

# Protecting Older Consumers 2020–2021

**A Report of the  
Federal Trade Commission**

**Federal Trade Commission**  
October 18, 2021



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## **FEDERAL TRADE COMMISSION**

Lina M. Khan, Chair

Noah Joshua Phillips, Commissioner

Rebecca Kelly Slaughter, Commissioner

Christine S. Wilson, Commissioner

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## I. Introduction

As the nation’s primary consumer protection agency, the Federal Trade Commission (“FTC” or “Commission”) has a broad mandate to protect consumers from unfair and deceptive acts or practices in the marketplace.<sup>1</sup> It does this by, among other things, filing law enforcement actions to stop unlawful practices and, when possible, returning money to consumers. The FTC also protects the public through education and outreach on consumer protection issues. Through research and collaboration with federal, state, international, and private sector partners, the FTC strategically targets its efforts to achieve the maximum benefits for consumers, including older adults.<sup>2</sup>

Protecting older consumers in the marketplace is one of the FTC’s top priorities.<sup>3</sup> This past year, the global pandemic has hit the health and finances of older communities particularly hard. As can be seen from numerous FTC cases, older adults continue to be targeted by a wide range of scams and the unfair and deceptive marketing of products and services. This past year, the FTC’s law enforcement efforts included a focus on schemes capitalizing on the fears and economic uncertainty associated with the pandemic to deceptively peddle products related to the prevention and treatment of COVID-19. In addition to its law enforcement efforts, the FTC has redoubled its efforts to reach communities of older adults throughout the country with its varied outreach campaigns. The FTC also has conducted research regarding fraud reports filed by consumers nationwide, which reveals patterns and trends related to fraud impacting older adults. These analyses help inform the agency’s efforts to respond to the needs of older consumers.

The FTC submits this fourth annual report to the Committees on the Judiciary of the United States Senate and the United States House of Representatives to fulfill the reporting requirements of Section 101(c)(2) of the Elder Abuse Prevention and Prosecution Act of 2017.<sup>4</sup> The law requires the

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<sup>1</sup> The FTC has wide-ranging law enforcement responsibilities under the Federal Trade Commission Act, 15 U.S.C. § 41 *et seq.* and enforces a variety of other laws ranging from the Telemarketing and Consumer Fraud and Abuse Prevention Act to the Fair Credit Reporting Act. In total, the Commission has enforcement or administrative responsibilities under more than 70 laws. See <http://www.ftc.gov/ogc/stats.shtm>.

<sup>2</sup> This report focuses on the Bureau of Consumer Protection’s work to protect older adults. The FTC’s Bureau of Competition also serves older adults through its work in various sectors of the economy, such as health care, consumer products and services, technology, manufacturing, and energy. The primary drafters of this staff report are Joannie Wei, Midwest Region; Emma Fletcher, Division of Consumer Response and Operations; and Bridget Small, Division of Consumer and Business Education. Additional acknowledgement goes to Kati Daffan, Michelle Chua, and Patti Poss, Division of Marketing Practices; Karen Mandel of Division of Advertising Practices; Jennifer Leach, Rosario Méndez, and Daniele Apanaviciute, Division of Consumer and Business Education; and Summer Law Clerk Calvin Hannagan. This report reflects the work of staff throughout the Federal Trade Commission’s Bureau of Consumer Protection and its Regional Offices, with much of the work stemming from the FTC’s Every Community Initiative. Lois C. Greisman is the FTC’s Elder Justice Coordinator.

<sup>3</sup> This report refers to persons 60 and older when using the terms “older adults” or “older consumers” to be consistent with the requirements in Section 2(1) of the Elder Abuse Prevention and Prosecution Act, which references Section 2011 of the Social Security Act (42 U.S.C. 1397j(5)) (defining “elder” as an individual age 60 or older).

<sup>4</sup> Public Law 115–70, 115th Congress (enacted Oct. 18, 2017).



FTC Chairman to file a report listing the FTC’s enforcement actions “over the preceding fiscal year in each case in which not less than one victim was an elder or that involved a financial scheme or scam that was either targeted directly toward or largely affected elders.” Given the large number and broad range of consumers affected in FTC actions, this list, found in Appendix A, includes every administrative and federal district court action filed in the one-year period. In addition, the FTC files this report to provide detail on the agency’s efforts to protect older consumers, including its law enforcement actions in cases that impact older adults, its targeted consumer education and outreach, and its research and strategic initiatives.

## II. FTC Enforcement Activities Affecting Older Consumers

Aggressive law enforcement is a vital component in the FTC’s efforts to protect older adults. As stated above, Congress has directed the FTC to list “each case in which not less than one victim was an elder or that involved a financial scheme or scam that was either targeted directly toward or largely affected elders.”<sup>5</sup> Nearly all FTC enforcement actions involve numerous consumers of all ages, but the actual ages of people affected in a given case are not typically known. In light of our law enforcement experience, the Commission is of the view that people age 60 or older are among those affected in every consumer protection case filed this past year. Therefore, Appendix A to this report lists all new enforcement actions brought by the FTC between October 1, 2020, and September 30, 2021. The cases listed in Appendix A involve a wide range of matters, including alleged business opportunity and money-making schemes, unsubstantiated product claims related to COVID-19, and more.<sup>6</sup>

To provide a better description of the FTC’s work, the next section summarizes fifteen enforcement actions where the Commission notes a significant impact on older adults. Also listed are additional agency actions, including cease and desist demand letters, case resolutions, criminal referrals, and consumer refunds.

### A. Business Opportunities

In *RagingBull.com*, the FTC alleged that the defendants fraudulently marketed investment-related services that they claimed would enable people to make consistent profits and beat the market.<sup>7</sup> Instead, the FTC alleged, consumers—including retirees, older adults, and immigrants—lost more than \$197 million in this scheme in the last three years alone. The defendants’ pitches claimed that people did not need a lot of time, money, or experience to make a substantial income. And the FTC alleged that, during 2020, the defendants employed additional marketing tactics based on the pandemic’s impact on

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<sup>5</sup> *Id.* § 101(c)(2).

<sup>6</sup> This list includes cases involving violations of children’s privacy laws. The perpetrators of such schemes may not typically target older adults, but the cases are listed because they involve large and diverse groups of consumers. The affected consumers may include an older parent or grandparent caring for children who go online and wish to protect their privacy.

<sup>7</sup> *FTC v. RagingBull.com, LLC*, No. 1:20-cv—3538 (D. MD. filed Dec. 7, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/2023073/ragingbullcom>.

the stock market and the nationwide economic uncertainty, including, for example, claiming that this “may be the most exciting opportunity in decades!” In March 2021, the court entered an order prohibiting misleading earnings claims and appointing a compliance monitor while the litigation is ongoing.

## B. Credit Card Stacking Scheme

In *Seed Consulting*, the defendants allegedly partnered with companies, including the defendants in two FTC actions, *Nudge*<sup>8</sup> and *MOBE*,<sup>9</sup> to obtain “funding” for people to purchase pricey training or coaching programs.<sup>10</sup> The FTC charged that the defendants in those two actions deceived people, including older adults and retirees, by promising lucrative income. In *Seed*, the FTC alleged that the defendants engaged in “credit card stacking,” which is the practice of charging people thousands of dollars to apply for personal credit cards on their behalf and inflating people’s income many times over to get high credit lines—so that people could pay for training programs offered by the defendants’ partners. In January 2021, the FTC and the *Seed* defendants reached a settlement that imposes a \$2.1 million monetary judgment, bars the defendants from charging people to obtain credit cards, and bars defendants from misrepresenting the financial status of anyone to a financial institution.<sup>11</sup>

## C. Deceptive TV Antenna Marketing

In *Wellco*, the FTC asserted that the defendants sold hundreds of thousands of indoor TV antennas and signal amplifiers using deceptive claims.<sup>12</sup> The respondents allegedly claimed, among other statements, that people could stop paying for cable or satellite TV subscriptions and still get all of their favorite TV channels. Similarly, the FTC alleged that the respondents claimed that their amplifiers increased the number of stations a user received, including HBO and AMC for free. According to the FTC, the defendants used “every trick in the book to sell their antennas and amplifiers to people,”

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<sup>8</sup> *FTC v. Nudge, LLC*, No. 2:19-cv-00867-RJS (D. Utah, filed Nov. 5, 2019) available at <https://www.ftc.gov/enforcement/cases-proceedings/182-3016/nudge-llc>.

<sup>9</sup> *FTC v. MOBE, Ltd.*, No. 6:18-cv-862-ORL-37DCI (M.D. Fla. filed June 4, 2018) available at <https://www.ftc.gov/enforcement/cases-proceedings/172-3072/mobe-ltd-et-al>.

<sup>10</sup> *FTC v. Seed Consulting, LLC*, No. 2:21-cv-00154 (D. Nev. filed Jan. 29, 2021), available at <https://www.ftc.gov/enforcement/cases-proceedings/182-3183/seed-consulting-llc>.

<sup>11</sup> Press Release, FTC, *FTC Acts to Stop Nevada Companies From Charging Consumers Thousands To Open Credit Cards To Pay For Training Schemes* (Jan. 29, 2021) available at <https://www.ftc.gov/news-events/press-releases/2021/01/ftc-acts-stop-nevada-companies-charging-consumers-thousands-open>.

<sup>12</sup> *FTC v. Wellco, Inc.*, No. 1:12-cv-02081 (S.D.N.Y. filed Mar. 10, 2021), available at <https://www.ftc.gov/enforcement/cases-proceedings/192-3004/wellco-inc-ftc-v>.



including marketing that targeted Spanish speakers and older adults.<sup>13</sup> In March 2021, the FTC and the defendants reached an agreement that bars the defendants from making certain claims about their products, including what channels a user will receive. The agreement also imposes a \$31.82 million judgment, but suspends the judgment upon payment of \$650,000, based on the defendants' inability to pay.<sup>14</sup>

## D. Unsubstantiated Health Claims

The FTC filed several new actions this year against entities for deceptively pitching products that purported to treat or cure medical concerns that disproportionately affect older adults. One of the cases involved the purported treatment and cure of COVID-19, which has profoundly impacted older adults.<sup>15</sup> Numerous other cases involved the purported healing properties of Cannabidiol (CBD)-infused products. In all of the complaints, the FTC alleged that the defendants could not substantiate their claims.

### 1. COVID-19 Treatment or Prevention

In *Quickwork*, in a complaint filed by the U.S. Department of Justice (“DOJ”) on the FTC’s behalf, the FTC alleged that the defendants deceptively marketed “Wellness Warrior” products as scientifically proven to treat or prevent COVID-19.<sup>16</sup> According to the complaint, the defendants baselessly claimed, among other assertions, that Wellness Warrior products containing Vitamin D and zinc treat or prevent COVID-19, are scientifically proven to work, and are more effective at preventing the disease than approved vaccines. In May 2021, a court entered a stipulated preliminary injunction against the defendants, prohibiting them from continuing to deceptively market or advertise these products. The court also required them to remove all the links containing deceptive claims from all websites, social media accounts, and other domains under their control. Litigation is ongoing.

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<sup>13</sup> Press Release, FTC, *New York-based Defendants Settle FTC Charges They Deceptively Advertised SkyLink TV Antennas as an Effective Way to Get a Hundred Plus Premium Channels Free* (Mar. 15, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/03/new-york-based-defendants-settle-ftc-charges-they-deceptively>.

<sup>14</sup> *Id.*

<sup>15</sup> Not only are older adults more likely to get sick from COVID, they are also more likely to face drastic health-related consequences as a result. See Center for Disease Control and Prevention Guidance (Updated Aug. 2, 2021), available at <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/older-adults.html>.

<sup>16</sup> *United States v. Quickwork, LLC*, No. 4:21-cv-00437 (E.D. Mo. filed Apr. 15, 2021), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3188/quickwork-llc-eric-nepute>.



## 2. Stem Cell Therapy

In August 2021, the FTC and the Georgia Attorney General’s Office sued the co-founders of the *Stem Cell Institute of America* for allegedly marketing stem cell therapy to seniors nationwide using bogus claims that it is effective in treating arthritis, joint pain, and a range of other orthopedic ailments.<sup>17</sup> The complaint also alleges that the defendants promoted the false or unsubstantiated claim that stem cell therapy is comparable or superior to surgery, steroid injections, and painkillers, and that they provided chiropractors and other healthcare practitioners with the means of deceiving consumers about such treatments.

## 3. Cannabidiol (CBD) Products

In December 2020, the FTC announced the first law enforcement crackdown on six sellers of CBD-containing products for allegedly making a wide range of scientifically unsupported claims about their ability to treat serious health conditions, including cancer, heart disease, hypertension, Alzheimer’s disease and others.<sup>18</sup> In May 2021, the FTC announced an additional action against a seller engaged in similar conduct.<sup>19</sup>

In *Bionatrol Health*, the FTC alleged that the respondents used deceptive marketing to sell CBD oil, CBD gummies, and other products containing CBD.<sup>20</sup> The respondents allegedly claimed that their CBD product treats pain better than prescription medications like OxyContin, and prevents and treats age-related cognitive decline and chronic pain. The respondents allegedly used claims like “medically proven” to entice consumers, and also changed the orders from one bottle of CBD oil to five bottles without their customers’ consent. The respondents agreed to an administrative consent order that prohibits them from making health-related product claims without competent and reliable scientific evidence. The agreement also requires the respondents to pay \$20,000 and notify their customers of the agreement.<sup>21</sup>

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<sup>17</sup> Press Release, FTC, *FTC, Georgia Attorney General Sue Stem Cell Institute of America Co-Founders for Deceptive Joint Pain Cure-All Marketing Scheme* (Aug. 17, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/08/ftc-georgia-attorney-general-sue-stem-cell-institute-america-co>.

<sup>18</sup> Press Release, FTC, *FTC Announces Crackdown on Deceptively Marketed CBD Products* (Dec. 17, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/12/ftc-announces-crackdown-deceptively-marketed-cbd-products>.

<sup>19</sup> Press Release, FTC, *FTC Announces Latest Enforcement Action Halting Deceptive CBD Product Marketing* (May 17, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/05/ftc-announces-latest-enforcement-action-halting-deceptive-cbd>.

<sup>20</sup> *In the Matter of Bionatrol Health, LLC*, No. C-4733 (FTC filed Dec. 17, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3114/bionatrol-health-llc-matter>.

<sup>21</sup> Press Release, FTC, *FTC Approves Final Administrative Consent Orders against Sellers of Deceptively Marketed CBD Products* (Mar. 5, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/03/ftc-approves-final-administrative-consent-orders-against-sellers>.



## Excerpt of advertisement from *Bionatrol Health*<sup>22</sup>

**THE SCIENCE OF CBD (CANNABIDIOL)**

The endocannabinoid system (ECS) regulates everything from relaxation to eating, sleeping, inflammation and even cognitive function. In a nutshell, the ECS is responsible for making sure the entire body is working optimally. CBD Oil has been medically proven to positively regulate your ECS addressing issues such as anxiety, insomnia, chronic pain, hypertension and even cardiovascular issues.

