or car manufacturer, and providing coverage much more limited than represented. The FTC alleges that AVP and several related corporate and individual defendants violated both the FTC Act and the Commission's Telemarketing Sales Rule (TSR) by calling consumers, many of whom were on the Do Not Call Registry, and attempting to sell them the warranties.
- **Telemarketing Sales Rule Updates:** As part of its regulatory review of the Telemarketing Sales Rule, the FTC announced a notice of proposed rulemaking to extend TSR protections against deception to small businesses and to strengthen safeguards against other pernicious telemarketing tactics plaguing consumers. The agency also announced an advance notice of proposed rulemaking seeking comments on updates to the TSR that would address tech-support scams, extend click-to-cancel requirements to telemarketing, and more broadly repeal the TSR's exemption for B2B telemarketing.
- **Fake and Misleading Reviews:** Online fashion retailer Fashion Nova, LLC agreed to pay \$4.2 million and to be prohibited from suppressing customer reviews of its products to settle FTC allegations that the company blocked negative reviews of its products from being posted to its website. The FTC alleged in a complaint that the California-based retailer, which primarily sells its "fast fashion" products online,

misrepresented that the product reviews on its website reflected the views of all purchasers who submitted reviews, when in fact it suppressed reviews with ratings lower than four stars out of five. The case is the FTC's first involving a company's efforts to conceal negative customer reviews.

The FTC and six states filed a lawsuit against rental listing platform Roomster Corp. and its owners John Shriber and Roman Zaks for allegedly duping consumers seeking affordable housing by paying for fake reviews and then charging for access to phony listings. The complaint alleges that Roomster and its owners have taken tens of millions of dollars from largely low-income and student prospective renters who need reliable housing the most and can least afford to lose money. Separately, the FTC and the states filed a proposed order against Jonathan Martinez, who allegedly sold Roomster tens of thousands of fake reviews, requiring him to pay \$100,000 and cooperate in the FTC's case against Roomster.

The FTC is considering changes to tighten its guidelines for advertisers against posting fake positive reviews or manipulating reviews by suppressing bad one and warns social media platforms about inadequate disclosure tools. The FTC is seeking public comment on the proposed updates to its Endorsement Guides, which reflect the new ways that advertisers now reach consumers to promote products and services, including through social media.

- **False Health Claims:** Pursuant to a settlement with the FTC, Health Research Laboratories, LLC, Whole Body Supplements, LLC, and their owner and officer Kramer Duhon are banned from advertising or selling dietary supplements, and from making claims that their products treat, cure, or reduce the risk of disease. The complaint alleged the respondents made unsubstantiated claims that their supplements, The Ultimate Heart Formula, BG18, and Black Garlic Botanicals, prevent or treat cardiovascular and other diseases, and that their supplement Neupathic cures, mitigates, or treats diabetic neuropathy.

At the request of the FTC, a federal district court in California halted illegal tactics used by Redwood Scientific Technologies marketers who deceptively promoted dissolvable oral film strips as effective smoking cessation, weight-loss, and sexual-performance aids. The court's permanent injunction, among other things, bans Jason and Eunjung Cardiff and their companies from selling dissolvable oral film strips directly to consumers, engaging in multi-level marketing, making robocalls, and from using negative-option marketing. It also imposes severe restrictions on their future conduct related to false advertising, fake testimonials, and unauthorized billing. However, despite the fact that the FTC presented evidence that consumers lost \$18.2 million to the defendants' deceptive marketing, the court declined to order any compensation based on the Supreme Court's decision in *AMG Capital Mgmt., LLC v. FTC*, which held that the FTC does not have the ability to obtain monetary relief pursuant to Section 13(b) of the FTC Act.

The FTC took action against California-based Gravity Defyer Medical Technology Corporation and its owner Alexander Elnekaveh, filing a complaint in federal district court to permanently stop their allegedly deceptive pain-relief claims for Gravity Defyer footwear. The FTC alleged that the defendants violated the FTC Act and a 2001 order, which barred them from making misrepresentations through user testimonials or about tests, studies, or research. The FTC claimed that the company's advertisements often targeted older Americans suffering from pain-related conditions like arthritis.

- **Opioid Addiction Recovery Fraud Prevention Act:** The FTC took action against R360 LLC and its owner, Steven Doumar, for deceiving people seeking help for addiction about the evaluation and selection criteria for the treatment centers in their network. The case is the FTC's first under the Opioid Addiction Recovery Fraud Prevention Act of 2018. The agency secured a \$3.8 million civil penalty judgment against the defendants and an order prohibiting them from continuing to make the same kinds of misrepresentations. The FTC alleged that R360 misrepresented to consumers seeking help through its "R360 Network" that it would connect them with treatment centers that met their individualized needs and were selected through a rigorous evaluation process conducted by an expert in substance use disorders and addiction

treatment. In reality, Doumar was responsible for assessing the quality of the treatment centers and deciding which would join the network, and he had no educational or professional experience that qualified him to make these decisions.

- **Stealth Advertising to Kids:** The FTC hosted a virtual event on “Stealth Advertising to Kids,” bringing together researchers, child development and legal experts, consumer advocates, and industry professionals to examine the techniques being used to advertise to children online – in all the various digital spaces children frequent – and what measures should be implemented to protect children from manipulative advertising. In conjunction with the workshop, the FTC sought additional public comment on how children are affected by digital advertising and marketing messages that may blur the line between ads and entertainment.
- **E-Cigarette Report:** The FTC’s first-ever report on e-cigarette products paints a disturbing picture of surging e-cigarette sales and advertising that are likely to damage the health of America’s youth. The report, which is based on industry data provided for the years 2015 to 2018, shows that total e-cigarette sales, including both disposable units and those using changeable cartridges, increased more than six-fold from \$304.2 million to \$2.06 billion in those three years alone. The sales of fruit and other flavored e-cigarette cartridges preferred by youth increased seven-fold over that time, and nicotine concentrations in disposable e-cigarette products also increased.

The FTC’s second report on e-cigarette sales and advertising nationwide shows sales of flavored disposable e-cigarettes and menthol e-cigarette cartridges surging dramatically in 2020. This significant increase, which coincides with a federal ban on the flavored cartridges popular with young smokers, suggests that youth e-cigarette use shifted to substitute products rather than declined. The report also found that the distribution of free and discounted e-cigarettes, a practice linked to a rise in youth smoking, reached record highs.

- **Motor Vehicle Dealers Trade Regulation Rule:** The FTC proposed a rule to ban junk fees and bait-and-switch advertising tactics that can plague consumers throughout the car-buying experience. As auto prices surge, the Commission is seeking to eliminate the tricks and traps that make it hard or impossible to comparison shop or leave consumers saddled with thousands of dollars in unwanted junk charges. The proposed rule would protect consumers and honest dealers by making the car-buying process clearer and more competitive. It would also allow the Commission to recover money when consumers are misled or charged without their consent.
- **Right to Repair:** The FTC took action against motorcycle manufacturer Harley-Davidson Motor Company Group, LLC, Westinghouse outdoor generator maker MWE Investments, LLC, and grill manufacturer, Weber-Stephens Products, LLC for illegally restricting customers’ right to repair their purchased products. The FTC’s complaints charge that the companies’ warranties included terms that conveyed that the warranty is void if customers use independent dealers for parts or repairs. The FTC is ordering Harley-Davidson, Westinghouse, and Weber to fix warranties by removing illegal terms and recognizing the right to repair, come clean with customers, and ensure that dealers compete fairly with independent third parties.
- **Funeral Rule Violations:** On behalf of the FTC, DOJ sued Funeral & Cremation Group of North America, LLC, Legacy Cremation Services, LLC, d/b/a Heritage Cremation Provider, and their owner, Anthony Joseph Damiano, for misrepresenting their location and prices, illegally threatening and failing to return cremated remains to consumers, and failing to provide disclosures required by the Funeral Rule. The FTC is asking the court to halt violations of the FTC Act and the Funeral Rule and impose civil penalties on the defendants.

- **Contact Lens Rule:** New York City-based Vision Path, Inc., the online seller of direct-to-consumer Hubble lenses, agreed to pay penalties and redress totaling \$3.5 million to settle FTC charges that it violated the Contact Lens Rule, including by failing to obtain prescriptions and to properly verify prescription information, and by substituting Hubble lenses for those actually prescribed to consumers. The FTC also alleged the company violated the FTC Act by failing to disclose that many reviews of Hubble lenses were not by unbiased consumers but were written by reviewers who were compensated for their reviews, and, in at least one instance, by one of its own executives. This is the largest amount ever for a matter involving violations of the Contact Lens Rule.

Protecting Privacy and Data Security

- **Children’s Online Privacy Protection Act:** California-based online advertising platform OpenX Technologies, Inc. agreed to pay \$2 million to settle FTC allegations that the company collected personal information from children under 13 without parental consent, a direct violation of the FTC’s Children’s Online Privacy Protection Act Rule (COPPA Rule). The FTC also alleged that despite offering an opt-out option, OpenX collected geolocation information from users who specifically asked not to be tracked. The order requires OpenX to delete all ad request data it collected to serve targeted ads and implement a comprehensive privacy program to ensure it complies with COPPA and stops collection and retention of personal data of children under 13.

In a complaint filed by DOJ on behalf of the FTC, the agency alleged that WW International, Inc., formerly known as Weight Watchers, and a subsidiary, Kurbo, Inc., marketed a weight loss app for use by children as young as eight and then collected their personal information without parental permission. The settlement order requires WW International and Kurbo to delete personal information that was allegedly illegally collected from children under 13, destroy any algorithms derived from the data, and pay a \$1.5 million penalty.

In a new policy statement adopted in May 2022, the FTC announced that it will crack down on education technology companies that illegally surveil children when they go online to learn. The Commission made it clear that it is against the law for companies to force parents and schools to surrender their children’s privacy rights in order to do schoolwork online or attend class remotely. Under COPPA, companies cannot deny children access to educational technologies when their parents or school refuse to sign up for commercial surveillance.

- **Deceptively Collected Data:** The FTC took action against Twitter, Inc. for deceptively using account security data for targeted advertising. Twitter prompted users to provide their phone numbers and email addresses specifically for purposes of enabling two-factor authentication to protect their accounts. The firm then profited by allowing advertisers to use this data to target specific users. The FTC alleged that Twitter’s deception violates a 2011 FTC order that explicitly prohibited the company from misrepresenting its privacy and security practices. The order requires Twitter to pay a \$150 million penalty and bans them from profiting from its deceptively collected data.
- **Data Security:** The FTC finalized an order against CafePress over allegations that it failed to secure consumers’ sensitive personal data, including Social Security numbers, and covered up a major data breach. The Commission’s order requires the company to implement comprehensive information security programs and requires its former owner to pay \$500,000 to compensate small businesses.

The FTC finalized a settlement with the operators of the MoviePass over allegations they took steps to block subscribers from using the service as advertised, while also failing to secure subscribers’ personal data. Under the settlement, MoviePass, Inc., its parent company Helios and Matheson Analytics, Inc. (Helios), and their principals, Mitchell Lowe and Theodore Farnsworth, are barred from misrepresenting

their business and data security practices. In addition, any businesses controlled by MoviePass, Helios, or Lowe must implement comprehensive information security programs.

- **Safeguards Rule:** The FTC announced a newly updated rule that strengthens the data security safeguards that financial institutions are required to put in place to protect their customers' financial information. In recent years, widespread data breaches and cyberattacks have resulted in significant harms to consumers, including monetary loss, identity theft, and other forms of financial distress. The FTC's updated Safeguards Rule requires non-banking financial institutions, such as mortgage brokers, motor vehicle dealers, and payday lenders, to develop, implement, and maintain a comprehensive security system to keep their customers' information safe.

The FTC gave final approval to a settlement with Ascension Data & Analytics, LLC, resolving allegations the firm violated Gramm-Leach Bliley Act's Safeguards Rule. The FTC alleged that Ascension, a mortgage industry data analytics company, failed to ensure one of its vendors was adequately securing personal data about tens of thousands of mortgage holders. The order requires the company to implement a comprehensive data security program.

- **Data Location:** The FTC finalized an order banning SpyFone and its CEO Scott Zuckerman from the surveillance business. The FTC alleged that Support King, LLC, which did business as SpyFone.com, and its CEO Scott Zuckerman sold stalkerware apps that allowed purchasers to surreptitiously monitor GPS locations, photos, text messages, web histories, and other personal information of the phone on which the app was installed, without the device owner's knowledge. The company's apps sold real-time access to their secret surveillance, allowing stalkers and domestic abusers to stealthily track the potential targets of their violence. SpyFone's lack of basic security also exposed device owners to hackers, identity thieves, and other cyber threats. In addition to the ban on offering, promoting, selling, or advertising any surveillance app, service, or business, the order also requires Support King and Zuckerman to delete any information illegally collected from their stalkerware apps. It also orders them to notify owners of devices on which SpyFone's apps were installed that their devices might have been monitored and the devices might not be secure.

The FTC filed a lawsuit against data broker Kochava Inc. for selling geolocation data from hundreds of millions of mobile devices that can be used to trace the movements of individuals to and from sensitive locations. Kochava's data can reveal people's visits to reproductive health clinics, places of worship, homeless and domestic violence shelters, and addiction recovery facilities. The FTC alleges that by selling data tracking people, Kochava is enabling others to identify individuals and exposing them to threats of stigma, stalking, discrimination, job loss, and even physical violence. The FTC's lawsuit seeks to halt Kochava's sale of sensitive geolocation data and require the company to delete the sensitive geolocation information it has collected.

- **Commercial Surveillance:** The FTC announced it is exploring rules to crack down on harmful commercial surveillance and lax data security. Commercial surveillance is the business of collecting, analyzing, and profiting from information about people. Mass surveillance has heightened the risks and stakes of data breaches, deception, manipulation, and other abuses. The FTC's Advance Notice of Proposed Rulemaking (ANPR) seeks public comment on the harms stemming from commercial surveillance and whether new rules are needed to protect people's privacy and information.

The FTC hosted a public forum seeking public comment on the harms stemming from commercial surveillance and lax data security practices and whether new rules are needed to protect people's privacy and information. The Commercial Surveillance and Data Security Public Forum explored a wide range of concerns that the FTC is seeking comment on through its ANPR. For example, some companies fail to adequately secure the vast troves of consumer data they collect, putting that information at risk to hackers and data

thieves. Other concerns relate to the growing body of evidence that some commercial surveillance-based services may be addictive to children and lead to a wide variety of mental health and social harms, and the automated systems that analyze data companies collect, which are prone to errors, bias, and inaccuracy.

- **Lead Generators:** ITMedia Solutions LLC, a lead generation company that collected sensitive information from millions of consumers under the guise of connecting them with lenders, agreed to pay \$1.5 million in civil penalties and face restrictions on their operations as a result of an FTC lawsuit. The FTC's complaint alleged that since at least 2012, ITMedia Solutions LLC, a number of affiliate companies, and their owners and officers operated hundreds of websites that were designed to entice consumers into sharing their most sensitive financial information, including their Social Security numbers and bank account information. The defendants sold that information to marketing companies and others without regard for how the information would be used, according to the complaint.
- **Fair Credit Reporting Act:** MyLife.com, Inc. and its CEO, Jeffrey Tinsley, were banned from engaging in deceptive negative option marketing and will pay \$21 million following allegations that they tricked consumers with "teaser background reports" and trapped them in difficult-to-cancel subscription programs. According to a complaint filed in July 2020 by DOJ on behalf of the FTC, MyLife.com and Jeffrey Tinsley falsely claimed that the company's background reports on particular individuals may contain arrest, criminal, and sexual offender records, even when they did not include such information, to try to trick consumers into signing up for auto-renewing, premium subscriptions. In addition to banning Tinsley and MyLife from offering any product with a negative option feature, the order also requires MyLife to implement a monitoring program to ensure the company is complying with the FCRA.
- **Internet Service Providers Report:** The FTC issued a staff report "A Look at What ISPs Know About You: Examining the Privacy Practices of Six Major Internet Service Providers" detailing the expanding scope and some troubling aspects of some ISP data collection practices. The report highlighted that many ISPs collect and share far more data about their customers than many consumers may expect, including access to all of their Internet traffic and real-time location data, while failing to offer consumers meaningful choices about how this data can be used. The report concludes that many of the ISPs' data collection and use practices mirror problems identified in other industries and underscore the importance of restricting data collection and use.
- **Artificial Intelligence Report:** The FTC issued a report to Congress warning about using artificial intelligence (AI) to combat online problems and urging policymakers to exercise "great caution" about relying on it as a policy solution. The use of AI, particularly by big tech platforms and other companies, comes with limitations and problems of its own. The report, "Combatting Online Harms Through Innovation," outlines significant concerns that AI tools can be inaccurate, biased, and discriminatory by design and incentivize relying on increasingly invasive forms of commercial surveillance.
- **Dark Patterns:** The FTC released a report, "Bringing Dark Patterns to Light," showing how companies are increasingly using sophisticated design practices known as "dark patterns" that can trick or manipulate consumers into buying products or services or giving up their privacy. The dark pattern tactics detailed in the report include disguising ads to look like independent content, making it difficult for consumers to cancel subscriptions or charges, burying key terms or junk fees, and tricking consumers into sharing their data. The report highlighted the FTC's efforts to combat the use of dark patterns in the marketplace and reiterated the agency's commitment to taking action against tactics designed to trick and trap consumers.
- **Identity Theft:** The FTC maintains the federal government's central repository for identity theft complaints. Consumers can file complaints through the agency's website or by calling a toll-free number (1-877-ID-THEFT). Identity theft victims can go online to the FTC's [IdentityTheft.gov](https://www.ftc.gov/identity-theft) website and get a free, personalized identity theft-recovery plan. The one-stop website is integrated with the FTC's consumer complaint

system, allowing consumers who are victims of identity theft to rapidly file a complaint with the FTC and then get a personalized guide to recovery that helps streamline many of the steps involved. Victims can create user accounts, get detailed, custom recovery plans based on their unique experiences, and create the documents they need to alert police, the nationwide consumer reporting agencies, and the Internal Revenue Service (IRS). Consumers can also report identity theft to the IRS electronically through the FTC's [IdentityTheft.gov](https://www.ftc.gov/identitytheft) website.

Protecting Every Community

- **Scams Targeting Black Consumers:** The FTC and State of Illinois took action against Napleton, a large, multistate auto dealer group based in Illinois, for sneaking illegal junk fees for unwanted “add-ons” onto customers’ bills and for discriminating against Black consumers by charging them more for financing. Napleton agreed to pay \$10 million to settle the lawsuit brought by the FTC and the State of Illinois, a record-setting monetary judgment for an FTC auto lending case.
- **Scams Targeting Older Americans:** The FTC released the report, “Protecting Older Consumers 2020-2021: A Report of the Federal Trade Commission,” which highlights trends in how older adults report being affected by fraud. The report also includes information on the FTC’s efforts to protect older consumers through law enforcement actions and outreach and education programs. This year’s report calls particular attention to the Commission’s work to combat scams related to the COVID-19 pandemic.

The FTC held the first meeting of the newly formed Scams Against Older Adults Advisory Group that included representatives from 13 federal and state government agencies, along with representatives from industry and consumer advocates. The advisory group, which was created as part of the Stop Senior Scams Act passed in FY22, is led by the FTC and will tackle four topics: 1) expanding consumer education efforts; 2) improving industry training on scam prevention; 3) identifying innovative or high-tech methods to detect and stop scams; and 4) developing research on consumer or employee engagement to reduce fraud.

