Combating Fraud
in African American and Latino Communities
The FTC’s Comprehensive Strategic Plan

A Report to Congress
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FEDERAL TRADE COMMISSION
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Executive Summary

Fraud interferes with economic opportunities and siphons money, time, and other resources from consumer victims of all ages, backgrounds, and incomes. According to the Federal Trade Commission’s last survey on fraud prevalence in the United States (“FTC Fraud Survey”), an estimated 10.8 percent of U.S. adults – 25.6 million people – were victims of fraud.1 The same survey revealed that African American and Latino consumers were more likely to become fraud victims than non-Hispanic whites.2 Noting these facts, Congress directed the FTC to submit a report detailing a comprehensive strategy to reduce fraud in these communities, and analyzing current law enforcement and consumer outreach and education initiatives.3

The FTC’s strategy to reduce fraud in African American and Latino communities is grounded in prevention, law enforcement, and consumer outreach and education. In each of these areas, the FTC’s strategies have been evolving for years as part of the agency’s fraud program, and more recently in its Every Community Initiative and Legal Services Collaboration projects. The strategy presented below is supported by new research and insights into the effectiveness of the FTC’s law enforcement and consumer education campaigns. Integral to the evolution of the FTC’s plan has been the thoughtful input and participation of state and federal government agencies, organizations that serve African American and Latino communities, and academics and researchers.

The FTC’s fraud prevention strategies help individuals recognize frauds before they lose money. Law enforcement actions can prevent others from losing money, and these efforts depend on consumers to file complaints to the FTC. Data from the FTC’s complaint system, the Consumer Sentinel Network, suggests that African American and Hispanic communities underreport fraud to the FTC, even though they experience fraud at higher rates. To address this, the FTC will:

- Expand its efforts to deploy consumer education encouraging individuals to talk about and report fraud in their communities. Talking about fraud helps people avoid scams.
- Broaden awareness about fraud through state, local, and community partners who serve as trusted sources, share information about fraud targeting their communities, and encourage reporting to the FTC.
- Continue to build diverse networks by attending and speaking at national and regional conferences of organizations that reach African American and Latino audiences.
- Discuss fraud awareness with African American and Latino media outlets to encourage reporting on scams affecting local communities.
- Launch a pilot program to visit areas with low rates of consumer complaints about fraud.

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2 Id. at 54-55.
Ongoing law enforcement strategies include continuing to shut down frauds, investigating the extent to which FTC law enforcement actions protect African American and Latino communities, and refining targeting strategies. New research provides information on how fraud disproportionately affects certain communities. For example, research shows that one operation that the FTC sued for taking unauthorized debits from consumers’ bank accounts disproportionately injured consumers in predominantly African American communities. But in that case, the rate of complaints from those communities was significantly lower than other areas. To address these concerns, the FTC will:

- Bring more cases against entities that target or disproportionately affect African American and Latino consumers, such as those engaging in affinity frauds, income-related frauds, and debt-related frauds.
- Perform additional research to help the FTC identify and target frauds affecting African American and Latino communities, and evaluate the effectiveness of its actions.
- Broaden investigative resources to ensure marketplaces are not overlooked.
- Further develop channels to obtain more referrals from law enforcement and community partners spotting scams that the FTC and Consumer Sentinel may not detect.

The FTC’s consumer outreach and education strategies will build on lessons learned from experts in communications, community partners, and researchers to maximize the availability and accessibility of the FTC’s education materials to African American and Latino communities. The FTC will:

- Continue to make consumer education materials widely available in multiple formats: websites, videos, audio, and print, in both English and Spanish.
- Continue to promote clear messages on its consumer education website consumer.gov and consumidor.gov (the Spanish version) that are accessible and actionable by using a straightforward design, an audio read-along, videos, and classroom education resources.
- Increase the use of real-life stories to engage interest in the FTC’s educational campaigns.
- Extend the FTC’s current work with trusted community groups, libraries, and the community media who serve African American and Latino consumers to help more people find consumer information when they need it.

Finally, the FTC will continue to conduct and spur additional research to examine fraud in various communities. On December 6, 2016, the Commission will host a workshop to examine Changing Consumer Demographics. The event will bring together researchers, academics, law enforcement, marketers, consumer advocates, and community partners to talk about the changing demographics of consumers, how those changes will impact the marketplace, and how scams and frauds may adapt to these changes.

The FTC is committed to working to promote a fair marketplace for all. Combating fraud in African American and Latino communities is an important part of the FTC’s fraud program and the agency looks forward to further implementing this strategic plan.
I. Framing the Issues

The American population is growing larger, getting older, and is becoming more racially and ethnically diverse. For a government agency charged with safeguarding consumers from fraud, it is important to understand how these demographic changes play out in the marketplace, and how well the agency is addressing the marketplace shifts.

In 2014, as the FTC celebrated its centennial anniversary and assessed its readiness to meet the challenges of the future, Chairwoman Edith Ramirez launched the Every Community Initiative. The Every Community Initiative recognizes that frauds disproportionately affect certain populations, and that the Commission’s work to serve particular populations should be modernized, expanded, and brought together under a cohesive strategic vision. The goal of the initiative has been to assess the FTC’s work fighting fraud in African American, Latino, and other communities, and to develop additional strategies to reduce fraud. From its inception, the Every Community Initiative has focused on using research and input from stakeholders to develop strategies for prevention, law enforcement, and outreach.

As a starting point, the FTC’s most recent Fraud Survey provided insight into the prevalence of certain types of consumer fraud as well as the relationship between certain consumer characteristics, including demographics, and the likelihood of having been a victim of the surveyed frauds. Both African American and Hispanic consumers were more likely than non-Hispanic whites to report having been victims of the surveyed frauds. African Americans were almost twice as likely to have

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5 See FTC Workshop, Fraud Affects Every Community (Oct. 29, 2014) [hereinafter “Fraud Workshop”], E. Ramirez, Tr. at 9-10. A webcast of the workshop and other related material are available at https://www.ftc.gov/news-events/events-calendar/2014/10/fraud-affects-every-community. References to the workshop transcript identify the speaker and the transcript page.

6 The work includes projects to protect older Americans, Latinos, African Americans, Asian Americans, Native Americans, service members and veterans, immigrants, lower income consumers, and other populations at risk of suffering financial loss from fraudulent schemes. This work follows several prior initiatives including the FTC’s Hispanic Law Enforcement Initiative, which launched in 2004 to protect Spanish-speaking consumers, and the Legal Services Collaboration, which launched in 2010 during the economic crisis, to focus on the consumer protection issues affecting lower income consumers. In addition, this work follows the staff’s recommendations from the FTC’s Fraud Forum in 2009 to expand outreach to underserved communities, including African American and Latino communities. FTC Report, A Staff Report on the Federal Trade Commission’s Fraud Forum, (Dec. 2009) at iii, available at https://www.ftc.gov/sites/default/files/documents/reports/staff-report-federal-trade-commission%E2%80%99s-fraud-forum-commission%25E2%2580%2599s-division-marketing-practices/091229fraudstaffreport.pdf.


