



# Federal Trade Commission

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## Roundtable on Consumer Protection in Immigrant Communities

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**Introductory Remarks**

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### **I. Introduction**

Hello everyone. Welcome and thank you for coming. I am Jessica Rich, Director of the Bureau of Consumer Protection at the Federal Trade Commission. I am delighted to see you all here today to discuss the consumer protection issues facing immigrant communities in North Carolina. Thanks, especially, to the federal, state, and local government agencies, legal services organizations, and advocacy organizations who have worked with us to plan this event.

Our focus today is on immigration service scams and other frauds and consumer protection issues affecting immigrant populations. Many of you have taken the time to participate not only in this conference but also in the task force we put together, as part of our Legal Services Initiative, to understand and address these important issues. This is a

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<sup>1</sup> The views expressed here are my own and do not necessarily represent the views of the Federal Trade Commission or any Commissioner. My thanks to Tracey Thomas for assisting in the preparation of these remarks.

great opportunity to talk about what we have learned so far, and how we will move forward.

A slew of consumer protection issues hit hard at immigrants. Notario fraud, abusive debt collection practices, auto fraud, and a host of others come to mind. Scammers are eager to exploit confusion in the marketplace – and language barriers – to target immigrants. I want to help launch this event by briefly describing some of the tools the FTC is using – and can offer to our partners – to stop these harmful practices.

## **II. FTC Immigration Toolkit**

I'll highlight first the educational tools we make available for distribution, and on our website – tools we are eager for everyone here to use.

To help immigrant consumers and their advocates navigate the wide range of consumer protection issues they face, now and in the future, the FTC, with the help of legal services advocates, put together a toolkit available on our website at [consumer.gov/immigranthelp](http://consumer.gov/immigranthelp).

The toolkit provides information on topics such as notario fraud, debt collection, money wiring, and job scams. It includes materials created by the FTC, as well as other law enforcement agencies, legal services organizations, and immigrant advocates. For example, it includes a new manual on notario fraud remedies created by the Community Justice Project at Georgetown Law.

We are very pleased to offer this toolkit as a resource, and hope you will assist us in spreading the word about it. We have one-page information sheets here, in several languages (Spanish, Vietnamese, Chinese, Korean, and Tagalog), that you can take with

you. With your help, we can provide valuable information to those seeking to combat fraud in immigrant communities.

While you are on [consumer.gov](http://consumer.gov), or [consumidor.gov](http://consumidor.gov), the Spanish language version, take a moment to check it out. The material on [consumer.gov](http://consumer.gov) boils our consumer protection messages down to concise and easy to read materials for any consumer. The materials are especially useful for those who don't read English as their first language or who may not have the time to go through the more complex or lengthy consumer education materials. The information at [consumer.gov](http://consumer.gov) also comes with an audio option that will read the text to the consumer.

The site contains a whole section targeted at service providers, which includes plain-language outreach presentations that you can use for community education events: the presentations are meant to be about 20 minutes each and cover an array of topics including using a bank, ID theft, and scams against immigrants. The information, videos, and presentations available on the site were created in response to requests from our legal services partners for resources they could give directly to their clients.

### **III. Law Enforcement**

I also want to highlight some of the enforcement actions that FTC has taken to protect immigrants. Throughout, I'll note how legal services offices have helped us. I want each and every legal services office here to leave with a concrete sense of how we can work together to combat some tough problems.

As part of our law enforcement mission, we bring civil cases against businesses and individuals that commit fraud. In the case of those who commit the most egregious

acts of deception against consumers, we refer them to the Department of Justice for criminal prosecution. We've brought numerous cases in district court to combat a variety of frauds affecting immigrant communities, including mortgage foreclosure rescue scams, bogus work-at-home opportunities, deceptive prepaid calling card sales, immigration services fraud, and more. You'll hear about some of these cases today.

For example, in January, the FTC obtained a preliminary injunction against Oro Marketing. We alleged that the company targeted Spanish-speaking consumers and offered to sell brand name merchandise at wholesale prices that consumers could supposedly resell to others to make money. However, instead of providing the possibility of a lucrative business, Oro provided shoddy merchandise, even after consumers paid hundreds of dollars. To make matters worse, the company allegedly threatened consumers who declined the merchandise with fines, phony lawsuits, wage garnishment, and even arrest or reporting to immigration authorities. The FTC obtained an order to stop the illegal activity and to freeze the company's assets to prevent it from dissipating money while the case progresses.

Another problem area is mortgage relief scams. These scammers falsely claim that, for a fee, they will negotiate with consumers' mortgage lenders to obtain a loan modification or other relief to avoid foreclosure. Immigrants have often been victims of these scams.

For example, last year, the FTC announced the settlement of its case against a business called Freedom Companies. The FTC charged that the company contacted Spanish-speaking homeowners in financial distress and promised mortgage modifications

within 90 days for a fee of \$995 to \$1500. In reality, however, the FTC alleged that the company, which was actually operating from the Dominican Republic, failed to help lower consumers' mortgage payments and often requested additional fees of up to several thousand dollars. We received invaluable help in the case from Texas Rio Grande Legal Aid, which worked with us to get a sworn consumer declaration about the company's deceptive marketing practices. With their help, the FTC was able to shut down the business and obtain a ban preventing the defendants from marketing mortgage assistance relief products.

And last summer, we received a final ruling in an immigration services fraud case that we brought to trial, *FTC v. Loma*. In that case, the court found that Loma International and its principals, Manuel and Lola Alban, violated the law by misrepresenting that they were qualified immigration consultants, legally authorized to provide immigration services to consumers. The court found serious harm in the case, stating "Some customers suffered severely for their reliance upon the Albans. Several of the Albans' customers were deported. One customer who relied upon the Albans' advice was arrested and jailed for almost 11 months."

This is not the first immigration services fraud case we brought, but I want to highlight it because of the important contribution of the Esperanza Center, an office of Baltimore Catholic Charities, which helped our law enforcement efforts enormously by identifying consumers who had been victimized and helping us to obtain their declarations. In a case where folks are hesitant to complain to the government about a fraud, this type of assistance is invaluable.

#### **IV. Consumer Sentinel**

Finally, I want to address the importance of receiving consumer complaints from the immigrant community – to target scams and the bad actors that perpetrate them.

Through our work combating this type of fraud, we learned that complaints about immigration services fraud were often scattered in various offices around the country. Recently, the FTC spearheaded an effort to gather all of these complaints into our central complaint repository – the Consumer Sentinel Network. Thanks to the data contributions of our partners, like USCIS and others, we now have more information than ever before about the problem of notario fraud. And, law enforcement agencies across the country can easily access these complaints online through the FTC’s database to identify law enforcement targets.

In the case of immigrant communities, scam artists may assume that immigrants are unlikely to file complaints. There’s some truth to that. We really need your help encouraging immigrant community members to report to the FTC – or helping them do so – whenever possible.

When consumers report complaints, they can report as much or as little information as they like. They can also report anonymously, or through a trusted advocate or legal services organization. Getting complaints through advocates can be extremely helpful because it not only alerts us to bad actors, but lets us know about the people we can turn to for additional information about the fraud as we put together a case.

To stop fraud in the marketplace, it is crucial that we learn about those frauds and that we know the stories of consumers who have been personally affected by it. One of

my key goals for today is that everyone will walk away from here more likely to encourage immigrants in their communities to report complaints to the FTC so we can take action.

## **V. Conclusion**

To sum up, we must work together, and learn from each other, to meet the challenges of protecting immigrant consumers and, more broadly, the diverse population that makes up this country. I am delighted to see you all, and look forward to the discussion.