- **Communities of Color:** New research in the staff report “Serving Communities of Color” from the FTC shows a number of key differences in the way that fraud and other consumer problems affect communities of color, from the types of problems reported to the methods used to pay scammers. The report highlights the FTC’s law enforcement and outreach work addressing consumer protection issues facing these communities in addition to the newly published research.

Protecting Small Businesses

- **Made in the USA:** Resident Home LLC and owner Ran Reske agreed to pay \$753,000 to settle FTC charges that they made false, misleading, or unsupported advertising claims that their imported DreamCloud mattresses were made from 100% USA-made materials. Resident Home LLC is the parent of Nectar Brand LLC (better known as Nectar Sleep), a company that had previously agreed to a 2018 FTC administrative order resolving allegations that it falsely advertised imported mattresses as “Assembled in USA.” Following the 2018 order, Reske, under penalty of perjury, stated that Resident had never made U.S.-origin claims about its DreamCloud mattress. This proved to be untrue. The order incorporates the terms of the 2018 order, orders the payment of \$753,000, and expands the application of the 2018 order to all the entities under the control of Reske.

The FTC used its authority under the Made in USA Labeling Rule to bring a complaint against Lithionics Battery LLC and its owner, Steven Tartaglia, for illegally misrepresenting that its lithium-ion cells are made in the United States. The FTC’s complaint alleges that since at least 2018, Lithionics has falsely labeled its battery products with an American flag image surrounded by the words “Made in U.S.A.,” often accompanied by the statement “Proudly Designed and Built in USA,” when these products are primarily made overseas. The Commission is asking the court to order Lithionics and Tartaglia to stop making deceptive Made in USA claims and pay a penalty for Lithionics’ past claims.

The FTC finalized an order against apparel company Lions Not Sheep Products, LLC and its owner Sean Whalen for falsely claiming that its imported apparel is Made in USA. According to the FTC’s complaint, the company added phony Made in USA labels to clothing and accessories imported from China and other countries. The order requires Lions Not Sheep and Whalen to stop making bogus Made in USA claims, come clean about foreign production, and pay a monetary judgment of \$211,335.

The FTC sued Electrowarmth Products, LLC and its owner, Daniel W. Grindle, alleging that they deceptively claimed the heated fabric mattress pads they sell for truck bunks were made in the USA. The FTC charged Grindle and Electrowarmth with violating the Textile Act and the FTC Act. The agency’s proposed order would stop Grindle and Electrowarmth from deceptively claiming that products were Made in USA, when in fact they were made in China.

The FTC referred a complaint to the Department of Justice alleging Adam J. Harmon and two companies he controls falsely told consumers that personal protective equipment they marketed during the pandemic, as well as light fixtures they sold, were made in the United States. The FTC charged Harmon and his two companies, Axis LED Group, LLC and ALG-Health LLC, with violating the COVID-19 Consumer Protection Act, the Made in USA Labeling Rule and the FTC Act. The agency’s proposed order would stop them from making deceptive claims that products were Made in USA – or, that because they were Made in USA, they provided superior protection from COVID-19. The order also would require them to pay a civil penalty for their past deceptive claims.

- **Protecting Gig Workers:** The FTC issued an administrative complaint against Denver-based HomeAdvisor, Inc., a company affiliated with Angi, alleging it used a wide range of deceptive and misleading tactics in selling home improvement project leads to service providers, including small businesspeople operating in the “gig” economy. The FTC’s complaint against HomeAdvisor alleges that since at least the middle of 2014, it has made false, misleading, or unsubstantiated claims about the quality and source of the leads the company sells to service providers, such as general contractors and small lawn care businesses, who are in search of potential customers.

The FTC adopted a new policy statement on enforcement related to gig work that outlines areas where the FTC will act to protect gig workers from unfair, deceptive, and anticompetitive practices. The policy statement outlines a number of issues facing gig workers, including deception about pay and hours, unfair contract terms, and anticompetitive wage fixing and coordination between gig economy companies.

- **Small Business Lending:** Two of the defendants behind an alleged small business financing scheme, RAM Capital Funding, LLC and its owner Tzvi Reich, agreed to pay \$675,000 to settle FTC charges that they used deceptive and illegal means to seize assets from small businesses, non-profits, and religious organizations. In addition, the order permanently bans the defendants from the merchant cash advance and debt collection industries.

The FTC’s lawsuit against RCG Advances, LLC and Robert Giardina led to a court order that permanently bans the company and owner from the merchant cash advance industry for deceiving and threatening small businesses and their owners. The FTC alleged that the scheme’s operators lied to small business owners about terms and fees for their financing and threatened them with violence when they were unable to pay. The court ordered RCG Advances and Giardina to pay \$2.7 million to refund consumers.

- **Small Business Credit Reporting:** The FTC finalized an order against Dun & Bradstreet (D&B), a provider of business credit report services, for deceiving businesses about the value of products they offered and for failing to correct errors on businesses’ credit reports. The order requires D&B to make substantial changes to its processes that will significantly benefit small- and medium-sized businesses, as well as provide refunds to businesses harmed by the company’s deceptive practices in selling its CreditBuilder products.

Deterring Fraud Market-Wide

- **Penalty Offense Authority:** The Commission launched an initiative to revive its Penalty Offense Authority to deter unfair and deceptive practices on a market-wide basis and to protect consumers from scams that prey on economic precarity. The Penalty Offense Authority empowers the Commission to seek civil penalties of up to \$46,517 per violation if an entity engages in conduct that the Commission has previously found unfair or deceptive in an administrative order other than a consent. To trigger this authority, the FTC can send a Notice of Penalty Offenses outlining conduct that the Commission has determined is unlawful. The Commission sent Notice of Penalty Offenses to more than 1,100 businesses, including dozens of companies operating in the gig economy, putting them on notice that misleading money-making claims could lead to civil penalties. The FTC also sent Notices of Penalty Offense to over 700 businesses regarding fake reviews and other misleading endorsements and to 70 for-profit colleges regarding deceptive or misleading job and earning prospects.

The FTC used its Penalty Offense Authority to take action against national retailers Kohl's, Inc. and Walmart, Inc. for falsely marketing dozens of rayon textile products as bamboo. Both companies were also charged with making deceptive environmental claims, touting that the "bamboo" textiles were made using ecofriendly processes, while in reality converting bamboo into rayon requires the use of toxic chemicals and results in hazardous pollutants. The court orders require Kohl's and Walmart to stop making deceptive green claims or using other misleading advertising, and pay penalties of \$2.5 million and \$3 million, respectively, by far the largest penalties in this area. The complaints and proposed orders were filed by DOJ on the FTC's behalf.

- **Impersonation Fraud:** The FTC proposed a rule to fight government and business impersonation scams, a perennial scourge that has cost consumers hundreds of millions of dollars over the past five years. Fraud reports to the FTC about government and business impersonation scams rose sharply at the beginning of the COVID-19 pandemic. The FTC received more than 2.5 million reports of these scams from consumers nationwide from the beginning of 2017 through the middle of 2022, and those consumers reported losing more than \$2 billion to these scams. The proposed rule would codify the well-understood principle that impersonation scams violate the FTC Act, as do those who provide impersonators with the means to harm consumers. The proposed rule would allow the Commission to recover money from, or seek civil penalties against, scammers who harm consumers in violation of the rule.
- **Deceptive Earnings Claims:** The FTC launched an Advance Notice of Proposed Rulemaking to challenge bogus money-making claims used to lure consumers, workers, and prospective entrepreneurs into risky business ventures that often turn into dead-end debt traps. If finalized, a rule in this area would allow the Commission to recover redress for defrauded consumers, and seek steep penalties against multilevel marketers, for-profit colleges, "gig economy" platforms, and other bad actors who prey on people's hopes for economic advancement.
- **Negative Option Marketing:** The FTC issued a new enforcement policy statement warning companies that they will face legal action if their sign-up process fails to provide clear, up-front information, obtain consumers' informed consent, and make cancellation easy. The statement builds on the many enforcement actions taken by the FTC and other law enforcement agencies against illegal subscription tricks and traps sometimes used by unscrupulous sellers in automatic renewal subscriptions, continuity plans, free-to-pay or free-to-pay conversions, and pre-notification plans.

Protecting Consumers in the Financial Marketplace

- **Money Transfer Services:** The FTC sued Walmart for allowing its money transfer services to be used by fraudsters, who fleeced consumers out of hundreds of millions of dollars. According to the complaint, Walmart did not properly train its employees, failed to warn customers, and used procedures that allowed fraudsters to cash out at its stores. Based on information from fraud databases maintained by

MoneyGram, Western Union, and Ria, from 2013 to 2018 more than \$197 million in payments that were the subject of fraud complaints were sent or received at Walmart, with more than \$1.3 billion in related payments also possibly connected to the fraud. The FTC is asking the court to order Walmart to return money to consumers and to impose civil penalties for Walmart's violations of the Telemarketing Sales Rule.

- **Payment Processors:** The FTC obtained an order permanently banning Automatic Funds Transfer Services, Inc. (AFTS), a payment processor that facilitated a fraudulent student loan debt relief scheme, from processing debt relief payments. The FTC's complaint against AFTS and its owner, Eric Johnson, alleges that AFTS processed at least \$31 million in consumer payments for a fraudulent student loan debt relief scheme sued by the FTC in 2019. The order also requires the company and its owner to surrender \$500,000 to the FTC for consumer redress.

Hornbeam Special Situations, LLC, a payment processing company that allegedly helped a bogus discount club scheme debit tens of millions of dollars from consumers without authorization, will pay \$2.3 million and face a permanent ban from working with high-risk clients as a result of an FTC lawsuit. The FTC alleged that iStream Financial Services and its senior officers, Kris Axberg and Richard Joachim, debited money from consumers who were seeking payday or cash advance loans, but instead were enrolled in a bogus coupon service. The complaint alleged that 99.5 percent of the consumers being illegally charged for the "discount clubs" never accessed any coupons, and that tens of thousands called the defendants to try and cancel the charges, while thousands more disputed the charges directly with their banks.

The FTC finalized an order against Electronic Payment Systems for allegedly opening credit card processing merchant accounts for fictitious companies on behalf of Money Now Funding, a business opportunity scam that the FTC previously sued. By ignoring warning signs that the merchants were fake, Electronic Payment Systems assisted Money Now Funding in laundering millions of dollars of consumers' credit card payments to the scammers from 2012 to 2013. The FTC ordered Electronic Payment Systems and its owners John Dorsey and Thomas McCann to make a number of substantial changes to their processes that will ensure they do not further harm consumers moving forward including prohibiting them from credit card laundering, prohibiting them from working with certain merchants, and requiring them to screen potential merchants.

The FTC took action against payment processing company First American Payment Systems and two of its sales affiliates for trapping small businesses with hidden terms, surprise exit fees, and zombie charges. The FTC alleges that the defendants made false claims about fees and cost savings to lure merchants, many of whom had limited English proficiency. Once merchants were enrolled, the defendants withdrew funds from their accounts without their consent and made it difficult and expensive for them to cancel the service. Under a proposed federal court order, the defendants will be required to return \$4.9 million to harmed businesses, stop their deception, and make it easier for merchants to cancel their services.

- **Credit Repair Scheme:** At the request of the FTC and DOJ, a federal judge issued an injunction against Texas-based Turbo Solutions Inc., which does business as Alex Miller Credit Repair, and its owner Alex V. Miller from operating a credit repair scheme that allegedly bilked consumers out of millions of dollars. The complaint alleged that the defendants claimed that they would remove negative information from credit reports, also filed fake identity theft reports to the FTC's [IdentityTheft.gov](https://www.ftc.gov/identitytheft) website to explain negative items on customers' credit reports. The complaint also alleges that Miller and his company have violated the Credit Repair Organizations Act by failing to include disclosures detailing the cancellation policies and failing to provide all consumers with a copy of contracts they are required to sign to obtain the company's services.

At the request of the FTC, a federal court temporarily halted a bogus credit repair scheme known as The Credit Game. The FTC alleges that the company has illegally charged consumers hundreds and even

thousands of dollars for credit repair services of little to no value and told consumers to “invest” their COVID-19 governmental benefits in a business opportunity that amounted to starting their own bogus credit repair scheme. In some cases, the company’s “services” also allegedly included filing false identity theft reports with the FTC and encouraging consumers to take actions that were unlawful.

The FTC took action against Financial Education Services and its owners, Parimal Naik, Michael Toloff, Christopher Toloff, and Gerald Thompson, as well as a number of related companies, for scamming consumers out of more than \$213 million in a bogus credit repair scheme. In response to a complaint filed by the FTC, a federal court has temporarily shut down the sprawling scheme. The FTC’s complaint alleges that the company preys on consumers with low credit scores by luring them in with the false promise of an easy fix and then recruiting them to join a pyramid scheme selling the same worthless credit repair services to others.

- **Consumer Credit:** The Federal Trade Commission issued an advisory opinion to address the Holder Rule’s impact on consumers’ ability to recover costs and attorneys’ fees – an issue that had repeatedly arisen in state court cases. The Commission previously addressed the impact of the Rule on costs and attorneys’ fees in a May 2019 Federal Register Notice, but some courts and finance companies misinterpreted the Commission’s statements to suggest that the Rule preempts state laws that authorize attorney fee awards against loan holders. The advisory opinion makes clear that the Rule does not eliminate any rights a consumer may have as a matter of separate state, local or federal law.
- **Military Lending:** The FTC and a group of 18 states sued national jewelry retailer Harris Jewelry, alleging that it deceptively claimed that financing jewelry purchases through Harris would raise servicemembers’ credit scores, misrepresented that its protection plans for things like ring and watch sizing and battery replacement were not optional or were required, and added the protection plans to purchases without consumers’ consent. In addition, the FTC charged that the defendants failed to include certain written disclosures in its retail installment contracts as required by the Truth in Lending Act and Military Lending Act, failed to meet the Electronic Fund Transfer Act’s authorization requirements, and failed to include required Truth in Lending Act disclosures in online and print ads. They also allegedly failed to make certain required point-of-sale oral disclosures required by the Military Lending Act. Under a proposed order with the FTC and multistate group, the company must stop collection of millions of dollars in debt, provide approximately \$10.9 million in refunds for purchased protection plans, provide refunds for overpayments, and assist with the deletion of any negative credit entries pertaining to debt in consumers’ credit reporting file. In addition, Harris Jewelry must directly contact consumers entitled to protection plan refunds and must post a notice on its website about how customers can get their refunds.
- **Coaching Schemes:** The operators of Zurixx, LLC, a massive real estate investment coaching scheme, agreed to pay \$12 million for consumer redress and to permanent bans from marketing or selling any real estate or business coaching programs as part of a settlement in a lawsuit filed by the FTC and the Utah Department of Commerce Division of Consumer Protection (UDCP). The FTC and UDCP alleged that Zurixx, LLC, its owners Christopher Cannon, James Carlson, and Jeffrey Spangler, and a number of associated companies operated a real estate investment coaching scheme that sold live seminars and telephone coaching using false earnings claims that convinced tens of thousands of consumers to pay them thousands or tens of thousands of dollars. The defendants bolstered sales by partnering with home-improvement and flipping television celebrities.
- **Phantom Debt Collectors:** Defendants in the National Landmark Logistics LLC case agreed to be permanently banned from the debt collection industry as part of a settlement resolving FTC charges they threatened consumers with legal action to collect on debts that did not exist. The FTC alleged the defendants used illegal robocalls to leave messages with consumers that threatened lawsuits and arrest. When consumers returned the calls, the defendants falsely claimed to be from a mediation or law firm, again

threatened legal action, and used consumers' personal information to convince consumers the threats were real. The defendants turned around and pocketed the money, despite the fact that in many instances, consumers did not owe the debt being collected on or the defendants had no right to collect it. The settlement also includes a monetary judgment of \$12.1 million, which is partially suspended due to an inability to pay. In addition, the defendants will be required to surrender the contents of numerous bank and investment accounts, as well as the title to property located in Philadelphia and a Mercedes SL 550 or the cash value of those assets.

- **Debt Relief:** GDP Network LLC, the operators of an alleged credit card interest rate reduction scam, agreed to be permanently banned from the debt relief industry as part of court orders resolving charges by the FTC and the Florida Office of the Attorney General. The defendants, Gino de Paz, Grace de Paz, and Shabana Khublal, allegedly engaged in deceptive and abusive practices violating the FTC Act, the Telemarketing Sales Rule, and the Florida Deceptive and Unfair Trade Practices Act in selling their credit card interest rate reduction services to consumers throughout the United States. The orders impose monetary judgments of \$5.3 million, which will be partially suspended once the de Pazes pay \$225,000 and Khublal pays \$200,000.

Criminal Referrals

The FTC continues to refer egregious violators to criminal law enforcement agencies for prosecution. In FY 2022, FTC staff actively worked on 90 new formal requests for cooperation from our criminal law enforcement partners, including 53 federal, 34 state, and three local requests. Prosecutors relied on FTC information and support to charge 11 new defendants and obtained 24 new pleas or convictions. Thirty-eight defendants received prison sentences totaling more than 86 years. One of these defendants, Michael Pearse, was sentenced to 109 months in prison for his participation in a \$50 million scheme to charge hundreds of thousands of mobile phone customers hidden and recurring fees for unsolicited text messaging services. Another defendant, David Johnson, was sentenced by the Superior Court of Arizona in Maricopa County to five years in prison for his participation in a multimillion-dollar business opportunity scheme that targeted seniors and others living on a fixed income with false promises of substantial earnings and a money back guarantee. The Criminal Liaison Unit (CLU) program awarded the Prosecutor's Award to Katherine Kopita of the U.S. Attorney's Office, Northern District of New York, for the successful extradition and indictment of former FTC defendants in a directory scam that preyed on small businesses.

The FTC expanded its criminal referral program as part of its work to stop and deter corporate crime. While the FTC's authority is limited to civil enforcement, the policy statement adopted at the FTC's November 2021 open meeting of the Commission enhance the agency's efforts to combat the criminal misconduct the FTC uncovers in consumer protection and antitrust investigations. The new measures outlined in the policy statement ensure that cases are promptly referred to local, state, federal and international criminal law enforcement agencies so that corporations and their executives are held accountable for criminal behavior.

Economic Research and Outreach

In addition to conducting analysis for FTC enforcement matters, the FTC conducts research and outreach on the economics of consumer protection more generally. In November 2021, the Commission hosted its Fourteenth Annual Microeconomics Conference, convening researchers, regulators, and others to discuss antitrust and consumer protection policy issues that FTC economists encounter in their work. In December 2021, the "Review of Industrial Organization" published an article in its annual Antitrust and Regulatory Update Special Issue entitled "Economics at the FTC: Multi-level Marketing and a Coal Joint Venture" highlighting research conducted in the Bureau of Economics.

International Consumer Protection

Strong cross-border cooperation plays a key role in effective law enforcement. Despite continuing challenges due to COVID-19, in FY 2022, the FTC's Office of International Affairs (OIA) assisted with numerous consumer

protection investigations, litigations, and enforcement-related projects. OIA also continued to develop strong bilateral relationships with foreign consumer, privacy, and law enforcement authorities around the globe and represented the agency in international organizations and enforcement networks on a range of complex global consumer policy and enforcement issues, online frauds, digital advertising, and privacy and data security.

The FTC continues to cooperate with a range of foreign agencies and multilateral organizations on enforcement-related investigations, cases, and projects. In 2020, Congress reauthorized the U.S. SAFE WEB Act, which supports FTC information sharing and investigative assistance with the agency's foreign counterparts. The FTC continues its active participation in the International Consumer Protection and Enforcement Network (ICPEN). In particular, the FTC supports econsumer.gov, a multilingual, ICPEN complaint collection, information sharing, and consumer education project. During FY 2022, the agency worked with foreign counterparts to add a series of consumer education alerts and added Portuguese as the site's ninth language. The FTC also continued its leading role in the Global Privacy Enforcement Network (GPEN). FTC staff serves on the executive committee, and is contributing to an update of the network's action plan based on the last decade of experience.