8 FTC Fraud Survey at 48, Fig. 11.

9 Id. The FTC Fraud Survey and the U.S. Census Bureau refer to Hispanics and non-Hispanic whites. Except when citing such research statistics, this report will use the term Latino interchangeably with Hispanic. The U.S. Census Bureau uses the term Black rather than African American. This report will use the term African American, but the charts relying on U.S. Census data use the term Black.
experienced one or more of the surveyed frauds as were non-Hispanic whites.\textsuperscript{10} During 2011, 17.3 percent of African Americans and 13.4 percent of Hispanics were victims of fraud, compared to 9.0 percent for non-Hispanic whites.\textsuperscript{11} Two particular types of fraud stood out for their disproportionate effect. First, African Americans were more than three times as likely, and Hispanics 2.5 times as likely, to have experienced debt-related fraud than non-Hispanic whites.\textsuperscript{12} African-Americans were also 2.75 times as likely to have been a victim of income-related fraud.\textsuperscript{13} Similarly, Hispanics experienced fraud in this area at a rate almost 50 percent higher than the rate for non-Hispanic whites.\textsuperscript{14}

In addition to the survey, during the past several years the FTC has gained real-world insights from key stakeholders by gathering together state and federal law enforcement partners, and community partners and organizations who serve African American and Latino communities. For example, the FTC’s Legal Services Collaboration has connected FTC staff in its regional offices with advocates serving low-income clients so that the agency can learn about consumer protection problems experienced by low-income consumers, examine issues and trends, and identify possible law enforcement targets. At the same time, the FTC recognized needs for different educational approaches and distributed relevant consumer education materials. By learning about the experiences of these and other partners, and exploring common goals collectively, the agency has identified how to leverage areas of strength and shore up weak spots. As part of these efforts, since 2010, the FTC has held more than thirty Common Ground conferences around the country to engage local law enforcement officials and community-based organizations, including legal services providers, in the conversation of how to better protect consumers.\textsuperscript{15} Some of these conferences have focused on particular issues affecting African-Americans, Latinos, and immigrants.\textsuperscript{16} In addition, in 2014 the FTC convened a workshop in Washington, DC to study the ways Fraud Affects Every Community.\textsuperscript{17}

The FTC’s law enforcement initiatives, and those of other agencies, also contribute substantially to the strategic vision of how to protect African-American and Latino communities. This work provides insight into what drives fraudulent schemes, how they work, and why they are effective. In addition,

\textsuperscript{10}Id. at 47.
\textsuperscript{11}Id. at 48, Fig. 11.
\textsuperscript{12}Id. at 52, Table 11. According to the FTC Fraud Survey, 4.4 percent of African Americans and 3.4 percent of Hispanics were victims of debt-related fraud, compared to 1.3 percent for non-Hispanic whites.
\textsuperscript{13}Id. at 54. The FTC’s Fraud Survey defines “income-related fraud” to include work-at-home programs, business opportunities, pyramid schemes, and government job offers, and “debt-related fraud” to include credit repair, debt relief, mortgage relief, and advance fee loans. Id. at 52.
\textsuperscript{14}Id. at 55.
\textsuperscript{15}See FTC’s Common Ground Event list available at https://www.consumer.gov/commonground.
\textsuperscript{17}See supra note 5.
these cases can be a source of information that helps the FTC analyze how its consumer protection actions affect particular demographic communities. As discussed below, preliminary analysis of the victim information from at least one fraud case demonstrates an uneven impact on African American and Latino communities. Analysis from a second matter further demonstrates important differences in how consumers from different demographic groups respond to cancellation notices in the context of an FTC law enforcement action. The FTC plans to conduct more such research to inform its law enforcement and policy strategies. Equally important to the strategic vision are the lessons learned from the FTC’s consumer education campaigns, the input of experts on delivering plain and direct messages in culturally-appropriate ways, and research into consumer perceptions.

The strategy presented below will describe what the agency has learned through its endeavors and lay out the FTC’s roadmap to reducing fraud in African American and Latino communities.

II. Preventive Strategies: Raising Awareness of Fraud in African American and Latino Communities

Raising awareness of fraud in African American and Latino communities is the first step in prevention. Individuals must be able to recognize a scheme as potentially fraudulent to avoid personal financial loss, and law enforcement must be able to identify and respond to such schemes. The disproportionate effect of fraud in African American and Latino communities suggests that the incidence of fraud complaints from these communities to the FTC should be greater than reports received from other groups. In fact, analysis of the consumer complaints filed directly with the FTC shows no such effect and even the opposite in some instances. As the FTC has heard from its partners in community organizations, even after recognizing a fraud, many factors prevent people from reporting. Further, these same factors may also inhibit consumers’ willingness to share information about suspicious marketing offers and deceptive or even threatening phone calls with friends and family. This silence contributes to financial loss.

To prevent fraud in African American and Latino communities, the FTC’s strategy is to expose fraud by encouraging individuals to talk about and report fraud. Critical to this endeavor is engaging more partners across the country to serve as trusted sources who can share information about frauds targeting their communities. In addition, the FTC will continue to work with local and regional ethnic media outlets to focus attention on scams affecting their audiences. Finally, the FTC will launch a pilot program to visit areas with low rates of consumer complaints about fraud. This section of the report will first discuss the problem of underreporting, and then address each element of this fraud prevention strategy.

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18 Ethnic media includes media producing news, information and entertainment targeted to a specific audience as defined by race, ethnicity (including national origin), religion, and cultural/sexual identity.
A. Data Suggests an Underreporting of Fraud from African American and Latino Communities

Fraud complaints are powerful, and getting these reports from communities into the hands of law enforcers is critical.19 Through the FTC’s Consumer Sentinel Network (“Consumer Sentinel”), more than two thousand federal, state, local, and international law enforcement agencies have access to millions of reports about fraudulent and deceptive schemes.20 Not only do these reports help law enforcement agencies target entities that are violating the law, but they also help to spot patterns and trends that assist with prioritizing enforcement and outreach activities.

In the FTC’s workshops and conferences, however, many have observed a general reluctance and embarrassment to report fraud.21 Further, despite the higher prevalence of fraud, some have stated that African American and Latino consumers may distrust the government,22 may not know where to complain,23 may believe their complaints will not make a difference,24 or may have concerns about encountering the government because of their immigration status.25

Compared to the findings from the Fraud Survey, which indicate that African American and Hispanic groups experience fraud at a higher rate, new analysis of the Consumer Sentinel complaint data shows that these communities are underreporting fraud. By matching U.S. Census Bureau information about the likely demographics of certain areas with the zip code information voluntarily provided by consumer complainants, FTC staff has been able to draw inferences as to the likely demographics of the

19 Fraud Workshop, A. LoVoit, Tr. at 224.
20 Consumer Sentinel receives millions of complaints each year. Consumers can file complaints online or through their computer or mobile device at ftc.gov, or by contacting the FTC by telephone at 1800-FTC-HELP. Consumer Sentinel also includes complaints from a variety of contributors, including federal and state agencies, the Better Business Bureau, private groups, and others. In 2015, Consumer Sentinel received over 3 million complaints (excluding do-not-call): 40% fraud complaints; 16% identity theft complaints; and 44% other types of complaints. FTC Report, Consumer Sentinel Network Databook January – December 2015, (Feb. 2016) at 3 available at https://www.ftc.gov/system/files/documents/reports/consumer-sentinel-network-data-book-january-december-2015/160229csn-2015databook.pdf.
21 Fraud Workshop, A. Jackson Tr. at 218. “[Consumers] do not want to come forward. . .[they] feel … embarrassed”), see also M. Beauregard, Tr. at 105, B. Ross, Tr. at 128; J. Duong, Tr. at 154.
22 Fraud Workshop, B. Wilkes, Tr. at 73 (“Latinos often also under-report fraud due to cultural issues and fear of reporting . . .”); see also Tom Dahdouh, L.A. Lessons, FTC, (Feb. 13, 2015) available at https://www.consumer.ftc.gov/blog/la-lessons (summarizing the lessons from the February 9, 2015 Working Together to Advance Protections for Immigrant Consumers and stating “We heard that the immigrant community is hesitant to report scams to the government.”).
23 Fraud Workshop, C. Lowery, Tr. at 105.
24 Id.
25 Id.
Consumers filing complaints. This analysis reveals that both African American and Hispanic communities filed fewer complaints on average than white communities. The chart below illustrates how frequently African American, Hispanic, and non-Hispanic white communities filed complaints with the FTC in 2015. Communities are defined by the demographic population concentrations in zip code areas where complainants reside. They are identified in the chart as areas with low, moderate, predominant, or heavy concentrations of African Americans, Hispanics, or whites. For example, a zip code whose population is 90 percent African American and 10 percent white will be in the “Heavy” Category for African Americans and the “Low” Category for whites. The frequency of complaints is identified by the number of unique complainants for every 1,000 persons living in these communities. The chart shows that communities with large concentrations of either African American or Hispanic consumers filed FTC complaints at lower rates than communities with larger concentrations of white consumers.