- **Physical Benefits:** Stimulates an anti-inflammatory response which helps reduce all forms of chronic aches and pains. Regular use also helps support joint health, mobility, and flexibility.
- **Psychological Benefits:** Helps positively regulate mood patterns which help reduce anxiety and stress. It also promotes better sleep cycles and in some cases may offer a safe remedy for depression and bipolar disorders.
- **Neurological Benefits:** Our CBD Oil's positive impact on the neural system helps reduce age-related cognitive decline. It also helps support focus, alertness & memory recall while reducing the frequency of migraines and headaches.

In *Epichouse*, the FTC alleged that the respondents made false claims that their CBD products treated pain better than prescription medications.<sup>23</sup> The respondents also allegedly made claims that their products could prevent a wide range of serious conditions, including cancer, diabetes, heart disease, chronic pain, hypertension, and age-related cognitive decline. The respondents agreed to an administrative consent order that prevents them from making health-related product claims without competent and reliable scientific evidence. The order also imposes a monetary judgment of \$30,000.<sup>24</sup>

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<sup>22</sup> *Bionatrol*, *supra* n.20, Complaint Ex. A-1.

<sup>23</sup> *In the Matter of Epichouse, LLC*, No. C-4736 (FTC filed Dec. 17, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3094/epichouse-llc-first-class-herbalist-cbd-matter>.

<sup>24</sup> Press Release, FTC, *FTC Approves Final Administrative Consent Orders against Sellers of Deceptively Marketed CBD Products* (Mar. 5, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/03/ftc-approves-final-administrative-consent-orders-against-sellers>.

Excerpt of advertisement from *Epichouse*<sup>25</sup>

## THAT'S WHY CBD CAN REVERSE THOUSANDS OF AILMENTS, INCLUDING:

- Joint Pain
- Arthritis
- Autoimmune Disorder
- Diabetes
- Multiple Forms Of Cancer
- High Blood Pressure
- Prostate
- Alzheimer's
- Depression And Bipolar Disorder
- Age Related Cognitive Decline
- Migraines And Headaches
- Cardiovascular Issues
- Crohn's And Colitis
- Endocrine Disorders
- Inflammation
- Nausea
- Multiple Sclerosis
- Neuropathic Pain
- Neurodegeneration
- Parkinson's
- Rheumatism
- Chronic Stress And Fatigue
- Spinal Cord Injury
- Stroke
- Obesity
- Skin Conditions Like Psoriasis & Adult Acne
- Schizophrenia
- And much, much more...

1. The National Cancer Institute Believes CBD May "reduce the spread of some cancer cells."  
2. The American Journal of Physiology says "CBD induces a substantial in vivo cardioprotective effect from ischemia" (coronary heart disease)  
3. Journal of Translational Psychiatry calls CBD a "completely new mechanism in the treatment of schizophrenia."

In *CBD Meds*, the FTC asserted that the respondents made several unsubstantiated claims that their CBD products effectively treat, prevent, or mitigate serious diseases and conditions like artery blockage, cancer, glaucoma, autism, and schizophrenia.<sup>26</sup> According to the complaint, the respondents emphasized several CBD benefits for older adults, including preventing "age related bone disease" and in the treatment of neurodegenerative diseases, such as Alzheimer's disease, Parkinson's disease and HIV dementia. The respondents allegedly falsely maintained that the U.S. government had confirmed the health benefits of CBD. The respondents reached an agreement with the FTC prohibiting them from making health-related product claims without competent and reliable scientific support, and requiring them to notify their customers of the agreement.<sup>27</sup>

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<sup>25</sup> *Epichouse*, *supra* n.23, Complaint ¶ 6. Ex. C.

<sup>26</sup> *In the Matter of CBD Meds, Inc.*, No. C-4735 (FTC filed Dec. 17, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3080/cbd-meds-inc-matter>.

<sup>27</sup> Press Release, FTC, *FTC Approves Final Administrative Consent Orders against Sellers of Deceptively Marketed CBD Products* (Mar. 5, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/03/ftc-approves-final-administrative-consent-orders-against-sellers>.



## Excerpt of advertisement from *CBD Meds*<sup>28</sup>

### Benefits from CBD for Seniors

by cbdmedicines | Dec 4, 2018 | Latest News | 0 comments



Getting old doesn't automatically mean handfuls of pills daily. New research on the effects of Cannabidiol (CBD) on the elderly population is emerging and shows a promising future in the use of CBD oil to manage the effects of aging.

In *Reef Industries*, the FTC alleged that the respondents made unsubstantiated claims about the health-related benefits of various CBD infused products.<sup>29</sup> The respondents allegedly claimed that CBD could prevent, cure, mitigate, or treat diseases and serious health conditions, including Alzheimer's disease, arthritis, autoimmune disease, and irritable bowel syndrome. The respondents agreed to an administrative consent order that prohibits them from making health-related claims without competent and reliable scientific evidence and requires them to pay \$85,000.<sup>30</sup>

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<sup>28</sup> *CBD Meds*, *supra* n.26, Complaint ¶ 7 Ex. G.

<sup>29</sup> *In the Matter of Reef Industries, Inc.*, No. C-4737 (FTC filed Dec. 17, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3064/reef-industries-matter>.

<sup>30</sup> *See supra* n. 29.

In *Steves Distributing*, the FTC asserted that the respondents made unsubstantiated claims that their CBD and cannabigerol (CBG) products were effective alternatives to prescription medications.<sup>31</sup> According to the complaint, the respondents claimed that their products could treat, mitigate or prevent a wide range of diseases and serious health conditions, including Alzheimer’s disease, cancer, and diabetes. They also allegedly claimed that their products reduce the risk of heart attacks, strokes, and other diseases and conditions. In some instances, respondents falsely claimed that studies or scientific research proved the effectiveness of CBD and CBG in treating or mitigating certain diseases and conditions. The respondents agreed to an administrative consent order that prohibits them from making health-related claims without competent and reliable scientific evidence and requires them to pay \$75,000.<sup>32</sup>

In *Kushly Industries*, the FTC alleged that the respondents made false or unsubstantiated claims that their CBD products could effectively treat or cure a host of conditions—from common ailments, like acne and psoriasis, to more serious diseases, including cancer, Alzheimer’s, Parkinson’s, and multiple sclerosis.<sup>33</sup> In addition, respondents allegedly asserted without support that many of these statements were backed by scientific studies. The FTC claimed that the respondents have used these false or unsubstantiated claims to market or sell a range of products containing CBD, including gummies, soft-gel capsules, and topical ointments. In July 2021, the respondents agreed to an administrative consent order that bars them from making health-related claims without competent and reliable scientific evidence and requires them to pay \$30,583.14.

#### 4. Other Supplements

In *BASF SE*, the FTC charged the respondents with collaborating to deceptively market two dietary fish oil supplements as clinically proven to reduce liver fat in adults and children with non-alcoholic fatty liver disease (NAFLD).<sup>34</sup> According to the complaint, the respondents advertised their supplements, Hepaxa and Hepaxa PD, as clinically proven to boost liver function, without the scientific evidence needed to back up the claims.<sup>35</sup> In April 2021, the FTC filed its administrative complaint

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<sup>31</sup> *In the Matter of Steves Distributing, LLC*, No. C-4739 (FTC filed Dec. 17, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3065/steves-distributing-llc-matter>.

<sup>32</sup> Press Release, FTC, *FTC Approves Final Administrative Consent Orders against Sellers of Deceptively Marketed CBD Products* (Mar. 5, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/03/ftc-approves-final-administrative-consent-orders-against-sellers>.

<sup>33</sup> *In the Matter of Kushly Industries LLC*, No. 202 3111 (FTC filed May 17, 2021), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3111/kushly-industries-llc-matter>.

<sup>34</sup> *In the Matter of BASF SE*, Nos. C-4744 and C-4745 (FTC filed both Apr. 1, 2021), available at <https://www.ftc.gov/enforcement/cases-proceedings/192-3088/basf-se-matter>.

<sup>35</sup> Although it can affect all ages, the prevalence of NAFLD rises with age. See Marco Bertolotti *et al.*, *Nonalcoholic fatty liver disease and aging: Epidemiology to management*, *National Center for Biotechnology Information* (Oct. 2014), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4202348/>.

against BASF and fellow defendants. In May 2021, the FTC approved final administrative consent orders that bar the respondents from representing, without proper substantiation, the health benefits of certain products. The defendants also agreed to pay more than \$416,000 to settle the charges.<sup>36</sup>

In *Health Research Laboratories (HRL)*, the FTC issued an administrative complaint in November 2020 against two companies and their owner, challenging their unsubstantiated advertising claims about several supplements. Respondents specifically marketed products to older consumers and advertised their The Ultimate Heart Formula (UHF), BG18, and Black Garlic Botanicals products as preventing and treating cardiovascular disease, atherosclerosis, and hypertension.<sup>37</sup> HRL also claimed its supplement Neupathic would cure, mitigate, or treat diabetic neuropathy without having substantiation for such claims. Litigation is ongoing.

### Sampling of Advertisements from *Health Research Laboratories*<sup>38</sup>

Do you **KNOW** what **YOUR** arteries look like right now?

- All Clear!
- Uh Oh!
- DANGER!**

Keeping your risk low and your **HEART** healthy is all about keeping your arteries **CLEAR!** See inside for help from a revolutionary, new, heart-helping liquid drop formula...

**SEE INSIDE** to discover a natural nutrient that is up to **95% EFFECTIVE** at maintaining clear arteries and reducing risk of a heart problem!

**"It's no secret... Heart Attack is the #1 killer of men and women."**

**"If you want to AVOID it, I have good news about a revolutionary NEW and NATURAL treatment that can help keep your arteries clear and your mind at ease."**

### Diabetes and cardiovascular disease go hand-in-hand.

**68% of people with diabetes die of heart disease or stroke.** Maintaining healthy blood sugar and glucose levels can be a constant struggle. Lowering blood sugar levels helps to prevent damage to your kidneys, blood vessels, skin, and eyes.

#### **BLACK GARLIC WORKS WITH YOUR BODY:**

- **Cholesterol:** Black Garlic helps maintain healthy cholesterol levels.
- **Clotting:** Black Garlic supports healthy platelet aggregation, which can help to keep blood circulating and works against clotting.
- **Supports and helps maintain healthy blood pressure levels to combat risks.**



*"I feel energized. I feel like I have a whole new body! I can now climb steps the normal way, I am no longer tired all the time, and my mind seems clearer. Black Garlic Botanicals really does MAKE YOU FEEL GREAT! I really think it should be part of your everyday regimen for wellness." ~ Delores L.\**



<sup>36</sup> Press Release, FTC, *FTC Approves Final Administrative Consent Orders against Companies that Deceptively Marketed Fish Oil Supplements with False Claims They Were Clinically Proven to Treat Liver Disease* (June 1, 2021) available at <https://www.ftc.gov/news-events/press-releases/2021/06/ftc-approves-final-administrative-consent-orders-against>.

<sup>37</sup> *In the Matter of Health Research Laboratories, LLC*, No. 9397 (FTC filed Nov. 13, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/x180007/health-research-laboratories-llc-matter>.

<sup>38</sup> *Id.*, Complaint ¶ 11, Ex. C.



**Black Garlic is studied for:**

- ✓ **Increasing energy**
- ✓ **Strengthening the immune system**
- ✓ **Promote anti-aging effects**
- ✓ **Enhancing recovery from fatigue**
- ✓ **And, improving restfulness**



**People just like you are thriving like never before!**

**READY TO KEEP YOUR BLOOD SUGAR LEVELS HEALTHY?**



"My blood sugar numbers are now close to normal and I haven't had a headache since I started using Black Garlic Botanicals" ~ Gus H.\*



"My doctor told me to come back when I'm sick. I feel great and I no longer need to run to the doctor! Thank you Health Research Labs!" ~ Lloyd G.\*

**From Fatigue to Fitness**



"I made the switch to Black Garlic Botanicals and within the span of 3 months my LDL levels

## E. Other COVID-Related Products

In *Trend Deploy*, the FTC alleged that the defendant falsely promised consumers that he could quickly deliver face masks and other personal protective equipment (“PPE”).<sup>39</sup> According to the FTC, the defendant took advantage of people’s COVID-related fears by advertising the quick delivery of N95 face masks, among other products. In fact, the defendant failed to deliver the PPE on time, if at all, and failed to offer cancellations or refunds. The complaint also alleged that the defendant violated the COVID-19 Consumer Protection Act by making deceptive claims about the quality of the face masks. Litigation is ongoing.

### Screenshot of part of the defendant’s website in *Trend Deploy*<sup>40</sup>



In an action regarding counterfeit websites, the FTC sued the *unknown operators of numerous websites*, which played on consumers’ COVID-19 pandemic fears to trick them into paying for Clorox

<sup>39</sup> *FTC v. Frank Romero*, No. 5:21-cv-00343 (M.D. Fla. filed June 29, 2021), available at <https://www.ftc.gov/enforcement/cases-proceedings/trend-deploy>.

<sup>40</sup> *Id.*, Complaint ¶¶ 68 Ex. J.



and Lysol products that the defendants never delivered.<sup>41</sup> According to the FTC, the defendants' counterfeit websites were aimed at people urgently seeking cleaning and disinfecting products. The fraudulent websites allegedly were designed to look like genuine sellers offering Clorox and Lysol products, despite no actual affiliation with those companies. In some cases where people sought chargebacks from their credit card companies, the defendants allegedly used falsified shipment information to make it harder for people to get the charges reversed. In other cases, defendants allegedly shipped worthless products that people did not order—such as a pair of socks—or used other deceptive tactics to thwart the chargeback process. In November 2020, a court issued a temporary restraining order and subsequently a preliminary injunction ordering that more than 100 websites be suspended. Litigation is ongoing.

## F. Other Enforcement Highlights

During Fiscal Year 2021, the FTC announced numerous cease and desist demand letters as well as a range of additional developments in enforcement actions affecting older consumers.

### 1. Cease and Desist Demand Letters

During the pandemic, the FTC has seen a wide range of false treatment claims related to COVID-19 that play on the public's fears about the disease, as well as scams related to the financial effects of the pandemic. As mentioned above, the pandemic has hit the health and finances of older communities particularly hard. The FTC determined that the fastest way to remove a large number of these false claims and deceptive ads from the marketplace was to pursue a rigorous cease and desist demand letter program. To accomplish this, the FTC has sent cease and desist demand letters to companies and individuals warning them that their conduct is likely unlawful, and that they can face serious legal consequences, such as a federal lawsuit, if they do not immediately cease and desist from engaging in such conduct.<sup>42</sup> In many cases, these cease and desist demand letters can provide a basis for civil penalties under the COVID-19 Consumer Protection Act.

Since October 2020, the FTC has sent more than 80 cease and desist demand letters to a range of companies and individuals about potentially false or deceptive advertising or marketing related to the coronavirus pandemic. More than 40 of these letters were sent jointly with the FDA. COVID-19 obviously has had and continues to have a particularly devastating impact on older Americans.<sup>43</sup>

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<sup>41</sup> *FTC v. One or More Unknown Parties*, No. 5:20-cv-02494 (N.D. Ohio filed Nov. 4, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3053/one-or-more-unknown-parties-ftc-v>.

