

PREPARED STATEMENT OF

THE FEDERAL TRADE COMMISSION

on

ALTERNATIVE HORMONE REPLACEMENT THERAPY PRODUCTS

Before the

SENATE SPECIAL COMMITTEE ON AGING

Washington, DC

April 19, 2007

I. Introduction

Chairman Kohl, Ranking Member Smith, and Members of the Committee, I am Eileen Harrington, Deputy Director of the Bureau of Consumer Protection of the Federal Trade Commission (“FTC” or “Commission”).¹ I appreciate the opportunity to discuss the Commission’s efforts to address the misleading online advertising of “alternatives” to hormone replacement therapy as well as its work to combat all types of Internet fraud.

Among its many benefits, the Internet provides consumers with access to a vast array of information and products, including health-related items. Unfortunately, the online medium also provides an opportunity for irresponsible marketers to prey on consumers with false or misleading claims that can cause economic injury and have potentially serious consequences for consumers’ health. Therefore, pursuant to its broad authority to prevent “unfair or deceptive acts or practices,”² the FTC has a longstanding and active program to protect consumers in the online environment.

This testimony provides an overview of the FTC’s efforts with respect to health-related fraud, including an explanation of its jurisdiction over health products and a discussion of the FTC/FDA project to address the misleading marketing of hormone replacement therapy alternatives. Pursuant to the Committee’s request, the testimony then discusses the FTC’s broader program to combat online scams in general.

¹ This written statement presents the views of the Commission. My oral testimony and responses to questions reflect my views and do not necessarily represent the views of the Commission or any individual Commissioner.

² Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a). In addition, Section 12 of the Federal Trade Commission Act prohibits the false advertisement of “food, drugs, devices, services, and cosmetics.” 15 U.S.C. § 52.

diet and fitness products.⁵ For example, the FTC issued a Consumer Alert on HGH pills and sprays.⁶ Most recently, the Commission released its “Glucobate” teaser website advertising a phony miracle product to help consumers avoid deceptive diabetes claims.⁷

On the business outreach front, the Commission has created numerous materials geared toward helping businesses avoid making deceptive claims. For instance, the FTC’s publication “Dietary Supplements: An Advertising Guide for Industry,” provides easy-to-understand explanations of advertising standards for the marketing of health products, along with many useful examples.⁸ Additionally, the Commission conducts advertising “surfs” looking for potentially violative claims, and then follows up with warning letters, which can ultimately lead to law enforcement action. For example, the FTC sent warning letters to more than 90 Internet marketers promoting purported HGH products for “anti-aging” benefits.⁹ Finally, the Commission has worked with industry trade associations to implement effective self-regulation procedures.

⁵ See, respectively, www.ftc.gov/bcp/online/edcams/cureall/coninfo.htm; www.ftc.gov/bcp/online/pubs/health/indootan.htm; and www.ftc.gov/bcp/online/edcams/fitness/index.html.

⁶ www.ftc.gov/bcp/online/pubs/alerts/hghalrt.pdf.

⁷ Teaser sites mimic real web pages, using common buzz words and making exaggerated claims like those found on many deceptive websites. At first glance, the teaser site appears to advertise a miracle cure. When consumers click for more information, they learn the ad is actually a consumer education piece posted by the FTC to warn consumers about rip-offs. See www.wemarket4u.net/glucobate.

⁸ www.ftc.gov/bcp/online/pubs/buspubs/dietsupp.htm. This publication was accessed over 25,000 times last year.

⁹ www.ftc.gov/opa/2005/06/greatamerican.shtm.