**Consumer Sentinel Complaint Rates For Black, Hispanic, and White Communities in 2015**

![Chart showing complaint rates for Black, Hispanic, and White communities in 2015](chart)

Further, the analysis shows that the FTC received fewer complaints in 2015 from areas that were predominantly populated with African Americans than it received from areas where most of the

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26 FTC Staff Economist Devesh R. Raval in the Bureau of Economics conducted this research examining the zip codes provided in Consumer Sentinel complaints that were filed directly with the FTC (not including any of the data contributors) in 2015.

27 The analysis shows the raw number of complainants from complaints received by the FTC for every 1,000 persons for complaints that report a zip code. The analysis is limited to complaints related to “fraud” or “other” in the Consumer Sentinel system and does not include complaints about identity theft or Do Not Call violations. Complainants voluntarily provided a zip code in 92% of these complaints. Zip codes that corresponded to unique organizations, PO boxes, or areas with a population of less than 100 in 2010 were excluded from the analysis. Zip code demographics are based on data from the Census Bureau’s American Community Survey from 2008 to 2012.

28 Staff has found similar trends even after controlling for other factors such as household income, education, and urban density.
population was white. Interestingly, however, areas that were quite heavily populated by African Americans filed complaints at almost the same rate as areas that were mostly white, with a complaint rate of 1.52 complainants per 1,000 population for heavily white areas and 1.48 for heavily African American areas. For Hispanic areas, the picture is a bit different. The complaint rates fell dramatically as the concentration of Hispanics increased. In fact, in communities heavily populated with Hispanics, the FTC received about 40% fewer complaints than in white communities at 0.88 complainants per 1,000 population. Nevertheless, neither group filed complaints at a rate equal to the rate at which predominantly white communities filed complaints, despite the fraud survey’s findings of a higher prevalence of fraud.

The Consumer Sentinel data also demonstrate that several metropolitan areas with large Latino populations reported the fewest complaints, per capita, of the large metropolitan areas in the United States. These metropolitan areas included several areas in Texas (McAllen-Edinburg-Mission, Brownsville-Harlingen, and Laredo), several areas in California (El Centro, Visalia-Porterville, and Merced) and Yuma, Arizona.29

The Consumer Sentinel data strongly suggest the need for additional outreach campaigns to encourage African American and Latino consumers to recognize and report fraud. Further, as discussed in the law enforcement section below, the data suggest that the FTC should increase its attention on complaints filed by consumers in predominantly African American or Latino areas because the rate of complaints do not match the rate of victimization.

**B. Raising Awareness in Individuals: Encouraging People to Talk About Fraud**

The FTC’s law enforcement experience and research show that consumers who talk with others when they receive suspicious requests for money are more likely to avoid incurring a financial loss in that transaction than those who do not engage family members, friends, or other people.30 Sometimes just repeating a scammer’s request can help a consumer to question the scammer’s statements. This simple strategy for prevention, however, can be difficult to achieve because individuals resist perceiving themselves or their community members as potential victims31 and do not want to involve others. Law enforcers and advocates have observed that this applies to African Americans and Latinos as much as any other community, and further, that feelings of embarrassment may stop individuals from discussing situations in which they may have been defrauded.32

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30 FTC educational materials incorporate this advice explicitly. The April 2016 revision of 10 Ways to Avoid Fraud delivers this direct message. Available at https://www.consumer.ftc.gov/articles/0060-10-ways-avoid-fraud.

31 Fraud Workshop, A. Tuck, Researcher, Tr. at 195 (stating that no one likes viewing him or herself as a victim).

32 Fraud Workshop, B. Wilkes, Tr. at 73-74 (explaining that among other things “the idea of being embarrassed by being taken advantage of and not wanting to create waves” can keep Latinos from reporting fraud), C. Lowery, Tr. at 105-106 (“[P]eople go through that feeling of being embarrassed and feeling like there’s no one to help them and they’re kind of on their own . . .”).
In response, and as part of the Every Community Initiative, the FTC has underscored the importance of talking about fraud by launching a series of videos told from the perspective of real people who faced the threat of losing money. Telemarketers impersonating court officials and lawyers falsely told Mrs. Juárez that she had been sued. They threatened her with loss of property, arrest, and even an immigration investigation if she did not pay a $4,000 debt. She was frightened, but before sending a money order to the company, she turned to her son for advice. Her son conducted online research, discovered similar complaints, and advised his mother that it was a scam. Fortunately, he also urged his mother to report the company to the FTC. In response to her complaint and others, the FTC brought an enforcement action and obtained a court order shutting down the scam.

While not all complaints result in law enforcement action, the videos illustrate how fraud affects consumers in various communities and encourage people to talk about it. The FTC is working to deploy these videos through various partners, including ethnic and mainstream media, legal aid offices, consumer advocacy groups, and fellow law enforcement agencies. For example, one video demonstrates how Pine Tree Legal Assistance helped a veteran being sued in a debt collection action for a debt he did not recognize. By partnering with a legal aid organization to tell this story, the FTC obtains a wider circulation for the video and helps connects individuals to resources that provide direct aid.

One researcher observed at the FTC Fraud Affects Every Community Workshop that “People are far more motivated, are far more interested in messaging if, in fact, they can view themselves as heroes rather than victims.” People learn when they are helping to keep someone else from being a victim. Sharing “hero” stories of standing up to a scam or hanging up on a telemarketer can be a powerful fraud

33 See Fraud Affects Every Community Video Series webpage available at https://www.consumer.ftc.gov/features/every-community.
38 Comments of Andrew P. Tuck of Applied Research & Consulting. See Fraud Workshop, A. Tuck Tr. at 195.
39 Id.
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prevention tool. Using this approach, the FTC developed its Pass it On campaign, which is designed to motivate older adults to talk about fraud with others in their lives – and provides the educational resources to help someone get the conversation started. The FTC’s work to stimulate conversations about fraud in African American and Latino communities similarly focuses on providing resources (see Section IV, below) to encourage individuals to share what they know with the people they care about in their communities.

C. Raising Awareness About Fraud Through Partners

Prevention requires raising awareness with all stakeholders to combat fraud in African American and Latino communities. The FTC has multiple initiatives that further this goal. First, as mentioned, the FTC’s Legal Services Collaboration and its Common Ground conferences have brought together local legal services providers, consumer advocates, law enforcers, and other interested groups to discuss fraud and other consumer issues, raise awareness, and collaborate on how to work together to fight fraud. Partnering with organizations and groups that already have credibility and relationships with African American and Latino communities also provides an effective way to encourage consumers and stakeholders in these communities to file complaints.