<sup>42</sup> Information about the hundreds of letters sent by the FTC can be found at <https://www.ftc.gov/coronavirus/enforcement/warning-letters>.

<sup>43</sup> Not only are older adults more likely to get sick from COVID, they are also more likely to face drastic health-related consequences as a result. See Center for Disease Control and Prevention Guidance (Updated Aug. 2, 2021), available at <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/older-adults.html>.



The vast majority of the cease and desist demand letters went to companies selling products that may violate the law by making deceptive or scientifically unsupported claims about their ability to treat or cure coronavirus, COVID-19. Although COVID-19 affects people of all ages, some of the letters included representations relating to older adults in the companies' marketing. For example:

- In April 2021, the FTC sent a cease and desist demand letter to **Accelerated Health Products LLC**, citing the company's unproven claims that its iodine and silver products are safe and effective methods for older adults to boost their immune systems.<sup>44</sup>
- In April 2021, the FTC sent a cease and desist demand letter to **ImmuneMist**, citing deceptive advertising that, among other things, the company's ImmuneMist Oral Cleanse helps reduce germs and thus transmission among family members who live in multigenerational households and are unable to isolate.<sup>45</sup>
- In April 2021, the FTC sent a cease and desist demand letter to **Southwellness Medical LLC**, citing unproven claims that its products provided a holistic approach to treating and preventing COVID-19. On its website, Southwellness advertised its IV therapy to "people 60 years and over" who are "at higher risk of developing serious illness from COVID-19."<sup>46</sup>
- In December 2020, the FTC sent a cease and desist demand letter to **Xceed Wellness and Xceed Acupuncture**. Their marketing material contained a purported report of a 69-year old consumer who recovered from being bed-ridden with COVID-19 within eight days with the help of their supplement "Silver Flower."<sup>47</sup>
- In November 2020, the FTC sent a cease and desist demand letter to **Viking Alternative Medicine**, citing the company's unsupported claim that its nasal spray is the solution for those who want to boost their immune system and prevent infection, which, they claimed, was especially true "for the elderly who are at a huge risk of having serious complications."<sup>48</sup>

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<sup>44</sup> See FTC letter to *Accelerated Health Products LLC* (Apr. 14, 2021) available at [https://www.ftc.gov/system/files/warning-letters/covid-19-letter-dap\\_sara\\_banta\\_accelerated\\_health.pdf](https://www.ftc.gov/system/files/warning-letters/covid-19-letter-dap_sara_banta_accelerated_health.pdf).

<sup>45</sup> See FTC letter to *ImmuneMist* (Apr. 1, 2021) available at <https://www.ftc.gov/system/files/warning-letters/covid-19-letter-immunemist.pdf>.

<sup>46</sup> See FTC letter to *Southwellness Medical LLC* (Apr. 1, 2021), available at <https://www.ftc.gov/system/files/warning-letters/covid-19-letter-southwellness.pdf>.

<sup>47</sup> See FTC letter to *Xceed Wellness and Xceed Acupuncture* (Dec. 22, 2020), available at <https://www.ftc.gov/system/files/warning-letters/covid-19-letter-xceed.pdf>.

<sup>48</sup> See FTC letter to *Viking Alternative Medicine* (Nov. 24, 2020), available at <https://www.ftc.gov/system/files/warning-letters/covid-19-letter-viking-alternative.pdf>.



- In October 2020, the FTC sent a cease and desist demand letter to **Age Management Institute Santa Barbara**, which allegedly claimed, without scientific proof, that its IV therapy was formulated with certain peptides that are “the go to” for people with compromised immune systems like the elderly.<sup>49</sup>
- In October 2020, the FTC sent a cease and desist demand letter to **Vibrant Life Oklahoma**, citing the company’s unsupported claim that people over the age of 65 would especially benefit from its Vitamin C IV treatment.<sup>50</sup>

Overwhelmingly, companies that received FTC cease and desist demand letters quickly removed the misleading COVID-19 claims from their advertising. However, the FTC stands ready to use all available tools if a target does not remove the claims, up to and including litigation for civil penalties. In **Golden Sunrise Nutraceutical**, the Commission sued a company that failed to heed a warning urging removal of deceptive claims that its products were scientifically proven to treat COVID-19, and obtained a court order barring the defendants from making unsubstantiated health claims and requiring them to refund defrauded consumers.<sup>51</sup> **Quickwork, LLC**, mentioned above, is another case stemming from the failure to heed an FTC letter demanding cessation of deceptive COVID-19 treatment and prevention claims.

## 2. Case Resolutions

The FTC has also reached resolutions in four prior pending cases that impacted older adults.

In October 2020, the parties agreed to an administrative consent order to settle **Whole Leaf Organics**, a case in which the FTC alleged that the respondent made baseless claims that its vitamin C and herbal extract supplement (Thrive) could treat, prevent, or reduce the risk of COVID-19.<sup>52</sup> According to the complaint, the respondent allegedly marketed Thrive as an “anti-viral wellness booster,” as well as deceptively advertised and sold three CBD-containing products as cancer cures. The FTC first filed an administrative complaint, and then a parallel complaint in federal court, where the court entered a stipulated preliminary injunction barring the respondent from misrepresentations. The administrative consent order bars the respondent from perpetuating false and unsubstantiated health claims and requires him to send written notices to customers and retailers of Thrive, explaining that the

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<sup>49</sup> See FTC letter to *Age Management Institute Santa Barbara* (Oct. 16, 2020), available at [https://www.ftc.gov/system/files/warning-letters/covid-19-letter\\_to\\_age\\_management\\_institute\\_santa\\_barbara.pdf](https://www.ftc.gov/system/files/warning-letters/covid-19-letter_to_age_management_institute_santa_barbara.pdf).

<sup>50</sup> See FTC letter to *Vibrant Life Oklahoma* (Oct. 13, 2020), available at [https://www.ftc.gov/system/files/warning-letters/covid-19-letter\\_to\\_vibrant\\_life\\_oklahoma.pdf](https://www.ftc.gov/system/files/warning-letters/covid-19-letter_to_vibrant_life_oklahoma.pdf).

<sup>51</sup> *FTC v. Golden Sunrise Nutraceutical, Inc.*, No. 1:20-at-00540 (E.D. Cal. filed July 30, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3146-x200051/golden-sunrise-nutraceutical-inc>.

<sup>52</sup> *FTC v. Marc Ching*, No. 2:20-cv-03775 (C.D. Cal. filed Apr. 24, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3110/whole-leaf-organics>.



supplement will not treat, prevent, or reduce the risk of COVID-19.<sup>53</sup> He also must tell customers and retailers that the three CBD-containing products will not treat cancer.<sup>54</sup>

In January 2021, a federal district court entered final orders against the four primary individual defendants in *In re Sanctuary Belize Litigation*. The orders resolved allegations involving a large overseas real estate investment scam. The FTC alleged that the scheme took in more than \$100 million by duping customers into buying lots in what supposedly would become a luxury development in Central America known by several names, including Sanctuary Belize. The defendants ran national ads and used telemarketers to promote the scheme to small business owners and retirees, and peddled false promises that the development would be completed soon and that lot values would rapidly appreciate. The orders require three of the individual defendants to jointly pay \$120 million and also hold the fourth individual defendant jointly responsible for \$91.1 million of that amount. They also bar the defendants from any telemarketing, and bar one defendant from selling real estate.<sup>55</sup>

In February 2021, the defendants in *Agora Financial* agreed to settle FTC charges that they tricked older adults into buying pamphlets, newsletters, and other publications that falsely promised a cure for type 2 diabetes or promoted a phony plan to help them cash in on a government-affiliated check program. Among other things, the settlement bars the defendants from making such false and unsupported claims, and orders them to pay more than \$2 million.<sup>56</sup>

In June 2021, as described previously, the parties reached a settlement with one of the defendants, Stephen Meis, M.D., in *Golden Sunrise Nutraceutical*, in which the FTC alleged that the defendants deceptively advertised their supplements as a safe and effective treatment for COVID-19, and also deceptively promoted and sold dietary supplements as treatments for cancer and Parkinson's disease, among other serious health conditions and diseases. In reality, the FTC claimed, the supplements were mainly herbs and spices and the health claims were unsubstantiated. The settlement

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<sup>53</sup> *In the Matter of Marc Ching*, No. 9394 (FTC filed Apr. 27, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/202-3110/marc-ching-matter>.

<sup>54</sup> Press Release, FTC, *FTC Approves Final Administrative Consent Order with Marketer of Product Falsely Claiming to Prevent or Treat COVID-19* (Oct. 19, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/10/ftc-approves-final-administrative-consent-order-marketer-product>.

<sup>55</sup> Press Release, FTC, *At FTC's Request, Court Finalizes Orders and Monetary Judgments against Ringleaders of the Sanctuary Belize Real Estate Investment Scheme* (Jan. 21, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/01/ftcs-request-court-finalizes-orders-monetary-judgments-against>.

<sup>56</sup> Press Release, FTC, *Publisher Will Pay More Than \$2 Million to Settle FTC Charges That It Targeted Seniors with Phony Diabetes Cure and Money Making Schemes* (Feb. 8, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/02/publisher-will-pay-more-2-million-settle-ftc-charges-it-targeted>.



order bars the defendant from continuing to make these deceptive claims and imposes a \$103,420 monetary judgment.<sup>57</sup> The case is ongoing against the remaining defendants.

In *Simple Health Plans*, the FTC alleges that the defendants misled people into thinking they were buying comprehensive health insurance that would cover preexisting medical conditions, prescription drugs, primary and specialty care treatment, inpatient and emergency hospital care, surgical procedures, and medical and laboratory testing.<sup>58</sup> According to the FTC, the defendants used the AARP logo to deceive people, especially older adults, and falsely claimed to sell Medicare plans. In February 2021, the FTC reached a settlement with one of the individual defendants. The settlement bars her from marketing or selling any healthcare-related products and from making any misrepresentations in the sale of other products or services. The settlement also imposes a monetary judgment of over \$195 million, which is suspended due to inability to pay. Litigation is ongoing against the other defendants.<sup>59</sup>

### 3. Criminal Liaison Unit

Through the FTC's Criminal Liaison Unit, the agency works with federal and state prosecutors to help them bring more criminal consumer fraud cases and refers matters for prosecution, as appropriate.<sup>60</sup> Over the past 10 years, criminal law enforcement authorities have obtained convictions against hundreds of FTC defendants and their associates. For example, in one ongoing criminal prosecution involving prize promotions, a former FTC defendant and two co-conspirators face significant prison time.<sup>61</sup>

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<sup>57</sup> Press Release, FTC, *Promoter of \$23,000 COVID-19 "Treatment" Plan Barred from Making Bogus Health Claims* (June 14, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/06/promoter-23000-covid-19-treatment-plan-barred-making-bogus-health>.

<sup>58</sup> *FTC v. Simple Health Plans LLC*, No. 172 3148 (S.D. Fla. filed Nov. 2, 2018), available at <https://www.ftc.gov/enforcement/cases-proceedings/172-3148/simple-health-plans-llc>.

<sup>59</sup> Press Release, FTC, *One of the Defendants Behind Alleged Sham Health Insurance Scheme Agrees to Settle FTC Charges* (Feb. 4, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/02/one-defendants-behind-alleged-sham-health-insurance-scheme-agrees>.

<sup>60</sup> Information about the FTC's Criminal Liaison Unit is available at <https://www.ftc.gov/enforcement/criminal-liaison-unit>.

<sup>61</sup> Press Release, DOJ, *Long Island Resident Pleads Guilty to Multimillion Dollar Elder Fraud Scheme and to Defrauding the Federal Trade Commission* (Oct. 12, 2018), available at <https://www.justice.gov/usao-edny/pr/long-island-resident-pleads-guilty-multimillion-dollar-elder-fraud-scheme-and>; Press Release, DOJ, *Long Island Man Pleads Guilty to Multi-Million Dollar Elder Fraud Scheme* (May 14, 2019), available at <https://www.justice.gov/usao-edny/pr/long-island-man-pleads-guilty-multi-million-dollar-elder-fraud-scheme>; Press Release, DOJ, *Long Island Resident Pleads Guilty to Multimillion-Dollar Elder Fraud Scheme* (July 12, 2021), available at <https://www.justice.gov/opa/pr/long-island-resident-pleads-guilty-multimillion-dollar-elder-fraud-scheme>.



## 4. Consumer Monetary Relief

FTC enforcement actions have resulted in more than **\$403 million** to consumers of all ages in the Fiscal Year 2021. These payments provide people some recompense for the losses that occurred due to illegal conduct. The FTC provides updated statistics about where refunds were sent, the dollar amounts refunded, and the number of people who benefited from FTC refund programs at [www.ftc.gov/refunds](http://www.ftc.gov/refunds).

The FTC's authority to obtain such monetary relief has always been a powerful tool for making wronged consumers whole, but has been even more critical during the pandemic when so many Americans are struggling. This is particularly true for older adults who may be retired or on fixed incomes and cannot afford to lose money to fraud. However, the FTC's ability to obtain monetary relief pursuant to Section 13(b) of the FTC Act is now substantially limited following the Supreme Court's decision in *AMG Capital Mgmt., LLC v. FTC*, 141 S.Ct. 1341 (Apr. 2021).<sup>62</sup>

For cases filed prior to the AMG decision, however, the FTC has been continuing to deliver refunds. In October 2020, the FTC mailed a second round of checks totaling \$150,000 to consumers who bought NeuroPlus or BioTherapex from *Health Research Laboratories, LLC*.<sup>63</sup> The FTC accused Health Research Laboratories of deceptively claiming that its products would protect the brain against Alzheimer's disease and dementia, reverse memory loss, treat arthritis, and improve memory and cognitive performance. This check mailing is a continuation of refunds that began in November 2018. In total, the FTC has mailed more than \$708,000 to affected consumers in this matter.

In November 2020, the FTC began mailing a second round of checks totaling nearly \$2 million to people who purchased health products from a group of companies collectively known as *Tarr, Inc.*<sup>64</sup> According to the FTC's complaint, Tarr used unsupported claims, fake magazine and news sites, bogus celebrity endorsements, and phony testimonials to sell more than 40 different products related to weight loss, muscle building, and wrinkle-reduction. In total, the FTC has distributed more than \$6 million to affected consumers in this matter.

In December 2020, the FTC began mailing checks to consumers in a second round of refund disbursement in the *J. Williams Enterprises* case.<sup>65</sup> This round returned \$460,000 to people who paid an

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<sup>62</sup> The FTC is urging Congress to pass a legislative fix. See Press Release, FTC, *FTC Asks Congress to Pass Legislation Reviving the Agency's Authority to Return Money to Consumers Harmed by Law Violations and Keep Illegal Conduct from Reoccurring* (Apr. 27, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/04/ftc-asks-congress-pass-legislation-reviving-agencys-authority>.

<sup>63</sup> Press Release, FTC, *Health Research Refunds* (Oct. 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/refunds/health-research-refunds>.

<sup>64</sup> Press Release, FTC, *Tarr Refunds* (Nov. 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/refunds/tarr-refunds>.

