



# Federal Trade Commission

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**Remarks of Deborah Platt Majoras<sup>1</sup>  
Chairman, Federal Trade Commission  
Consumer Federation of America  
2007 Consumer Assembly  
Washington, D.C.  
February 2, 2007**

## **FTC Consumer Priorities**

### **I. Introduction**

Thank you, James, and good morning. I would like to thank Stephen Brobeck for inviting me to return to the Consumer Assembly to talk to you about the FTC's consumer protection agenda. At the 2005 Assembly, I discussed the multiple tools that the FTC uses to empower consumers and some of our important consumer concerns, including business opportunity fraud, childhood obesity, and spyware. We are still active in these areas, but today I will talk to you about some other prominent FTC agenda items, including financial services, data security, new technology, marketing of health care products, and international developments.

### **II. Financial Practices**

Financial issues impact all consumers – whether they are purchasing a home, trying to establish credit and improve their credit rating, or managing rising debt. Thus, protecting

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<sup>1</sup> The views expressed herein are my own and do not necessarily represent the views of the Federal Trade Commission or of any other Commissioner.

consumers in the financial services marketplace is a critical part of the FTC’s consumer protection mission. Last year, I reorganized the Bureau of Consumer Protection to create the “new” Division of Financial Practices, with the goal of reinvigorating the Commission’s work in the area of core financial services, such as lending and debt collection. Today, I am announcing our agenda on these issues. This year, we will focus on the “ABCs” of financial practices: Alternative mortgages, Bad debt collection, and Credit-related deception.

### **Alternative Mortgages**

Our “A” stands for alternative mortgages. Home ownership is the American dream, and many Americans have achieved that dream. Rises in housing prices in certain markets, however, have made this dream more challenging for some consumers.

Because a mortgage is often the largest financial obligation many consumers will ever have, Commission law enforcement actions have targeted deceptive and other illegal practices in the mortgage market, with a focus on the subprime market. And the risks can be great: a consumer’s home is on the line. FTC actions have targeted deceptive or unfair practices in all stages of mortgage lending – from advertising and marketing through loan servicing – by mortgage brokers, lenders, and loan servicers. In recent years, the Commission has brought 21 actions against companies in the mortgage lending industry, yielding more than \$320 million in redress for consumers. For example, in 2004, the FTC filed a case against Chase Financial Funding (“CFF”), a California mortgage broker, and its principals, in connection with sending unsolicited emails and direct mail promising a “3.5% fixed payment loan.”<sup>2</sup> The Commission

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<sup>2</sup> See FTC Press Release, *FTC: Mortgage Broker’s Deceptive Claims Tricked Consumers Looking for a Good Rate* (June 2, 2004), available at <http://www.ftc.gov/opa/2004/06/chasefinancial.htm>.

alleged that CFF did not offer any such loan – the loan CFF falsely advertised was actually a “payment option” adjustable rate mortgage where interest accrued at a higher rate, where the principal balance would increase if consumers made payments at the advertised rates, and where payments were not “fixed.” Staff obtained a preliminary injunction, and subsequently the Court held the main defendant, Jim Berry, in civil contempt for his failure to comply with the injunction. The Court ordered him placed in civil confinement for one month and ordered him to pay \$675,000 in civil contempt sanctions. The case is ongoing.

We will continue this enforcement work, with an eye toward recent developments in mortgage products. As you know, “nontraditional” or “alternative” mortgage products have become increasingly popular, and last year the Commission held a workshop to examine the consumer protection issues arising from these products.<sup>3</sup> These products generally offer consumers the option of making lower required payments in the early years of a loan – which make it easier, initially, to purchase a home, or to purchase a more expensive home. But they also pose substantial risks for consumers who do not fully understand or are not prepared for the possible “payment shock” down the road, when monthly minimum payments jump higher – sometimes even double – at the end of the introductory period. We learned at our workshop that there are many different players in the marketplace driving the growth of alternative mortgage products – including mortgage brokers, banks, non-bank lenders, secondary market players – as well as consumer demand for these products. And, as with many complex markets, there are many regulatory actors that have a role to play in this marketplace, including the federal and state