Two FTC events last year focused on bringing together stakeholders to talk about and raise awareness of the consumer issues in African American and Latino communities. In May 2015, the FTC and the Georgia National Association for the Advancement of Colored People (NAACP) hosted a public conference in Atlanta to discuss consumer issues affecting African-American communities. Mr. Charles Lowery, the Director of Fair Lending and Inclusion at the NAACP, discussed the persistent wealth gap existing between African American and white communities, and focused on the importance of ensuring that government is knowledgeable about the issues affecting African Americans. At that conference, legal service attorneys, community leaders, consumer advocates, and federal, state, and local officials, and others raised concerns about African Americans being denied mortgages; debt collectors threatening consumers with arrest even in situations where they do not owe the debt; scammers falsely “guaranteeing” jobs or offering good government jobs but actually just selling training materials; and the recent uptick in auto loan fraud. Addressing these issues is critical. As Mr. Hilary Shelton, Director of

See Fraud Workshop, A. Tuck, Tr. at 235 (“[W]hen we heard stories about heroes, it was . . . always about somebody’s mom or grandma who learned how to be rude, . . . for the first time in her life, hung up the phone on somebody while they’re in the middle of talking.”).


See Fraud Workshop, M. Vaca Tr. at 303 (summarizing the workshop and recognizing the importance of the trusted relationships that many of the stakeholders have with communities).

the NAACP Washington Bureau and Senior Vice President for Advocacy and Policy observed, everyone should get a full opportunity to participate in the economic benefits of this country.

In February 2015, the FTC co-hosted a forum entitled Working Together to Advance Protections for Immigrant Consumers with the State Bar of California and the Los Angeles Department of Consumer and Business Affairs.\(^45\) Participants spoke about scams that target the immigrant community— from identity theft to notario scams, and from bogus healers to a whole raft of car-related scams. Both of these conferences developed partner relationships between the FTC and African American and Latino communities in those areas.\(^46\)

Upcoming Common Ground events will provide additional opportunities to bring together partners to talk about the frauds affecting African American and Latino consumers, and encourage more complaints from these communities. Common Ground events are planned in Detroit, Alabama, Richmond, New York City and the Midwest in 2016-2017. Through these initiatives, the FTC will continue to strengthen partnerships with state and local law enforcement agencies, as well as community groups with established links to the identified communities, which will help the FTC distribute prevention information through trusted sources.

**D. Raising Awareness of Fraud Through the Media**

Media outlets in diverse communities can play an important role in fraud prevention. Local newspapers, magazines, websites, and radio and television stations are trusted sources within a community and can raise issues important to the local community.\(^47\) Reaching out to these outlets, providing information about how fraud affects the communities they serve, and hearing about the kinds of scams seen by reporters can be an effective way to increase local media coverage of fraud, share prevention information, and encourage the reporting of fraud.

In 2015, the FTC launched an initiative to host a series of roundtable discussions with diverse media outlets. To date, the Commission has hosted ten Ethnic Media Roundtables around the country, bringing law enforcement, community organizations, and consumer advocates together with more than 150 ethnic media reporters to discuss how consumer protection issues affect their communities.\(^48\) These

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\(^46\) In addition, on October 23, 2014, the FTC and the Consumer Financial Protection Bureau co-hosted a roundtable in Long Beach, California that examined how debt collection and credit reporting issues affect Latino consumers, especially those who have limited English proficiency. The event, titled Debt Collection & the Latino Community, brought together consumer advocates, industry representatives, state and federal regulators, and academics to exchange information. Participants spoke about some of the consumer finance issues in the Latino community and their experience in debt collection litigation. FTC Conference, Debt Collection & the Latino Community Roundtable (Oct. 23, 2014) available at https://www.ftc.gov/news-events/events-calendar/2014/10/debt-collection-latino-community-roundtable.

\(^47\) See Fraud Workshop, C. Blinder, Tr. at 203 (noting the importance role that ethnic media plays as a trust source in communities).

\(^48\) Since February 2015, the FTC has worked with New America Media to conduct roundtables in Los Angeles, Seattle, Chicago, Atlanta, Cleveland, Houston, San Francisco, Miami, St. Louis, and New York. Another roundtable is planned in Detroit (July 2016). Often, the Ethnic Media Roundtables take place the day before or after a Common Ground Conference.
briefings have helped connect consumer protection experts with media outlets that reach diverse populations, including Latinos, African Americans, and others. The journalists serving these communities, and the ethnic media outlets themselves, are trusted sources for information within the communities. They not only provide their communities with reliable information on scams, but they also emphasize the power of reporting fraud and encourage those same communities to report fraud to the FTC.\textsuperscript{49} In addition, their reports can provide information about the consumer protection issues affecting the communities they serve. The agency is working to build on this initiative by staying connected with these ethnic media outlets on an ongoing basis, and by developing additional communication channels with them.

\section*{E. Expanding the FTC’s Reach in African American and Latino Communities}

In 2017, the FTC will launch a pilot program to gather additional information about fraud in the Latino and African American communities. The FTC will convene stakeholders in metropolitan areas in Texas and California where Consumer Sentinel research shows the ratio of complaints to the population appears quite low, and the areas appear to be more heavily populated with Latinos and immigrants. Further, the pilot will focus on reaching out to media outlets serving African American communities in Washington, DC, Philadelphia, PA and Birmingham, AL.

\section*{III. Effective Law Enforcement Strategies: Shutting Down Fraud Affecting African American and Latino Communities}

The FTC’s extensive law enforcement experience reveals that certain frauds target African American and Latino consumers, and frequently rely on tactics designed to get money quickly. The FTC’s law enforcement work has identified numerous schemes that targeted or disproportionately affected African American or Latino consumers. But fraud perpetrators do not always target just one set of potential consumer victims, and the agency’s law enforcement work has typically focused more broadly on frauds affecting large numbers of victims across the nation. The Fraud Survey suggests that African American and Latino consumers suffer the effects of these frauds disproportionately, but the FTC has not generally collected demographic information about the victims in its enforcement actions. Therefore, as part of its Every Community Initiative, the FTC is undertaking new research to help the agency assess how its law enforcement actions and its work to remediate harm protects these communities. In addition, the FTC is launching new tools to enable its staff of investigators and attorneys to learn about specific efforts to target African American and Latino consumers.

\textsuperscript{49} Fraud Workshop, A. LoVoi, Tr. at 223.
A. Schemes that Target or Disproportionately Affect African American and Latino Consumers

Numerous scams trade on cultural connections in African American and Latino communities to siphon money. The FTC has brought law enforcement cases alleging deceptive marketing of weight-loss belts and English-language courses to Latinos, and prepaid calling cards under brand names such as “African Dream” and “CTA Mexico.” More troubling, many scammers target recent immigrants from a variety of countries, preying on their need to adjust their immigration status. For example, in its case against a Baltimore-based immigration services scam, the FTC alleged and a federal court found, that the defendant Manuel Alban deceived people into paying for immigration services he was not qualified to provide. The court found that some customers “suffered severely” for relying on the defendant. Several people were deported and one was arrested and jailed for almost eleven months.

Many scams targeting African American and Latino communities exploit another core need – the need to work and generate income. Pyramid schemes are notable for how well they can infiltrate into particular communities, such as African American churches and Latino immigrant communities.