<sup>65</sup> Press Release, FTC, *Refunds in FTC v. J. William Enterprises* (Dec. 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/refunds/refunds-ftc-v-j-williams-enterprises>.



up-front fee to the defendants to resell their unwanted timeshares. According to the complaint, the defendants falsely told consumers, many of whom were older adults, that they had someone ready and willing to buy or rent the timeshare for a specified price. The FTC asserted that the defendants frequently failed to deliver on these claims. In total, the FTC has distributed more than \$2.65 million to affected consumers in this matter.

Also in December 2020, the FTC started mailing checks to people who bought Synovia, a supplement advertised and sold by *A.S. Research, LLC* as a treatment for arthritis and joint pain.<sup>66</sup> According to the FTC, A.S. Research made misleading health claims and used phony testimonials, including one in which a user said he “gave away his walker” after using the supplement. The FTC also alleged that the defendants told people they had to pay extra for an ingredient added to increase pain relief and speed joint repair, when in fact all purchasers received that product. In total, the FTC returned \$774,755 to consumers.

In February 2021, the Department of Justice (DOJ) began the claims process to send nearly \$125 million in redress to people allegedly defrauded by scammers who were aided by *MoneyGram*.<sup>67</sup> A joint law enforcement action brought by the FTC, the DOJ, and the United States Postal Inspection Service (USPIS) charged that MoneyGram had failed to take steps required under a 2009 FTC order to crack down on fraudulent money transfers that cost U.S. consumers millions of dollars.<sup>68</sup> Perpetrators of many different types of mass marketing scams—including those that affect older adults, such as prize and sweepstakes schemes—rely on money transfer systems such as MoneyGram’s as a means of fraudulently obtaining money from consumers. Money transfers are a preferred method of payment for scammers because money sent through money transfer systems can be picked up quickly and anonymously at locations all over the world—and once the money is paid out, it is all but impossible for people to get their money back.<sup>69</sup>

In July 2021, the FTC announced that it was distributing additional refunds to consumers who purchased a pill called ReJuvenation.<sup>70</sup> In *Quantum Wellness Botanical Institute, LLC*, the FTC

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<sup>66</sup> Press Release, FTC, *FTC Returns Almost \$775,000 to Consumers Who Purchased Deceptively Advertised Arthritis and Joint Pain Relief Supplement Synovia from A.S. Research, LLC* (Dec. 1, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/12/ftc-returns-almost-775000-consumers-who-purchased-deceptively>.

<sup>67</sup> Press Release, FTC, *Claims Process Opens for Consumers Who Were Victimized by Fraudulent MoneyGram Transfers* (June 1, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/06/claims-process-opens-consumers-who-were-victimized-fraudulent>.

<sup>68</sup> *FTC v. MoneyGram International, Inc.*, No. 109-cv-6576 (N.D. Ill. filed Oct. 20, 2009), available at <https://www.ftc.gov/enforcement/cases-proceedings/062-3187/moneygram-international-inc>.

<sup>69</sup> See, e.g., *Before You Wire Money*, FTC Consumer Information (Last Updated May 2021), available at <https://www.consumer.ftc.gov/articles/before-you-wire-money>.

<sup>70</sup> Press Release, FTC, *Rejuvenation Refunds* (Sept. 2021), available at <https://www.ftc.gov/enforcement/cases-proceedings/refunds/rejuvenation-refunds>.

alleged the defendants deceptively claimed that the pill, which contained amino acids and herbal extracts, was a scientifically proven cure-all for age-related ailments — including cell damage, heart attack damage, brain damage, blindness, and deafness — and even aging itself.<sup>71</sup> According to the defendants’ ads, ReJuvenation could reverse the aging process and repair age-related damage to the body by increasing human growth hormone and the number of stem cells in the body. The ads also claimed users would see the reduced appearance of wrinkles and significant improvements in their memory and cognitive functioning. In addition, the defendants claimed that ReJuvenation could repair the damage from or reverse a number of ailments, including Alzheimer’s disease, Parkinson’s disease, and Crohn’s disease. The FTC charged these claims were false or lacked substantiation. In June 2020, the FTC mailed \$149,000 to a partial list of consumers who bought ReJuvenation.<sup>72</sup> In July 2021, the FTC announced a claims process to distribute more than \$400,000 in refunds to additional consumers.

In August 2021, the FTC sent checks totaling more than \$350,000 to people who bought *Willow Curve*, a low-level light therapy device, which, according to the FTC, was deceptively advertised as an effective way to relieve pain. The complaint alleged the marketers of Willow Curve touted it as a “smart” device that was FDA-approved and “clinically proven” to relieve pain and reduce inflammation for people suffering from rheumatoid arthritis, diabetic neuropathy, nerve damage, torn tendons and any number of other serious conditions, without scientific evidence to support these claims.<sup>73</sup>

In August 2021, the FTC sent checks totaling more than \$5.4 million to consumers who purchased an allegedly deceptively marketed investment training scheme offered by *Online Trading Academy*.<sup>74</sup> The FTC complaint alleged that the defendants, who targeted older consumers, falsely claimed that purchasers of their investment training were likely to generate significant income. The FTC alleged the defendants made misleading claims that anyone could use its patented “strategy” and filled its sales pitch with testimonials and hypothetical trades showing significant profits.

In August 2021, the FTC sent more than \$4.2 million in checks to consumers in a second round of redress distribution in the *RevenueWire and Vast Tech Support, LLC* cases.<sup>75</sup> In *RevenueWire, Inc.*,

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<sup>71</sup> *FTC v. Quantum Wellness Botanical Institute, LLC*, No. 2:20-cv-00244-SMB (D. Ariz. filed Feb. 3, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/172-3131/quantum-wellness-botanical-institute-llc>.

<sup>72</sup> Press Release, FTC, *FTC Sending Refund Checks Totaling Almost \$149,000 to Consumers Who Bought ReJuvenation “Anti-Aging” Pill* (June 1, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/06/ftc-sending-refund-checks-totaling-almost-149000-consumers-who>.

<sup>73</sup> Press Release, FTC, *Refunds Coming to Consumers Who Bought Deceptively Marketed Willow Curve Device* (Aug. 3, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/08/refunds-coming-consumers-who-bought-deceptively-marketed-willow>.

<sup>74</sup> Press Release, FTC, *Federal Trade Commission Sending Refunds to More than 31,000 Consumers Allegedly Defrauded by Online Trading Academy* (Aug. 16, 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/08/federal-trade-commission-sending-refunds-more-31000-consumers>.

<sup>75</sup> Press Release, FTC, *Vast Tech Refunds* (Aug. 2021), available at <https://www.ftc.gov/enforcement/cases-proceedings/refunds/vast-tech-refunds>.

the FTC alleged the defendants laundered credit card payments for, and assisted and facilitated, two tech support scams previously sued by the FTC.<sup>76</sup> The FTC alleged that RevenueWire used its accounts to process credit card charges and collect payments from consumers on behalf of two companies, *Vast Tech Support*<sup>77</sup> and *ICE*, that tricked consumers, many of whom were older adults, out of millions of dollars through tech support schemes. The FTC sent the first round of refund checks in October 2020. In total, the FTC has sent \$6.97 million to consumers affected by Vast Tech Support.

In August 2021, in *Advertising Strategies, LLC*, the FTC sent a third round of checks totaling \$159,000 to people deceived by the operators of an alleged business opportunity fraud that targeted seniors and others living on a fixed income.<sup>78</sup> According to the complaint, the defendants telemarketed bogus online investment opportunities across the nation. The first round of checks was mailed in March 2019, and the second round was mailed in June 2020. In total, the FTC has mailed \$7.04 million to consumers in this matter.

In September 2021, in *Seed Consulting, LLC*, the FTC sent checks totaling more than \$2 million to consumers.<sup>79</sup> As mentioned previously, the FTC alleged these defendants engaged in a deceptive scheme that purportedly provided funding to people, including older adults and retirees, to purchase training programs that falsely promised lucrative income.

### III. Outreach and Education Activities

#### A. Pass It On Education Campaign

*Pass It On* is the FTC’s ongoing fraud prevention education campaign for older adults. Campaign materials show respect for the readers’ life experience and accumulated knowledge, and supply them with resources to read and “pass on” to family and friends to start conversations about fraud. The factsheets, bookmarks, videos, presentations, and other materials refresh and add to readers’ knowledge by briefly explaining how certain scams work and what a reader can do



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<sup>76</sup> *FTC v. RevenueWire, Inc.*, No. 1:20-cv-01032 (D.D.C. filed Apr. 21, 2020), available at <https://www.ftc.gov/enforcement/cases-proceedings/162-3087/revenuewire-inc>.

<sup>77</sup> Press Release, FTC, *FTC Obtains Court Orders Temporarily Shutting Down Massive Tech Support Scams* (November 2014), available at <https://www.ftc.gov/news-events/press-releases/2014/11/ftc-obtains-court-orders-temporarily-shutting-down-massive-tech>.

<sup>78</sup> Press Release, FTC, *Advertising Strategies Refunds* (Aug. 2021), available at <https://www.ftc.gov/enforcement/cases-proceedings/refunds/advertising-strategies-refunds>.

<sup>79</sup> Press Release, FTC, *FTC Returns \$2M to Consumers Who Paid High Upfront Fees to Get “Funding” for Expensive, Ineffective Training Programs* (September 2021), available at <https://www.ftc.gov/news-events/press-releases/2021/09/ftc-returns-2m-consumers-who-paid-high-upfront-fees-get-funding>.



in response. Since the *Pass It On* campaign began in 2014, its print and online material has expanded, based in part on community partners’ requests, to address 13 common frauds.

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|--------------------|---------------------|--------------------|
| Identity Theft     | Tech Support Scams  | Home Repair Scams  |
| Imposter Scams     | Grandkid Scams      | Work-at-Home Scams |
| Charity Fraud      | Online Dating Scams | Money Mule Scams   |
| Health Care Scams  | IRS Imposter Scams  |                    |
| “You’ve Won” Scams | Unwanted Calls      |                    |

The FTC has distributed 15.6 million *Pass It On* items since the campaign began, including more than 1.2 million items in Fiscal Year 2021. The free English and Spanish print material is requested by groups including banks, libraries, police departments, adult protective service offices, state attorneys general, military support groups, and educational and community groups nationwide. Campaign materials are available at [www.ftc.gov/PassItOn](http://www.ftc.gov/PassItOn), [www.ftc.gov/pasalo](http://www.ftc.gov/pasalo) (Spanish), and [www.ftc.gov/bulkorder](http://www.ftc.gov/bulkorder).

### Example of some of the Pass It On Campaign Materials



The FTC emails Consumer Alerts about many of the topics covered by *Pass It On* and other topics of interest to older adults, including government impersonator scams, COVID-19 vaccine scams, online safety, and family emergency and mystery shopper scams. The FTC emails the Alerts in English and Spanish to more than 386,650 subscribers, which include individuals, community groups, advocates, national and local news media outlets, and other stakeholders. The FTC also posts these Alerts and

materials on its consumer website, [consumer.ftc.gov](http://consumer.ftc.gov), so the public can read, link to, and share the prevention messages.<sup>80</sup>

## B. Communicating through Video

In January 2021, the FTC released the video *How to Avoid Income Scams*,<sup>81</sup> available in Spanish as *Cómo evitar estafas de ingresos*,<sup>82</sup> when it joined law enforcement partners to coordinate a national law enforcement sweep, Operation Income Illusion. As part of the sweep, the FTC and its partners announced more than 50 actions against scams that targeted people with fake promises of income and financial independence.<sup>83</sup> These schemes had a significant impact on older adults, military families, and people with limited incomes, among others. In the video, an FTC attorney explains warning signs of an income scam, plays an audio recording from a business coaching scam the FTC shut down, and tells viewers how to check out a money-making offer before they invest. The FTC distributes videos like this to people in the community through partners including ethnic and mainstream media, legal aid offices, consumer advocacy groups, the Better Business Bureau (BBB), and fellow law enforcement agencies.



## C. Other Outreach Relating to Older Adults

The FTC collaborates with many organizations across the country to share its consumer education messages and inform the public about its work. In this reporting period, FTC staff in Washington, DC and eight regional offices have presented, exhibited, or participated in more than 335 outreach events with the public, other law enforcement agencies, and stakeholders focused on protecting members of a wide range of communities from scams. At least 135 outreach events served older adults and the people who work with them or engaged partner organizations in discussions about issues that affect older adults. During this time, a large part of the FTC’s outreach and education work focused on issues related to the coronavirus pandemic; more information about that work is set forth in Section D.

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<sup>80</sup> Information about subscribing to the FTC’s Consumer Alerts is available at [www.ftc.gov/subscribe](http://www.ftc.gov/subscribe).

<sup>81</sup> This video can be viewed, shared, or downloaded at <https://www.consumer.ftc.gov/media/how-avoid-income-scams>.

<sup>82</sup> This video can be viewed, shared, or downloaded at <https://www.consumidor.ftc.gov/recursos/s0213-video-como-evitar-estafas-de-ingresos>.

<sup>83</sup> Press Release, FTC, *As Scammers Leverage Pandemic Fears, FTC and Law Enforcement Partners Crack Down on Deceptive Income Schemes Nationwide* (Dec. 14, 2020), available at <https://www.ftc.gov/news-events/press-releases/2020/12/scammers-leverage-pandemic-fears-ftc-law-enforcement-partners>.



FTC staff participated in events for older adults together with local, state, and federal organizations, including the BBB, Senior Medicare Patrols (SMP), public libraries, consumer organizations, legal services providers, as well as attorneys general offices and federal agencies like the Consumer Financial Protection Bureau (CFPB) and the Federal Emergency Management Agency (FEMA). Staff joined in more than a dozen events with AARP, including nationwide Facebook Live conversations in English and Spanish about COVID-19 scams, identity theft, and cyberscams, and national tele-town halls. The FTC made a total of 16 presentations to older adult SMP volunteers in nine



states to share updated advice about healthcare fraud, identity theft, and COVID-19 scams, among other topics. It also collaborated with the CFPB's Office for Older Americans to plan monthly educational webinars for members of the Village to Village Network. Network members are older adult volunteers who coordinate educational events and connect fellow members to support services that make it easier to age safely at home. During 2021, the CFPB and FTC each presented webinars to Village residents in alternating months. The FTC talked about a range of topics from cyberscams and online safety to vaccine scams and other pandemic-related frauds. The CFPB's Office for

Older Americans and FTC also worked in tandem to tell older adults about their agencies' resources during Older Americans Month, when they joined an AARP Facebook Live conversation, and on a webinar with SAGE, an advocacy and service organization for LGBTQ elders. Commission staff also discussed scams that affect older adults at several conferences, including events organized by the American Bar Association's Commission on Law and Aging, ADvancing States, the American Society on Aging, and Oregon Tax Practitioners.

In honor of Older Americans Month, the FTC published a series of Consumer Alerts focused on scams that harm older adults, and highlighted some FTC resources that friends, family members, and community partners can share with older people in their lives.<sup>84</sup> Local media and community partners that subscribe to these Alerts, including libraries, educators, banks, and local law enforcement, share and forward the information to their members, which exponentially expands the FTC's audience and impact.