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<sup>3</sup> See Protecting Consumers in the New Mortgage Marketplace, *available at* <http://www.ftc.gov/bcp/workshops/mortgage/index.html>.

banking agencies and state law enforcers. Consumer Federation of America representatives participated in our workshop, and we appreciate the work CFA has done studying these issues.<sup>4</sup>

For all consumers, but particularly consumers considering a “nontraditional” loan, it is essential that they understand all the terms, including how their payments may increase in future years. However, consumers face an uphill battle in understanding those terms if the initial advertising and marketing is deceptive, even if they receive accurate disclosures at closing. For that reason, following up on what we learned at our workshop, we are looking closely at instances of deceptive mortgage advertising, particularly advertising of “nontraditional” mortgages.

### **Bad Debt Collection**

The “B” in our ABCs of financial practices stands for bad debt collection. As consumer debt levels have risen, so have complaints to the Commission about debt collectors. We receive more complaints about debt collectors than any other single industry, with 66,000 complaints about third-party debt collectors in 2005 and more than 69,000 in 2006.

We are tackling the problem of unlawful debt collection practices in two ways. First, we engage in aggressive law enforcement. Today, I am announcing that the Commission just filed an action to stop a debt collector’s repeated, egregious violations of the Fair Debt Collection Practices Act. The Commission alleges that Rawlins & Rivera, as well as its principals and attorney, have engaged in deceptive and abusive debt collection practices, including making false threats that consumers will face immediate suit, property seizure, wage garnishment and even

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<sup>4</sup> See CFA’s report, *Exotic or Toxic? An Examination of the Non-Traditional Mortgage Market for Consumers and Lenders* (5/22/06).

arrest if they do not immediately pay their debts.<sup>5</sup> We also allege that the defendants often embellish their empty threats with abusive and profane language, as well as threats to reveal the debt to relatives and others. They even use these same practices in an attempt to collect debt from relatives.

In one recorded call to a young woman, for example, a debt collector employed by defendants said: “You think you’re so special, you’re going to see how special you are when we back a moving truck up to your front door and load up everything you thought you ever owned . . . and hold an auction to pay your debt . . . As far as I’m concerned you and him [her father] are both a couple of liars . . . Little girl, shut up, you don’t know anything, okay?” We are asking the court to immediately stop these practices and ultimately order disgorgement of defendants’ ill-gotten gains.

Second, I am also announcing for the first time that this fall, the FTC will hold a workshop to examine and take stock of the debt collection industry. The Fair Debt Collection Practices Act was enacted 30 years ago. Given the rise in consumer debt levels, as well as consumer complaints about the industry, it is time to take a close look at the industry. We will examine changes in the industry and the various consumer protection issues, including whether the law has kept pace with developments. We look forward to CFA’s participation in this event.

### **Credit Deception**

Finally, the “C” in our ABCs of financial practices is for credit-related deception. Some consumers who have financial problems fall prey to deceptive debt negotiation or similar credit

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<sup>5</sup> See FTC Press Release, *FTC Asks Court to Stop Abusive Debt Collectors* (Feb. 2, 2007), available at <http://www.ftc.gov/opa/2007/02/rri.htm>.

repair schemes. Of course, legitimate credit counseling organizations offer valuable services to help consumers solve their financial problems. However, we have taken enforcement actions against those offering debt reduction services that charge hidden fees, make false promises to lower consumers' debts and even misrepresent that they will eliminate accurate negative information from consumers' credit reports.<sup>6</sup>

Just a few weeks ago, the Commission filed a complaint against Express Consolidation, Inc., a nationwide debt consolidation business, in which we alleged that the company operated as a sham nonprofit, misrepresented the fees involved in their debt management programs, and violated the National Do Not Call Registry.<sup>7</sup> The company also allegedly misrepresented that enrolling in their program would improve consumers' credit rating. We are seeking consumer redress in federal district court, a freeze of the operation's assets, and an end to its illegal practices.