52 Fraud Workshop, A. Schaufele Tr. at 111 (estimating that ten percent of the 200 immigrants seeking legal services that her agency interviewed had been the victim of notario or legal services fraud); see also Fraud Workshop, B. Wilkes Tr. at 74 (discussing the problem of immigration fraud in Latino communities).

53 FTC v. Loma International Business Group, Inc., 1:11-cv-01483-MJG (D. MD June 1, 2011) available at https://www.ftc.gov/enforcement/cases-proceedings/112-3031/loma-international-business-group-inc-et-al (alleged the owners misled immigrants, convincing them that Loma was authorized to provide immigration services, and deceiving them into paying for immigration services the owners were not qualified or authorized to provide). See also FTC v. Immigration Center, 311-cv-00055-LRH-VPC (D. MO Jan. 31, 2011) available at https://www.ftc.gov/enforcement/cases-proceedings/102-3181-x110013/immigration-center-et-al (alleged defendants posed as the U.S. government, then duped consumers into paying fees ranging from $200 to $2,500 by claiming the fees would cover processing by the United States Citizenship and Immigration Services).

54 The FTC’s Fraud Survey, at 52, defines “income-related fraud” to include work-at-home programs, business opportunities, pyramid schemes, and government job offers. See also Cristina Miranda, How Do Scammers in your Community Connect with You?, available at https://www.consumer.ftc.gov/blog/how-do-scammers-your-community-connect-you.


56 FTC v. Fortune Hi Tech Marketing, Inc., 13 CV 578 (N.D. Ill Jan 24, 2013) (alleged an illegal pyramid scheme targeting Spanish speakers). See also Fraud Workshop, M. Armstrong Tr. at 163 (describing a Ponzi and pyramid scheme that disproportionately targeted and affected members of the Brazilian and Dominican immigrant communities, using promotional materials in Portuguese or Spanish).
which have lost time and money pursuing dreams that do not materialize. Other forms of business opportunity fraud are no less noxious. For example, the FTC sued an enterprise allegedly holding conferences and seminars to deceptively sell a healthcare business opportunity for thousands of dollars to African American audiences.\footnote{FTC v. Prophet 3H, Inc., 1:06-cv-01692-TCB (N. D. Ga. July 18, 2006) available at https://www.ftc.gov/news-events/press-releases/2006/07/ftc-stops-family-and-companies-selling-illegal-business.} Other offers for business opportunities sometimes promote the possibility of earning money from home and without the need for skilled labor. For example, the FTC sued a telemarketing operation that it alleged falsely pitched to Spanish-speaking women the opportunity to make money selling high-end designer merchandise.\footnote{FTC v. Oro Marketing, Inc., 2:13-CV-08843 (C.D. Cal. Dec. 3, 2013) available at https://www.ftc.gov/enforcement/cases-proceedings/132-3047-x140010/oro-marketing-inc-et-al (alleged the defendants primarily targeted Latinos by hiring Spanish-speaking telemarketers to deceptively pitch a business opportunity selling supposedly high-end designer name merchandise).} These deceptive enterprises not only take advantage of consumers in search of an honest living, but they interfere with economic opportunities for whole communities.

Scams particularly affecting African American and Latino communities also prey on the need for financial stability through debt-related frauds\footnote{The FTC has brought law enforcement actions alleging that African Americans and Latinos suffer discrimination in the lending marketplace. For example, in 2008, the FTC settled charges against home mortgage lender Gateway Funding Diversified Mortgage Services, L.P. and its partner company, Gateway Funding, Inc. for $2.9 million, alleging the lender allowed loan officers to charge discretionary overages that resulted in African American and Latino consumers being charged higher prices for mortgage loans than non-Latino white consumers, in violation of the Equal Credit Opportunity Act. See FTC v. Gateway Funding Diversified Mortgage Services, L.P., 2:08-cv-05805-JD (E.D. Pa. Dec. 16, 2008) available at https://www.ftc.gov/enforcement/cases-proceedings/0623063/gateway-funding-diversified-mortgage-services-lp-gateway; see also FTC v. Golden Empire Mortgage, Inc., CV09-03227 (SHx) (C.D. Calf. May 7, 2009) available at https://www.ftc.gov/enforcement/cases-proceedings/0623061/golden-empire-mortgage-inc-corporation-et-al-ftc.} – credit repair scams, debt relief schemes, mortgage relief frauds, and advance fee loan offers. Certain scams deliberately target the Latino community by using Spanish language marketing, and the FTC has brought aggressive law enforcement actions.\footnote{See, e.g., FTC v. First Time Credit Solutions, CV15-01921-DDP-PJW (C.D. Cal. Mar. 16. 2015) available at https://www.ftc.gov/enforcement/cases-proceedings/152-3114/first-time-credit-solution-corp-ftc-credit-solutions (alleged the defendants promised credit repair services using phony affiliation with the FTC). In addition, the FTC has taken action against companies engaged in illegal debt collection practices. See FTC v. Rincon Management Services LLC, 511-cv-01623-VAP-SP (C.D. Cal. Oct. 11. 2011) available at https://www.ftc.gov/sites/default/files/documents/cases/2011/10/111026rinconcompt.pdf (alleged the defendants falsely told Spanish-speaking consumers that they would be sued or arrested if they did not pay debts); FTC v. RTB Enterprises, Inc., 4:14-cv-01691 (S.D. Tex. June 17. 2014) available at https://www.ftc.gov/enforcement/cases-proceedings/122-3086/rtb-enterprises-inc (alleged debt collector bullied Spanish-speakers into paying debts and unnecessary fees).} Identifying law enforcement targets that specifically defraud African Americans can be difficult because there is no obvious language indicator, as there is with schemes targeting Spanish speakers. Nevertheless, the FTC Fraud Survey identified debt-related frauds as disproportionately affecting African Americans,\footnote{FTC Fraud Survey, at 52 (“debt-related fraud” includes credit repair, debt relief, mortgage relief, and advance fee loans).} and the FTC has brought hundreds of actions against companies and individuals engaged in illegal debt collection practices.\footnote{See Consumer Sentinel Network Databook, (Feb. 2016) at 3 (identifying debt collection as the most common category of consumer complaints received by the FTC in 2015). The FTC has ramped up its enforcement against companies violating laws protecting consumers from illegal debt collection practices. For example, in 2015, the agency coordinated the first federal-state-local initiative (Operation Collection Protection) to combat the problem, leading 70 partners to bring more than} For example, the FTC sued a mortgage relief scam that
the FTC alleged deceptively advertised that it was part of a government-endorsed mortgage assistance network, a phony credit repair scam that allegedly charged illegal up-front fees for its services, and an alleged debt relief scam that targeted financially distressed Americans by pitching a phony debt relief and credit repair program.

In the FTC’s law enforcement experience, many of these scams are effective at getting money quickly because the con artists intimidate people by impersonating government officials and threatening fines, arrest, or deportation. Plainly, such threats ratchet up the anxiety consumers experience, and frighten people – particularly immigrants – into making a quick payment. Con artists often insist upon being paid by money order, cash on delivery for products shipped, wire transfer through a Western Union or MoneyGram location, or any other source that is difficult to trace or reverse. For a fraudster, the benefit of these methods is to render the payment virtually irreversible.