The FTC's outreach partnerships with groups and communities throughout the country provide opportunities to share the agency's important prevention messages, and foster more direct communication lines so the FTC learns in real-time about ongoing scams and other consumer protection problems affecting the public. This, in turn, can generate ideas for policy and education initiatives, as well as new case leads.

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<sup>84</sup> Consumer Alert, FTC, *Celebrating Older Americans Month* (May 10, 2021), available at <https://www.consumer.ftc.gov/blog/2021/05/celebrating-older-americans-month-0>.



## D. Coronavirus Education and Outreach to Older Adults

Shortly after the coronavirus pandemic began, the FTC developed a multi-media campaign with consumer and business advice to respond to people’s needs, all available at [ftc.gov/coronavirus](https://ftc.gov/coronavirus). This webpage, available in English and Spanish, serves as a one-stop directory of the FTC’s coronavirus education resources for consumers and businesses. It also contains links to information about FTC enforcement actions related to the pandemic, and connects to the FTC’s fraud-reporting system. The site’s consumer page contains advice on how to stay safe in the face of the health and pandemic-related financial crisis; links to Consumer Alerts; a collection of shareable social media materials; infographics; links to resources in five Asian languages; and a list of additional government resources. As of September 30, visitors have collectively viewed approximately 8.1 million pages of the FTC’s coronavirus-related material.

### Screenshot of FTC’s website with COVID-19 resources



Since February, 2020, the FTC has issued more than 160 Consumer Alerts on pandemic-related topics, including COVID-19 vaccines, stimulus payments, health and treatment claims, government imposter scams, privacy issues, and scams targeting small business. The most-read pandemic-related Alert in 2021 warned people against posting photos of their vaccination cards—which show multiple pieces of personal information—on social media.<sup>85</sup> The FTC has worked urgently to educate people of all ages about coronavirus-related scams, and published Consumer Alerts specifically for older adults and their loved ones. For example, it published a Consumer Alert about what to do if a nursing home or

<sup>85</sup> Consumer Alert, FTC, *Social media is no place for COVID-19 vaccination cards* (Feb. 5, 2021), available at <https://www.consumer.ftc.gov/blog/2021/02/social-media-no-place-covid-19-vaccination-cards>.

care facility wrongfully took someone’s stimulus check,<sup>86</sup> and a related Business Alert, warning nursing facilities that having residents sign over their check to the facility contradicts the law.<sup>87</sup>

During Fiscal Year 2021, FTC staff in Washington, DC and eight regional offices conducted more than 100 pandemic-related local and national outreach events with partners. The agency engaged with ethnic media, community organizations, community advocates, and many others through webinars, tele-town halls, Twitter chats, Facebook Live events, and interviews with local, state, and national media. Almost half of all education and outreach events were organized specifically for older adults and the people who work with them, including legal service providers, aging service providers, federal agency staff and community advocates.

A small sample of these COVID-related activities demonstrates the range of partners and audiences the FTC engaged this year. For example, staff were invited to join members of Congress on several tele-town halls held with constituents to talk about COVID-19, as well as issues of interest to older adults and veterans. FTC staff participated in four nationwide AARP Facebook Live conversations and five statewide events to talk about current COVID-19 and vaccine-related scams. Along with AARP members, senior center visitors, SMP volunteers, and library patrons were some of the older adults who learned about coronavirus scams and fraud prevention from the FTC in their communities. Staff reached professionals, including legal service providers and county aging service providers, in several states, and shared updates and information they could use to help clients. Staff presented webinars in English and Spanish about COVID-19 scams with hosts that included, for example, the SEC, the IRS, FEMA, and the California Association for Bilingual Education. Additionally, staff held webinars about COVID-19 scams for local residents and staff in ten Housing and Urban Development (HUD) EnVision Centers in different regions of the country. EnVision Centers connect residents of HUD-funded housing to community partners and support services to increase their financial wellbeing. Other groups reached included BBB members concerned about scams against small business and Spanish-speaking women small business owners. To extend the reach of the FTC’s messages, staff shared COVID-19 information and advice in English and Spanish through almost 60 media interviews—including one that was broadcast to more than two million people—and recorded fraud prevention messages that reached four million listeners nationwide.

As the pandemic continued through 2020, new consumer financial issues emerged and others worsened. To ensure it is responding appropriately to the issues people are facing, the FTC staff coordinated a series of twelve virtual listening sessions across the country. Session participants included representatives from elder justice centers, departments of aging, legal services, social services, housing counselors, faith-based groups, the BBB, and the offices of state attorneys general who shared their knowledge and concerns about the pandemic’s effects in their communities. Based on stakeholders’ comments, the FTC is working to enhance and expand its COVID-19 financial recovery and resiliency campaign, and to create a web-based toolkit in multiple languages.

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<sup>86</sup> Consumer Alert, FTC, *Stimulus payments for people, not nursing homes* (Jan. 4, 2021), available at <https://www.consumer.ftc.gov/blog/2021/01/stimulus-payments-people-not-nursing-homes>.

<sup>87</sup> Business Blog, FTC, *Nursing Homes: Stimulus payments are for residents* (Jan. 4, 2021), available at <https://www.ftc.gov/news-events/blogs/business-blog/2021/01/nursing-homes-stimulus-payments-are-residents>.

## IV. Developing Effective Strategies to Protect Older Consumers

### A. Research and Data Analysis

The FTC collects and analyzes consumer report information through its Consumer Sentinel Network (“Sentinel”) to inform its consumer protection mission. Sentinel is a secure online database that provides federal, state, and local law enforcement agencies with access to reports from consumers about fraud and other consumer problems. Law enforcement agencies and other organizations<sup>88</sup> contribute consumer reports to the database, which is searchable by criteria such as the type of fraud or problem and the name, address, and telephone number of the reported entity. The FTC has worked to increase the number of data contributors providing reports to Sentinel, and was pleased to welcome the FBI’s Internet Crime Complaint Center, the Florida Department of Agriculture and Consumer Services, and the Connecticut Department of Consumer Protection during the last year, adding hundreds of thousands of reports to the Sentinel database. Using Sentinel, the FTC and its law enforcement partners can analyze reports filed by older adults to look for patterns and trends, identify problematic business practices and enforcement targets, and develop cases against targets under investigation.

#### 1. Consumer Sentinel Reports from Older Adults

During calendar year 2020, Sentinel took in more than 4.8 million reports from consumers, both directly and through its data contributors, about problems they experienced in the market. Of that number, nearly 2.3 million reports were about fraud, nearly 1.4 million were about identity theft, and more than 1.2 million were about other consumer problems.<sup>89</sup> Consumers reported losing over \$3.4 billion to fraud in 2020. About 45% of fraud reports filed in 2020 included consumer age information. Consumers who said they were 60 and older (older adults) filed 334,411 fraud reports with reported losses of more than \$600 million. Because the vast majority of frauds are not reported, these numbers include only a fraction of older adults harmed by fraud.<sup>90</sup>

#### **Key findings from the 2020 Sentinel data:**

- Older adults (ages 60 and over) were still the least likely of any age group to report losing money to fraud.

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<sup>88</sup> Data contributors are listed at <https://www.ftc.gov/enforcement/consumer-sentinel-network/data-contributors>.

<sup>89</sup> See generally FTC, *FTC Consumer Sentinel Network* (Last Updated Jul. 29, 2021), available at <https://public.tableau.com/profile/federal.trade.commission>. Figures are based on reports directly to the FTC and reports provided by all Sentinel data contributors. These figures do not include reports about unwanted calls. Sentinel data is self-reported and not a survey. As such, individuals decide whether to file a report and decide what information, if any, to provide. As noted below, not all consumers who file a report provide their age, payment method, amount of dollar loss, and other data. As referenced in the text above, “other consumer problems” includes various categories of reports not classified as fraud, such as auto-related reports and reports about cable and satellite TV.

<sup>90</sup> See Anderson, K. B., *To Whom Do Victims of Mass-Market Consumer Fraud Complain?* at 1 (May 2021), available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3852323](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3852323) (study showed that only 4.8 percent of victims of mass-market consumer fraud complained to a Better Business Bureau or a government entity).



- Older adults continued to report higher individual median dollar losses than younger adults (ages 20-59). The disparity in reported losses remained particularly large among people 80 and over compared to younger adults.
- Older adults continued to be much more likely than younger people to report losing money on tech support scams, prize, sweepstakes and lottery scams, and family and friend impersonation.
- Online shopping fraud was the most commonly reported category of fraud in which people of all ages indicated they lost money; however, older adults were **less** likely to report losing money to online shopping fraud than younger adults.
- Romance scams; prize, sweepstakes and lottery scams; and business impersonator scams caused the highest aggregate reported losses for older adults.
- Reports by older adults of losses to online fraud were the most frequent, but reported median individual losses were highest for frauds that started with a phone call.
- Credit card was the most frequently reported payment method by older adults, followed by gift cards and reload cards. Aggregate losses reported by older adults were highest on wire transfers.

These findings, explored more fully below, help inform the FTC’s efforts to protect consumers through consumer education, law enforcement, and policy work.

#### a) **Most Older Consumers Who Filed Fraud Reports Avoided Losing Any Money**

As in previous years, the overwhelming majority of Sentinel fraud reports filed in 2020 by people 60 or older did not indicate any monetary loss. Figure 1, which controls for population size,<sup>91</sup> shows that older adults were 48% more likely to file these no-loss reports about fraud they had spotted or encountered—but avoided losing money on—than people ages 20-59. Moreover, it remained true in 2020 that older adults were 28% less likely to report losing money to fraud than people ages 20-59. This suggests that older adults may be more likely to avoid losing money when exposed to fraud, more inclined to report fraud when no loss has occurred, or a combination of these or other factors. The FTC’s most recent fraud survey, published in October 2019, also found that what it called the “rate of

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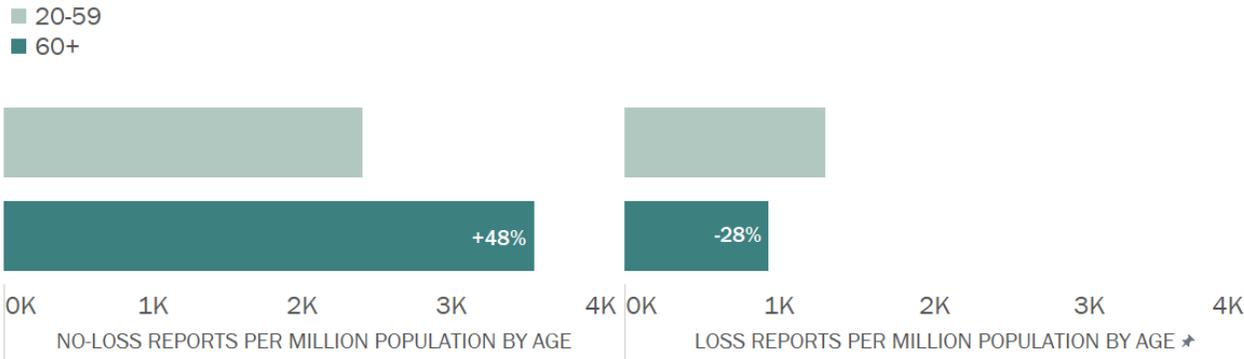
<sup>91</sup> The comparison of older adults and younger consumers is normalized against the population size of each age group. The analysis is based on U.S. Census Bureau data for population by age. See *U.S. Census Bureau, Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States* (June 2020), available at <https://www.census.gov/data/tables/time-series/demo/ageandsex/2010s-national-detail.html>. Except where otherwise noted, reports provided by the Internet Crimes Complaint Center here and throughout this report are excluded due to differences in complaint categorization and the age range data collected from consumers.



victimization” for the various categories of frauds included in the survey was generally lower for those 65 and older than for younger consumers.<sup>92</sup>

**FIGURE 1: 2020 FRAUD LOSS AND NO-LOSS REPORTS PER MILLION POPULATION BY AGE**

Older adults were 48% more likely than consumers ages 20-59 to file fraud reports with no reported dollar loss, and 28% less likely to file fraud reports indicating that they had lost money.



Figures are normalized using U.S. Census Bureau data for population by age. See U.S. Census Bureau, Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States (June 2020). Reports provided by the Internet Crimes Complaint Center are excluded due to differences in the age range data collected from consumers.

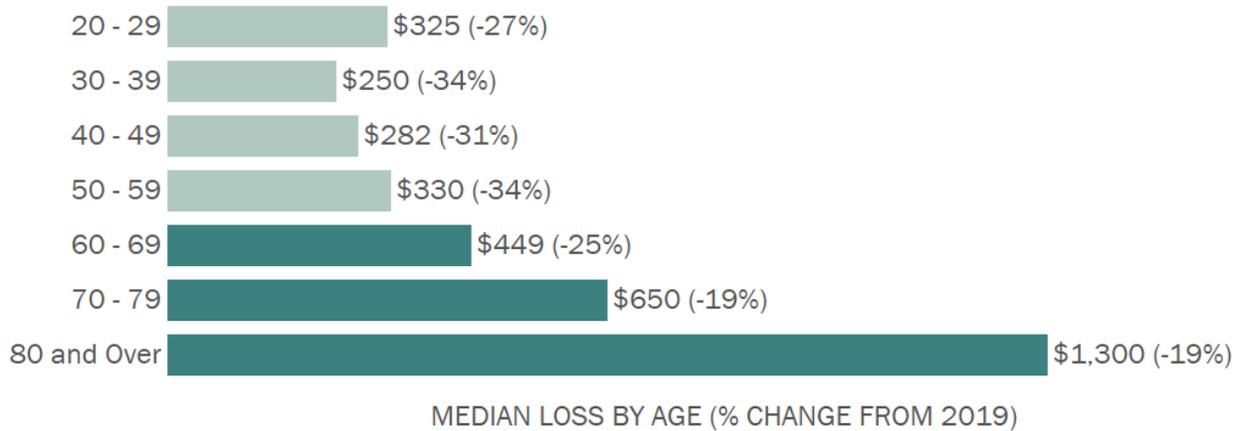
### b) Older Adults Reported Higher Median Individual Dollar Losses than Younger Consumers

In calendar year 2020, as in prior years, younger consumers were more likely to report losing money to fraud than older adults, but older adults who did report losing money reported much higher individual losses (see Figure 2). People 80 and over reported the largest median losses of \$1,300. The median individual dollar loss declined for all age groups in 2020 as compared to 2019. This decline can be explained, in part, by a striking increase this year in reports of online shopping frauds, which have a relatively low dollar loss.

<sup>92</sup> FTC Bureau of Economics Staff Report, *Mass-Market Consumer Fraud in the United States: A 2017 Update*, at 76-79 (Oct. 2019), available at <https://www.ftc.gov/system/files/documents/reports/mass-market-consumer-fraud-united-states-2017-update/p105502massmarketconsumerfraud2017report.pdf> (hereinafter “FTC Fraud Survey”).

**FIGURE 2: 2020 MEDIAN INDIVIDUAL MONETARY LOSS REPORTED BY AGE**

Older adults reported higher median fraud losses than younger age groups, but median losses decreased for all age groups compared to 2019.



Percent change from 2019 shown in parenthesis. Median losses calculated based on reports in each age group indicating a monetary loss of \$1 to \$999,999. Reports provided by the Internet Crimes Complaint Center are excluded due to differences in the age range data collected from consumers.