To complement its international enforcement work, the FTC provided input to international policy organizations such as the OECD, UNCTAD, APEC, and the Global Privacy Assembly, dealing with such issues as dark commercial patterns, artificial intelligence, and international data transfers. The FTC similarly participated in regional networks, such as the Asia Pacific Privacy Authorities Forum, the African Consumer Protection Dialogue, and the Iberoamerican network of consumer authorities (FIAGC). Chair Khan and the European Commissioner for Justice and Consumers, Didier Reynders, announced the launch of a consumer dialogue in March 2022, and the FTC participated in a G7 project for national authorities to engage in dialogues on various cutting edge privacy topics, leading an initiative to rethink remedies.

Law Enforcement Tools

- **Consumer Response Center (CRC):** In FY 2022, the CRC handled more than 53,000 inquiries and complaints from consumers and businesses each week, for a total of 2.8 million complaints and inquiries.
- **Consumer Sentinel Network (CSN):** In FY 2022, more than 8.0 million fraud, identity theft, financial, and DNC complaints were added to the FTC's CSN database. Nearly 3,000 law enforcement users worldwide have access to CSN.
- **National DNC Registry:** The Registry has continued to protect consumers from receiving unwanted commercial telemarketing calls. In FY 2022, the number of telephone numbers on the Registry were just under 247 million.

Advocacy

The FTC files comments with federal and state government bodies advocating for policies that promote the interests of consumers and highlighting the role consumer and empirical research might play in their decision-making.

Staff submitted an amicus brief jointly with the Consumer Financial Protection Bureau and the North Carolina Department of Justice in *Henderson v. The Source for Public Data, L.P., et al.*, urging the court to overturn a lower court decision. The brief addresses the district court's erroneous application of Section 230 of the Communications Decency Act to find the defendant consumer reporting agency immune from claims that it violated the Fair Credit Reporting Act (FCRA). The brief argues that Section 230 does not provide immunity because the plaintiffs' FCRA claims do not seek to impose liability on the consumer reporting agency as the publisher or speaker of another person's content, as Section 230 requires. The brief further argues that the district court incorrectly applied Section 230 when it found the defendant is not an "information content provider" with respect its consumer reports, because the plaintiffs sufficiently alleged that the company was responsible for the creation or development of the reports.

In *Patel, et al. v. 7-Eleven, Inc.*, the FTC filed an amicus brief with the Supreme Judicial Court for the Commonwealth of Massachusetts advising the court that the FTC’s Franchise Rule does not address and cannot be used to determine whether franchisees governed by the FTC rule are employees under state law. The Commission took no position on how the state law applies. The FTC’s brief argues that the Franchise Rule requires franchisors to make specified disclosures to franchisees but does not address whether a franchisee is an employee or an independent contractor under Massachusetts law and does not preempt state law.

The FTC joined the Consumer Financial Protection Bureau, DOJ, and the Board of the Federal Reserve in an amicus brief filed with the United States Court of Appeals for the Seventh Circuit in the case *John Fralish v. Bank of America*. The brief urges the court to adopt a reading of the Equal Credit Reporting Act, which the Commission enforces through Section 5 of the FTC Act, that reflects statutory text, history, and purpose. The joint brief argues that the term “applicant” as used in the Equal Credit Opportunity Act is best read to protect existing holders of credit as well as persons who have sought but not yet been granted credit from unlawful discrimination.

The FTC joined the Consumer Financial Protection Bureau in an amicus brief filed with the United States Court of Appeals for the Second Circuit in the case of *Sessa v. TransUnion*. The brief asks the court to overturn a lower court decision, which held that TransUnion was not liable for failing to investigate a wrongfully reported debt because the inaccuracy was “legal” and not “factual.” The lower court held that legal inaccuracies are exempt from the requirement under the Fair Credit Reporting Act that consumer reporting agencies “follow reasonable procedures to assure maximum possible accuracy” of consumer reports. The FTC’s brief highlighted that since this law was enacted, it has allowed enforcers and consumers to hold consumer reporting agencies accountable for the incorrect information they place on consumers’ credit reports. It further argued that this authority is especially critical in the credit reporting market, where consumers have no options for avoiding credit reporting agencies and there are few incentives to fix sloppy mistakes.

The FTC joined the Consumer Financial Protection Bureau in filing an amicus brief with the U.S. Court of Appeals for the Third Circuit in the case of *Ingram v. Experian*. The brief asks the appeals court to overturn a lower court’s decision that could create an exception to the Fair Credit Reporting Act (FCRA) allowing furnishers of credit information to decline to investigate when consumers dispute inaccurate information in certain circumstances. The brief argues that the holding could undercut a key protection provided by the FCRA that allows consumers to dispute and correct inaccurate information in their credit reports.

MAINTAINING AND PROMOTING FAIR COMPETITION

The FTC enforces the antitrust laws to maintain a vibrant economy, which benefits American consumers, workers, and honest businesses. The Commission focuses its competition enforcement efforts on a range of critically important industry sectors, including technology, healthcare, energy, consumer goods and services, and manufacturing. In FY 2022, despite the lingering effects of a global pandemic, the agency continued its vigorous enforcement by bringing twenty-four competition enforcement actions; in seven matters the Commission initiated federal court or administrative litigation, and in another twelve matters the Commission issued consent orders to remedy prospective harm to competition. Notably, in a continued effort to maximize enforcement effectiveness, each of the consent orders issued by the Commission included tailored prior approval provisions—a powerful enforcement tool that provides the Commission with advance notice of certain future transactions and the opportunity to review them, allowing staff to efficiently guard against potential harm to competition in markets of known concern. In an additional five merger matters, the parties abandoned or restructured their proposed acquisitions to address Commission concerns that the original transaction likely would have harmed competition; these results preserved competition in the affected markets, without resource-intensive litigation.

The FTC also continued to monitor and enforce compliance with existing consent orders (including prior approval provisions), as well as with merger and acquisition reporting obligations under the Hart-Scott-Rodino (HSR) Act. Following the FY 2021 merger filing wave, the FTC has continued to face near-record HSR filing levels in FY 2022. As the agency has continued to stretch its limited merger review and investigatory staff resources, this influx of filings has highlighted the importance of collecting targeted, relevant data to aid in comprehensive merger review. To that end, agency staff continue to consider whether HSR rulemakings are needed to better align the HSR rules and form requirements with current marketplace realities, to ensure that staff obtain the information they need to evaluate prospective acquisitions reported under the Act.

Technology

- **Monopolization in Technology Markets:** The Commission has devoted substantial resources to rooting out and challenging anticompetitive practices in dynamic technology markets. While the public may benefit from new products and services available on popular platforms, they may also be harmed by anticompetitive conduct; therefore, the FTC is committed to aggressively pursuing antitrust enforcement to root out these practices and protect the public. Notably, in December 2020 the Commission authorized staff to file a landmark monopolization case against Facebook (now Meta) in federal court. The complaint alleged the company has engaged in a systematic strategy, including the acquisition of nascent competitors, to maintain its monopoly, thereby allowing Meta to impose anticompetitive terms on software developers. After the judge granted Meta's motion to dismiss the FTC's complaint, the Commission filed an amended complaint in August 2021. In January 2022, the judge denied Meta's motion to dismiss the amended complaint. This matter is pending in federal court. The FTC continues to monitor new and emerging areas in technology markets, including virtual reality. In July 2022, the FTC filed a second case against Meta, this time seeking to block the acquisition of Within Unlimited and its popular virtual reality dedicated exercise app, Supernatural. The Commission filed an amended complaint in October 2022 alleging that the proposed acquisition would tend to create a monopoly in the virtual reality dedicated exercise app market. The complaint further alleges that absent the proposed acquisition, Meta would likely have entered the VR dedicated exercise app market, leading to deconcentration in the market. Following a federal court hearing in December 2022, this matter is pending in federal court.
- **Semiconductor Chips:** In December 2021, The FTC initiated administrative adjudication to block U.S. chip supplier Nvidia Corp.'s \$40 billion acquisition of U.K. chip design provider Arm Ltd. Semiconductor chips power computers and technologies that are essential to our modern economy and society. The proposed vertical integration of Nvidia and Arm would have given one of the largest chip companies control over licensed computing technology and designs that rival firms rely on to develop their own competing chips. The FTC's complaint alleged that the combined firm could stifle innovative next-generation technologies, including chips that power a wide range of modern computing devices from smartphones to tablets to driver-assistance systems to computers in large datacenters. Because Arm's technology is a critical input that enables competition between Nvidia and other chipmakers in several markets, the complaint alleged that the proposed merger would give Nvidia the ability and incentive to use its control of this technology to undermine its competitors, reducing competition and ultimately resulting in reduced product quality, reduced innovation, higher prices, and less choice, harming the millions of Americans who benefit from Arm-based products. The parties abandoned this transaction shortly after the Commission issued its complaint.

Healthcare and Pharmaceuticals

The healthcare and pharmaceutical sectors were again a priority area for competition enforcement. The FTC works to promote competition in healthcare by eliminating impediments to entry by generic drug producers, stopping illegal conduct by providers of healthcare products and services, preventing anticompetitive mergers in the industry, and using its policy tools to advocate for sound competition policy within the United States and globally where appropriate.

- **Healthcare Mergers:** The FTC continued its enforcement against anticompetitive mergers and acquisitions of healthcare providers.

This year, the FTC issued administrative complaints and authorized staff to seek a preliminary injunction in federal court in three merger matters involving the provision of healthcare services. In all three matters, the parties abandoned their proposed acquisitions shortly after the FTC issued its complaint.

In the first matter, in February 2022 the FTC authorized staff to seek injunctive relief blocking the proposed merger of Rhode Island's two largest healthcare providers, alleging the deal would lead to higher prices and lower quality care. The FTC, jointly with the Rhode Island Office of the Attorney General, filed a complaint in federal district court seeking a temporary restraining order and preliminary injunction to block Lifespan Corp.'s proposed acquisition of Care New England Health System. According to the complaint, both Lifespan and Care New England offer a broad range of essential medical and surgical diagnostic and treatment services that require an overnight hospital stay, known as inpatient general acute care, or GAC, services. They also operate the only two standalone inpatient behavioral health facilities in Rhode Island. The complaint alleged that the proposed merger would likely reduce competition in the state of Rhode Island and 19 nearby Massachusetts communities for inpatient general acute care hospital services and inpatient behavioral health services by increasing the combined firm's ability to raise hospital rates, leading to higher individual premiums, co-pays, and deductibles. The complaint further alleged that the combined healthcare system would have reduced incentives to invest in vital non-price dimensions of competition, such as quality of care, access to services, and technology. The parties abandoned the proposed acquisition shortly after the Commission filed its complaint.

In a second matter, the Commission authorized an administrative complaint and a lawsuit in federal court to block the proposed merger between Utah healthcare competitors HCA Healthcare and Steward Health Care System. The complaint alleged that the deal would eliminate the second and fourth largest healthcare systems in the Wasatch Front region, where approximately 80 percent of Utah's residents live. The companies provide inpatient GAC services and compete for inclusion in insurer networks, as well as for health care quality, service lines, and nurse and physician recruitment. The complaint further alleged that the transaction would significantly increase market concentration levels in an already highly concentrated geographic market, enabling HCA to command even higher reimbursement rates from commercial insurers that likely would pass on at least a portion of those higher healthcare costs to employers and health plan members in the form of increased premiums, deductibles, co-pays, and other out-of-pocket expenses. After the Commission filed its complaint, the parties abandoned their proposed acquisition.

In the third matter, the FTC authorized an administrative complaint and sought injunctive relief in federal court to block the acquisition by RWJBarnabas (RWJ) of Saint Peter's Healthcare System, one of the largest hospital systems in New Jersey. The complaint alleged that in Middlesex County, NJ, the acquisition would have harmed competition for inpatient GAC services by giving the combined healthcare system a market share of approximately 50 percent, easily resulting in a presumption of harm under the antitrust laws. RWJ and St. Peter's are direct competitors and both systems routinely identify the other as the most significant competitor when assessing competition and strategizing on providing general acute care services in Middlesex County. Absent this head-to-head competition, the combined system would have reduced incentives to improve quality, technology, amenities, equipment, access to care, and service offerings. The parties abandoned their proposed transaction shortly after the Commission issued its complaint.

In another healthcare matter, the Commission issued a consent order to resolve allegations that DaVita, Inc.'s proposed acquisition of the University of Utah Health's dialysis clinics would reduce competition for vital outpatient dialysis services in the Provo, Utah market. According to the FTC's complaint, there are only three providers of outpatient dialysis services to patients in the greater Provo, Utah area. The acquisition would have eliminated actual, direct, and substantial competition between dialysis clinics owned by

DaVita and University of Utah Health and would have tended to create a monopoly. Under the proposed order, DaVita is required to divest three Provo-area dialysis clinics to Sanderling Renal Services, Inc. and is prohibited from entering into or enforcing non-compete agreements and other employee restrictions. Importantly, under the order, DaVita is also required to receive prior approval from the FTC before acquiring any new ownership interest in a dialysis clinic anywhere in Utah for a period of ten years. This critical tool will help the Commission quickly identify and ultimately prevent future facially anticompetitive deals by DaVita, a particularly acquisitive company.

- **Pharmaceutical, Medical Device and Diagnostics Mergers:** During FY 2022, the FTC reviewed numerous proposed and consummated acquisitions in the pharmaceutical and medical device industries and took action to preserve competition that otherwise would have been lost due to these transactions.

In November 2021, the FTC issued a consent order requiring generic drug marketers ANI Pharmaceuticals, Inc. and Novitium Pharma LLC to divest, to Prasco LLC, ANI's development rights to one generic drug used to treat common infections and assets with respect to another generic drug used to treat inflammation. The settlement resolved charges that ANI's \$210 million acquisition of Novitium likely would be anticompetitive in the markets for generic sulfamethoxazole-trimethoprim oral suspension, also known as SMX-TMP, and generic dexamethasone tablets. According to the complaint, generic SMX-TMP oral suspension is an antibiotic used to treat a variety of infections, including ear infections, urinary tract infections, and bronchitis. ANI is a current participant in this market, while Novitium is one of a limited number of companies well positioned to enter. Generic dexamethasone tablets are an oral steroid product used to treat inflammation associated with a variety of conditions, including certain types of arthritis, allergic reactions, skin diseases, and breathing problems. Both ANI and Novitium have products in development in this market and the acquisition would eliminate a potential entrant in an already concentrated market. Without a remedy, the acquisition would likely harm future competition in U.S. markets for both of these generic products. Under the terms of the order, ANI and Novitium were required to divest ANI's rights and assets to generic SMX-TMP oral suspension and generic dexamethasone tablets to Prasco within 10 days after the acquisition was final. The order also contained prior approval provisions that gives the Commission notice and approval rights for future related acquisitions in these markets.

In April 2022, the FTC issued a consent order to remedy concerns that Hikma Pharmaceuticals PLC's \$375 million acquisition of Custopharm, Inc. would have harmed competition in the market for the corticosteroid drug triamcinolone acetonide, or TCA. The order requires Custopharm to divest its TCA-related assets to another subsidiary, Long Grove Pharmaceuticals, LLC. The order also preserves nascent competition in the market for generic TCA by removing any incentive for Hikma to terminate or delay the marketing of the TCA product in its own development pipeline, which historically, leads to lower prices for patients. Further, the consent agreement requires Long Grove to maintain the competitive viability of the retained TCA assets going forward and requires Hikma to seek prior Commission approval for future acquisitions related to TCA.

In a medical device matter, in May 2022 the FTC issued a consent order placing conditions on Medtronic, Inc.'s proposed acquisition of Intersect ENT, Inc. The order required Medtronic to divest Intersect subsidiary, Fiagon, which makes ear, nose, and throat navigation systems and balloon sinus dilation products, to Hemostasis, LLC to prevent concentration and ultimately harm to patients. According to the complaint, Medtronic is a global medical device company that is a dominant provider of ENT navigation systems, which allow physicians to view and track the location of instruments during sinus procedures. Medtronic also develops and markets balloon sinus dilation products, which physicians use to clear blocked sinuses. Intersect is a California-based medical device company that focuses on devices for ENT procedures, and its Fiagon subsidiary is a nascent competitor in the U.S. markets for both ENT navigation systems and balloon

sinus dilation products. The order also imposes prior approval requirements on Medtronic, Intersect, and the divestiture buyer.

- **Veterinary Healthcare Services:** In June 2022, The FTC twice took action against JAB Consumer Partners to prevent the private equity firm from consolidating control over specialty and emergency veterinary clinics. Pet owners rely on emergency clinics when they need care at all hours, including when general practice veterinarians are closed. Pet owners rely on specialty veterinarians for services that are beyond those typically offered by general veterinarians, such as internal medicine, neurology, medical oncology, critical care, ophthalmology, and surgery. The Commission issued two complaints alleging that JAB's proposed \$1.65 billion acquisition of the parent company of veterinary clinic owner Ethos, as well as its \$1.1 billion acquisition of SAGE Veterinary Partners, likely would have harmed competition for various veterinary care services in and around Richmond, VA, Washington, DC, Denver, Colorado, and Austin, TX, as well as Berkeley, Concord, and San Francisco, CA. To remedy competitive concerns, the Commission issued two consent orders requiring JAB to divest clinics in each of the already highly-concentrated geographic markets. In both matters the Commission imposed robust prior approval and prior notice requirements on JAB's future acquisitions of specialty and emergency veterinary clinics, and both orders also impose prior approval requirements on the divestiture buyers.

Consumer Goods and Services

The Commission continued to take action to preserve competition in the consumer goods and services sector.

- **Retail Grocery Stores:** In November 2021, the FTC issued a consent order requiring New York-based super-market operators The Golub Corp. and Tops Market Corp. to divest assets in order to settle charges that their proposed merger would likely be anticompetitive in 11 local markets across upstate New York and Vermont. According to the FTC's complaint, the parties' proposed merger is likely to substantially lessen competition for the sale of grocery products in the New York communities of Cooperstown, Cortland, Oneida, Oswego, Norwich, Warrensburg, Lake Placid, Rome, Watertown, and Plattsburgh; and in Rutland, Vermont. The FTC consent order requires Golub Corp, operator of Price Chopper, and Tops to divest to C&S 12 Tops stores and related assets in the affected communities. The order also requires the parties to obtain the FTC's prior approval before selling or acquiring supermarkets in the affected markets.

Energy

The FTC devotes significant resources to investigating competition issues in energy markets, which are critically important to American consumers, workers, and businesses. This year, the FTC continued to carefully scrutinize proposed acquisitions involving energy products and took enforcement action when warranted.

- **Gasoline and Diesel Fuel:** In December 2021, Global Partners LP and Richard Wiehl agreed to divest to Petroleum Marketing Investment Group, LLC, seven stores that sell gasoline and diesel fuel in five local markets in Connecticut, to settle FTC charges that Global's proposed acquisition of 27 Wheels retail gasoline and diesel outlets owned or operated by Wiehl violated federal antitrust laws. According to the complaint, markets for retail gasoline and retail diesel fuel are highly localized, and consumers have no economic or practical alternatives to the retail sale of gasoline or diesel fuel. The complaint alleged that the acquisition would have harmed competition for the retail sale of gasoline in and around Fairfield, Bethel, Milford, Wilton, and Shelton, Connecticut. Under the terms of the proposed consent order, Global and Wiehl must divest to Petroleum Marketing Investment Group six Global retail fuel outlets and one Wheels retail fuel outlet. The order also imposes prior approval requirements on Global and the divestiture buyer.

