

**Statement of Commissioner Terrell McSweeney**

**September 27, 2016**

**Senate Commerce Committee**

Chairman Thune, Senator Blumenthal thank you for inviting us here today.

I am Terrell McSweeney, like my colleagues I look forward to speaking with the Committee about our work, our priorities, and how we protect American consumers from scams and ensure a competitive marketplace.

The Federal Trade Commission safeguards consumers from unfair or deceptive acts and practices. Since its founding, the FTC has been wherever the American consumer is- from the corner store of 1914 to the Internet connected wearable of today.

Much of today's discussion will focus on the Internet of Things, privacy, and cybersecurity -- but our enforcement actions in those areas are a seamless part of our overall enforcement agenda, an agenda that is rooted in the principles that consumers should be treated fairly and honestly.

Even as we examine digital technologies, we continue to police against more analog frauds. For example, in the last week, we challenged a sweepstakes fraud that targeted senior citizens with promises of million dollar prizes but instead stole their money; we banned abusive debt collectors; and shut down a phony business directory scam that stole millions from small businesses.

On debt collection alone, in the first nine months of this year, we have recovered \$94 million for consumers and banned 30 companies from ever working in debt collection again.

These are the frauds that our attorneys and investigators fight every day. These scams prey on people who are struggling, the elderly, and underserved communities. They are perpetrated by unscrupulous fraudsters. Ending their operations is our bipartisan mission.

Policing frauds and scams is just one aspect of our efforts to protect American consumers. We also work closely with state and local enforcement partners throughout the country.

Our collaboration with state attorneys general was integral in shutting down a fraudulent charity, Cancer Fund of America, which took in millions of dollars and largely served as a slush fund for its executives.

The Commission also works with partners on the local level. Each year, we hold multiple “Common Ground” conferences around the country. These events give local law enforcement, social service organizations, and community institutions an understanding of the consumer protection work the FTC is doing in their community, and helps us for partnerships to spot and stop frauds.

Our “Every Community” initiative recognizes that fraud impacts each and every community in our country. So we have undertaken efforts to target enforcement towards frauds effecting certain groups – such as combating Medicare fraud among our seniors, targeting mortgage modification frauds in distressed neighborhoods, and stopping notario fraud in Latino communities. The initiative works with local partners, distributes materials to libraries and senior centers, and works with ethnic media to get specific information to media outlets that directly serve these communities.

In addition to our Every Community initiative, last year we relaunched Identitytheft.gov, creating an easy to use, one-stop shop of information and personalized recovery plans for consumers experiencing identity theft – or concerned about it. Our team is working on streamlining identity theft remediation – an often time-consuming and difficult process. Unfortunately, identity theft remains a top consumer complaint year after year.

Educating businesses and entrepreneurs is a major part of our effort to improve data security. This year we launched our “Start with Security” program to help guide businesses through the process of developing strong data security procedures. Through sessions in various cities, and the publication of our “Start With Security” guide the FTC has helped businesses of all sizes develop plans to safeguard their data.

Finally, we keep pace with developing technologies. Take, for instance, FinTech, or the emerging tech of payments, banking, and lending. In the last year, we’ve brought cases involving the deceptive use of crowd funding platforms and stopped a fraudulent Bitcoin machine operation, and held workshops on marketplace lending and ransomware. Next month we will hold a workshop on crowd funding and peer-to-peer payments.

Our experience enforcing statutes like Gramm-Leach-Bliley Act, the Truth in Lending Act, the Electronic Funds Transfer Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, and others gives the FTC the expertise and capacity to protect consumers as traditional banking is disrupted by new technologies and new services.

We are a dynamic agency and one that has always been where the marketplace is. The FTC will continue to be a bipartisan protector of the American consumer and markets.

Thank you for having us here. I look forward to your questions.