Some Sentinel reports are filed on behalf of consumers by adult children, spouses, caretakers, or others. As in 2019, 2020 Sentinel data show that people ages 80 and over were far more likely than other age groups to have a Sentinel report filed on their behalf. About 21% of reports for people 80 and over indicated they were submitted by a person on behalf of the consumer, a far higher rate than any other age group.<sup>93</sup> Notably, reported losses were higher for all reports submitted by third parties<sup>94</sup>, but the median dollar loss for reports filed on behalf of adults 80 and over, at \$4,000, was much higher than other reports.<sup>95</sup>

<sup>93</sup> The percentage of reports submitted by another person on behalf of a consumer in 2020 is as follows: 21.2% (80 and over), 5.8% (70-79), 3.5% (60-69), 2.1% (50-59), 1.7% (40-49), 1.4% (30-39), 2.0% (20-29). These figures exclude reports provided by Sentinel data contributors.

<sup>94</sup> The reported median individual dollar loss on all fraud reports directly to the FTC in 2020 was \$300, compared to \$1,000 on fraud reports submitted directly to the FTC by another party on behalf of the consumer.

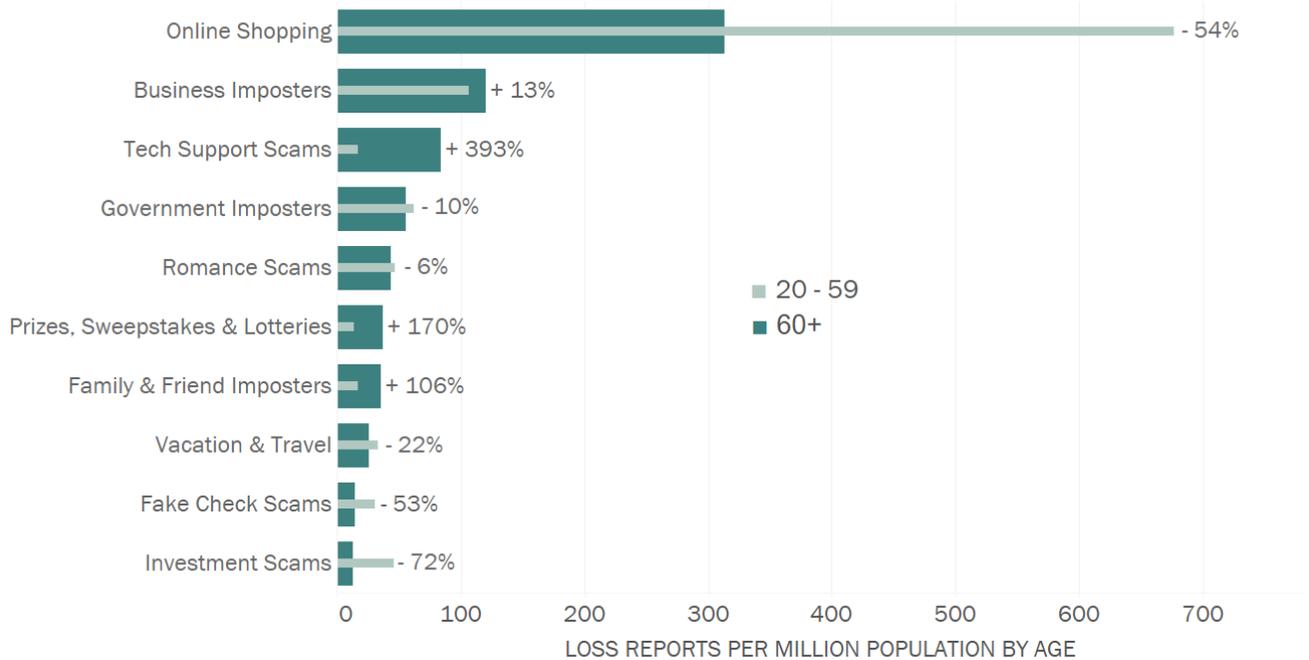
<sup>95</sup> The reported median individual dollar losses by age for this subset of reports were as follows: \$4,000 (80 and over), \$2,000 (70-79), \$1,474 (60-69), \$1,000 (50-59), \$900 (40-49), \$900 (30-39), \$800 (20-29). These figures exclude reports provided by Sentinel data contributors.

### c) Some Types of Fraud Affected Older Consumers Differently than Younger Consumers

To identify the top scams that had a financial effect on older adults, Figure 3 displays the top fraud categories ranked by the number of reports by older adults indicating that money was lost (loss reports). The dark teal bars show loss reports submitted by older adults (age 60 and over), and the light green lines show loss reports filed by younger people (ages 20 to 59) for each category of fraud. As shown in Figure 3, controlling for population size, older adults were more likely than younger people to report financial losses to certain types of frauds. Three categories of fraud continued to stand out in 2020. Older adults were: 1) nearly five times, or 393%, more likely than younger people to report losing money on a tech support scam; 2) nearly three times more likely to report a loss on prize, sweepstakes or lottery scam; and 3) more than twice as likely to report a loss on a family or friend impersonator scam.

**FIGURE 3: 2020 LOSS REPORTS BY AGE AND FRAUD TYPE**

Older and younger consumers differ on loss reporting rates by fraud type. Percentages indicate the difference in the loss reporting rates for each fraud type by older adults as compared to consumers ages 20 - 59.



Fraud types ranked by the number of loss reports filed by consumers 60 and over. Sentinel fraud types classified as "unspecified" are excluded. Reports provided by the Internet Crimes Complaint Center are excluded due to differences in the report categorization. Figures are normalized using U.S. Census Bureau data for population by age. See U.S. Census Bureau, Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States (June 2020).

Reports of online shopping fraud increased sharply in the second quarter of 2020 as online marketers failed to deliver masks and other scarce items needed during the COVID-19 pandemic.<sup>96</sup> Although older adults continued to be less likely than younger people to report losing money to online shopping fraud, it remained true that the number of loss reports submitted by older adults on this fraud type far exceeded any other category of fraud reported by older adults. Overall, reports of losses to online shopping fraud by older adults more than doubled in 2020, and the numbers continued to be far higher than pre-pandemic levels in the first half of 2021.<sup>97</sup> The reported median individual dollar loss to online shopping fraud by older adults in 2020 was \$95. While substantial for many, it is on the lower end of losses, relative to other fraud categories.

Analysis of total dollars reported lost by older adults by fraud type, shown in Figure 4, highlights the immense financial harm caused by romance scams,<sup>98</sup> prize, sweepstakes, and lottery scams, and business impersonator scams. The highest aggregate dollar losses reported in 2020 by older adults were again in the romance scam category. Reported losses to romance scams have increased significantly in recent years, and this trend accelerated during the COVID-19 pandemic.<sup>99</sup> For older adults, reported losses to romance scams increased from nearly \$84 million in 2019 to about \$139 million in 2020. Among older adults, hardest hit were the 60-69 and 70-79 age groups, which reported \$129 million of the 2020 reported losses, making romance scams the category of highest reported losses for both groups. Prize, sweepstakes, and lottery scams ranked next, taking \$69 million from adults 60 and over in 2020. Over \$31 million of the reported losses on prize, sweepstakes, and lottery scams were reported by adults 80 and over, far higher than any other fraud category for this age group.<sup>100</sup> Reported losses by older adults from business imposter scams increased from \$34 million in 2019 to \$65 million in 2020.<sup>101</sup> Reported losses to government imposter scams by older adults showed modest decline in 2020 as compared to 2019.<sup>102</sup> Notably, aggregate reported dollar losses by older adults on investment scams

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<sup>96</sup> Older adults filed 6,349 reports indicating a loss to online shopping fraud in Q2 2020 compared to 3,416 such reports in Q1 2020. See FTC Consumer Protection Data Spotlight, *Pandemic purchases lead to record reports of unreceived goods* (July 1, 2020), available at <https://www.ftc.gov/news-events/blogs/data-spotlight/2020/07/pandemic-purchases-lead-record-reports-unreceived-goods>.

<sup>97</sup> Older adults filed 9,532 reports indicating a loss to online shopping fraud in 2019, compared to 23,358 such reports in 2020, and 15,722 in the first half of 2021.

<sup>98</sup> These scammers use fake dating profiles to impersonate people supposedly looking for romantic relationships online. They ultimately convince their love interests to send them money.

<sup>99</sup> See FTC Consumer Protection Data Spotlight, *Romance scams take record dollars in 2020* (Feb. 10, 2021), available at <https://www.ftc.gov/news-events/blogs/data-spotlight/2021/02/romance-scams-take-record-dollars-2020>.

<sup>100</sup> Government imposter scams, with \$11 million reported lost, ranked second to prize, sweepstakes, and lottery on aggregate reported dollar losses by adults 80 and older in 2020.

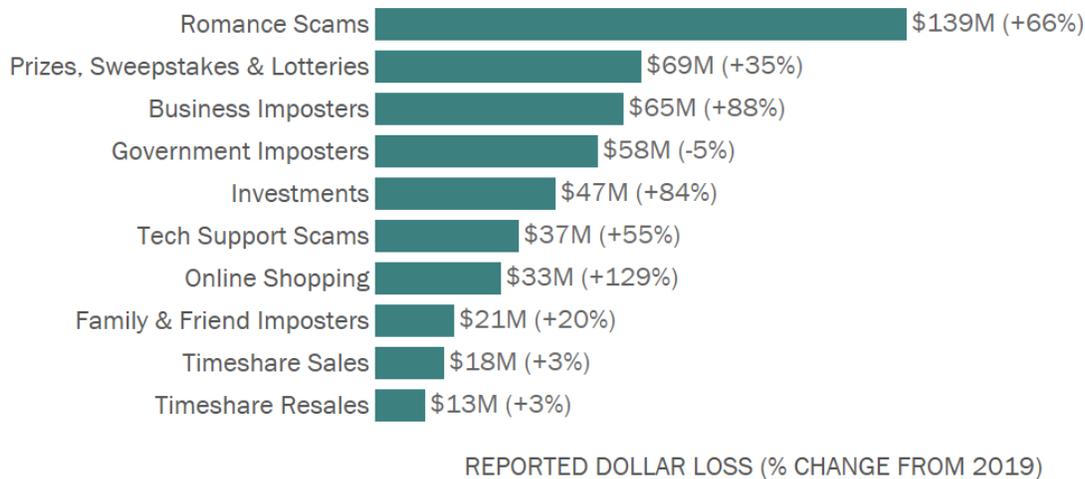
<sup>101</sup> The increase in reported losses to business imposters is due, in part, to a sharp increase in reports of losses to scammers posing as Amazon. These imposters reportedly contact consumers with false claims about compromised accounts or unauthorized purchases.

<sup>102</sup> Older adults filed more loss reports about Social Security Administration impersonation scams in both 2019 and 2020 than about any other government imposter scam, but the numbers of loss reports by older adults to Social Security Administration impersonators declined from 1,838 in 2019 to 971 in 2020.

nearly doubled in 2020, and reports of losses on phony cryptocurrency investment opportunities by older adults increased nearly fivefold in the fourth quarter.<sup>103</sup>

**FIGURE 4: 2020 TOP FRAUD TYPES BY TOTAL DOLLARS LOST (AGES 60 AND OVER)**

Aggregate reported losses by older adults increased in 2020 on all top frauds with the exception of government imposter scams.



Percent change from 2019 is shown in parenthesis. Sentinel fraud types classified as "unspecified" are excluded. The Art, Gems & Rare Coin Investments, Investment Seminars and Advice, Stocks & Commodity Futures Trading, and Miscellaneous Investments fraud types are grouped as "Investments" for this visualization. Reports provided by the Internet Crimes Complaint Center are excluded due to differences in report categorization.

Two FTC researchers looked more closely at reports about scammers impersonating the Social Security Administration (SSA) and trying to deceive people into providing money or personal information. Analysis of these reports shows that older adults filed more loss reports about SSA impersonation scams in both 2019 and 2020 than about any other government impersonator scam. However, similar to the above research, younger people were more likely to report having lost money to the SSA scams than older adults. Specifically, people in their 70s are 30% less likely (and those 80 and over are 43% less likely) to report being affected by a scam relative to people ages 30-39. Nevertheless, when looking at reported losses, the researchers found that among consumers who reported losing

<sup>103</sup> Older adults reported \$25 million lost to investment fraud in 2019 compared to \$46 million in 2020. Older adults reported \$597 thousand lost on investment fraud with cryptocurrency as the payment method in Q3 2020 compared to \$2.9 million in Q4 2020. See FTC Consumer Protection Data Spotlight, *Cryptocurrency buzz drives record investment scam losses* (May 17, 2021), available at <https://www.ftc.gov/news-events/blogs/data-spotlight/2021/05/cryptocurrency-buzz-drives-record-investment-scam-losses>.

money in the SSA impersonator scam, people in their 70s lose 40% more (and those 80 and over lose 93% more) than people in their 30s.

**d) Older Adults Most Frequently Reported Losses to Online Fraud, But Reported the Highest Loss Amount to Fraud that Started with a Phone Call**

Reports to Sentinel suggest online contact methods are increasingly used to defraud older adults (see Figure 5), and this trend became more pronounced with the COVID-19 pandemic. In 2020, the tremendous volume of loss reports about online shopping fraud, combined with loss reports about other online frauds, eclipsed phone fraud for the first time.<sup>104</sup> Notably, people 80 and over were an exception in that this age group continued to report losses to phone frauds far more frequently than online fraud.<sup>105</sup> Also noteworthy is the increase in scams that started on social media. Reports indicating a loss to frauds that reached older adults via social media more than doubled, from 1,955 reports in 2019 to 5,169 reports in 2020, and 5,998 such reports were submitted in the first half of 2021 alone.<sup>106</sup>

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<sup>104</sup> Online frauds are defined here as those in which the consumer reported first learning about the fraud on a website or app, on social media, or via an online ad or pop-up. Phone frauds are those in which the consumer reported first learning about the fraud via a phone call. Text frauds belong to a separate category from phone frauds. s

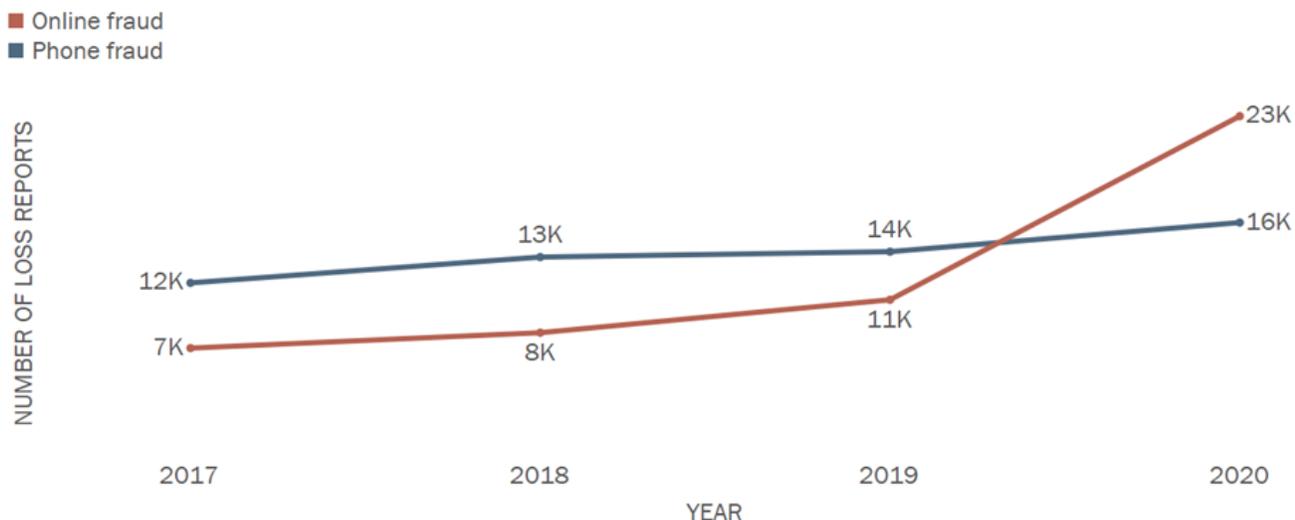
<sup>105</sup> In 2020, 48% of reports indicating a dollar loss by adults 80 and over were phone frauds and 23% were online frauds. By comparison, 22% of reports indicating a dollar loss by adults 60 to 79 were phone frauds and 38% were online frauds. These percentage calculations exclude reports that did not indicate a method of contact.