And just this week, our Chicago office took a break from preparing for Superbowl XLI to file a complaint against Select Management Solutions. In its complaint, the Commission alleged that telemarketers for Select Management Solutions falsely promised that they could lower consumer credit card interest rates to the single digits, resulting in savings of at least \$2,500.<sup>8</sup>

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<sup>6</sup> Since 2003, the Commission has brought about a dozen cases challenging these types of financial practices, obtaining orders for redress or civil penalties of more than \$40 million.

<sup>7</sup> See FTC Press Release, *National Debt Consolidation Scheme Misleads Consumers About Costs, Benefits, and Nonprofit Status, FTC Says* (Jan. 8, 2007), available at <http://www.ftc.gov/opa/2007/01/expresscon.htm>.

<sup>8</sup> See FTC Press Release, *FTC Stops Credit Card Rate Reduction Scam* (Feb. 2, 2007), available at <http://www.ftc.gov/opa/2007/02/sms.htm>.

Consumers were charged \$695 for this service. We have alleged that consumers experience no savings and that the money-back guarantee was not a guarantee. Defendants operate in Canada, and we are working jointly with our Canadian law enforcement partners to permanently halt this unlawful scheme. Indeed, just yesterday the Canadian defendants were served with the temporary restraining order issued by the U.S. court in this case.

### **III. Data Security and Identity Theft**

For more than a decade, protecting the privacy of American consumers has been a top priority at the Federal Trade Commission, and it remains a crucial consumer protection issue. As you know, since 1998, the FTC has had a unique role in combating identity theft and coordinating government efforts.<sup>9</sup> We receive 15,000 to 20,000 consumer communications per week and implement the Identity Theft Data Clearinghouse, a centralized database of victim complaints used by 1,300 law enforcement agencies; assist victims and consumers who wish not to be victims by providing information and education; and educate businesses on sound security practices. More recently, in 2006, President Bush elevated the issue by establishing his Identity Theft Task Force, which Attorney General Gonzales chairs, and I co-chair.<sup>10</sup> In his Executive Order, the President directed the Task Force to submit to him a strategic plan for fighting ID theft. The 18 federal agencies that comprise the Task Force have been hard at work developing the plan.

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<sup>9</sup> See Identity Theft Assumption and Deterrence Act, Pub. L. No. 105-318, 112 Stat. 3007 (1998) (codified at 18 U.S.C. § 1028).

<sup>10</sup> See FTC Press Release, *FTC Launches Nationwide ID Theft Education Campaign* (May 10, 2006), available at <http://www.ftc.gov/opa/2006/05/ddd.htm>.

While working hard to co-lead the Task Force, we are still focused on doing our own part at the FTC. Deterrence of identity theft begins with data security – keeping sensitive information out of the hands of wrongdoers. Over the past two years, the FTC has brought 14 enforcement actions against businesses that have failed to provide reasonable data security: ChoicePoint, DSW, CardSystems Solutions, and Petco to name just a few. Among the 14 are cases against companies that threw files containing consumer home loan applications into an unsecured dumpster; stored sensitive information in multiple files when there was no longer a business need to keep the information; failed to implement simple, low-cost, and readily available defenses to well known Web-based hacker attacks; stored sensitive consumer information in unencrypted files that could be easily accessed using commonly known user IDs and passwords; and failed to use readily available security measures to prevent unauthorized wireless connections to their networks. These actions have provided clear notice to the business community that failure to maintain reasonable and appropriate security measures in light of the sensitivity of the information can cause substantial consumer injury and may violate the FTC Act and other rules that we enforce.