Putting aside the hard-core frauds noted above, many deceptive claims about otherwise legitimate products are disseminated in diverse marketing campaigns that broadly reach African American and Latino audiences. This is most clearly observable in bilingual marketing campaigns. For example, in its case against TracFone Wireless, the FTC challenged the company’s ads (including its

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66 See, e.g., FTC v. First Time Credit Solutions, CV15-01921-DDP-PJW (C.D. Cal. Mar. 16. 2015) available at https://www.ftc.gov/enforcement/cases-proceedings/152-3114/first-time-credit-solution-corp-ftc-credit-solutions (alleged that the defendant falsely stated in radio advertisements that his company “FTC Credit Solutions” had a license from the FTC, and that the license allowed them to guarantee any consumer a credit score of 700 or higher within 120 days or less); FTC v. Partners in Health Care Association, Inc. 1:14-CV-23109 (S. D. Fla. Aug. 25, 2014) available at https://www.ftc.gov/enforcement/cases-proceedings/132-3122/partners-health-care-association-inc-et-al-united-states-america (alleged scheme that tricked Spanish-speaking and other consumers into buying a nearly worthless discount card when they had been told they were buying a qualified health insurance plan under the Affordable Care Act (ACA)); FTC v. Centro Natural Corp., 14-23879-CIV (S.D. Fla. Oct. 20, 2014) available at https://www.ftc.gov/enforcement/cases-proceedings/142-3159/centro-natural-corp (the defendants pretended to call from a court to collect on made up debts).


68 Indeed, the FTC recently amended the Telemarketing Sales Rule to bar telemarketers from receiving payment through cash-to-cash money transfers because scammers rely on this quick, anonymous, and irretrievable method to extract money from consumer victims. Telemarketing Sales Rule, Final Rule, 80 Federal Register 239 (Dec. 14, 2015) at 77523(this provision became effective on June 13, 2016) available at https://www.ftc.gov/system/files/documents/federal_register_notices/2015/12/151214tsr_frn.pdf.
Spanish language ads) for claims about unlimited wireless phone data plans.69 In City Nissan, the FTC alleged deceptive advertising in the sale of automobiles that targeted both English and Spanish-speaking consumers.70 Recently, the FTC challenged advertising claims by DeVry University, alleging the company’s English and Spanish advertisements deceived consumers about the likelihood that students would find jobs in their fields of study, and would earn more than those graduating with bachelor’s degrees from other colleges or universities.71

**B. Additional Enforcement Strategies**

1. **Using Research to Guide Further Law Enforcement**

Using research, the agency can strategically focus its limited resources to have the greatest impact in combating fraud. The FTC has several research projects underway to gain further insight into the issues affecting African American and Latino consumers, including research to determine the extent to which African American, Latino, and other communities are victimized by the con artists the FTC charges.

First, the FTC is currently working on its fourth consumer fraud survey, which will provide additional information about the prevalence of fraud in African American and Latino communities.72 As in the past, the agency plans to survey consumers from both of these groups in addition to other groups to get reliable information about their experiences. The findings from the fraud survey will help guide the agency’s planning for future work to combat fraud.73

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70 In the Matter of City Nissan, C-4524 (F.T.C. Mar. 26, 2015) available at https://www.ftc.gov/enforcement/cases-proceedings/132-3114/city-nissan-inc-matter-ross-nissan-el-monte. Two cases from the agency’s 2014 law enforcement sweep of auto dealers involved ads in a mix of English and Spanish. In the Matter of Casino Auto Sales, No.132 3107 (F.T.C. Jan. 9, 2014) and In the Matter of Rainbow Auto Sales, No. 132 3140 (F.T.C. Jan. 9, 2014) allegedly violated the FTC Act by deceptively advertising that consumers could purchase vehicles at specific low prices when, in fact, the price was $5,000 higher.


73 The agency is also working on a proposed qualitative survey to learn about consumers’ auto-buying and financing experiences at dealerships. The survey will be racially diverse and include participants of both sexes. This survey will provide insights into consumer understanding of the automobile purchasing and financing process at the dealership. See Press Release, FTC Seeks Public Comment on Proposed Survey of Consumers Regarding Their Experiences Buying and Financing Automobiles from Auto Dealers (Dec. 29, 2015), available at https://www.ftc.gov/news-events/press-releases/2015/12/ftc-seeks-public-comment-proposed-survey-consumers-regarding; FTC, Agency Information Collection Activities; Proposed Collection: Comment Request, 81 Fed. Reg. 780 (Jan. 7, 2016), available at https://www.ftc.gov/policy/federal-register-notices/agency-information-collection-activities-proposed-collection-comm-76.
Second, the FTC has begun an innovative analysis of information gathered through its law enforcement actions, which, in one sample case, suggests the fraud had a disproportionate effect on African American communities. Specifically, FTC staff analyzed victim data from a recent case, FTC v. Ideal Financial Solutions, Inc., in which the defendants fraudulently placed unauthorized debits on the bank accounts of consumers who had once applied for payday loans.\(^7\) After matching the zip codes from the victim addresses with U.S. Census Data, staff saw what appeared to be a vastly disproportionate impact on African American communities. In that case, consumers from areas that were heavily African American were more than 4 times more likely to be in the victim pool than those from areas that were predominantly white or Hispanic. In fact, the victimization rates for all areas in which the African American population represented more than a quarter of the population were high. In contrast, the likelihood that the victim lived in a predominantly or heavily Hispanic locality tracked closer to the victimization rates of whites in this case, suggesting there was not a disproportionate impact on that community. In the end, heavily African American areas had 21.8 victims per 1,000 population, compared to 5.1 for heavily Hispanic areas and 4.8 for heavily white areas. While analysis of one sample case may not be generalizable to other fraud cases, it suggests that additional research of this nature could help the FTC learn more about the impact of its work.

Victimization Rate from FTC v. Ideal Financial Solutions, Inc. in Zip Codes with Concentrations of Black, Hispanic, and White Consumers

Staff next compared the Consumer Sentinel complaints about *Ideal Financial Solutions* to the victims in the victim pool by calculating the number of complaints per 1,000 victims for each community.\textsuperscript{75} Communities with predominant or heavy concentrations of African Americans or Hispanics complained about 45% less often than heavily white communities complained. The complaint rate per 1,000 victims was 0.45 for heavily African American areas and 0.42 for heavily Hispanic areas, compared to 0.78 for heavily white areas. Thus, even though consumers in areas with high concentrations of African Americans were victimized at a much higher rate than other communities, they did not complain proportionately to their victimization rate. Further, even though consumers in zip codes populated predominantly by Hispanics were victimized by the fraud at roughly the same rate as white consumers, they also complained less than would be expected given their victimization rate.

**Complaints about Ideal Financial Solutions**

*From Zip Codes with Concentrations of Black, Hispanic and White Consumers*

![Complaints chart](chart.png)

In a different research project, researchers including FTC staff identified important differences when looking at how consumers from different demographic groups responded to remedial notices in an FTC action. Researchers analyzed the customer data from *FTC v. FTN Promotions, Inc. d/b/a Suntasia*,

\textsuperscript{75} Consumers filed 1,675 complaints about the defendants in the Ideal Financial Solutions action. This included complaints that came not just to the FTC but also to our data contributors. Eighty-four percent of the complaints included consumers’ zip code information that was used for this analysis.
Inc., which involved a massive telemarketing scam that placed recurring debits or charges on consumer financial accounts for an ongoing membership club. The researchers found a difference in how consumers from different demographic groups responded to the defendants’ deceptive negative option scheme, and to the cancellation notices that the court-appointed receiver sent to consumers providing them the opportunity to opt in or out of the membership club program. Relying on U.S. Census Data and the customer list, the researchers found that consumers residing in poorer, less educated Census blocks, as well as those more likely to be minorities, were more likely than other consumers to cancel their subscriptions before the FTC even filed its lawsuit. On the other hand, consumers from these same groups who had not canceled their subscriptions prior to the lawsuit were relatively less likely to respond to an opt-out letter sent by the FTC.