In March 2022, EnCap Energy Corp. agreed to divest its entire business and assets in Utah, to resolve FTC allegations that its proposed \$1.445 billion acquisition of EP Energy Corp. would eliminate head-to-head competition between two of only four significant producers of Uinta Basin waxy crude oil in Salt Lake City, increasing the likelihood of collusion or coordination among the remaining competitors. Uinta Basin

waxy crude possesses distinct qualities that make it both difficult to transport and especially valuable for producing transportation fuel and other petroleum products, and Salt Lake City-area refiners have invested capital to optimize certain equipment to best utilize Uinta Basin waxy crude. Under the proposed settlement, EnCap is required to divest EP's business and assets in Utah to Crescent Energy Company introducing a new, experienced competitor in the Uinta Basin. The order also imposes prior approval requirements on both EnCap and the divestiture buyer.

In another oil and gas matter, the FTC issued a consent order requiring pipeline and storage companies Buckeye Partners, L.P. and Magellan Midstream Partners, L.P. to divest to U.S. Venture, Inc. petroleum terminals in two states as a condition of Buckeye's \$435 million proposed acquisition of 26 Magellan terminals. Terminals and terminaling services are critical to the efficient distribution of gasoline and other light petroleum products to end users. Without a remedy, the acquisition would harm competition for terminaling services both for all light petroleum products, and for gasoline specifically, in North Augusta, South Carolina; Spartanburg, South Carolina; and Montgomery, Alabama. In all three geographic markets, the acquisition would eliminate the close competition between Buckeye and Magellan, increase the likelihood of collusive or coordinated interaction between the remaining competitors, reduce the number of terminaling options for third-party customers, and increase prices for terminaling services. The consent agreement settling the FTC's complaint requires Buckeye to sell five terminals and associated assets to divestiture buyer U.S. Venture within 10 days of consummation. Going forward, both Buckeye and the divestiture buyer are subject to prior approval requirements.

Defense

The FTC remains vigilant in investigating potential harm to competition in critical defense industry markets, working with the U.S. Department of Defense (DoD) as necessary to ensure that antitrust analysis is considered in tandem with national security and other interests implicated by these sensitive transactions.

- **Missile Systems:** In January 2022, in its first litigated defense merger challenge in decades, the FTC authorized staff to seek injunctive relief blocking Lockheed Martin Corporation's \$4.4 billion proposed vertical acquisition of Aerojet Rocketdyne Holdings Inc. Aerojet supplies advanced power, propulsion, and armament systems, which are critical components for the missiles made by Lockheed and other defense prime contractors. The agency's complaint alleged that Lockheed's proposed acquisition of Aerojet would have given Lockheed control over critical propulsion inputs that its rivals require to compete against Lockheed. Specifically, the complaint alleged that the proposed acquisition would give Lockheed the ability and incentive to deny, limit, or otherwise disadvantage competitors' access to critical propulsion inputs for various weapons systems. DoD reviewed the acquisition and considered the potential impacts of the transaction on national security, the nation's industrial and technological base, competition, and innovation. As part of this assessment, DoD facilitated a series of FTC-led interviews with DoD-impacted stakeholders. DoD's assessment was provided to the FTC for its deliberations and final decision-making. The complaint further alleged that as a subcontractor, Aerojet has had access to prime contractors' sensitive information about technological advancements, cost, schedule, and business strategies and that, post-acquisition, Lockheed would have an incentive to exploit this knowledge to gain an advantage in competitions against these parties. The U.S. government in turn would be harmed because the cost of missile systems, missile defense kill vehicles, and hypersonic cruise missiles would likely increase, innovation would be lessened, and quality would be reduced, hindering national security and defense interests. Shortly after the complaint was issued, the parties abandoned their proposed transaction.

Chemicals and Industrial Goods

The FTC continues to devote significant resources to maintain competition in markets for chemicals and industrial goods.

- **Glass-Based Coatings/Colorants:** In April 2022, The FTC issued a consent order to remedy allegations that Prince International Corp.'s proposed acquisition of Ferro Corp. would likely have harmed competition in the North American market for porcelain enamel frit, and in the world markets for forehearth colorants and glass enamel. According to the complaint, these products are used in range of applications, including the manufacture of porcelain enamel coatings and glass colorants. The Commission's order preserves competition in all three markets by requiring Prince and Ferro to divest to KPS Capital Partners, LP three Prince facilities: a porcelain enamel frit and forehearth colorants plant in Leesburg, Alabama; a porcelain enamel frit and forehearth colorants plant and research center in Bruges, Belgium; and a glass enamel plant in Cambiago, Italy. The order also requires both the newly merged company and the divestiture buyer to obtain prior FTC approval for 10 years for certain future transactions involving these product markets.

Competition Advocacy, Reports, Workshops, and Outreach

Providing policymakers with a framework to analyze competition issues is an important component of the FTC's mission to promote competition for the benefit of consumers. Government-imposed impediments can be among the most durable restraints on competition. Therefore, in response to requests, the FTC advises local, state, and federal entities on the potential competitive implications of pending governmental actions that may have a major impact on consumers.

- **Advocacy:** In FY 2022 the FTC filed two amicus briefs in federal court.
 - Staff submitted an amicus brief in *Sessa v. TransUnion*, before the Second Circuit. The district court had dismissed the case on the ground that the inaccurate information was a "legal" inaccuracy and not a "factual" one and therefore was not actionable. The brief argued that the statutory language of the Fair Credit Reporting Act drew no such distinction and would be impossible to apply if it did. The brief also argued that the Act does not provide automatic immunity for credit report information that is supplied by a third party.
 - Staff submitted a second amicus brief jointly with the United States in *Oxbow Carbon Minerals, LLC v. Union Pacific Railroad Co.*, urging affirmance of the district court decision that interpreted a provision of the Staggers Act of 1980 to allow admission of evidence of alleged collusion among rail carriers.

The Federal Trade Commission also issued a policy paper and fact sheet highlighting the pitfalls of using Certificates of Public Advantage (COPAs), which purport to shield hospital mergers from antitrust laws in favor of state oversight. The paper details research showing that these COPAs are often detrimental for patient costs, patient care, and healthcare worker wages.

- **Workshops:** In FY 2022, the Bureau of Economics hosted its Fourteenth Annual Microeconomics Conference. The workshop brought together scholars working in areas related to the FTC's antitrust, consumer protection, and public policy missions. Jointly with the Department of Justice, the agencies held "Making Competition Work: Promoting Competition in Labor Markets," which brought together lawyers, economists, academics, policy experts, labor groups, and workers, and explored recent developments at the intersection of antitrust and labor, as well as implications for efforts to protect and empower workers through competition enforcement and rulemaking. Also, jointly with the Department of Justice, the FTC hosted a series of listening forums to hear from those who have experienced firsthand the effects of mergers and acquisitions beyond antitrust experts, including consumers, workers, entrepreneurs, start-ups, farmers, investors, and independent businesses.

During the spring of 2022, the Federal Trade Commission and U.S. Department of Justice hosted a series of listening forums to hear from those who have experienced firsthand the effects of mergers and acquisitions beyond antitrust experts, including consumers, workers, entrepreneurs, start-ups, farmers, investors, and independent businesses. The forums focused on industries and labor markets that are commonly impacted by mergers that may reduce competition.

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- **Section 6 Studies:** In FY 2022, the FTC issued Orders under Section 6(b) of the FTC Act in two distinct sectors of the economy. Section 6(b) authorizes the Commission to conduct wide-ranging studies that do not have a specific law enforcement purpose.
 - **Supply Chain Disruptions:** The FTC ordered nine large retailers, wholesalers, and consumer good suppliers to provide detailed information that will help the FTC shed light on the causes behind ongoing supply chain disruptions.
 - **Pharmacy Benefit Managers:** The FTC ordered the six largest pharmacy benefit managers (“PBM”) to provide information and records regarding their business practices. The study will focus on the impact of vertically integrated PBMs on the access and affordability of prescription drugs.

International Antitrust

In support of its competition mission and domestic antitrust enforcement, the FTC regularly works with foreign antitrust agencies to ensure close collaboration on cross-border cases and foster the exchange of learning on and common understanding of policy issues of common concern. Our international engagement helps to ensure that we are taking advantage of the most current learning of our counterparts while strengthening our collective and domestic enforcement against anticompetitive conduct.

In FY 2022, the FTC continued to develop cooperative relationships with foreign antitrust agencies to ensure close collaboration on cross-border cases and contribute to greater international alignment among agencies on pressing antitrust issues raised in matters under concurrent review. During the most recently completed fiscal year, the FTC engaged in significant enforcement cooperation on 33 merger and anticompetitive conduct investigations of mutual concern with counterpart agencies from 16 jurisdictions. Consistent with our domestic focus, many of these matters involved technology and pharmaceutical matters, and many involved cooperation with several agencies to achieve effective, sound, and consistent outcomes. For example, we cooperated with DG Competition, the CMA, JFTC, and KFTC in our review of the NVIDIA/Arm transaction, which helped lead to the parties’ abandonment of the transaction.

Recognizing a continuing need to deepen and refine cooperation, we are working with key partners and leading efforts in multilateral fora, such as the [International Competition Network \(ICN\)](#), the [Competition Committee of the Organization for Economic Cooperation and Development](#), and the United Nations Conference on Trade and Development to develop enhanced cooperation tools. For example, following the FTC’s signing the [2020 Multilateral Mutual Assistance in Competition Framework](#), the Commission is working with counterparts to develop enhanced cooperation agreements based on the Framework’s template.

More broadly, the FTC plays a central role in key multilateral fora dedicated to promoting sound competition policy and enforcement internationally. In the ICN, for example, the Commission is a member of the ICN's Steering Group, and it launched and co-leads a project on the interface between competition, data privacy, and consumer protection enforcement and policies in light of emerging digital economy issues. Chair Khan was appointed Vice Chair of the ICN's Steering Group in December 2022.

The FTC, along with DOJ's Antitrust Division, continued to conduct high-level and staff dialogues and the exchange of technical expertise and training on key issues. For example, we launched the [EU-US Joint Technology Competition Policy Dialogue](#) with leaders of the Antitrust Division of the Department of Justice and the EU Commission, focused on shared competition enforcement and policy issues that arise in technology markets, with the goal of promoting policy and enforcement coordination. The FTC and the Antitrust Division also developed and hosted an [Enforcers Summit](#) that engaged international and state enforcement colleagues in discussions of merger reform and lessons for interagency collaboration, and helped to inform the U.S. agencies' efforts to modernize our merger guidelines. In addition, the FTC worked with key counterparts through the Multilateral Pharmaceutical Merger Task Force to address approaches to analyzing the effects of pharmaceutical mergers, which culminated in a two-day workshop that covered recent research and proposals for [proactive antitrust enforcement](#).

Building on recommendations developed in the report, "[Hearings on Competition and Consumer Protection in the 21st Century: The FTC's Role in a Changing World](#)," and in line with President Biden's July 2021 [Executive Order on Promoting Competition in the American Economy](#), the Commission has deepened its work with other U.S. government agencies to [address competition issues](#) that implicate broader U.S. policy interests in a coordinated and effective manner. For example, the FTC worked the Departments of Treasury, Justice, State, and others to develop a G7 statement on competition in the digital economy, which affirmed participants' intent to increase collaboration and cooperation with other governments to address the [evolving challenges of policy and enforcement in digital markets](#). In addition, the FTC, with [G7 competition colleagues](#), developed a compendium of approaches to [improving competition in digital markets](#).



Descriptions





Protecting Consumers

The FTC advances its goal of protecting consumers through five law enforcement areas (Privacy and Identity Protection, Financial Practices, Marketing Practices, Advertising Practices, and Enforcement), as well as through five additional functions (Litigation Technology and Analysis, Consumer Response and Operations, Consumer and Business Education, Economic and Consumer Policy Analysis, and Management). The FTC's eight regional offices also further this goal by bringing a variety of consumer protection cases within the five law enforcement areas and maintaining important contacts with state Attorneys General and other state and local consumer protection officials.

Privacy and Identity Protection

The goal of Privacy and Identity Protection is to protect consumers' privacy and to help consumers prevent, mitigate, and remediate the damage caused by identity theft. This program uses a combination of law enforcement, consumer and business education, and policy initiatives to accomplish this goal.

- Consumer Privacy and Data Security:** Privacy and Identity Protection leads nationwide efforts to protect consumers from unfair, deceptive, or other illegal practices involving the use and protection of consumers' information. Law enforcement under Section 5 of the FTC Act is a central part of this program, including cases in which companies collect, use or share user information in ways inconsistent with user expectations, or fail to take reasonable steps to secure users' data. Another key priority is protecting the privacy of children under age 13 by enforcing the Children's Online Privacy Protection Act, which requires online services that collect personal information from children to provide parents with notice and get their consent prior to collection, minimize data collection and retention, delete kids' data upon request, and

Protecting Consumers: Budget by Activity (\$ in thousands)

	Fiscal Year 2023		Fiscal Year 2024	
	FTE	Dollars	FTE	Dollars
Privacy and Identity Protection	79	\$18,301	103	\$25,550
Financial Practices	91	21,047	105	25,899
Marketing Practices	99	23,046	111	27,658
Advertising Practices	76	17,628	86	21,362
Enforcement	56	12,924	61	15,096
Consumer Response and Operations	25	19,389	28	22,555
Litigation Technology and Analysis	37	8,568	42	10,432
Consumer and Business Education	21	7,747	23	9,182
Economic and Consumer Policy Analysis	9	2,015	11	2,623
Management	13	2,992	13	3,199
Subtotal Direct	506	\$133,657	583	\$163,556
Support	169	\$84,855	198	\$125,316
Total	675	\$218,512	781	\$288,872

limit uses of data. In the area of financial privacy, the FTC enforces rules implementing the privacy and security-related provisions of the Gramm-Leach-Bliley Act, including requirements that financial institutions implement reasonable administrative, technical, and physical safeguards to protect customer records and information. In addition to its enforcement efforts, the FTC issues reports and hosts workshops, such as the annual PrivacyCon, at which new research on privacy and security issues is presented. Privacy and Identity Protection also conducts rulemaking relating to consumer privacy and data security.

- **Accuracy and Privacy of Credit Information:** Privacy and Identity Protection works to ensure the accuracy and privacy of consumer information used to screen applicants for loans, jobs, insurance, and other benefits. Privacy and Identity Protection enforces the Fair Credit Reporting Act (FCRA), which holds credit bureaus and furnishers of information responsible for the accuracy of credit report information, gives consumers the right to check and correct their credit reports, limits how such information may be used, and requires reasonable procedures to ensure maximum possible accuracy of consumer reports, and that such information is obtained only by entities with a permissible purpose to use it.
- **Identity Theft:** The FTC serves as a centralized repository for consumer complaint, victim assistance, and education services on avoiding and responding to identity theft and is the leading source of this information for consumer assistance and law enforcement training. Consumers can report incidents of identity theft online or by phone, and the complaints are entered into the FTC's Consumer Sentinel Network, which is accessible to domestic and international law enforcement partners. Additionally, the Commission also issues numerous education materials to help consumers protect themselves from identity theft and to deal with its consequences when it does occur. Through the FTC's IdentityTheft.gov website (robodeidentidad.gov in Spanish), the agency provides a free, one-stop resource people can use to report and recover from identity theft that includes specific advice tailored to the types of identity theft the consumer reported.

Financial Practices

Financial services play an important role in the daily lives of virtually all Americans. Financial Practices works to ensure financial services providers give truthful information, gain consumers' consent to charges, and abide by other basic rules, so that consumers can make better-informed decisions and that law-abiding companies operate on a level playing field.

- **Lead Generation and Short-Term Lending:** Financial Practices protects consumers applying for short-term loans, by ensuring that lending companies do not gain an unfair competitive advantage by promising false loan terms and also by taking action against companies that sell consumers' sensitive loan application information (leads) to non-lenders, often without the consumers' knowledge or consent, subjecting them to potential fraud and misuse.
- **Small Business Financing:** Small businesses are a critical part of the economy, and they rely on financing to survive and grow. Financial Practices protects small businesses and their owners from deceptive and unfair practices in the marketing, servicing, and collection of loans and other alternative forms of financing – through both education and enforcement efforts.
- **Motor Vehicle Sales, Financing, and Leasing:** For most consumers, the purchase of a car or truck is their most expensive financial transaction, other than the cost of housing. Financial Practices leads the FTC's efforts to protect consumers from deceptive or unfair practices in auto purchasing, financing, and leasing transactions.
- **Debt Collection:** The Fair Debt Collection Practices Act prohibits deceptive, unfair, and abusive debt collection practices that can harm consumers who are unable to pay their debts due to job loss or other financial problems. Financial Practices uses enforcement and education to protect consumers from such

harmful practices. It also conducts public workshops and makes policy recommendations on developments in the debt collection marketplace.

- **Debt Relief and Credit Repair Services:** Financial Practices targets firms that make deceptive offers to assist consumers in reducing or renegotiating their debt, including a mortgage, or repairing their credit. These claims mislead consumers already in financial distress about what services they will provide and how much they charge for them. The scams vary, and include offers to provide mortgage loan modification, foreclosure relief, short sales, mortgage refinancing, loan forgiveness, debt settlement, debt negotiation, and credit counseling. Victims often find themselves in even more dire financial straits than before engaging the services.
- **Student Loans and Education:** Consumers invest substantial time and money in education, often incurring steep debt. Financial Practices leads the FTC's enforcement efforts against deceptive and unfair practices in the education sector, including by taking action against higher education institutions that deceive consumers about their employment and earnings prospects, and education lead generators that lure consumers into providing their personal information under false pretenses.
- **Emerging Financial Practices:** New consumer and small business financial products continually emerge in the non-bank financial marketplace, from cryptocurrency to crowdfunding and more. Financial Practices has been examining these developments, reaching out to stakeholders, gathering information through public dialogue and workshops, and bringing actions emphasizing that companies using new technologies must follow the same basic laws as traditional market participants, including by honoring promises to consumers and gaining consumers' consent to charges.

Marketing Practices

Marketing Practices fights frauds and enforces rules to protect consumers. Its enforcement priorities include scams with high-dollar losses and those that target or disproportionately impact particular segments of the population. Marketing Practices enforces the Commission's rules that prohibit spam and protect purchasers of franchises and business opportunities, funeral services, and certain products with warranties, including protecting purchasers' right to repair products where the consumer chooses without voiding the warranty. Marketing Practices also spearheads the FTC's work to pursue those that violate the Do Not Call and Robocall Rules, and tackles online and high-tech fraud. By leading the Every Community Initiative and Legal Services Collaboration, Marketing Practices seeks to enhance the FTC's work to fight fraud that targets or disproportionately affects particular segments of the population, such as lower-income communities, communities of color, older consumers, veterans and active service members, small business owners, gig economy workers, rural communities, and others.

- **Fraudulent Schemes:** One focus of the FTC's fraud program is to stop scams harming people who seek to work independently or generate additional income. Marketing Practices targets fraudulent business opportunity and investment schemes, including coaching and mentoring scams, fraudulent multi-level marketing operations, schemes purporting to teach consumers how to generate income trading in financial markets and investing in real estate, and invention-promotion scams. Marketing Practices also targets "imposter" schemes, where scammers impersonate government agencies or well-known companies to enhance the credibility of otherwise deceptive sales pitches. In addition, Marketing Practices brings actions to stop deceptive prize promotion schemes, grant scams, fake healthcare plans, and sham charitable fundraising. Marketing Practices also coordinates the FTC's work to reduce fraud through research and analysis into how fraud affects different segments of the population and how the agency can best respond to fight fraud affecting every community. As part of this mission, Marketing Practices leads the coordination of the FTC's elder justice work.