A further critical tool in the fight against identity theft is consumer education. Last year, the FTC launched a nationwide identity theft education program, “Avoid ID Theft: Deter, Detect, Defend.”<sup>11</sup> The message for consumers is that they can:

! DETER identity thieves by safeguarding their personal information;

! DETECT suspicious activity by routinely monitoring their financial accounts, billing

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<sup>11</sup> See FTC Press Release, *FTC Launches Nationwide Id Theft Education Campaign* (May 10, 2006), available at <http://www.ftc.gov/opa/2006/05/ddd.htm>.



statements, and credit reports; and

! They should DEFEND against ID theft as soon as they suspect it. Quick action is essential.

The Deter, Detect, Defend campaign has been very popular – we have distributed more than 1.5 million brochures and 30,000 kits.<sup>12</sup> And we have formed many partnerships to help us broaden our reach. For example, the National Association of Realtors, which has 1.2 million members, partnered with the FTC to educate homebuyers. And the U.S. Postal Inspection Service just started a large-scale outreach campaign that is placing the FTC’s educational materials on subway cars in Washington D.C., New York, Chicago, and San Francisco and that is also placing paid advertising in college newspapers and on campuses around the country.

#### **IV. New Technology**

The FTC acts quickly to respond to marketplace changes and their consumer challenges, and the digital age provides no shortage of consumer benefits or challenges. In the past two years, the FTC has brought nine spyware enforcement actions that challenged a variety of unlawful practices – from nuisance adware to malicious malware that wreaked havoc on consumers’ hard drives. Recent FTC spyware actions include a strong settlement with Zango, Inc., formerly known as 180solutions, and a pending litigation against ERG Ventures.<sup>13</sup> In the

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<sup>12</sup> One component of the campaign is a consumer education kit, which is aimed at helping organizations educate their employees, their customers, and their communities about how to minimize their risk. The kit includes a victim recovery guide, a training booklet, a guide to talking about identity theft, presentation slides, an easy-to-read brochure, and a 10-minute video.

<sup>13</sup> See FTC Press Release, *Zango, Inc. Settles FTC Charges* (Nov. 3, 2006), available at <http://www.ftc.gov/opa/2006/11/zango.htm>; FTC Press Release, *Court Shuts Down*

ERG case, a federal court recently granted our request to shut down defendants' Media Motor spyware program. And several months ago, the Commission filed five actions against Web-based enterprises that obtained and sold consumers' confidential telephone records to third parties. The FTC is seeking a permanent halt to the sale of the phone records, and has asked the courts to order the operators to give up the money they made with their illegal operations.

As we move through the digital decade, the FTC is committed to understanding the implications of technology changes on privacy and consumer protection – as they are happening or even before they happen. Obsolescence, convergence, interoperability, and digital rights management will continue to result in a wide assortment of new technologies. Last November, we gave ourselves a glimpse into the future by convening public hearings on the subject of “Protecting Consumers in the Next Tech-Ade.”<sup>14</sup> We heard from more than 100 of the best and brightest in the tech world about new technologies on the horizon and their potential effects on consumers. Our report on the Tech-Ade conference will be published in the spring. The Commission has glimpsed some of what the future holds, and clearly it will bring both new benefits and new challenges.

What we learn, we must share with consumers. Educating consumers about new technologies and any safety risks they pose is critical, and the centerpiece of our efforts there is

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*Media Motor Spyware Operation* (Nov. 13, 2006), available at <http://www.ftc.gov/opa/2006/11/mediamotor.htm>.

<sup>14</sup> See FTC Press Release, *Hearings Will Explore Emerging Technologies and Consumer Issues in the Next Decade* (July 26, 2006), available at <http://www.ftc.gov/opa/2006/07/techade.htm>.

OnGuardOnline.<sup>15</sup> OnGuardOnline.gov provides general information on online safety, interactive educational games that teach consumers how to spot online scams, and specific information on a range of topics, including spyware and phishing.