FTC staff plans to continue this type of research to learn more about how the FTC’s fraud enforcement work impacts African Americans and Latinos and where to focus the FTC’s efforts to remediate harm. Staff will continue to analyze the zip code information from the consumers affected in additional cases to determine whether the disparities revealed in the test case are similarly reflected in other matters. It also will be useful to see variations in the consumer victim demographics based on different types of fraudulent schemes. At a minimum, a trend of underreporting by these groups strongly suggests that special weight should be given to even a small number of complaints.

2. Enhancing Investigative Resources

The FTC is taking a number of steps to improve its ability to bring more law enforcement actions that respond to the needs of African American and Latino communities. Specifically, the FTC is developing tools to improve its ability to monitor the advertising to these communities and collect evidence of fraud.

Monitoring the advertising and marketing to African American and Latino communities offers an obvious means to detect fraud. To detect fraud in the Latino community effectively, the FTC must monitor Spanish language advertising. In 2003, the FTC launched a Spanish Language Media Monitoring Project to police the advertising in those channels. Through this and other work, the agency expanded its efforts to protect Spanish-speaking consumers, resulting in more than 75 law enforcement cases. Developing tools to monitor and review Spanish language advertising and the advertising aimed at African American consumers, will enable the agency not only to identify targets, but also collect evidence of such targeting.

In this context, Dr. Latanya Sweeney, former FTC Chief Technologist, shared some of her research at two FTC conferences looking at how consumers in different demographic groups experience

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78 Fraud Workshop, B. Wilkes, Tr. p. 70-71, 77-78 (recognizing the difficulties for regulators to detect fraud if they do not monitor Spanish language advertising).
advertising on the Internet. Dr. Sweeney presented research looking at the various websites predominantly used by African American and Latino consumers, and the ads served on those sites. Since then, the FTC has invested in technical tools to increase its ability to monitor marketing targeting certain demographic populations online and through other forms of media, including print, television, and mobile. With this kind of information, the FTC can better understand the specific products or services being marketed to African American and Latino consumers and identify related deceptive or unfair advertisements.

Having staff with Spanish language skills is also important to identify and investigate scams targeting Latinos. The FTC’s Bureau of Consumer Protection has over 70 staff members who speak 12 different languages, and has developed a system to help case teams access staff with language skills when needed to bring cases involving advertising and marketing to non-English speaking consumers.

3. Partner Referrals

Lastly, integral to the evolution of the FTC’s work has been the thoughtful input and participation of state and federal government agencies, organizations that serve African-American and Latino communities, and academics and researchers. By continuing to expand its level of engagement with those partners, the FTC can share information and identify pervasive types of fraud, and, when appropriate, pursue law enforcement actions.

Notably, referrals through its network with the legal services providers already have led to specific FTC cases halting a number of scams, including an immigration services scam targeting Latino consumers in Baltimore, a fraudulent mortgage assistance relief business targeting financially distressed Spanish-speaking homeowners, and an employment background screening company that failed to take reasonable steps to ensure that the information in its reports was accurate.


80 FTC v. Loma International Business Group, Inc., 1:11-cv-01483-MJG (D. MD June 1, 2011) available at https://www.ftc.gov/enforcement/cases-proceedings/112-3031/loma-international-business-group-inc-et-al. (alleged the owners misled immigrants, convincing them that Loma was authorized to provide immigration services, and deceiving them into paying for immigration services the owners were not qualified or authorized to provide).


IV. Educational Campaigns: Making Educational Efforts Available; Accessible; and Actionable for African American and Latino Consumers

“Consumers will get information one way or another. The question is: who will give it to them? The scammers are ready to step in if we don’t.”\(^\text{83}\)

Education and public outreach are vital parts of the Commission’s work for all consumers. Through its Every Community work, the FTC continually seeks ways to reach diverse communities with information that resonates, reflects their experiences, and reaches them through trusted sources. Extensive experience, research, and ongoing work with diverse communities demonstrate that there is the greatest chance of success when consumer education is readily available, accessible, and actionable for African American and Latino consumers.

A. Making Consumer Education Available

The starting point of any consumer education campaign is a message, and a way to deliver that message. The FTC uses multiple formats and channels to get consumer information to tens of millions of consumers each year. The agency educates consumers on a wide range of consumer protection topics, in English and Spanish, and conveys its messages in print and online materials, blog posts, and speeches and presentations. In 2015, the FTC logged more than 102 million views of its website pages; of those, 2.8 million views were of the Spanish site. The Consumer blogs in English and Spanish reach over 100,000 (English) and 35,000 (Spanish) email subscribers.\(^\text{84}\)

The FTC recognizes that consumers often put the most trust in messages that come from trusted sources. To maximize its outreach efforts, the FTC works with an informal network of about 16,000 community-based organizations and national groups that order and distribute free FTC information to their members, clients and constituents.\(^\text{85}\) In fact, in 2015, the FTC distributed 17.4 million print publications to libraries, police departments, schools, non-profit organizations, banks, credit unions, other businesses, and government agencies. Of those, nearly 1.6 million were materials in Spanish, distributed to more than 3,000 groups. Further, all of the FTC’s materials are in the public domain, and the agency encourages partners and others to adopt, customize and use the information.

As described in Section II.D. above, the FTC continues to build its ability to reach diverse audiences. As part of the Every Community Initiative, a series of Ethnic Media Roundtables have provided diverse media outlets with access to consumer experts and education materials – and provided

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\(^{83}\) Rigo Reyes, Chief of Investigations at the Los Angeles County Department of Consumer Affairs at joint conference with the FTC titled Working Together to Advance Protections for Immigrant Consumers.

\(^{84}\) The FTC Consumer blogs are available at https://www.consumer.ftc.gov/blog and www.consumidor.ftc.gov/blog.

\(^{85}\) All printed consumer education materials are free and can be ordered in bulk at https://www.ftc.gov/bulkorder.
the FTC with a successful way to reach and educate diverse audiences. More than 150 media outlets have participated in these events, and more are planned for the next year.86 The FTC also circulates Spanish press releases to Spanish language outlets.