- **Rule Enforcement:** In addition to enforcing the TSR, Marketing Practices enforces the Commission’s Franchise and Business Opportunity Rules, which require specific material disclosures in the marketing and sale of a franchise or a business opportunity. Marketing Practices also enforces the CAN-SPAM Rule, the BOTS Act, and the FTC’s interpretations of the Magnuson-Moss Warranty Act and coordinates the agency’s enforcement of the Funeral Rule. As an outgrowth of its work under the Magnuson-Moss Warranty Act, Marketing Practices is spearheading the agency’s work addressing repair restrictions imposed by manufacturers and sellers.
- **Telemarketing Fraud and Do Not Call:** Marketing Practices enforces the Telemarketing Sales Rule (TSR), including the TSR’s Do Not Call and Robocall Rules, to shut down abusive and deceptive telemarketing schemes. Working closely with state Attorneys General, other federal, state and international law enforcers, as well as private sector partners, Marketing Practices targets areas for law enforcement, organizes enforcement sweeps, and helps publicize consumer and business education to combat telemarketing fraud and violations of the Do Not Call and Robocall Rules. Marketing Practices also has spearheaded innovation to spur development of technological tools that block unwanted calls and to advance the next generation of Caller ID authentication.
- **Facilitating Fraud:** Marketing Practices targets law enforcement against entities that facilitate fraud, such as Voice over Internet Protocol service providers and lead generators that assist illegal robocallers, as well as payment processors that participate in fraudulent schemes by providing fraudsters with access to the banking or credit card systems, while helping the fraudsters avoid anti-fraud detection systems.
- **Internet Fraud:** Marketing Practices leads the FTC’s law enforcement efforts to prevent and halt online fraud. Law enforcement initiatives have focused on “tech support” scammers, who tell consumers that their computers are infected with malware or have performance problems in order to sell them expensive online repair software to remedy the supposed infection or problem when, in reality, there are no problems with the consumers’ computers.

Advertising Practices

Advertising Practices enforces the nation’s “truth-in-advertising” laws and, through reports, advocacy, and industry outreach, articulates the FTC’s policies on advertising regulation. Whether ads appear online, on television or radio, or in newspapers, magazines, or social media, these laws require companies to tell the truth and to back up their claims with reliable, objective evidence. Advertising Practices uses a variety of tools to protect consumers from misleading claims, including bringing law enforcement actions in federal and administrative courts, issuing cease and desist demands, providing guidance to industries, and providing consumer and business education. Working to protect consumers’ health, safety, and economic interests, these efforts span a broad range of products and practices.

- **Advertising for Foods, Over-the-Counter Drugs, Dietary Supplements, Medical Devices, and Health-Related Services:** Advertising Practices devotes substantial resources to ensuring the accuracy of health claims in advertising and takes action against companies making deceptive representations. During the Coronavirus pandemic, Advertising Practices has sued marketers for violations of the [COVID-19 Consumer Protection Act](#). In addition to traditional law enforcement actions, Advertising Practices works with other federal agencies such as the Food and Drug Administration (FDA) to protect consumers’ health, including by sending cease and desist demands to companies making misleading health claims. Advertising Practices also monitors deceptive advertising of addiction-related services, including enforcement of the [Opioid Addiction Recovery Fraud Prevention Act](#). The FTC also creates educational materials to help companies understand claims substantiation requirements and to help consumers spot deceptive claims.
- **Online Advertising and Marketing:** Advertising Practices monitors and develops effective enforcement strategies for issues including influencer marketing, online reviews, “native advertising” (the practice of

blending advertisements with news, entertainment, and other editorial content in digital media), artificial intelligence, advertising to kids (including the “kid influencer” marketplace), and other emerging trends in digital advertising and technology. Advertising Practices enforces the basic principles, incorporated in the FTC’s Endorsement Guides, that endorsements must be truthful and not misleading, and that material connections between advertisers and endorsers should be disclosed clearly. Based on the idea that consumers have a right to know when they are receiving a sales pitch, this principle similarly applies to social media marketing (including consumer-generated content), paid search results, and native advertising. Advertising Practices also enforces the [Consumer Review Fairness Act](#), which prohibits provisions in form contracts that restrict a consumer’s ability to post truthful reviews about a seller’s goods, services, or conduct. Advertising Practices engages in significant outreach to educate businesses, especially small businesses, about how to comply with the FTC Act when using endorsers, influencers, and online reviews (such as answering questions sent to Endorsements@FTC.gov).

- **Deceptive National Advertising:** Advertising Practices addresses deceptive national advertising practices in a variety of media and marketplaces through law enforcement, staff guidance, and policy work. The FTC’s targets have included consumer products and food companies, retailers, event ticket companies, online travel sites, and advertising agencies. Advertising Practices has also issued guidance to advertisers on making effective disclosures online and held workshops on the ticket resale market and lootboxes in online games.
- **Tobacco, E-Cigarette, and Alcohol Advertising:** Advertising Practices leads the FTC’s efforts to stop the deceptive or unfair marketing of tobacco, including e-cigarettes, and alcohol, administers federal laws governing the rotation of health warnings on ads and packaging for cigarettes, and publishes annual reports on cigarette and smokeless tobacco advertising and marketing. In 2022, the FTC issued its first report on e-cigarette sales and advertising, and further studies are underway. The FTC coordinates with the FDA, as the FDA has assumed many tobacco-related responsibilities pursuant to the [Family Smoking Prevention and Tobacco Control Act](#). Advertising Practices also monitors self-regulation of the alcohol advertising industry, and encourages improved standards and compliance.
- **Contact Lens and Eyeglass Rule Administration and Enforcement:** Advertising Practices enforces the Contact Lens and Eyeglass Rules, which require that contact lens and eyeglass prescribers (optometrists and ophthalmologists) automatically provide patients with a copy of their prescriptions at the completion of a lens or eyeglass fitting. The Contact Lens Rule also prohibits lens sellers from providing lenses to customers without first verifying prescription information. Advertising Practices has brought a number of cases enforcing the Contact Lens Rule, has sent cease and desist demands to numerous prescribers and sellers regarding possible Contact Lens Rule or Eyeglass Rule violations, and engages in ongoing business education.

Enforcement

Enforcement litigates civil contempt and civil penalty actions to enforce federal court injunctions and administrative orders in consumer protection cases; coordinates actions with criminal law enforcement agencies through its Criminal Liaison Unit; develops, reviews, and enforces a variety of consumer protection rules and guides; administers the Bureau’s green marketing program; coordinates the negative option initiative; and handles bankruptcy and collection matters in consumer protection cases.

- **Order Enforcement:** Enforcement is responsible for ensuring compliance with all administrative and federal court orders entered in FTC consumer protection cases. To carry out this mission, Enforcement actively monitors compliance with consumer protection orders, conducts investigations of possible order violations, litigates civil contempt actions in federal court to enforce injunctions, and initiates court actions to obtain civil penalties for administrative order violations.

- **Criminal Liaison Unit:** The Criminal Liaison Unit (CLU) encourages criminal prosecution of those responsible for consumer fraud by identifying fraudulent activities, bringing them to the attention of criminal law enforcement authorities, and coordinating civil and criminal enforcement actions. CLU works closely with prosecutors, criminal investigative agents, and FTC staff to ensure the smooth progress of parallel prosecutions. In addition to identifying and referring specific fraudulent activity, CLU also educates criminal law enforcement authorities about the FTC and its mission, and provides legal and practical advice to FTC staff.
- **Rules and Guides:** Enforcement develops, reviews, and enforces a variety of consumer protection rules and guides. For example, to protect consumers in the energy arena, Enforcement is responsible for rules requiring the disclosure of operating costs of home appliances (the Energy Labeling Rule), octane ratings for gasoline (the Fuel Rating Rule), and the efficiency rating of home insulation (the R-Value Rule). Enforcement also has responsibility for rules and guides as diverse as the Mail or Telephone Order Merchandise Rule, which requires companies to ship goods when promised; the Textile, Wool, Fur, and Care Labeling Rules, which require proper origin and fiber content labeling of textile, wool, and fur products, and care instructions; and the Jewelry Guides, which provide guidance on the marketing of precious metals, gemstones, and pearls.
- **Green Marketing:** The FTC's Green Marketing program focuses on advertising claims that tout the environmental benefits of products and services. Enforcement administers the program by developing the Commission's Environmental Marketing Guides, litigating enforcement actions, and conducting consumer research and other studies to better understand the marketplace.
- **Negative Option Marketing:** Enforcement coordinates the Negative Option Marketing initiative that addresses deceptive practices in the use of negative option offers (i.e., any offer in which a seller interprets consumers' silence, failure to take an affirmative action to reject goods or services, or failure to cancel a sales agreement as acceptance of an offer). To accomplish this mission, Enforcement litigates civil actions against marketers that deceive consumers; manages the Commission's enforcement of key tools like the Restore Online Shoppers' Confidence Act; and issues reports that discuss marketing trends and provide guidance to industry.
- **Made-in-the USA (MUSA):** The Enforcement Division runs the Commission's MUSA program, bringing law enforcement actions against those who deceptively make country of origin claims; drafting rules to address MUSA claims; and providing guidance to companies to ensure consumers receive accurate, truthful information
- **Bankruptcy:** Enforcement's bankruptcy/commercial law attorneys represent the Commission in federal bankruptcy court and advise staff generally on a host of bankruptcy and commercial law issues. The bankruptcy group preserves and enforces the Commission's claims for monetary relief, ensures that defendants do not use bankruptcy as a haven from law enforcement actions, and counsels staff on a wide variety of bankruptcy and commercial law issues related to monetary relief.
- **Collections:** Enforcement conducts investigations, attaches assets, and litigates contempt actions in order to collect outstanding monetary judgments obtained by the Bureau of Consumer Protection. Additionally, Enforcement coordinates collection activities with the Department of the Treasury.

Litigation Technology and Analysis

Litigation Technology and Analysis plays a central role in BCP's investigation and litigation of consumer protection matters, including working with attorneys to assess litigation support needs, managing the technological tools used to conduct investigations and litigation, and evaluating and implementing emerging technologies. In an age of increasingly complex technology, staff needs access to the best tools available in order to investigate targets and marshal evidence. Litigation Technology and Analysis is responsible for various efforts and activities, including:

- **Digital Forensic Unit:** The Digital Forensic Unit conducts forensic examinations of digital media to identify, collect, analyze, and preserve electronically stored information for use in court.
- **E-Discovery Unit:** The E-Discovery Unit uses technological tools to process, organize, manage, and produce electronically stored information.
- **Forensic Accounting:** Forensic accountants analyze financial information to help locate assets and maximize the amount of money that can be recovered and returned to consumer victims.
- **Honors Paralegal Program:** Honors paralegals provide a wide range of assistance to BCP on investigations, litigation, and policy initiatives.
- **Tech Lab:** The Tech Lab provides BCP staff innovative tools to investigate targets, detect unfair or deceptive activity, capture evidence, and conduct research. The Lab's stand-alone network is designed to allow BCP staff to replicate consumers' experiences with desktop, mobile, and other devices.
- **Office of Technology Research and Investigation:** This Office conducts independent studies and investigations, identifies the consumer protection issues associated with new technologies, and provides technical expertise and training to BCP staff.
- **Technology Planning:** The Division's staff analyzes and anticipates BCP's technological needs in fulfilling its consumer protection mission.

Consumer Response and Operations

Consumer Response and Operations hears directly from consumers across the country and analyzes information to assist in targeting law enforcement and educational efforts, measures the impact of mission activities, returns money to consumers obtained as a result of FTC lawsuits, and identifies needs and allocates resources within BCP.

- **Consumer Response Center:** The Consumer Response Center responds to consumer complaints and inquiries received by the toll-free consumer complaint lines, 877-FTC-HELP and 877-ID-THEFT, the FTC's Internet complaint forms at www.ftc.gov/complaint, and postal mail. Information from complaints is entered into the FTC's Consumer Sentinel Network and used to target law enforcement and consumer and business education activities.
- **Consumer Sentinel Network:** The Consumer Sentinel Network is the FTC's secure website that provides nearly 3,000 law enforcement users worldwide with access to more than 50 million consumer fraud, identity theft, financial, and Do Not Call Registry reports largely collected during the past five years. Every year the FTC publishes a report of the top consumer complaints received, including a breakout of complaint data on a state-by-state basis.
- **National Do Not Call Registry:** The National Do Not Call Registry is the mechanism through which consumers can elect to avoid receiving telephone solicitations from telemarketers. Telemarketers are required to remove any telephone numbers included in the registry from their calling lists. The registry currently has over 246 million active telephone number registrations.
- **Data Analysis Team:** The Data Analysis Team performs analytical research, provides data to the public on interactive dashboards, and creates reports about trends in consumer protection complaints. The Data Analysis Team also provides analytical support to the Bureau's law enforcement efforts through collecting, refining, and analyzing data in support of litigation and investigative efforts.
- **Office of Claims and Refunds:** The Office of Claims and Refunds (OCR) is responsible every year for distributing millions of dollars of refunds obtained as a result of FTC lawsuits. For example, from January 2021 through December 2021, the FTC's law enforcement actions resulted in more than \$472 million in refunds to defrauded consumers, including \$403 million mailed directly by the FTC to 3.5 million people.

- **Operations:** Operations manages budget and performance measurements, including strategic planning for the Bureau; oversees and supports procurement efforts on behalf of the Bureau; monitors and reports on human capital management to the Director's Office; and works closely with the other Bureau divisions and regions to ensure administrative and resource needs are met.

Consumer and Business Education

Consumer and Business Education runs creative national campaigns to educate consumers about their rights and businesses about their responsibilities. It applies skill in communications, design, and building partnerships to help prevent and solve consumer protection problems.

- **Outreach to Consumers and Businesses:** Consumer and Business Education creates print and online consumer and business education material in partnership with other divisions in the Bureau of Consumer Protection and participates in hundreds of outreach events including webinars, trainings, and presentations. Working with national and local partners that are trusted in their communities, Consumer and Business Education reaches a range of audiences, including older adults, ethnic media, housing organizations, small businesses, and higher education organizations. Many of these outreach efforts are focused on reaching specific communities, including the Latino, Black, Asian American and Pacific Islander, Native Hawaiian, Tribal, and the LGBTQ+ communities. By using webinars, tele-town halls, Twitter chats, Facebook Live events, mailings, as well as interviews with local and national media, Consumer and Business Education ensures that messages get to people where they are. Consumer and Business Education publishes hundreds of consumer and business alerts, many in English and Spanish, and regularly emails them to nearly 527,000 subscribers. It also manages the FTC's bulk publication ordering website (ftc.gov/bulkorder), through which an average of 10,201 organizations a year order free material to distribute in their communities.
- **Pandemic Response:** Consumer and Business Education began its response to the pandemic by developing a multi-media campaign and a dedicated website to alert people about scams associated with the COVID-19 pandemic (ftc.gov/coronavirus and ftc.gov/coronavirus/scams). Since then, American Rescue Plan funds have bolstered and expanded the FTC's outreach efforts, especially to historically underserved communities targeted by COVID-19 scams and issues. After actively engaging with ethnic and community media journalists nationwide to learn about issues affecting these communities, the agency placed multilingual anti-fraud messaging into targeted print and radio markets. This messaging, translated into 11 languages, reached Asian-American, Black, Latino, and Tribal communities on relevant topics related to the pandemic and other topics. The FTC also has used new methods to reach people in economically and geographically diverse communities. For example, the FTC and NAAG partnered on a national radio tour that focused on consumer finances and resiliency — segments of which were heard more than 9 million times over five weeks.
- **IdentityTheft.gov:** The Divisions of Consumer and Business Education and Consumer Response and Operations continue to operate IdentityTheft.gov (robodeidentidad.gov), an innovative website where people who have experienced identity theft can report identity theft and get personal recovery plans. The mobile- and tablet-accessible site also produces Identity Theft Reports that people can use in place of police reports in most cases to help restore their credit to its pre-crime status. The site also lets consumers report tax-related identity theft to the IRS. IdentityTheft.gov is integrated with the Consumer Sentinel Network so that consumers' identity theft reports become available to law enforcement agencies nationwide. Since the launch of the site in January 2016 through FY 2022, people submitted more than 4.7 million identity theft reports through IdentityTheft.gov. In the first eight months of FY 2022, Consumer and Business Education distributed 946,650 million print publications related to identity theft (in FY 2019, the number distributed reached more than 3.46 million).

- **Outreach to Military Servicemembers:** Consumer and Business Education developed and currently manages the Military Consumer campaign together with the U.S. Department of Defense’s (DoD’s) Office of Financial Readiness and the Consumer Financial Protection Bureau, with nearly 50 other military, federal, and state partners. The campaign addresses unique challenges of military life that often make military personnel and families targets for scammers. Service members and their families, along with the DoD’s Personal Financial Managers who serve them, use the campaign website ([MilitaryConsumer.gov](https://militaryconsumer.gov)) as a tool for financial readiness. Two highlights of the campaign (Military Consumer Month in July and Veterans Day in November) feature more extensive social media outreach and programming with the network of military partners. Since the launch of the campaign in 2017, the Commission has distributed nearly 1.2 million Military Consumer bookmarks to the military community.
- **Pass It On:** The Pass It On campaign (ftc.gov/PassItOn and ftc.gov/Pasalo in Spanish), is the FTC’s campaign for older adults (65+). The research-based campaign gives older adults the information they need about fraud and asks them to share it with family and friends. The campaign’s library of resources includes engaging videos and a collection of print and online material in English and Spanish about topics that include identity theft and imposter scams. These materials build upon and refresh the readers’ knowledge by briefly summarizing how a scam works and give action steps they can take in response. More than 16.9 million pieces of Pass It On educational material have been distributed since the campaign launched through May 2022 and it remains a favorite of police departments, librarians, and the aging network, among others.
- **Data Security:** The FTC continues its successful efforts to educate businesses and consumers alike about privacy and data security. From 2015 through May 2022, Consumer and Business Education distributed more than 3 million copies of educational materials to help consumer and business address these issues. The agency’s popular “Start with Security” (ftc.gov/StartWithSecurity) and “Cybersecurity for Small Business” (ftc.gov/cybersecurity) business outreach campaigns feature a suite of free publications (including guides and videos) that help businesses protect personal information and learn steps to take if a data breach occurs. Consumer and Business Education also publishes materials in English and Spanish to help business and their customers stay safer online, avoid identity theft, and protect children’s privacy. In addition, DCBE provides resources to parents and educators to help protect children online.
- **Business Education:** Consumer and Business Education manages the FTC’s online business education website (business.ftc.gov) and publishes hundreds of blog posts annually for businesspeople from businesses small and large, attorneys, and other professionals. Most case announcements, rulemaking updates, and other initiatives are accompanied by a to-the-point Business Blog post that summarizes what companies need to know and links them to primary resources. Consumer and Business Education issued new or significantly revised business guidance on the complying with the recently revised Safeguards Rule. To address the burgeoning growth of the health apps sector, Consumer and Business Education released two new publications, “Complying with FTC’s Health Breach Notification Rule” and “Health Breach Notification Rule: The Basics for Business.” In addition, DCBE staff regularly speaks with small business owners, community business organizations, and business student to demystify legal compliance and explain the fundamentals of statutes and rules enforced by the FTC.
- **Small Business:** Getting information and guidance to small businesses in communities of color is a priority for Consumer and Business Education. Business education materials are available in Spanish and outreach efforts are ongoing to reach minority-owned businesses, as well as women-owned businesses, veteran-owned businesses, and others. For example, Consumer and Business Education collaborated with the Small Business Association (SBA) District office in Rhode Island, the Rhode Island SBDC, and the Center for Women & Enterprise to offer a webinar in Spanish for small business owners about cybersecurity and scams that target small business. Consumer and Business Education regularly reaches out to organizations

that support Asian American small businesses owners such as the National Asian American Coalition as well as chambers of commerce that represent other ethnic business communities. Ongoing relationships with the SBA present opportunities to connect with small business owners about fraud and scams that target them and to share free resources to help them train their employees on cybersecurity basics. Consumer and Business Education participated in the SBA's four-day 2022 National Small Business Virtual Submit where more than 500 conference attendees visited the FTC's booth and engaged with the business information provided in both English and Spanish.