One thing that we have learned over the past several years is that, while new technologies may appear to create new hurdles for law enforcers, old legal requirements like adequate disclosure are still applicable. The FTC's action against *Sony BMG Music Entertainment*, announced earlier this week, illustrates this point.<sup>16</sup> Sony BMG sold CDs that consumers could listen to on any traditional home stereo, portable, or car CD player. What consumers were not told, however, was that these CDs contained Digital Rights Management technology that allowed the music to be played on the computers of consumers, but did not permit the music files to be directly transferred to or played on certain portable digital devices, such as an Apple iPod. The DRM technology also limited the number of copies that could be made of the CD. Because ordinary experience with CDs would not lead consumers to expect these limits, and because these limits likely would affect purchasing decisions, the FTC alleged that Sony BMG's failure to disclose adequately these limits was deceptive in violation of Section 5 of the FTC Act.

Additionally, we alleged that the DRM software – which was quite difficult to uninstall – created security vulnerabilities that could unfairly allow hackers and other third parties to gain access to consumers' computers. We also challenged the failure to disclose adequately that some

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<sup>15</sup> See FTC Press Release, *FTC and Partners Urge Consumers to Be OnGuard Online* (Sept. 27, 2005), available at <http://www.ftc.gov/opa/2005/09/onguardonline.htm>

<sup>16</sup> See FTC Press Release, *Sony BMG Settles FTC Charges* (Jan. 30, 2007), available at <http://www.ftc.gov/opa/2007/01/sony.htm>.

of its CDs were bundled with a media player that sent information back to Sony over the Internet about the artists or albums that consumers listen to on their computers and returned targeted advertising.

To resolve these allegations, Sony BMG entered into a consent agreement with the Commission that, among other things, prohibits it from installing content protection software without obtaining consumers' authorization, and requires it to clearly and prominently disclose to consumers what the technology will do, any restrictions on the devices on which its music CDs can be played, and any limits on the number of copies that can be made. In addition, the company is required to reimburse consumers up to \$150 to repair damage that resulted directly from consumers' attempts to remove the software installed without their consent.

## **V. Marketing of Health Care Products**

The FTC has, as you know, a robust enforcement program directed at deceptive advertising. Within this realm, a top priority is prosecuting companies that make bogus health claims to consumers and getting money back to consumers who were scammed. Deceptive health claims can harm consumers even beyond their wallets. In *FTC v. Great American Products*,<sup>17</sup> – a case that challenged claims that defendants' products reduced fat, cholesterol, and blood pressure – we recently resolved a lengthy dispute over the terms of the final order and promptly mailed refund checks totaling more than \$15 million to 130,000 consumers (the average check was for just over \$118). In response, we have received gratifying hand-written

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<sup>17</sup> See FTC Press Release, *FTC Targets Bogus Anti-Aging Claims for Pills and Sprays Promising Human Growth Hormone Benefits* (June 9, 2005), available at <http://www.ftc.gov/opa/2005/06/greatamerican.htm>.

thank you notes with comments including, “The money came at a great time!” and “there is a God, and through him, there’s an agency, people who really care.”

Too often, consumers fall prey to fraudulent health marketing because they are desperate for help. Fifty million Americans suffer from a chronic pain condition<sup>18</sup> and have found no effective cure or treatment. Seventy million Americans are trying to lose weight. The FTC will continue to prosecute companies that take advantage of these consumers, whether they are fly-by-night or Fortune 500, and whether they are willing to negotiate or insist on litigating to the bitter end. Let me give you examples of two recent cases. The first is an outright fraud perpetrated on hundreds of thousands of consumers suffering from pain. Andrew Park and his companies advertised the Q-Ray bracelet as a device for relief for all kinds of pain. Through infomercials, the Q-Ray defendants raked in net sales of \$87 million, selling their bracelets at prices as high as \$250, a mark-up of more than 650 percent.