<sup>106</sup> See FTC Consumer Protection Data Spotlight, *Scams starting on social media proliferate in early 2020* (Oct. 21, 2020), available at <https://www.ftc.gov/news-events/blogs/data-spotlight/2020/10/scams-starting-social-media-proliferate-early-2020>.



**FIGURE 5: REPORTS INDICATING A DOLLAR LOSS BY CONTACT METHOD (AGES 60 AND OVER) 2017 - 2020**

Loss reports by older adults to online frauds have more than tripled since 2017, and surpassed loss reports to phone frauds for the first time in 2020.



Online frauds are frauds in which the consumer reported first learning about the fraud on a website or app, on social media, or via an online ad or pop-up. Phone frauds are frauds in which the consumer reported first learning about the fraud via a phone call.

While online fraud outpaced phone fraud on the number of loss reports by older adults in 2020, median individual reported losses and aggregate reported losses by older adults were highest on phone fraud (see Figure 6).<sup>107</sup> Phone scams remained particularly costly to adults 80 and over—62% of aggregate reported losses by this age group were to phone fraud compared to 29% of aggregate reported losses by people ages 60 to 79. Moreover, the median individual reported loss to phone fraud was \$3,000 for people 80 and over compared to \$1,500 for people ages 69 to 79. The data also suggest that attempted phone fraud continued to be a concern for older adults. About 40% of fraud reports to Sentinel by adults 60 and over in 2020 were about phone contacts with no reported dollar loss.<sup>108</sup>

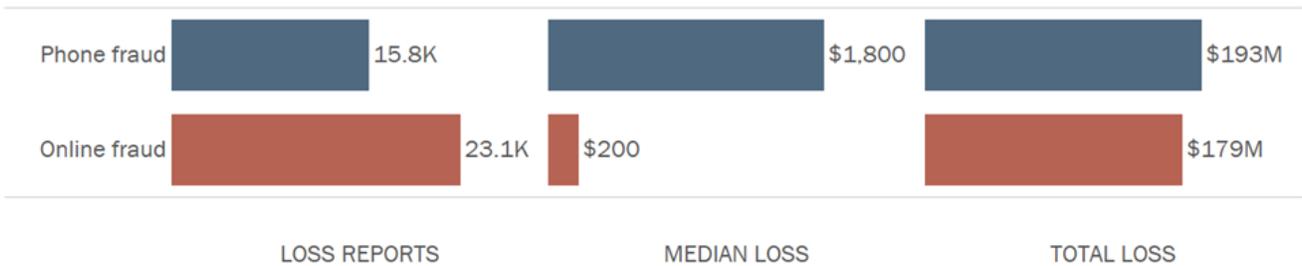
<sup>107</sup> Aggregate reported losses by older adults by contact method are as follows: \$193 million (phone call), \$110 million (website or app), \$63 million (social media), \$59 million (email), \$22 million (text), \$14 million (mail), and \$6 million (online ad or pop-up). Note that online ad or pop-up reflects reports submitted on or after October 22, 2020 when this contact method was added as an available option.

<sup>108</sup> Of 309,547 fraud reports by adults ages 60 and over that indicated a contact method, 124,371 were reports indicating no dollar loss with a phone call as the contact method.



**FIGURE 6: 2020 LOSS REPORTS, MEDIAN LOSS, AND TOTAL LOSS BY CONTACT METHOD (AGES 60 AND OVER)**

Losses to online fraud were more frequently reported by older adults, but both median and aggregated reported dollar losses were higher on phone fraud.



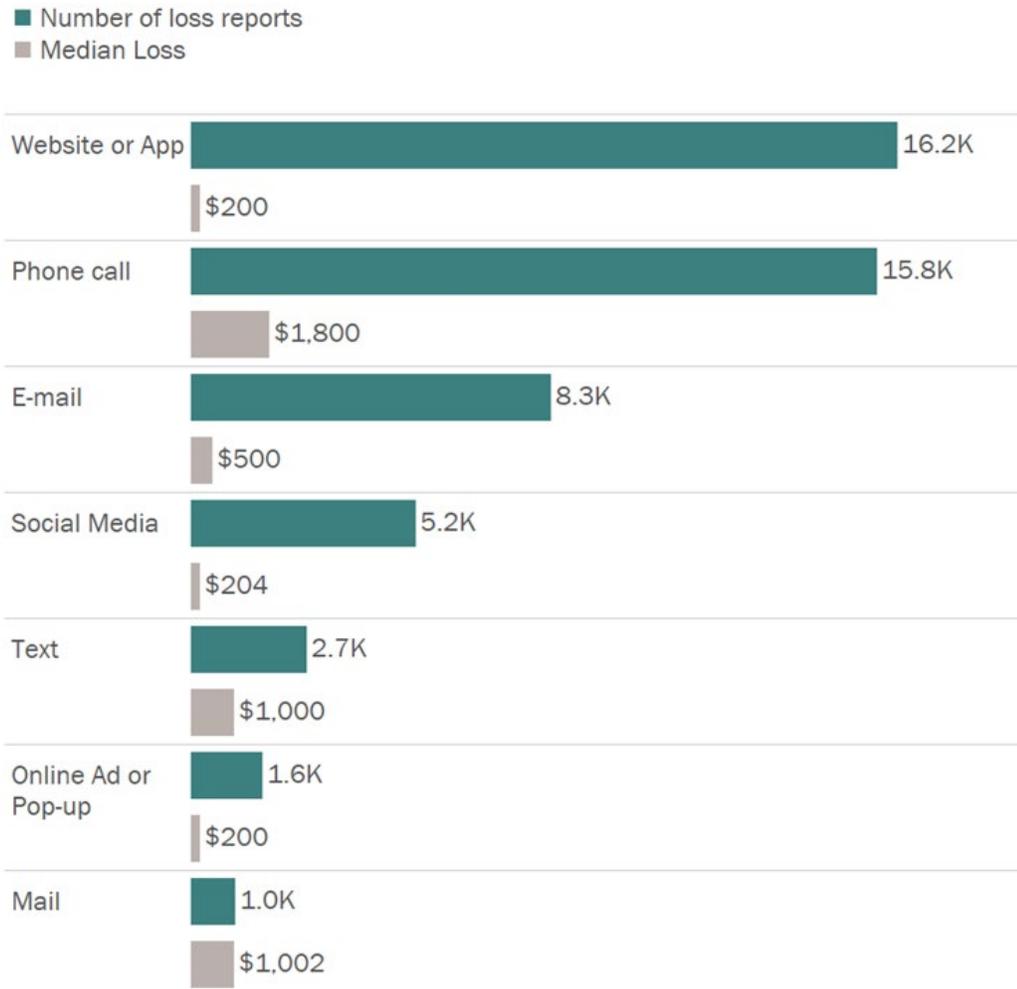
Online frauds are frauds in which the consumer reported first learning about the fraud on a website or app, on social media, or via an online ad or pop-up. Phone frauds are frauds in which the consumer reported first learning about the fraud via a phone call.

The types of frauds older adults most frequently reported losing money to varied by contact method. When the contact method was a phone call, older adults most often reported dollar losses on business impersonator scams followed by government impersonator scams and tech support scams. However, for the 80 and over age group, loss reports indicating a phone call as the method of contact were most often prize, sweepstakes and lottery scams. When the contact method was online, more than half of loss reports by older adults were online shopping frauds, with tech support scams and romance scams a distant second and third.<sup>109</sup>

<sup>109</sup> Of 23,053 online fraud reports by older adults indicating a dollar loss in 2020, 13,107 were about online shopping fraud, followed by 2,189 tech support reports and 2,150 romance scam reports.

**FIGURE 7: 2020 LOSS REPORTS AND MEDIAN INDIVIDUAL LOSS BY CONTACT METHOD (AGES 60 AND OVER)**

Losses to online scams were the most frequently reported, but median individual reported losses were highest on phone fraud.



The online ad or pop-up contact method reflects reports submitted on or after October 22, 2020 when this contact method was added as an available option.

The total number of loss reports and median individual reported losses for each contact method collected in Sentinel, are provided in Figure 7.

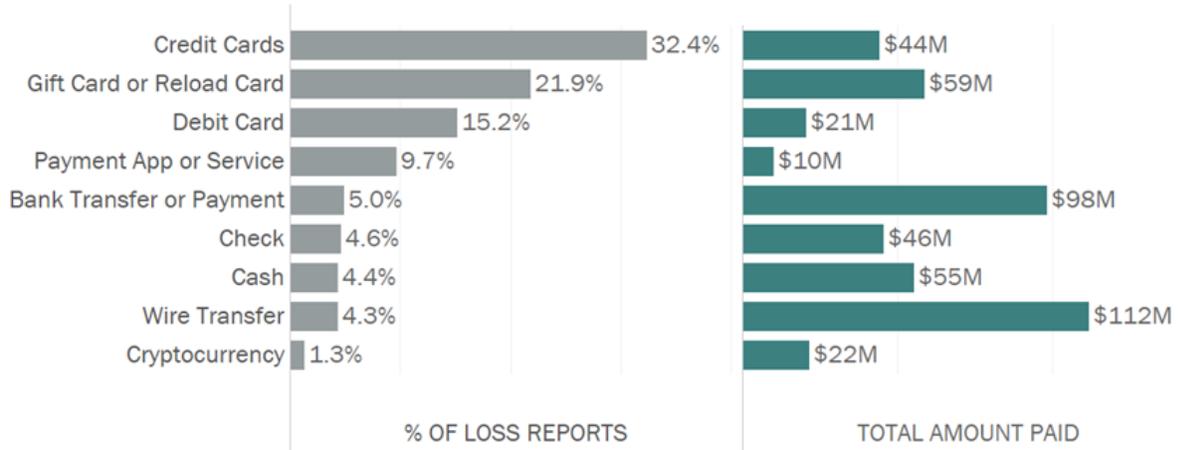
**e) Credit Cards Were the Most Frequently Reported Payment Method, but Wire Transfers Persisted in the Top Spot for Total Dollars Lost**

People reporting fraud frequently indicate the payment method they used, and this information helps the FTC identify opportunities for enforcement and consumer education. The first column in Figure 8 shows that, in 2020, older adults most often reported paying scammers with credit cards, followed by gift cards or reload cards. The second column in Figure 8 shows the aggregate dollar losses

that older adults reported for the payment methods shown. Aggregate losses reported by older adults were highest on wire transfers.

**FIGURE 8: 2020 PAYMENT METHODS AND TOTAL AMOUNT PAID (AGES 60 AND OVER)**

Credit cards were the most frequently reported payment method, but wire transfers were highest on total reported dollar losses.



Percentage calculations based on 58,173 loss reports directly to FTC by consumers ages 60+ indicating a payment method. Wire transfer companies MoneyGram International and Western Union, and reload card provider Green Dot, contribute a significant number of reports to Sentinel each year. To avoid distorting the number of reports indicating certain payment methods, data provided by data contributors are excluded.

Several notable shifts occurred in the payment methods reported by older adults in 2020, which were directly related to the surge in reports of online shopping fraud. The number of older adults who said they paid with a credit card nearly doubled.<sup>110</sup> Over the same period, reports of payments made by debit card increased by nearly 80%.<sup>111</sup> Older adults also increasingly reported using payment apps or services such as PayPal. Those reports more than tripled in 2020.<sup>112</sup>

Gift cards and reload cards were the second most frequently reported payment method by older adults in 2020, and were the top payment method older adults reported using on impersonator scams.

<sup>110</sup> In 2019, adults 60 and over filed 9,753 reports directly with the FTC indicating payment by credit card. In 2020, that number increased to 18,836.

<sup>111</sup> In 2019, adults 60 and over filed 4,915 reports directly with the FTC indicating payment by debit card. In 2020, that number increased to 8,823.

<sup>112</sup> In 2019, adults 60 and over filed 1,707 reports directly with the FTC indicating payment was made using a payment app or service. In 2020, that number increased to 5,642.

After a year of modest declines, these reports surged to record levels in the second half of 2020.<sup>113</sup> This resurgence was related to a sharp increase in reports of scammers posing as well-known businesses.

Reports of bank transfers and payments by older adults more than doubled in 2020, and reports of cryptocurrency payments more than tripled.<sup>114</sup> The growth in reports of romance scam by older adults was an important driver of these increases. Bank transfers and payments accounted for nearly a third of reported romance scam losses by older adults at \$31 million, and romance scammers reportedly took another \$12 million in cryptocurrency. Another \$4 million were reported lost on cryptocurrency investment scams.

## 2. Tracking Pandemic-Related Trends

Providing the most current data available on Consumer Sentinel reports related to the COVID-19 pandemic was a priority in 2020. In response to the pandemic, the FTC launched interactive dashboards to provide aggregate data about reports of frauds associated with COVID-19 and related stimulus money offers.<sup>115</sup> Updated daily, these dashboards show trends in COVID-related reports by age, type of fraud, and geographical location,<sup>116</sup> helping the media, consumer groups, and other government agencies learn about and respond to consumer protection problems related to COVID-19. These dashboards had been viewed more than 99,000 times by September 2021.

Older adults submitted over 26,518 fraud reports related to COVID-19 in 2020 with \$104 million in reported losses.<sup>117</sup> The median individual reported loss for these reports was \$308, but, for adults ages 80 and over, the reported median individual loss was \$798. Pandemic-related online shopping frauds and government impersonator scams were the most frequently reported by older adults in 2020.<sup>118</sup> However, pandemic-related romance scams were highest on reported aggregate dollar losses.<sup>119</sup> Many people reported that romance scammers used the pandemic to explain requests for money or their inability to meet in person.

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<sup>113</sup> Reports of gift card and reload card payments by adults 60 and over declined each quarter from Q2 2019 (2,702 reports) to Q2 2020 (2,190 reports), but increased in Q3 2020 (3,358 reports) and Q4 2020 (4,754 reports).