- **Partnerships with Law Enforcement:** Consumer and Business Education establishes partnerships with attorneys general, law enforcement, and consumer protection advocates who share FTC information with their constituents and communities. It also acts as a liaison with local law enforcement agencies to encourage their use of the Consumer Sentinel Network and other FTC resources to investigate consumer fraud. Consumer and Business Education also manages the National Consumer Protection Week (NCPW) campaign. NCPW partners including consumer protection, law enforcement, regulatory, aging, non-profit, and education groups hold bi-monthly coalition meetings. The annual weeklong March event highlights consumer education and fraud prevention. Consumer and Business Education, together with the Division of Privacy and Identity Protection, also leads Identity Theft Awareness Week, an annual event during which federal law enforcement, regulatory agencies, and aging and non-profit groups host webinars, town hall meetings, and social media events to educate people about identity theft.

Economic and Consumer Policy Analysis

Staff conducts economic and consumer policy analysis to provide the Commission and other policy makers with information to assess and formulate consumer protection policy. In addition to evaluating the likely economic effects of Commission law enforcement actions and contributing economic and statistical analysis to the development of enforcement cases, this work includes economic research and advocacy activities that foster understanding of consumer good markets and consumer protection policy choices. They also work to ensure that consumer interests are represented before various governmental and self-regulatory bodies dealing with consumer-related issues.

- **Consumer Research and Data Development:** To advance the development of sound policy, economic and consumer policy analysis supports data and research projects analyzing how marketing claims and policies affect consumers' and firms' decisions. Past studies examined the effects of different types of disclosures on consumer understanding of "recycled content" and "organic" claims for non-food products and the likely effects on consumer choice of "resort fee" pricing in the hotel industry.
- **Economic Studies of Markets for Consumer Goods and Services:** Economic and consumer policy analysis supports targeted economic studies of issues in consumer goods markets that are important to improving our understanding of key consumer protection issues. Recent examples include studies of credit reporting accuracy, consumer auto buying experiences, class-action notification practices, and consumer complaints among different demographic groups. The program also supports consumer surveys, such as those measuring consumer susceptibility to fraud, and workshops with outside experts in relevant areas, such as research roundtables on individualized pricing, privacy and data security, and the sharing economy.
- **Economic Support of Consumer Protection Advocacy:** Bureau of Economics staff also provides input for comments to other federal agencies on issues related to consumer protection goals. In the past, they have supported the development of comments to the FDA on food labels and direct-to-consumer prescription drug advertising. More recently, comments included those sent to the FDA on homeopathy and to the Consumer Financial Protection Bureau and the Department of Housing and Urban Development on various changes in mortgage disclosure documents.

Other Direct Functions

Several other functions within the Consumer Protection Mission directly support our primary law enforcement work, including:

- **Employee Development and Training:** Through its Employee Development and Training Program, the FTC ensures that staff receives the training necessary to perform their jobs. BCP provides training through ongoing seminars, “brown bags,” and lectures on topics such as working with State Attorney Generals, competition law, microtask platforms, and using a new advertising platform tool. BCP also sponsors periodic seminars for investigators, and provides technical trainings throughout the year. In addition, BCP offers a mentoring program to staff. Staff also participates in the FTC Agency-Wide Diversity Council.
- **Administrative Support:** Staff in the Director’s office provide support to senior Bureau management to ensure all administrative needs are met, such as arranging travel, tracking the Bureau’s accomplishments, scheduling internal and external meetings, maintaining a log of current cases, and interacting with callers and visitors.



Promoting Competition

The FTC promotes competition through five primary law enforcement activities (Premerger Notification, Merger and Joint Venture Enforcement, Merger and Joint Venture Compliance, Nonmerger Enforcement, and Nonmerger Compliance) supported by Antitrust Policy Analysis and other direct functions.

Premerger Notification

Mergers that substantially reduce competition can raise costs, reduce output, reduce wages, inhibit innovation, lead to diminished product quality, and restrict consumer choice. The Premerger Notification Program, codified in the Hart-Scott-Rodino (HSR) Act, is the FTC’s primary means of identifying potentially anticompetitive deals. Under the Act, entities meeting certain thresholds must file notifications with the FTC and the Department of Justice and wait a prescribed period before consummating their transactions. This waiting period provides the antitrust enforcement agencies an opportunity to prevent potentially anticompetitive mergers before they occur. In addition, the FTC reviews news publications, industry research, and customer complaints to identify potentially harmful mergers not subject to the HSR reporting requirements. To distinguish between mergers that threaten competitive markets and those likely to promote competition or be competitively neutral, the FTC conducts thorough investigations that incorporate detailed economic analysis to assess the likely effects on competition.

The FTC’s Premerger Notification Program supports effective and efficient competition enforcement by:

- **Facilitating Compliance with HSR Requirements:** The FTC’s Premerger Notification Office (PNO) provides information and guidance to ensure that parties to transactions understand when a filing is required and what information they must supply under the HSR Act.
- **Providing Initial HSR Review:** Mergers reported under the HSR Act vary tremendously in their complexity and potential for anticompetitive effects. In the majority of cases, the agency can make a reasonable judgment within a few days about whether a merger is potentially anticompetitive based on information

Promoting Competition: Budget by Activity (\$ in thousands)

	Fiscal Year 2023		Fiscal Year 2024	
	FTE	Dollars	FTE	Dollars
Premerger Notification	23	\$5,810	29	\$8,376
Merger and Joint Venture Enforcement	265	65,337	338	93,754
Merger and Joint Venture Compliance	15	3,757	19	5,433
Nonmerger Enforcement	162	40,393	198	56,172
Nonmerger Compliance	1	252	1	289
Antitrust Policy Analysis	31	7,489	54	13,544
Other Direct	32	7,921	40	11,162
Subtotal	529	\$130,959	679	\$188,730
Support	176	\$80,529	230	\$112,398
Total	705	\$211,488	909	\$301,128

provided in the HSR filing. To identify potentially anticompetitive transactions, the PNO prepares a summary description and a preliminary antitrust analysis of reported transactions. These summaries are then reviewed by the Bureau of Competition's litigation divisions, the Bureau of Economics, and the Merger Screening Committee, which includes participants from both Bureaus and convenes regularly to consider which matters require further action.

- **Coordinating with the Antitrust Division of the Department of Justice:** The PNO administers the HSR Program for the FTC and the Antitrust Division of the Department of Justice (the Antitrust Division), which share authority to challenge anticompetitive mergers. The PNO shares transaction information and works with the Antitrust Division to ensure that the two agencies consistently and uniformly apply Premerger Notification Rules. The agencies use a "clearance" process to ensure that only one agency initiates an investigation and, if necessary, challenges any given transaction. Assignment to one agency or the other takes place after preliminary review of a transaction, based primarily on each agency's relative expertise in the markets relevant to the proposed transaction.
- **Balancing Efficacy of Investigations and the Burden on Business:** The Premerger Notification Program strives to balance comprehensive investigations with being cognizant of not unduly burdening filing parties while fulfilling the competition enforcement responsibilities of the FTC and the Antitrust Division. To that end, the FTC periodically develops and recommends improvements to HSR rules and procedures and develops and implements improvements where appropriate.

Merger and Joint Venture Enforcement

As noted above, anticompetitive mergers or joint ventures can harm consumers significantly by raising prices, reducing output, reducing product quality, restricting consumer choice, or inhibiting innovation. The Merger and Joint Venture Enforcement Program seeks to prevent these effects in any market in which the FTC has reason to believe a merger is likely to substantially lessen competition, particularly in sectors of the economy that are important to consumers such as technology, health care (including pharmaceuticals), energy, and retail goods and services.

Effective merger enforcement requires the Commission to identify anticompetitive transactions and obtain appropriate relief to maintain competition in the market. To identify whether a merger is anticompetitive, staff must determine whether the merger may 1) create or enhance the ability of the remaining firms to raise prices, reduce output, diminish innovation, or otherwise harm customers, or 2) increase barriers to entry or expansion.

The FTC uses a three-tiered approach to merger enforcement:

- **Identify Potentially Anticompetitive Mergers:** As described above, a Merger Screening Committee—a committee that includes participants from both the Bureaus of Competition and Economics—convenes regularly to consider which matters require further action.
- **Prevent Anticompetitive Mergers:** The most effective and cost-efficient strategy for protecting consumers from acquisitions that may substantially lessen competition is to prevent the harm from occurring. Often, the FTC is able to preserve competition through negotiated settlements resulting in a consent order, or through the parties' voluntary restructuring or abandonment of a transaction. Where these methods are inappropriate or unavailable, the FTC uses its authority under Section 13(b) of the Federal Trade Commission Act to enjoin anticompetitive mergers pending an adjudicative proceeding. Likewise, when the Commission identifies likely anticompetitive consummated mergers, it initiates an administrative proceeding to adjudicate the violation of law and restore competition. Whether achieved by consent or in an administrative proceeding, the most common remedy for a merger involving horizontal competitors is divestiture of the assets necessary to preserve or restore competition; in other instances, such as mergers involving vertically related firms, the FTC may also use behavioral remedies to prevent competitive harm.

- **Educate Public About Anticompetitive Transactions:** To enhance the FTC’s ability to deter future anti-competitive mergers and acquisitions, the agency strives to increase public awareness of the benefits of competition and the factors the FTC considers as it determines whether to take law enforcement action. To this end, the Commission promotes transparency by releasing guidelines and policy statements, and making public facts underlying enforcement actions to provide companies with the information needed to evaluate the likelihood that similar transactions may also violate the law. In specific matters, the agency may also issue public statements, including analyses to aid public comment, complaints, and closing statements, to explain the disposition of the case.

Merger and Joint Venture Compliance

The Merger and Joint Venture Compliance program is responsible for the design and implementation of Commission merger consent orders and for monitoring compliance with order provisions. Staff also monitor and take action to address violations of HSR filing requirements.

- **Implementation of Agreements and Orders:** Merger compliance staff work with enforcement staff, the merging parties, and buyers to monitor the faithful and timely implementation of merger order provisions and ensure that they are sufficient to retain or restore competition in the relevant markets. When the divestiture of assets is delayed, the competitive viability of the assets may decline. To avoid delay, the FTC typically seeks to identify an “up-front” buyer or incorporates order provisions that limit the time within which divestiture must be completed.
- **Monitor Compliance:** Merger compliance staff closely monitor compliance with order provisions and, where necessary, recommend that fallback order provisions be invoked, such as trustee-managed divestiture or the divestiture of larger asset packages. Where violations of order provisions occur, staff may recommend civil penalty actions. Civil penalty actions entail investigation and, where necessary, federal court litigation. In addition to structural remedies, staff also monitor compliance with behavioral order provisions such as bans on the dissemination of competitively sensitive information or requirements to seek approval for, or give notice before, completing specified future mergers or acquisitions.
- **Review Petitions to Modify Orders:** From time to time, parties under order submit petitions seeking modification or termination of all or part of their orders, often due to new market dynamics or other changes in circumstances. The FTC’s merger compliance staff reviews these petitions to assess their impact on competition and makes recommendations for Commission action accordingly.
- **HSR Act Compliance:** Merger compliance staff also investigate and take action where firms have failed to meet their filing obligations under the HSR Act. In instances where a violation has occurred, staff may recommend civil penalty action, which must be filed in federal court.

Nonmerger Enforcement

Antitrust enforcement supports free and open markets by preventing business practices that restrain competition or foreclose entry by new competitors. To this end, the Commission investigates business practices that may make it more difficult for other firms to enter the market or that enable existing competitors to collude.

The FTC challenges a wide variety of business practices that may harm consumers by allowing firms to raise prices beyond competitive levels, or to reduce output, quality, innovation, or consumer choice. These anticompetitive practices generally fall into three broad categories: horizontal restraints, distributional restraints, and unilateral conduct. Identifying and proving these types of violations requires legal and economic analysis and thorough investigation to distinguish between conduct that may threaten the operation of open and competitive markets and conduct that promotes competition or otherwise benefits consumers.

- **Horizontal Restraints:** The horizontal restraints component of nonmerger enforcement looks at anti-competitive agreements between competitors. While some agreements among competitors can be

procompetitive, under certain market conditions, horizontal agreements can restrain competition that otherwise benefits consumers, without a legitimate business justification. For example, horizontal restraints, such as price-fixing, bid-rigging, or market allocation, can harm consumers by raising prices or by reducing the quantity and quality of goods and services offered in a particular market. The mission of this program is to deter, detect, investigate, and remedy anticompetitive collusion or its facilitation.

- **Distributional Restraints:** Restraints on the distribution of goods from manufacturers to consumers can facilitate horizontal collusion, or restrict channels of distribution in ways that allow a firm with market power to exclude new competitors, leading to higher prices, reduced quality, or fewer choices. Under certain circumstances, potentially unlawful distributional restraints may include agreements restricting prices or other terms of resale, or agreements restricting the sale or purchase and distribution of goods from firms other than the parties to the agreement.
- **Single-Firm Violations:** A firm with market power is prohibited from using anticompetitive tactics to exclude new competitors that could challenge its monopoly and provide beneficial competition. While neither the possession of market power nor the attempt to achieve it through vigorous or aggressive competition violate the antitrust laws, obtaining, increasing, or maintaining market power by unreasonably exclusionary means is unlawful. The Commission's enforcement efforts challenging single-firm violations aim to prevent or remedy instances in which firms unlawfully gain or maintain appreciable market power through anticompetitive conduct or unfair methods of competition.
- **Educate Public about Anticompetitive Conduct:** The FTC primarily uses its law enforcement tools to deter anticompetitive conduct and encourage voluntary compliance with the antitrust laws. However, the Commission also releases guidelines and policy statements, and makes public facts underlying enforcement actions to provide companies with the information needed to evaluate the likelihood that similar conduct may also violate the law. In specific matters, the agency may also issue public statements, including analyses to aid public comment, complaints, and closing statements, to explain the disposition of the case. The agency also provides comments to federal, state, and local government agencies, as well as amicus curiae briefs, advisory opinions, and legal and economic analyses to help inform others about emerging issues relating to anticompetitive conduct.

Nonmerger Compliance

As in its Merger Enforcement Program, the Commission obtains orders in its Nonmerger Enforcement Program to stop harmful conduct and prevent its recurrence. Crafting appropriate orders and monitoring adherence to order terms requires close consultation between enforcement and compliance staff. When appropriate, the Commission may also obtain equitable monetary remedies in federal court, such as disgorgement of ill-gotten gains, in order to deprive wrongdoers from capitalizing on illegal conduct.

- **Implementation of Agreements and Orders:** Nonmerger compliance staff work with enforcement staff and the parties monitor the faithful and timely implementation of order provisions and ensure that they are sufficient to deter anticompetitive conduct while permitting procompetitive conduct to continue.
- **Monitor Compliance:** To monitor compliance, staff review periodic compliance reports required by the orders, conduct follow-up interviews with the reporting parties, monitor relevant media, maintain contacts with the original complainants and other industry participants, and conduct investigations of suspected order violations as needed. Where violations of order provisions occur, staff may recommend civil penalty actions. Civil penalty actions entail investigation and, where necessary, federal court litigation.

- **Review Petitions to Modify Orders:** From time to time, parties under order submit petitions seeking modification or termination of all or part of their orders, often due to new market dynamics or other changes in circumstances. The FTC’s nonmerger compliance staff reviews these petitions to assess whether the original order continues to serve the public interest and makes recommendations for Commission action accordingly.

Antitrust Policy Analysis

Staff conducts antitrust policy analysis to provide the Commission and other policymakers with information to assess and formulate competition policy. Antitrust policy analysis includes the design and completion of economic, industry, or other research that improves the agency’s understanding of markets and enables the FTC to identify markets and circumstances in which law enforcement actions would make the greatest impact. Among the types of activities supported are:

- **Economic and Qualitative Studies of Competition in Markets:** The FTC conducts empirical studies, engages in research, and holds workshops and other public events to help the agency better understand how competition benefits consumers in different markets and contexts. These activities also enable the FTC to bring together industry, economic, and legal experts to assess competition policy challenges in specific sectors of the economy.
- **Reports and Policy Papers:** The FTC issues reports and policy papers discussing the application of antitrust principles to various markets of great importance to consumers, such as technology, health care, energy, and retail goods and services.
- **Competition Advocacy:** To promote sound competition policy and share the agency’s significant expertise in competition analysis, the FTC staff often responds to invitations to comment on the competitive effect of proposed laws, rules, or regulations before federal, state, or local governments, as well as self-regulatory bodies.

Other Direct Functions

Several other functions within the Competition Mission directly support our primary law enforcement and competition policy work, including:

- **Recruiting:** The Bureau of Competition, in cooperation with the Human Capital Management Office, the Equal Employment Opportunity and Workplace Inclusion Office, and other offices in the FTC, conducts interviews at numerous law schools and legal recruiting fairs each year to identify and select entry-level attorneys and legal interns. The Bureau also recruits lateral attorneys and other staff members as needs arise.
- **Employee Development and Training:** Through its Employee Development and Training Program, the FTC ensures that attorneys and support personnel receive the training necessary to do their jobs. Hallmarks of the training program are the Bureau of Competition Training Council’s seminar series, the summer program for law student interns, and the Bureau of Competition Mentoring Program. Staff also participates in the FTC Agency-Wide Diversity Council.
- **Investigation, Litigation Support, and Electronic Filing:** Investigation and Litigation Support staff are responsible for processing and loading all document productions received during the course of investigations and litigation. This group develops standards for documentary productions and data submissions and uses appropriate technological solutions to ensure Commission staff have timely access to this information.

In FY 2020, due to the COVID-19 pandemic, the Premerger Notification Office suspended all hard-copy and DVD filing submission and implemented a temporary e-filing system for use by the FTC and DOJ to accept HSR filings. Electronic filing improves processing time, minimizes data entry, and reduces costs for both the

enforcement agencies and filing parties. This temporary e-filing system will remain in use while the PNO works to develop a permanent, cloud-based e-filing solution.

- **Information Systems Management:** The Bureau of Competition’s Information Systems Management staff manages the records systems necessary to report on the work of the Promoting Competition Mission. It also coordinates activities with the FTC’s Office of the Chief Information Officer, including the development of intranet resources for staff.
- **Liaison with State Officials:** FTC staff and management coordinate antitrust activities and enforcement with state Attorneys General, including training, consultations, and joint investigations of potentially anticompetitive mergers and business practices, to the extent allowed by applicable laws.

Support

Support consists of management and support activities within the FTC to foster and help achieve the agency's goals of Protecting Consumers and Promoting Competition.

Commissioners

The Commissioners are responsible for ensuring the effective and efficient execution of the FTC's Congressionally mandated mission. They formulate Commission policy, which guides and directs the staff's work; authorize enforcement actions; and allocate the required resources. They also monitor the FTC's progress in accomplishing stated goals.