Their marketing pitch was sophisticated and brazen. In one infomercial, a woman suffering from ovarian cancer spoke of the insufferable pain she endured from multiple rounds of chemotherapy: “There’s just some mornings I just can’t even get out of bed,” she states before tearily describing how the Q-ray bracelet has transformed her life, “I’m just amazed and in disbelief. I’m just excited that, you know, my life is normal again.”<sup>19</sup>

Although many consumers were swayed by the sales pitch, the federal district judge was not. The court rejected defendants purported scientific substantiation, stating that, “Not only did

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<sup>18</sup> Source: American Chronic Pain Association, “Pain Fact Sheet,” *available at* [http://www.theacpa.org/pu\\_main\\_02.asp](http://www.theacpa.org/pu_main_02.asp).

<sup>19</sup> *FTC v. QT, Inc.*, 448 F. Supp.2d 908, 924-25 (N.D. Ill. 2006).

Defendants not have a gold-standard study in their possession, they did not even have a copper-standard study.”<sup>20</sup> The court found the defendant companies and Mr. Park guilty of misleading and false advertising, both about the pain relief benefits of the bracelet and about the 30-day satisfaction guarantee promise of a full refund, and ordered them to pay up to \$87 million in refunds to consumers – the entire net sales generated by the deceptive infomercials, a big victory for consumers and a strong deterrent for fraudulent marketers.<sup>21</sup> We invested significant resources and time to litigate this case to the bitter end, and the outcome for the agency and for consumers was well worth it.

The second case is one of four recent cases in the weight loss area. Just a few weeks ago, the FTC announced settlements with the makers of four significant and high-profile weight-control and weight-loss products, Trimspa, Cortislim, Xenadrine, and One-A-Day WeightSmart.<sup>22</sup> In a case against Bayer, we announced a \$3.2 million civil penalty settlement of an order violation case against the company for alleged deceptive marketing of One-A-Day WeightSmart. The product, a multivitamin supplement with a sprinkling of green tea extract added to it, was advertised to enhance metabolism and help consumers control their weight. The \$3.2 million civil penalty is the highest civil penalty ever obtained by the FTC in a health claims case. The Bayer case illustrates that our enforcement efforts against health claims and products are not limited to outright fraud by fringe marketers. The FTC takes action against any company

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<sup>20</sup> *Id.* at 965.

<sup>21</sup> *Id.* at 975.

<sup>22</sup> See FTC Press Release, *Federal Trade Commission Reaches “New Year’s” Resolutions with Four Major Weight-Control Pill Marketers* (Jan. 4, 2007), available at <http://www.ftc.gov/opa/2007/01/weightloss.htm>.

that steps across the line and makes exaggerated or unfounded claims for otherwise legitimate products.

## **VI. Do Not Call**

I have one more FTC law enforcement development to announce here today, and this one deals with a topic that is near and dear to millions of consumers, the National Do Not Call Registry. The FTC has successfully resolved litigation against The Broadcast Team, a telemarketer that broadcast prerecorded calls to consumers.<sup>23</sup> In December 2005, the Department of Justice filed a civil penalty action on the FTC's behalf, alleging that defendants violated the Telemarketing Sales Rule by calling numbers on the National Do Not Call Registry and making "abandoned calls" – calls which fail to connect consumers to a live operator within two seconds. Defendants preemptively filed a separate action against the FTC for declaratory and injunctive relief, arguing, among other things, that the FTC lacked statutory authority and that its application of TSR provisions violated the First Amendment. In April 2006, a federal district court dismissed defendants' action against the Commission. The Broadcast Team and its owners have agreed to pay a \$1 million civil penalty to settle the civil penalty action and have agreed to comply with the Telemarketing Sales Rule going forward.