In addition, FTC staff builds diverse networks by regularly attending, exhibiting and speaking at national and regional conferences of organizations that reach Latino and African American audiences, including the National Council of La Raza, NAACP, Teachers of English for Speakers of Other Languages (TESOL), and the Urban Institute. Further, as part of the FTC’s Legal Services Collaboration, staff regularly meets with consumer advocates, legal service providers, and people who work with Latino and African American groups. The FTC, including its regional offices, participated in more than 170 outreach events in 2015, including webinars, meetings, presentations, exhibits, and Twitter chats reaching consumers and their representatives in a range of communities across the United States.87

**B. Making Consumer Education Accessible and Actionable**

Experts acknowledge that successful educational campaigns go “where people are.”88 That means not just reaching people where they are physically, but creating educational resources that feel accessible to diverse audiences. The FTC created consumer.gov and its Spanish language version consumidor.gov, in response to input received from legal services providers. Outreach to that community told the FTC that more straightforward, direct materials were needed for their clients, many of whom are lower-income Latinos and African Americans. Consumers in the communities served by legal services providers have pressing concerns and limited time to read consumer education materials. Thus, the consumer.gov materials seek to provide just the information that people need to know – not what a government agency needs to tell them – making the resources easily accessible. Consumer.gov provides consumer protection basics, helping users access important information about money management, credit and debt, protecting personal information, and identifying scams.89 The material has a straightforward design, and provides additional accessibility through an audio read-along of the content, video explanations of key issues, and allowing easy conversion to a larger font.90

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86 In 2015, FTC staff participated in more than a dozen interviews for Spanish language TV, radio and print media.
87 The FTC also distributes information via social media, in English and Spanish.
88 Fraud Workshop, D. Kennedy Tr. at 206, 209 (“When you’re creating materials for these populations, think about them, think about what they need to know, what they need to hear and what they’re interested in hearing . . . . the overall lesson is really to go to where people are.”).
89 The focus of consumer.gov is to give people just what they need, not what the FTC needs to say. Written with the audience in mind, each topic is divided into three sections: “what is it,” “what to know,” and “what to do” – the last being the short, direct action steps requested by legal service providers. The site also has a “Toolbox” section for educators, with lesson plans, presentations, and other tools that are actionable for those who work with people who might need the consumer.gov information.
90 The lessons of consumer.gov were further developed in Pass It On, the agency’s campaign to get older adults to talk about fraud. The distribution of 3.1 million Pass It On materials since the campaign’s launch says that these resources have resonated with the target audience. A further example of the FTC’s actionable style is the recently released IdentityTheft.gov website, which helps consumers report identity theft, create personalized recovery plans, and put the plans into action. When a consumer creates an account, the website walks the consumer through each recovery step, updates the personalized plan as needed, tracks progress, and gives pre-filled forms and letters for the consumer to use. IdentityTheft.gov has allowed the
Consumer education experts have focused on the power of storytelling, not only as a way to understand diverse communities, but also as communications tool. As part of the FTC’s ongoing effort to raise awareness about scams targeting the Latino community, the agency developed a series of “fotonovelas” in Spanish. These short graphic novels are based on complaints to the FTC from Spanish speakers and offer practical tips to help detect and stop common scams. The topics thus far include imposter scams, income scams, immigration scams, auto-buying, debt collection, and student loan debt relief scams, with more topics to come. Almost 700,000 copies of the fotonovelas have been ordered by over 2,700 groups since their launch in 2014, an order rate that demonstrates that these publications resonate with their intended audience.

Creating accessible materials also means focusing on issues that matter to different populations. To that end, the agency created immigration resources in cooperation with the United States Citizenship and Immigration Services and the Department of Justice’s Executive Office for Immigration Review. These streamlined materials, published in eight languages, tell people how to safely navigate the immigration process and avoid scams. For refugees and recent immigrants – and those who work with them – the FTC created a short handbook to help people spot scams, and know where to report them, and has published it in seven languages.

The FTC continues to seek ways to make educational resources more accessible to every community. The agency has created Just for You webpages for different audiences, including older adults, military families, consumer advocates, financial educators, the NAACP, and librarians. A page for community colleges is forthcoming. While partnering with the NAACP on the 2015 workshop, the FTC used the partner webpage to highlight materials of interest to that group. In addition, the Every Community team is presently working with the Legal Services Corporation to develop a pilot program to provide better access for legal services providers and clients to FTC education materials and our complaint system.

In addition to the ongoing Ethnic Media Roundtables and convenings in Latino and African American communities, the Every Community team is developing a series of webinars and presentations for particular outreach to Latino and African American stakeholders. This cost-effective outreach will make our educational materials even more accessible to these groups. For several years, the FTC has presented webinars for the Legal Services Corporation and the National Association of Consumer agency to give consumers not only actionable advice, but an interactive, personalized experience that – consumers’ responses say – make a real difference.

91 Fraud Workshop, C. Blinder Tr. at 198, A. Tuck Tr. at 234-36.
92 The fotonovela series is available at www.consumer.ftc.gov/fotonovela.
93 The immigration scams materials are available in English, Spanish, Chinese, Korean, Vietnamese, Haitian Creole, Russian, and Arabic and can found at www.consumer.ftc.gov/immigration.
94 The materials on avoiding scams for recent refugees and immigrants are available in English, Spanish, French, Arabic, Dari, Somali, and Amharic and can be found at www.consumer.ftc.gov/refugee.
95 The Just for You materials are available at https://www.consumer.ftc.gov/features/featured-topics.
96 The FTC/NAACP partner page is located at www.ftc.gov/NAACP.
Advocates to highlight FTC cases important to lower-income consumers, as well as new consumer education and other relevant information. Using webinar technology, the FTC will broaden this program to develop targeted presentations that will appeal to and provide training for leaders working in the Latino and African American communities. The goal of these presentations is to provide better access to important consumer information, as well as spread the word about the importance of filing reports when consumers see scams. These will be complemented by a series of quarterly webinars directed to ethnic media outlets. These webinars will invite ethnic media journalists who have attended a Roundtable to hear from FTC experts on recent cases or policy developments, with the goal of building a sustained interest in covering consumer protection issues in diverse communities.

For years, the FTC has done outreach to and through public libraries. But the agency’s work through the Legal Services Collaboration and the Every Community Initiative has driven home libraries’ importance in reaching every community. At the FTC’s Fraud Affects Every Community Workshop, Heather Hodges, Pro Bono Counsel of Neighborhood Legal Services Program in Washington, DC highlighted the important role public libraries play in enabling African American clients to access information. Hodges stated, “Library computer use is highest in the District’s poorest neighborhoods east of the River,” citing a recent study showing that “40 percent of library users in the District were using the library’s computers to look for work.”97 In 2016, the FTC is focusing on working directly with the Public Library Association (PLA), even presenting a “Spark Talk” about the Every Community Initiative at the 2016 PLA convention to 250 librarians and creating a webpage for librarians.98 The Every Community team is developing relationships and materials that allow library patrons easy access to consumer education materials, just at a point when they are likely to need it.

V. The Changing Consumer Demographics Workshop

Finally, the FTC recognizes that the demographics of this country will continue to change and will continue to affect its work. According to the U.S. Census Bureau, the population is getting older and more racially and ethnically diverse.99 African American and Latino communities’ spending power is growing100 and understanding how these communities are likely to change will be necessary as the FTC works to combat unfair and deceptive practices affecting these groups. To that end, the FTC will host a workshop on December 6, 2016, bringing together researchers, marketers, community groups, and law enforcement, to examine the predicted changes in various diverse groups and discuss what impact those changes will have on the marketplace. Who will be the consumers of the future? How is

97 Fraud Workshop, H. Hodges Tr. at 142. See also Fraud Workshop, C. Blinder Tr. 204 (“[T]he libraries are an opening to communities that are scared to go other places.”).
98 The materials for libraries are available at www.ftc.gov/libraries.
100 Fraud Workshop, C. Jones, Tr. at 19; see also Eva González and Mariá Monistere, Engaging the Evolving Hispanic Consumer: A Look at Two Distinct Subgroups, Nielsen (Sept. 25, 2014).
advertising and marketing changing? How will fraud likely change and what can the FTC and others do to prepare to combat fraud perpetrated against these new consumers. Studying these questions will help the agency continue to strategize and prepare for the years ahead.

VI. Conclusion

The Commission remains firmly committed to implementing its prevention, law enforcement, and consumer education strategies to reduce fraud in African American and Latino communities. Research, law enforcement experience, and input from stakeholders will continue to be the guideposts to the implementation and development of new goals.