Office of Policy Planning

The Office of Policy Planning (OPP) conducts research, often through the FTC's Section 6(b) authority, develops policy recommendations, and generates written comments and reports on a variety of competition and consumer protection issues. OPP staff research and analyze emerging issues relating to competition in a variety of industries, including matters relating to workers, health care, and the intersection of competition and intellectual property, in order to enrich the Commission's expertise and inform enforcement decisions involving novel or complex legal issues. OPP staff frequently work directly with case teams on enforcement matters. OPP advocates for robust competition and consumer protection policies in a variety of federal and state venues by analyzing the competitive ramifications of certain legislative, regulatory, and other policy approaches, making recommendations on how certain policy choices may enhance or impede competition, gathering evidence to identify competitive problems and evaluate how best to address emerging competitive issues, and providing legal and economic analysis upon request. Where appropriate, OPP staff coordinates the FTC's advocacy role with other governmental entities.

OPP staff frequently obtains public input from businesses, consumer groups, academics, and other outside sources through a variety of informal and formal means.

Office of Technology

The Office of Technology (OT) works across the FTC to ensure that the agency can move swiftly and knowledgeably on a wide range of issues regarding technology across the agency, with the following three mandates:

- **Strengthen and support law enforcement investigations and actions:** OT supports investigations into business practices and the technologies underlying them, develops appropriate investigative techniques and aid in the crafting of effective Civil Investigative Demands, aids in the review and analysis of data and documents received in investigations, supports the development of case theories and analysis, and aids in the creation of effective remedies. Where appropriate, OT also supports litigation teams by serving as or helping to identify external expert witnesses.
- **Advise and engage with FTC staff and the Commission on policy and research initiatives:** OT's technological expertise is routinely integrated into non-enforcement agency actions, including 6(b) studies, reports, requests for information, research, policy statements, and policy deliverables. Technologists provide regular technical assistance for incoming Congressional bills and engage with Congressional staff via briefings in coordination with the Office of Congressional Relations. They also provide strategic guidance on technology matters through report recommendations and participate in engagement with regulatory counterparts in partnership with the Office of International Affairs.
- **Engage the public and relevant experts to understand trends and to advance the Commission's work:** OT is uniquely suited to proactively engage with external stakeholders to identify emerging technologies that impact the Commission's consumer protection and competition mandates and use these findings to advance the Commission's work through formal workshops, research conferences, briefings, or consultations.

OT can also draw on the combined authority of its expertise and the stature of the Commission to engage the public and relevant experts to highlight key trends and encourage best practices.

Office of General Counsel

The General Counsel is the Commission's chief legal officer and adviser. The Office's major functions are representing the Commission in court regarding certain matters and providing legal counsel and policy advice to the Commission, the operating Bureaus, and other Offices.

- **Litigation:** In its litigating capacity, the Office of General Counsel (OGC) provides fundamental support to both missions of the agency. OGC defends actions seeking judicial review of Commission orders and trade regulation rules, handles both offensive and defensive appeals of Commission actions seeking preliminary and permanent injunctive relief, prepares pleadings in appellate matters in which the agency is appearing as an amicus, defends the agency in lawsuits and counterclaims brought in district court (including Freedom of Information Act litigation), works with the Department of Justice ("DOJ") Antitrust Division on joint matters, and works with the Office of the Solicitor General on cases in which the agency has an interest.

OGC also counsels staff on the conduct of law enforcement investigations, enforces civil investigative demands and other compulsory processes, advises staff on issues relating to the discovery of electronically stored information, and frequently assists staff in responding to discovery requests directed to the FTC or its staff. It assists DOJ in defending cases brought to enjoin or otherwise challenge agency action, or to obtain monetary damages against the FTC or its personnel. OGC also furnishes advice and assistance concerning other litigation activities.

- **Legal Counsel:** In its counseling capacity, OGC provides confidential legal guidance to the Commission on a wide range of procedural and substantive issues in adjudicative matters, working to ensure that the agency's adjudicatory process is efficient and fair. It also advises the Commission and staff on legal and policy issues, such as agency jurisdiction, statutory authority, administrative procedure, professional responsibility, and other matters relating directly to the agency's enforcement goals.

OGC handles a number of matters related to confidentiality and access to information. OGC administers the agency's Freedom of Information Act ("FOIA") program, advises on sharing and protecting confidential information submitted to the Commission, and administers requests by state, federal, and international law enforcement agencies for access to non-public documents. OGC assists with briefings of Congressional committees and subcommittees, assists in preparing testimony for Congressional hearings, analyzes proposed legislation affecting the agency, and responds to Congressional requests for agency documents.

- **Rulemaking:** OGC contributes to the FTC's rulemaking defining unfair methods of competition and unfair or deceptive acts or practices, working closely with the Bureaus of Competition and Consumer Protection to create a strategic approach to rulemaking across mission areas. OGC also prepares the Commission's semi-annual regulatory agenda.
- **Federal Ethics:** OGC counsels Commissioners and staff to ensure compliance with the Ethics in Government Act. Its work protects the agency by helping Commissioners and staff avoid conflicts of interest, determining whether former employees may appear in Commission proceedings, and providing reports to the Office of Government Ethics.
- **FOIA:** The FOIA Unit is comprised of attorneys and Government Information Specialists. Often described as the law that keeps citizens "in the know" about government activity, FOIA provides every individual with the right to access information related to the internal workings of the FTC, including access to consumer complaints, investigative records, and congressional correspondence. Attorneys and Government

Information Specialists at the FTC process over a thousand FOIA requests per year and ensure compliance with FOIA, the Privacy Act, and the Commission Rules of Practice.

- **Opinion and Analysis:** OGC assists the Commission in drafting opinions and provides all necessary support for the Commission's adjudicatory functions. Staff provides the Commission with an analysis of complex legal issues and contributes advice and drafting assistance on cutting-edge topics related to the FTC's adjudicatory responsibilities.
- **Employment, Labor, and Appropriations:** OGC advises agency staff on personnel, labor-management relations, equal employment opportunity, procurement law, and appropriations law matters. OGC represents the FTC in legal proceedings before such agencies as the Merit Systems Protection Board, the Federal Labor Relations Authority, the Equal Employment Opportunity Commission, and the General Services Board of Contract Appeals.
- **Energy:** OGC is involved in most aspects of the FTC's energy-related work, with primary emphasis on two major areas: crude oil/petroleum products/natural gas and the electric power industry.

Office of International Affairs

The Office of International Affairs (OIA) is responsible for the international aspects of the FTC's mission of promoting competition and protecting consumers. As markets have become more global and the number of antitrust, consumer protection, and privacy laws and agencies continue to grow, the FTC must address international issues to fulfill its competition and consumer protection objectives on behalf of American consumers.

OIA's work comprises three areas: supporting the FTC's consumer protection and competition case teams with respect to international issues in investigations and cases; building mechanisms for international enforcement cooperation; and working with other nations and international organizations, both to learn from our partners and to promote sound competition and consumer protection policies. This work includes providing technical assistance to enable developing agencies to obtain the legal, technological, and economic skills necessary to adopt and implement sound policies into their enforcement, including in cross-border matters.

- **Competition:** OIA assists the FTC's competition mission through advice to case teams on international issues such as access to foreign witnesses and evidence and through its work in various bilateral and multilateral fora.
 - **Bilateral Relationships:** Effective cooperation with counterpart agencies is a necessity given that many FTC cases involve parties based outside the United States, evidence located abroad, or matters under parallel review by foreign competition agencies. Pursuant to formal cooperation agreements and a network of informal arrangements and relationships, OIA works with FTC staff and foreign agencies to achieve consistent approaches to cases of mutual concern and to promote greater international alignment among agencies on fair procedures, sound analysis, and enforcement that leads to compatible outcomes.
 - **Activities in Multilateral Competition Fora:** The FTC plays a central role in key multilateral fora dedicated to promoting effective competition policy and competition law enforcement cooperation. In the International Competition Network (ICN), the FTC is a key member of the organization's Steering Group and launched and co-leads the ICN's project on the interface between competition, data privacy, and consumer protection enforcement and policies in light of emerging digital economy issues. In the ICN, the FTC works to foster the exchange of learning on policy issues of common concern, and develop sound approaches in the areas of digital markets, unilateral conduct, mergers, cooperation, competition advocacy, and agency effectiveness and helps to set the ICN's long-term agenda. The FTC is also active in the Competition Committee of the Organization for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), and

regional organizations such as the Asia-Pacific Economic Cooperation (APEC). In all these fora, the FTC shares U.S. experience and works with sister agencies to build consensus on effective antitrust policy and to promote cooperation on cases. For example, the FTC is playing a key role in developing the ICN and OECD Competition Committee's work on international enforcement cooperation.

- **Working Within the U.S. Government:** The FTC works with U.S. government agencies and in inter-governmental fora to address competition-related issues that implicate broader U.S. policy interests. For example, the FTC recently worked with the Departments of Treasury, Justice, State, and others to develop a G7 statement on competition in the digital economy.
- **Consumer Protection:** OIA helps the FTC accomplish its consumer protection and privacy goals by supporting the FTC's investigations and cases with international aspects, building international enforcement cooperation mechanisms, and fostering the development of sound policies that address the rapid changes in technology and business models arising in the global marketplace. These activities include:
 - **Investigative and Litigation Advice and Assistance:** OIA supports case teams from BCP and OGC when international issues arise in FTC investigations and cases. OIA's work spans the range of enforcement-related activities including advising on jurisdiction and service of process, obtaining evidence located abroad, and working with case teams and foreign attorneys to identify and secure foreign assets for consumer redress.
 - **International Enforcement Cooperation:** In 2006, Congress gave the FTC powers to combat cross-border consumer fraud more effectively through the U.S. SAFE WEB Act, which provides the FTC with information sharing, investigative assistance, and cross-border enforcement authority. The FTC has used this authority, along with existing mechanisms, to pursue cross-border wrongdoers. Congress has reauthorized the Act in 2012 and again in 2020, The FTC continues to use the Act's tools, and will pursue making those tools a permanent part of the FTC's authority.

The FTC also works closely with a range of foreign consumer protection, privacy, telecommunications and criminal enforcement authorities on advertising, telemarketing, Internet fraud, and privacy and data security investigations and cases. The FTC is a leader in the International Consumer Protection and Enforcement Network (ICPEN), a global network of more than 65 consumer protection authorities that aims to protect consumers from fraudulent, deceptive, and unfair commercial practices around the world by encouraging global cooperation among law enforcement agencies. The FTC also manages econsumer.gov, ICPEN's online cross-border complaint site, now available in nine languages. The agency also serves on the governing committee of the Global Privacy Enforcement Network (GPEN), a network of nearly 70 privacy enforcement authorities from 50 jurisdictions. It also participates actively in the Global Antifraud Enforcement Network (GAEN), which brings together civil and criminal law enforcers, and the Unsolicited Communications Enforcement Network (UCE-NET), which includes consumer protection, telecommunications, and data protection authorities charged with enforcing laws against spam, robocalls, and other unwanted communications. The agency works closely with regional consumer protection networks in Asia, Africa, and Latin America. The agency also has entered into several memoranda of understanding on enforcement cooperation with foreign consumer protection and privacy counterparts.

- **Promoting Sound Consumer Protection Policies:** OIA advocates for vigorous enforcement of the key rules that protect consumers from significant harm, including fraud, deception, and unfair practices in the global marketplace, through its policy work in international organizations such as the Organisation for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD). Complementing this work, the FTC this year reinvigorated its informal dialogue on key consumer issues with the European Commission. The FTC also works closely, in collaboration with the Department

of Commerce, on mechanisms that protect consumer privacy and facilitate cross-border data flows, such as the Asia-Pacific Economic Cooperation (APEC) Cross Border Privacy Rules system.

- **International Training Assistance:**

- **Cross-Cutting Technical Assistance:** The FTC provides technical assistance to developing competition, consumer protection, and data privacy regimes in order to support the FTC’s enforcement and policy objectives and broader U.S. development goals. It also shares staff investigative and analytical expertise and experience with colleagues in more advanced jurisdictions as they address more complex issues. Our program supports improved cross-border enforcement and policy development and ultimately benefits American consumers and businesses.

The FTC also responds to requests for comments on draft competition, consumer protection, and privacy legislation and hosts foreign officials who visit the agency to study the U.S. experience in administering its antitrust, consumer protection, and privacy laws.

- **International Staff Exchanges:** Following a hiatus brought on by the pandemic, the FTC will recommence its International Fellows and Interns program, which has enabled foreign competition, consumer protection, and privacy agency staff to work alongside their FTC counterparts, and its staff exchange program. These programs implement the U.S. SAFE WEB Act’s authorization of exchanges with foreign antitrust and consumer protection agencies. Over the past fourteen years, the FTC has hosted 131 International Fellows and Interns from 41 jurisdictions, including Argentina, Australia, Austria, Barbados, Brazil, Canada, Chile, China, Colombia, Ecuador, Egypt, El Salvador, the European Union, France, the Gambia, Honduras, Hungary, India, Israel, Japan, Kazakhstan, Kenya, Lithuania, Mauritius, Mexico, Nigeria, Pakistan, Peru, Philippines, Poland, Saudi Arabia, Singapore, South Africa, South Korea, Switzerland, Tanzania, Turkey, Ukraine, the United Kingdom, Vietnam, and Zambia. In addition, FTC staff have participated in outbound exchanges with the competition agencies of Canada, the European Union, Mexico, and the United Kingdom.

Office of the Secretary

The Office of the Secretary supports the Commission by implementing, processing, and advising the Commission and its staff on Commission voting and other decision-making procedures.

The Office creates official records of all Commission deliberations and actions taken. The Office also reviews, and the Secretary signs or otherwise validates, all official documents approved or authorized by the Commission. In addition, the Office forwards all Commission Notices to the Federal Register, after signature by the Secretary or the General Counsel, and manages the contract covering Federal Register publication expenditures.

The Office also maintains the agency Operating Manual, and prepares and forwards responses to most Congressional and White House correspondence raising constituent issues. In addition, the Office creates and preserves electronic copies of all relevant actions and documents in the Commission’s internal document management system. The Secretary is also the legal custodian of Commission legal and public records, and is responsible for publishing the FTC Decisions Volumes, including more than 150 volumes covering the period from 1914 to 2018, which have recently been placed on the Commission website at www.ftc.gov.

Office of Administrative Law Judges

The Office of Administrative Law Judges performs the initial adjudicative fact-finding in Commission administrative complaint proceedings, guided by statutes, precedent, and rules of practice. The Administrative Law Judge holds pre-hearing conferences, resolves discovery, evidentiary, and procedural disputes, and conducts full adversarial evidentiary hearings. The judge’s Initial Decision sets out relevant and material findings of fact with record citation, explains the legal standard, and applies the law to the facts.

The Office of Administrative Law Judges is also charged with conducting certain rulemaking proceedings for the Commission. After a hearing on the record, the judge conducting the proceeding recommends a decision to the Commission based on findings of fact and conclusions of law.

Office of the Executive Director

The Office of the Executive Director serves as the managerial and administrative arm of the Federal Trade Commission, with responsibility for the overall operation of the agency. The Office of the Executive Director works closely with the Bureaus on strategic planning and assessing the management and resource implications of any proposed action. The following Offices are located in the Office of the Executive Director:

- **Financial Management Office:** The Financial Management Office (FMO) is responsible for overseeing the FTC's budget formulation and execution processes, all procurement activities, payment of invoices, development and maintenance of financial policies, ongoing assessment and monitoring of internal controls, implementing and maintaining financial systems, accounting and reporting of financial transactions, and oversight of the FTC's travel management, strategic planning, enterprise risk management, and performance management activities. FMO staff collaborate with Congress, the Office of Management and Budget (OMB), the Department of the Treasury, and other federal agencies to accomplish government-wide goals.

Key FMO activities include:

- Advising senior management on budget development, justification, execution, and review; working with OMB and Congressional staff to obtain appropriations and subsequent apportionment authority; distributing enacted and Commission-approved resources to agency organizations and projects; and tracking agency resources.
- Conducting financial oversight and analysis to support the recording of financial transactions in the accounting system; paying invoices for purchases and services performed for the FTC; reconciling the agency's general ledger; reporting assets managed by the FTC, including accounts receivable from court orders, judgments, and receiverships; and reconciling balances with those maintained by Treasury and OMB.
- Reporting the agency's financial information to Treasury; preparing the consolidated financial statements; and producing the annual Agency Financial Report.
- Managing the FTC's acquisition activities of goods and services on behalf of the Bureaus and Offices; providing guidance and assistance with all aspects of the requisition process, including statements of work, requests for proposal, contract preparation, award, and administration; and training the agency's Contracting Officer Representatives.
- Managing the FTC's enterprise risk management and internal control program by continuously identifying and documenting risk related to achieving the agency's strategic goals and assessing the adequacy of financial and operational internal controls, identifying needed improvements, taking corresponding corrective actions, and reporting annually on the condition of the agency's internal controls.
- Managing the FTC's Oracle-based financial system through an integrated financial system that includes accounting, travel management, and acquisition lifecycle systems.
- Issuing the FTC's financial policies to implement laws and high-level government-wide requirements and policies (e.g., OMB Bulletins and Circulars).
- Managing and administering the federal purchase and travel card programs.

- Managing all components of the agency’s E-Travel system; supporting the Bureaus and Offices with all travel requirements, including planning, funding, booking, tracking, and approving travel; and ensuring compliance with the Federal Travel Regulations.
- The Chief Financial Officer serves as the agency’s Performance Improvement Officer, responsible for oversight of all performance management activities, including development of the FTC’s Strategic Plan, tracking of the agency’s performance metrics, and producing the FTC’s Annual Performance Plan/ Annual Performance Report.
- **Human Capital Management Office:** The Human Capital Management Office (HCMO) develops and implements human capital programs and policies to align with and support the FTC’s human capital strategic objectives. HCMO provides direction, technical advice, and policy guidance to FTC Bureaus, Offices, and leadership on a broad range of talent management and workforce issues, including workforce planning, position management and classification, staffing and placement, background investigations, performance management, workforce development, executive resources, compensation and leave, employee and labor relations, special emphasis programs, and employee benefits services and programs.

HCMO consults with the FTC workforce and collaborates with other federal agencies, such as the Office of Personnel Management (OPM) and OMB, to develop progressive programs and solutions for emerging human capital matters in support of government-wide human capital initiatives. HCMO supports the FTC’s mission by:

- Providing human capital services, strategies, and guidance to FTC Bureaus and Offices to recruit, hire, develop, engage, retain, or transition a diverse, highly skilled, and high-performing workforce.
- Leading Training Council activities to assess the competencies necessary and create core curriculums for critical FTC occupations.
- Establishing and administering policies, programs, and services related to employee and labor relations issues, including case support.
- Dedicating efforts to make the FTC a best place to work through its human capital programs and management initiatives.
- **Office of the Chief Administrative Services Officer:** The Office of the Chief Administrative Services Officer (OCASO) provides a broad range of administrative and information management services to the agency. In carrying out its support work, OCASO:
 - Acquires and manages office space, including infrastructure renovations and repairs;
 - Provides building and grounds management and oversees maintenance and custodial contracts;
 - Manages physical security, emergency preparedness, continuity of operations, health, and safety programs;
 - Provides logistical support and coordination for all types of FTC events;
 - Manages agency-wide support functions, including mail services, printing and copying, couriers, supplies, transit subsidies, parking, and furniture warehousing;
 - Serves all official Commission documents and receives and processes filings before the Commission;
 - Manages agency-wide electronic systems that process, track, and store records and information on Commission matters;
 - Provides library research, reference, and subscription services;

- Processes public comments in rulemakings, consent proceedings, workshops, studies, and other matters that solicit public comments; and
- Maintains the official public record in all FTC matters.
- **Office of the Chief Information Officer:** The Office of the Chief Information Officer (OCIO) is responsible for providing the FTC with a robust, reliable, secure, rapidly scalable, and interoperable infrastructure; providing connectivity and computing capabilities; and allowing FTC staff and mission partners to access, share, and act on needed information electronically. OCIO develops, modernizes, and enhances mission critical IT applications and systems, business services, and related office automation tools and maintains a robust cybersecurity program that includes the FTC’s disaster recovery and continuity of operations efforts. Some key activities performed by OCIO include:
 - Providing mission critical information systems and services to facilitate litigation, forensic investigations, enforcement, and economic analysis activities;
 - Ensuring availability of information technology systems through maintenance of a stable, modernized in-house technology infrastructure, including life-cycle management and technology enhancements and provisioning of secure cloud-based services in support of efficiency and improved operations;
 - Enhancing agency productivity through customer support services, including equipment installation and repair; training and support in the use of information technology resources; and support of critical information systems and applications;
 - Securing FTC data and information technology systems against current and emerging cybersecurity threats using sophisticated technologies and information assurance activities, providing increased security and compliance without hindering mission success and employee performance.