## **VII. International Developments**

Fraud knows no borders. Accordingly, consumer protection issues have gone global. Through our comprehensive international program, we work cooperatively with consumer

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<sup>23</sup> See FTC Press Release, *Telemarketer Agrees to Stop Improper Use of Prerecorded Messages* (Feb. 2, 2007), available at <http://www.ftc.gov/opa/2007/02/broadcastteam.htm>.

protection authorities around the globe in an effort to likewise work beyond borders. Over the past decade, the FTC has brought many successful cases, often in partnership with our foreign colleagues, against fraudulent telemarketers based in other countries, who target U.S. consumers with advance-fee loan schemes, phony foreign lotteries, bogus business directory listings, and other scams.<sup>24</sup>

There are two FTC developments on the international front that I would like to discuss with you. First, is the passage of the US SAFE WEB Act in the last minutes of the 109<sup>th</sup> Congress.<sup>25</sup> SAFE WEB will allow the FTC to cooperate more fully with foreign law enforcement authorities in the area of cross-border fraud and other practices harmful to consumers.

The Act gives the FTC enhanced authority in a number of key areas. First, SAFE WEB authorizes the FTC to use its discretion to share compelled or confidential information – including documents and testimony – with its foreign law enforcement counterparts, particularly when such sharing would help the FTC’s own law enforcement efforts and help U.S. consumers. Second, SAFE WEB permits the FTC to use its investigative power on behalf of foreign law enforcement agencies. Third, it enables the FTC to protect the confidentiality of information

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<sup>24</sup> See, e.g., FTC Press Release, *FTC Halts Bogus Business Opportunity Scam* (Nov. 16, 2005), available at <http://www.ftc.gov/opa/2005/11/usabeverage.htm>; FTC Press Release, *Cross Border Con Artist Ordered to Pay \$2.9 Million* (June 22, 2005), available at <http://www.ftc.gov/opa/2005/06/pinnacle.htm>.

<sup>25</sup> See “*FTC Gets Broader Authority to Pursue Foreign Spammers*,” Los Angeles Times (Dec. 26, 2006) available at <http://www.latimes.com/technology/la-fi-foreignspam26dec26,1,275015.story?coll=la-mininav-technology&ctrack=1&cset=true>; See FTC Press Release, *Statement of Federal Trade Commission Chairman Deborah Platt Majoras On US SAFE WEB Act Being Signed Into Law By President George W. Bush* (Dec. 26, 2006), available at <http://www.ftc.gov/opa/2006/12/safeweblaw.htm>.



provided to the FTC by a foreign government agency, and this will allow us to obtain information that we it would not otherwise receive from foreign entities. Finally, SAFE WEB contains several provisions that will strengthen the FTC's enforcement relationships, both bilaterally and within multilateral organizations, such as allowing the FTC to participate in meaningful staff exchanges with foreign counterparts (both antitrust and consumer protection) – exchanges that have been in great demand but that we have not been authorized to implement.

We feel a great sense of accomplishment and appreciation now that this law has passed, and the Commission will take advantage of our new tools consistent with our policy goals and resources. We are looking forward to working with our partners – both domestic and international – in the coming months and years as we begin to use our new authority under SAFE WEB.

The second development reflects the heightened importance of international considerations in everything that we do. I recently realigned the international functions within the agency. The international consumer protection and competition divisions and the technical assistance program, previously three separate units, are now combined to form the new Office of International Affairs. By combining these functions, we will better take advantage of the strong synergies between the two consumer protection and competition missions, maximize our use of resources, and better coordinate our international work. In the past, for example, the international antitrust group conducted bilateral relations with some of the same countries where the technical assistance group was running programs and the consumer protection group may have been seeking assets in a fraud case. Now our staffs are better set up to communicate and share their expertise to make us more effective in all of these functions.

## **VIII. Conclusion**

Staying ahead of new threats to consumers and the marketplace calls for the best efforts of government, industry, and consumer organizations, both individually and cooperatively. I appreciate CFA's efforts on behalf of American consumers, and I look forward to continuing our work together. Thank you.

I would be happy to take any questions.