

Fraud Affects Every Community Workshop

Remarks of Commissioner Terrell McSweeny

October 29, 2014

Good afternoon. I hope everyone enjoyed lunch and had an opportunity to connect with other speakers and attendees. I want to begin by reiterating Chairwoman Ramirez's appreciation for everyone making the time to participate in this important workshop. We have such an impressive roster of advocates, enforcers, and researchers gathered here today, and your interest is heartening.

And I want to thank the Chairwoman for her strong leadership in launching the Every Community Initiative to increase the FTC's engagement with diverse communities. We want to make sure that different communities are able to easily connect with the FTC to teach us about what types of fraud they are experiencing and how we can help, and in turn, we want to know that we are targeting law enforcement efforts and providing appropriate resources and assistance to protect every community.

To fight fraud, the FTC has brought countless law enforcement actions against scammers who victimized particular populations, including older adults, immigrant communities, and military consumers. Let me highlight some recent examples.

Last month, we halted a scheme that targeted Spanish-speaking consumers and others who were uninsured. Using Spanish-language radio ads, the defendants in *Partners in Health Care* allegedly claimed that they were selling a qualified health insurance plan under the Affordable Care Act. They convinced consumers to pay enrollment and monthly fees ranging from \$99 to several hundred dollars, in exchange for virtually worthless medical "discount cards."

Our recent case against *Sun Bright Ventures* involved a scheme that targeted seniors. Falsely claiming to be working on behalf of Medicare, callers allegedly told consumers that they would provide them with a new Medicare card or package of information about their Medicare benefits. The defendants asked for consumers' bank account numbers supposedly in order to verify their identities, and debited consumers for amounts between \$399 and \$448.

I also want to mention *Centro Natural Corp.*, another scam that defrauded Spanish-speaking consumers. According to our complaint, which we filed just last week, the defendants claimed that consumers owed them money for previous purchases from third parties. In order to settle these supposed debts – which consumers did not actually owe – the defendants told consumers that they had to purchase hundreds of dollars of unwanted goods, threatening arrest or legal action if consumers did not pay. We charged the defendants with violating the FTC Act, the Fair Debt Collection Practices Act, and the Telemarketing Sales Rule.

All of these cases are still pending. And while law enforcement is a component part of the FTC's consumer protection mission, we'll turn this afternoon to another critical tool in the FTC's efforts to fight fraud: consumer education and outreach.

For decades, our Division of Consumer and Business Education has taken the time to learn about communities and their needs, before determining how to best deliver information that will help them. For consumers who want just the basics, written in a plain and simple style, we have consumer.gov and consumidor.gov – popular with legal services attorneys, community groups, and teachers, among others.

Through the process of developing these plain and simple resources, we learned an invaluable lesson: tell people what *they* need to know, not what *you* need to tell them. We applied this approach in Pass It On, one of the FTC's newest education campaigns. We knew we wanted to reach out to active older adults with consumer protection messages. But first, we did some research. What does that population want to know? How could we deliver it in a way that will resonate? Our researcher, Andy Tuck, is on the next panel and might have more to add, but here's what we learned: the materials had to be friendly, respectful, and direct, empowering older adults to share what they know with others. And we had to treat older adults as part of the solution, not simply as victims.

We took those findings and created these resources, which you can find in English at www.ftc.gov/PassItOn, and in Spanish at www.ftc.gov/Pásalo. We've already received requests for hundreds of thousands of copies.

We also produced a short video about Pass It On, which I'd like to share with you now. This video shows how we incorporated what we learned during our research phase; consumers are ready, willing, and able to teach their friends and family members. The video is available at <http://www.consumer.ftc.gov/media/video-0098-pass-it>.

In a similar way, we're raising awareness about scams targeting the Latino community through a recently-developed series of Spanish-language “*fotonovelas*.” These graphic novels – a familiar format in Spanish-language cultures – share stories based on complaints we've received, and offer practical tips to help detect and stop government imposter scams, income scams, and illegal debt collection practices.

We also direct outreach to other communities affected by fraud. For example, besides English and Spanish, we have resources available in six other languages: Arabic, Chinese, Haitian Creole, Korean, Tagalog and Vietnamese. All of our materials are free and in the public domain. And in order to help service members and their families protect themselves against scams and make good decisions in the marketplace, we've created Military Consumer Protection Day with the Department of Defense, the Consumer Financial Protection Bureau, and Military Saves.

But we can always do more. And we need your help.

We want to hear from you. If you have ideas for education and outreach, about topics we should address – or *how* we can more effectively communicate to different audiences – let us know. Jennifer Leach, the Acting Assistant Director of the FTC's Division of Consumer and Business Education, is moderating the next panel. Please track her down and talk with her. You might have ideas right now – or you might be inspired when you hear from the panel of skilled

educators we're fortunate to have with us today. Either way, by telling the FTC what's going on in your communities, you will help us do our job to protect consumers.

Thank you again for being a part of these discussions today. We look forward to continuing this conversation with each of you and the communities you serve. Together we can protect all consumers – regardless of what language they speak, where they were born, where they live, and what they do. That is the mission of the Every Community Initiative, and of the FTC.