Office of Congressional Relations

The Office of Congressional Relations serves as the liaison between the FTC and Congress. It works closely with congressional committees and members’ offices, and keeps the Commission apprised of activity on Capitol Hill affecting competition, consumer protection, and the agency. It also coordinates the preparation of congressional testimony and responses to congressional inquiries about FTC actions, policies, and programs.

The Office of Congressional Relations:

- Develops, coordinates, and executes legislative advocacy for the FTC.
- Receives and helps coordinate responses to members’ inquiries on behalf of constituents.
- Plans and implements liaison activities with Congress, including briefings by FTC staff, meetings between members of Congress and Commissioners, and constituent education events.
- Monitors hearings, legislation, and other congressional activity affecting or of interest to the FTC.
- Coordinates the review by FTC staff of relevant legislation and provides feedback and technical assistance on bills to congressional offices.
- Prepares agency witnesses to testify before Congress.
- Keeps congressional staff informed of major Commission actions.
- Assists nominees for FTC Commissioner positions through the confirmation process.

Office of the Chief Privacy Officer

The Office of the Chief Privacy Officer (OCPO) manages the FTC’s internal privacy program and is responsible for ensuring that the Commission complies with all applicable privacy laws and guidance. OCPO identifies the privacy risks, controls, and mitigating solutions when making decisions involving the collection, use, sharing,

retention, disclosure, and destruction of personally identifiable information. It is also responsible for investigating and mitigating privacy incidents. OCPO accomplishes its support function by:

- Protecting personal information at the FTC throughout its life cycle, including creation/collection, use, sharing, disclosure, transfer, and disposal/disposition through various means, including, but not limited to:
- Using Privacy Threshold Analyses to conduct a privacy risk analysis for new information collections;
- Publishing Privacy Impact Assessments to provide transparency regarding information collections from members of the public;
- Conducting annual continuous monitoring to ensure that privacy and security risks are evaluated throughout the information life cycle; and
- Utilizing a process to ensure privacy risks are addressed when information systems are decommissioned.
- Supporting the FTC mission with an evolving privacy program, including:
- Developing and implementing a Data Breach Response Plan to respond to privacy events;
- Monitoring and analyzing quantitative and qualitative performance measures on the effectiveness of existing privacy activities and using that information to make needed adjustments; and
- Maintaining a list of the agency's social media accounts, applications, and websites to ensure compliance with federal information management laws and guidance.
- Promoting a culture of privacy among FTC staff, contractors, and third parties by, among other things:
- Providing privacy awareness trainings for all staff, including in-person privacy training for all new employees, contractors, and international visitors;
- Providing counsel and guidance to agency officials and staff on privacy-related issues; and
- Coordinating with agency staff to address privacy-related issues associated with information technology and security, legal, acquisitions, budget, and program offices.

Office of Public Affairs

The Office of Public Affairs (OPA) informs the news media, as well as the public at large, about the activities of the FTC and responds to media inquiries about Commission actions and policy. OPA also manages the agency's main website, FTC.gov, and social media accounts, which are critical communication tools for the agency.

In serving as liaison between the FTC, the media, and the public, OPA:

- Arranges and frequently staffs media appearances for the Chair, Commissioners, and other senior officials.
- Ensures that Commission news releases, supporting documents, and consumer and business education materials are disseminated to the media and the public on FTC websites, through use of social media, and other channels.
- Manages the FTC's official presence on Facebook, Twitter, and LinkedIn, including hosting live social chats, live-tweeting and live-streaming workshops and other events, and answering public questions using social media.
- Produces a daily "News Summary" on FTC activities consisting of interesting/influential tweets, clips from newspapers, magazines, online publications, and television.

- Drafts and maintains all social media privacy impact assessments and produces weekly social mentions reports to staff.
- Manages the operations and development of the FTC’s primary public website, FTC.gov, including related vendor contracts.
- Establishes governance, standards, and administrative guidance for public-facing web properties managed by offices across the agency.
- Coordinates the development and execution of the agency’s digital communications strategy, including collection and analysis of web traffic data and customer experience metrics.
- Provides training and support to FTC web content publishers and authors.
- Provides assistance to the media and bloggers covering FTC activities.
- Promotes and supports major FTC outreach activities and initiatives and uses new technology, as available, to advance these efforts.
- Provides Regional FTC offices with media training and outreach support as needed.
- Produces “Weekly Calendar and Sunshine Notices” reports to inform the public and the media of scheduled “open” Commission activities.
- Works with international, national, and regional media for coverage of Commission activities.
- Obtains transcripts and videotapes of broadcast coverage of Commission activities.
- Coordinates with staff on publication of FTC blogs, posts, and occasional guest posts.

Office of Inspector General

The Inspector General Act of 1978 created independent and objective units within the federal agencies to detect fraud, waste, and abuse and promote economy, efficiency, and effectiveness in agency operations. Each OIG is responsible for conducting audits, evaluations, and investigations relating to the agency’s programs and operations.

The Inspector General Act Amendments of 1988 (5 U.S.C. app.) established an OIG within the FTC in 1989. The OIG is led by an Inspector General with the functions, powers, and duties of an agency head or appointing authority. The Inspector General must keep the Chair, the Commissioners, and Congress fully and currently informed about problems and deficiencies in the agency’s operations and programs.

The Inspector General Act contains statutory guarantees of OIG independence, which ensure the objectivity of the OIG’s work and safeguards against efforts to compromise that objectivity or hinder OIG operations. Foremost among these safeguards are the Inspector General’s dual reporting to the agency head and Congress, and the requirement for agency management to provide timely access to agency personnel and information.

The OIG’s independent mission requires that OIG staff be free in fact and appearance from personal, external, and organizational impairments to their independence. The OIG is responsible for the following activities within the FTC:

- **Audits and Evaluations:** The OIG conducts audits and evaluations that address the efficiency, effectiveness, and economy of FTC programs and operations. OIG reports provide information to FTC leadership that identify corrective actions, facilitate program improvements, and improve accountability. Audits and evaluations are systematic and independent assessments that provide timely and credible information for agency managers, policy makers, and others to determine the efficiency, effectiveness, impact, and sustainability of agency operations, programs, and performance.

- **Investigations:** The OIG investigates allegations of criminal, civil, and administrative violations of laws, policies, and regulations on the part of FTC employees and individuals or entities that have contracts with the agency. Complaints and allegations of wrongdoing generally reach the OIG via the OIG Hotline—in-person, and via mail—from a variety of sources, including FTC employees, other government agencies, and the public. When results of OIG investigations uncover criminal activity or civil violations, the OIG refers them to the Department of Justice for consideration for criminal prosecution or civil penalties. When investigations do not substantiate criminal or civil activity, or when criminal prosecution or civil remedies have been declined, the OIG reports those matters to FTC management for appropriate action.
- **Whistleblower Protection:** Federal law prohibits governmental personnel from retaliating against an employee who acts as a whistleblower by reporting suspected waste, fraud, or abuse to the OIG. Both the OIG and the U.S. Office of Special Counsel exercise the authority to investigate allegations of whistleblower retaliation.
- **Management Advisories:** The OIG issues periodic Management Advisories to inform management expeditiously of findings of systemic weaknesses or vulnerabilities identified during audits, evaluations, investigations, or other oversight activity. Management Advisories typically contain recommendations for agency management.
- **Top Management Challenges:** The Reports Consolidation Act of 2000 requires that the Inspector General provide a summary of the OIG’s perspective on the most serious management and performance challenges facing the agency—as well as a brief assessment of the agency’s progress in addressing those challenges.
- **Congressional Reports, Requests, and Briefings:** In addition to keeping the Chair and Commissioners informed of the OIG’s work, the Inspector General Act requires the OIG to keep appropriate Congressional committees informed of completed audit, evaluation, and investigation work through semiannual reports to the Congress. These reports summarize the work the OIG has completed and planned during the reporting period, as well as the status of OIG recommendations to management. Separately, the OIG may respond to requests by Congressional committees, inform on matters referred to the Department of Justice for possible prosecution, and report any challenges encountered in obtaining timely information from management.
- **Peer Reviews:** The OIG’s audit function is subject to triennial external peer reviews conducted under requirements established by CIGIE, an independent entity within the Executive Branch comprised of federal Inspectors General. OIG staff take periodic training in the various OIG disciplines to ensure that they and the OIG programs adhere to Government Accountability Office, CIGIE, and other quality standards for ensuring accuracy, objectivity, and independence.

Office of Equal Employment Opportunity and Workplace Inclusion

The Office of Equal Employment Opportunity and Workplace Inclusion (OEEOWI) maintains a continuing affirmative employment program to promote EEO, and seeks to identify and eliminate discriminatory practices and policies within the FTC.

OEEOWI also manages the FTC’s EEO discrimination complaint process, including recommending settlements and taking final action, as well as making final decisions on complaints that are consistent with regulations and directives governing the administrative complaint process. OEEOWI also serves as the principal advisor on EEO and affirmative employment programs, policies, and regulations including providing support and advice on issues related to EEO in all aspects of the FTC’s employment lifecycle.

Additionally, OEEOWI promotes an inclusive and diverse work environment by maintaining relationships with a diverse group of bar associations and other professional organizations, and providing guidance to the FTC

Diversity Council and FTC employee resource groups. OEEOWI, with the help of interested FTC staff, plans and organizes programs and activities for commemorative events and special observances throughout the year. OEEOWI also provides a variety of trainings to FTC staff, including on unconscious bias, on diversity/equity/inclusion, and on EEO laws.

Further, OEEOWI engages in proactive strategies to identify and eliminate barriers to EEO, provides information to FTC management and staff on EEOC regulations and directives, and implements comprehensive affirmative employment initiatives that conform to Federal laws, regulations, and sub-regulatory guidance governing EEO and workplace inclusion.

Appendix





Proposed Appropriations Language

Salaries and Expenses

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed \$2,000 for official reception and representation expenses, \$590,000,000, to remain available until expended: Provided, That not to exceed \$300,000 shall be available for use to contract with a person or persons for collection services in accordance with the terms of 31 U.S.C. 3718: Provided further, That, notwithstanding any other provision of law, fees collected in fiscal year 2024 for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18a), (and estimated to be \$323,000,000 in fiscal year 2024) shall be retained and used for necessary expenses in this appropriation and shall remain available until expended: Provided further, That, notwithstanding any other provision of law, fees collected to implement and enforce the Telemarketing Sales Rule, promulgated under the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6101 et seq.), regardless of the year of collection (and estimated to be \$13,000,000 in fiscal year 2024), shall be credited to this account, and be retained and used for necessary expenses in this appropriation, and shall remain available until expended: Provided further, That the sum herein appropriated from the general fund shall be reduced (1) as such offsetting collections are received during fiscal year 2024 and (2) to the extent that any remaining general fund appropriations can be derived from amounts credited to this account as offsetting collections in previous fiscal years that are not otherwise appropriated, so as to result in a final fiscal years 2024 appropriation from the general fund estimated at \$254,000,000: Provided further, That, notwithstanding section 605 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1990 (15 U.S.C. 18a note), none of the funds credited to this account as offsetting collections in previous fiscal years that were unavailable for obligation as of September 30, 2023, shall become available for obligation except as provided in the preceding proviso: Provided further, That none of the funds made available to the Federal Trade Commission may be used to implement subsection (e)(2)(B) of section 43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t).

Program and Financing

(\$ in millions)

Identification Code: 29-0100-0-1-376

	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Obligations by Program Activity:			
0001 Protecting Consumers	115	236	289
0002 Promoting Competition	101	211	301
0192 Subtotal, direct program	216	447	590
0799 Total direct obligations	216	447	590
0803 Reimbursable program	154	5	4
0900 Total new obligations, unexpired accounts	370	452	594
Budgetary Resources:			
Unobligated Balance:			
1000 Unobligated balance brought forward, Oct 1	45	63	53
1011 Unobligated balance transfer from other acct [047-0616]	2	2	...
1021 Recoveries of prior year unpaid obligations	8	5	5
1070 Unobligated balance (total)	55	70	58
Budget Authority:			
Appropriations, discretionary:			
1100 Appropriation	224	220	254
1130 Appropriations permanently reduced	...	...	...
1160 Appropriation, discretionary (total)	224	220	254
Appropriations, mandatory:			
1200 Appropriation	...	...	...
1230 Appropriations permanently reduced	...	...	...
1260 Appropriation, mandatory (total)	...	...	...
Spending authority from offsetting collections, discretionary:			
1700 Offsetting collections (cash) - HSR	191	362	323
1700 Offsetting collections (cash) - Do Not Call	14	20	13
1700 Offsetting collections (cash) - Reimb	1	5	4
1701 Change in uncollected payments, Federal sources	1	...	...
1724 Spending authority from offsetting collections precluded from obligation (limitation on obligations)	-53	-172	...
1750 Spending authority from offsetting collections, discretionary (total)	154	215	340
1900 Budget authority (total)	378	435	594
1930 Total budgetary resources available	433	505	652
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	63	53	58
Change in Obligated Balances:			
Unpaid Obligations:			
3000 Unpaid obligations, brought forward, Oct 1	69	78	121
3010 New obligations, unexpired accounts	370	452	594
3020 Outlays (gross)	-353	-404	-494
3040 Recoveries of prior year unpaid obligations, unexpired	-8	-5	-5
3050 Unpaid obligations, end of year	78	121	216
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1	-1	-2	-2
3070 Change in uncollected pymts, Federal sources, unexpired	-1	...	...
3090 Uncollected pymts, Fed sources, end of year	-2	-2	-2
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	68	76	119
3200 Obligated balance, end of year	76	119	214

Identification Code: 29-0100-0-1-376

	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Budget Authority and Outlays (net):			
Discretionary:			
4000 Budget authority, gross	378	435	594
Outlays, gross:			
4010 Outlays from new discretionary authority	288	263	322
4011 Outlays from discretionary balances	57	124	172
4020 Outlays, gross (total)	345	387	494
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources	-1	-5	-4
4033 Non-Federal sources	...	...	...
4034 Offsetting governmental collections	-205	-382	-336
4040 Offsets against gross budget authority and outlays (total)	-206	-387	-340
Additional offsets against gross budget authority only:			
4050 Change in uncollected pymts, Fed sources, unexpired	-1	...	...
4070 Budget authority, net (discretionary)	171	48	254
4080 Outlays, net (discretionary)	139	...	154
Mandatory:			
4090 Budget authority, gross	...	...	...
Outlays, gross:			
4100 Outlays from new mandatory authority	...	...	...
4101 Outlays from mandatory balances	8	17	...
4110 Outlays, gross (total)	8	17	...
4160 Budget authority, net (mandatory)	...	...	...
4170 Outlays, net (mandatory)	8	17	...
4180 Budget authority, net (total)	171	48	254
4190 Outlays, net (total)	147	17	154
Memorandum (non-add) entries:			
5090 Unexpired unavailable balance, SOY: Offsetting collections	119	172	344
5092 Unexpired unavailable balance, EOY: Offsetting collections	172	344	344
Unexpended balance memorandum entries:			
5311 Direct unobligated balance, start of year	44	61	...
5312 Reimbursable unobligated balance, start of year	1	2	...
5313 Discretionary unobligated balance, start of year	19	46	...
5314 Mandatory unobligated balance, start of year	26	17	...
5321 Direct unobligated balance, end of year	61	...	...
5322 Reimbursable unobligated balance, end of year	2	...	...
5323 Discretionary unobligated balance, end of year	46	...	...
5324 Mandatory unobligated balance, end of year	17	...	...
5331 Direct obligated balance, start of year	69	78	...
5332 Reimbursable obligated balance, start of year	-1	-2	...
5333 Discretionary obligated balance, start of year	67	74	...
5334 Mandatory obligated balance, start of year	1	2	...
5341 Direct obligated balance, end of year	78	...	...
5342 Reimbursable obligated balance, end of year	-2	...	...
5343 Discretionary obligated balance, end of year	74	...	...
5344 Mandatory obligated balance, end of year	2	...	...

Object Classification

(\$ in millions)

Identification Code: 29-0100-0-1-376

	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Direct Obligations			
Personnel Compensation:			
11.1 Full-time permanent	9	226	277
11.3 Other than full-time permanent	7	...	...
11.5 Other personnel compensation	4	5	6
11.8 Special personal services payments	1	...	...
11.9 Total, Personnel Compensation	21	231	283
12.1 Civilian personnel benefits	59	82	103
21.0 Travel and transportation of persons	1	3	4
22.0 Transportation of things	...	...	...
23.1 Rental payments to GSA	25	26	40
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	5	5	6
24.0 Printing and reproduction	3	3	3
25.1 Advisory and assistance services	81	73	118
25.2 Other services from non-Federal sources	3	5	5
25.3 Other goods and services from Federal sources	...	...	...
25.4 Operation and maint. of facilities	2	1	1
25.7 Operation and maint. of equipment	14	15	20
26.0 Supplies and materials	...	...	1
31.0 Equipment	1	2	5
32.0 Land and structures	...	...	...
42.0 Insurance claims and indemnities	...	...	...
44.0 Refunds	...	...	...
99.0 Subtotal, Direct Obligations	216	447	590
Reimbursable Obligations			
Personnel Compensation:			
11.1 Full-time permanent	154	5	4
99.0 Subtotal, Reimbursable Obligations	154	5	4
99.9 Total, New Obligations	370	452	594

Personnel Summary

Identification Code: 29-0100-0-1-376

	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Direct			
1001 Full-time equivalent employment	1,119	1,380	1,690
Reimbursable			
2001 Full-time equivalent employment ¹	3	1	1

¹Includes 1 FTE reimbursed by other federal agencies

Inspector General's Request



Office of Inspector General

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

March 13, 2023

In accordance with the requirements of Section 6(g)(1) of the Inspector General Act of 1978 (as amended), the Federal Trade Commission's Office of Inspector General (OIG) submits the following information related to its requested budget for FY 2024:

- OIG requests aggregate funding of \$3,026,200 for FY 2024.
- OIG requests \$29,700 for all training needs. The requested amount satisfies all training requirements for the OIG in FY 2024.
- OIG requests \$12,105 for support of the Council of Inspectors General on Integrity and Efficiency (CIGIE). The requested amount satisfies all requirements for the OIG's CIGIE contribution in FY 2024.

<u>FY 2023 Budget</u> \$ in thousands		<u>FY 2024 Estimate</u> \$ in thousands		<u>Change</u> \$ in thousands	
Full Time Equivalents	Amount	Full Time Equivalents	Amount	Full Time Equivalents	Amount
8	\$2,163.4	11	\$3,026.2	3	\$862.8

Andrew Katsaros
Inspector General
Federal Trade Commission