<sup>114</sup> In 2019, adults 60 and over filed 1,365 reports directly with the FTC indicating payment was made using a bank transfer or payment and 251 reports indicating cryptocurrency as the method of payment. In 2020, these number increased to 2,892 reports of a bank transfer or payment and 768 reports of cryptocurrency payments.

<sup>115</sup> COVID-19 related reports are reports that mention COVID, stimulus, N95 and related terms, along with those in which the consumer specifically flagged the report as related to COVID-19.

<sup>116</sup> FTC COVID-19 and Stimulus Reports interactive dashboards are available at <https://public.tableau.com/profile/federal.trade.commission#!/vizhome/COVID-19andStimulusReports/Map>.

<sup>117</sup> These figures are based on reports directly to the FTC and reports provided by all Sentinel data contributors.

<sup>118</sup> Older adults reported 3,190 online shopping frauds and 1,485 government imposter scams related to COVID-19 in 2020.

<sup>119</sup> Reported losses by older adults on romance scams related to COVID-19 totaled \$10.5 million.



### 3. Hearing Directly from Older Adults About FTC Impersonators

The FTC continued a program this year that directly engages with older adults who reported losing money to scammers pretending to work at or be affiliated with the FTC. FTC staff spoke to the majority of people who filed these reports to explain that the FTC does not distribute prizes, money, or grants, and provided additional information as needed. In placing these calls, staff learned more about the means by which, during the isolation of the pandemic, scammers continued to call older adults and use the FTC's name to gain their trust and, ultimately, steal their money.

This program's experience shows that when scammers initially call on older adults, impersonating the FTC or another government agency appears to give them legitimacy and increase the likelihood that the call recipient will interact with them. Scammers then commonly state that the call recipient has won a prize (such as cash, a car, or an overseas vacation) to create enough interest that, when the scammer asks, their target will send money. The scammer presents the payment as taxes, import and custom fees, or delivery charges that must be paid before the supposed prize can be delivered.

To keep the money coming in, these scammers develop relationships with the consumer, calling several times a week to check in and give updates on their so-called prize. This seems to lower the consumer's suspicions. Scammers also emphasize secrecy, ostensibly to make the huge payout a surprise to the family, but actually to prevent other family members or friends from discovering how much the call recipient is paying to the scammer. While discrete payments to the scammer may not be large, often the scammer hits up the older consumer repeatedly, resulting in large losses.

Many of the older adults contacting the FTC have grown suspicious, and want to confirm that the people they have been interacting with are indeed FTC employees. In some cases, the consumer has already discovered the scam and now wants to report it to the FTC to help stop others from being deceived. Some of these consumers indicate that they want to protect others from the losses they have incurred and also seek to better understand the nature of the deception.

### B. Improving Systems to Increase Reporting

In October 2020, the FTC announced a new fraud reporting platform, ReportFraud.ftc.gov (Report Fraud), for consumers to submit reports about fraud and other consumer problems. Report Fraud is both streamlined and user-friendly, giving consumers an easier way to report issues as they encounter them. A new feature provides people who file a report with customized next steps based on the details of their particular experience. To reflect marketplace changes, updates were made to report categorization with the launch of Report Fraud, and more detailed information is now collected about the contact methods and payment methods used to perpetrate fraud.



## Screenshot of ReportFraud.ftc.gov homepage



Reporting data suggest that Report Fraud has significantly increased reporting by all ages, including older adults.

### C. Coordinated Efforts to Protect Older Consumers

The FTC’s Every Community Initiative leads the agency’s strategic planning for the protection of older consumers. Understanding that different types of consumer protection issues affect different groups of people, the Initiative examines the impact of various schemes on distinct groups, including older adults, military service members and veterans, Black Americans, Latinos, Asian Americans, Native Americans, and other groups. The Initiative uses research and input from stakeholders in communities to develop strategies to prevent fraud, inform the agency’s law enforcement program, and expand outreach. These partnerships across the country have been extremely valuable as the FTC identifies potential cases and further develops strategies to protect older adults in a wide range of communities from financial loss.

In pursuing law enforcement actions to have the largest possible impact, the FTC also coordinates with federal, state, local, and international agencies, including those with criminal authority, leveraging resources to track down fraudsters and build actions to stop them. With the DOJ, the FTC organizes and participates in the Global Anti-fraud Enforcement Network, a multilateral network of agencies that enforces laws prohibiting mass marketing fraud. The Network has been pivotal in enforcement actions against entities that have defrauded millions of older consumers.

Further, the FTC has continued to be an active member of the Elder Justice Coordinating Council, a multi-agency federal entity charged with identifying and proposing solutions to elder abuse, neglect, and financial exploitation. Part of the Council’s mission is to develop recommendations to the Secretary of the Department of Health and Human Services (“HHS”) for the coordination of relevant

activities.<sup>120</sup> This work connects the agency with other federal government offices that are working to combat elder abuse and facilitates valuable information sharing and coordination.

## V. Conclusion

The FTC remains firmly committed to protecting older adults through aggressive law enforcement and effective consumer education and outreach. Research, law enforcement experience, and input from stakeholders will continue to be critical as the Commission innovates in using its resources to protect older adults in the years ahead.

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<sup>120</sup> HHS convened the Elder Justice Coordinating Council in accordance with the Elder Justice Act of 2009. The Council consists of heads of federal departments and other government entities, including the FTC, identified as having responsibilities, or administering programs, relating to elder abuse, neglect, and exploitation. See HHS, *What is the Elder Justice Coordinating Council?* (last modified July 9, 2021), available at <https://www.acl.gov/programs/elder-justice/elder-justice-coordinating-council-ejcc>.



## Appendix A - Federal Trade Commission FY 2021

STYLE OF CASE	Case Number	Court Name	Date	Case Type	Description	Outcome
Federal Trade Commission v. Unknown Parties Deceiving Consumers (Clorox Imposters)	5:20-cv-02494	Northern District of Ohio	11/4/2020	COVID product sales	Alleged the defendants used counterfeit websites to deceive consumers into paying for Clorox and Lysol products that were never delivered.	Litigation Ongoing
In the Matter of Zoom Video Communications, Inc.	FTC Matter No. 192 3167	FTC Administrative Matter	11/9/2020	Data security	Alleged the respondent engaged in a series of deceptive and unfair practices that undermined the security of its users.	Consent Order
Federal Trade Commission v. Digital Income System, Inc. <i>et al.</i>	1:20-cv-24721	Southern District of Florida	11/17/2020	Business opportunity scheme	Alleged the defendants falsely told consumers that by selling memberships in the defendants' programs, consumers were likely to earn large sums of money.	Settlement
Federal Trade Commission v. Beam Financial, Inc. <i>et al.</i>	3:20-cv-08119	Northern District of California	11/18/2020	Mobile banking app misrepresentations	Alleged the defendants promised users of their free mobile banking app that they could make transfers out of their accounts and would receive funds within 3-5 business days, but money took weeks to months, and sometimes did not arrive.	Settlement
Federal Trade Commission v. Midwest Recovery Systems, LLC <i>et al.</i>	4:20-cv-01674	Eastern District of Missouri	11/25/2020	FDCPA and FCRA	Alleged the defendants placed bogus or highly questionable debts onto consumers' credit reports to coerce them to pay the debts.	Settlement

<b>STYLE OF CASE</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Moda Latina BZ Inc. <i>et al.</i>	2:20-cv-10832	Central District of California	11/30/2020	TSR work-at-home scheme	Alleged the defendants lured Spanish-speaking consumers into buying a work-at-home business with claims they could earn "large profits" selling luxury products such as brand-name perfumes.	Settlement
Federal Trade Commission v. National Web Design, LLC <i>et al.</i>	2:20-cv-00846-RJS	District of Utah	11/30/2020	TSR work-at-home scheme	Alleged the defendants initiated millions of robocalls nationwide to promote sham work-at-home business opportunity programs.	Settlement
Federal Trade Commission v. Alcazar Networks Inc. <i>et al.</i>	6:20-cv-2200	Middle District of Florida	12/3/2020	TSR/ DNC and robocalls	Alleged the defendants facilitated tens of millions of illegal telemarketing phone calls, including some calls from overseas and some that displayed spoofed caller ID numbers.	Settlement
Federal Trade Commission v. Ragingbull.Com, LLC <i>et al.</i>	1:20-cv-03538	District of Maryland	12/7/2020	Investment training/ ROSCA	Alleged the defendants fraudulently marketed investment-related services that they claimed would enable consumers to make consistent profits and beat the market.	Litigation Ongoing
United States of America v. AppFolio, Inc.	1:20-cv-03563	District of Columbia	12/8/2020	FCRA	Alleged the defendant failed to follow reasonable procedures to ensure the accuracy of its reports about potential tenants.	Settlement
Federal Trade Commission v. Complete Merchant Solutions, LLC <i>et al.</i>	2:20-cv-00864-HCN	District of Utah	12/9/2020	Payment processing	Alleged the defendants illegally processed millions of dollars in consumer credit card payments for fraudulent schemes when they knew the schemes were defrauding consumers.	Settlement

<b>STYLE OF CASE</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
In the Matter of EasyButter, LLC, <i>et al.</i>	FTC Matter No. 202 3047	FTC Administrative Matter	12/14/2020	Cannabidiol (“CBD”) claims	Alleged the respondents made a wide range of scientifically unsupported claims about their products' ability to treat serious health conditions, including cancer, heart disease, hypertension, Alzheimer's disease, and others.	Consent Order
In the Matter of CBD Meds, Inc. <i>et al.</i>	FTC Matter No. 202 3080	FTC Administrative Matter	12/14/2020	CBD claims	Alleged the respondents made a wide range of scientifically unsupported claims about their products' ability to treat serious health conditions, including cancer, heart disease, Alzheimer's disease, and others.	Consent Order
In the Matter of Epichouse, LLC, <i>et al.</i>	FTC Matter No. 202 3094	FTC Administrative Matter	12/14/2020	CBD claims	Alleged the respondents made a wide range of scientifically unsupported claims about their products' ability to treat serious health conditions, including cancer, heart disease, hypertension, Alzheimer's disease, and others.	Consent Order
In the Matter of Bionatrol Health, LLC, <i>et al.</i>	FTC Matter No. 202 3114	FTC Administrative Matter	12/14/2020	CBD claims	Alleged the respondents made a wide range of scientifically unsupported claims about their products' ability to treat serious health conditions, including cancer, heart disease, hypertension, Alzheimer's disease, and others.	Consent Order
In the Matter of Ascension Data & Analytics, LLC	FTC Matter No. 192 3126	FTC Administrative Matter	12/14/2020	Safeguards Rule	Alleged the respondent failed to ensure one of its vendors was adequately securing personal data about tens of thousands of mortgage holders.	Pending Consent Order

<b>STYLE OF CASE</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
United States Of America v. Just In Time Tickets, Inc. <i>et al.</i>	2:21-cv-00215	Eastern District of New York	1/14/2021	BOTS Act	Alleged the defendants used automated software to illegally buy up tens of thousands of tickets for popular events, then subsequently make millions of dollars reselling the tickets to fans at higher prices.	Settlement
United States Of America v. Cartisim Corporation <i>et al.</i>	2:21-cv-00212-GRB-ST	Eastern District of New York	1/14/2021	BOTS Act	Alleged the defendants used automated software to illegally buy up tens of thousands of tickets for popular events, then subsequently make millions of dollars reselling the tickets to fans at higher prices.	Settlement
United States Of America v. Concert Specials, Inc. <i>et al.</i>	2:21-cv-00214	Eastern District of New York	1/14/2021	BOTS Act	Alleged the defendants used automated software to illegally buy up tens of thousands of tickets for popular events, then subsequently make millions of dollars reselling the tickets to fans at higher prices.	Settlement
In the Matter of SkyMed International, Inc.	FTC Matter No. 192 3140	FTC Administrative Matter	1/26/2021	Data security	Alleged the respondent failed to take reasonable steps to secure sensitive consumer information such as health records.	Consent Order
Federal Trade Commission and the State of Alabama, <i>et al.</i> v. Associated Community Services, Inc. <i>et al.</i>	2:21-cv-10174-DML-CI	Eastern District of Michigan	1/26/2021	Charitable fundraising/robocalls	Alleged the defendants ran a massive telefunding operation mostly using robocalls and duped people into donating to charities that failed to provide the services they promised.	Settlement

<b>STYLE OF CASE</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Seed Consulting, LLC <i>et al.</i>	2:21-cv-00154	District of Nevada	1/29/2021	Financing for coaching scams	Alleged the defendants charged consumers thousands of dollars to apply for multiple credit cards in their names in order to pay for expensive and ineffective training programs.	Settlement
In the Matter of Reef Industries, Inc. <i>et al.</i>	FTC Matter No. 202 3064	FTC Administrative Matter	2/4/2021	CBD claims	Alleged the respondents made a wide range of scientifically unsupported claims about their products' ability to treat serious health conditions, including cancer, heart disease, hypertension, Alzheimer's disease, and others.	Consent Order
In the Matter of Chemence, Inc., <i>et al.</i>	FTC Matter No. 152 3261	FTC Administrative Matter	2/9/2021	Made in the USA	Alleged the respondents supplied glues in packages labeled with deceptive unqualified "Made in USA" claims.	Consent Order
In the Matter of Steves Distributing, LLC, <i>et al.</i>	FTC Matter No. 202 3065	FTC Administrative Matter	3/2/2021	CBD claims	Alleged the respondents made a wide range of scientifically unsupported claims about their products' ability to treat serious health conditions, including cancer, heart disease, hypertension, Alzheimer's disease, and others.	Consent Order
In the Matter of Tapjoy, Inc.	FTC Matter No. 172 3092	FTC Administrative Matter	3/9/2021	In-game currency	Alleged the respondent failed to provide in-game rewards promised to users for completing advertising offers.	Consent Order

<b>STYLE OF CASE</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Wellco, Inc., <i>et al.</i>	1:21-cv-02081	Southern District of New York	3/10/2021	Deceptive TV antenna claims	Alleged the defendants made deceptive performance claims for their over-the-air television antennas and related signal amplifiers, used deceptive consumer endorsements, and misrepresented that some of their web pages reproduced objective news reports about the antennas.	Settlement
In the Matter of DIEM Labs, LLC, <i>et al.</i>	FTC Matter No. 192 3088	FTC Administrative Matter	3/31/2021	Dietary supplements	Alleged the respondents deceptively marketed two dietary fish oil supplements as clinically proven to reduce liver fat in adults and children with NAFLD.	Consent Order
In the Matter of Gennex Media LLC, <i>et al.</i>	FTC Matter No. 202 3122	FTC Administrative Matter	4/9/2021	Made in the USA	Alleged the respondents deceptively claimed on their website that the products they sell are made in the USA, when in fact in numerous instances the products are wholly imported from China.	Consent Order
United States of America v. Eric Nepute and Quickwork LLC	4:21-cv-00437	Eastern District of Missouri	4/15/2021	COVID treatment and prevention claims	Alleged the defendants deceptively marketed vitamin D and zinc products and claimed that they were as effective, or more effective, than vaccines that are currently available.	Litigation Ongoing

<b>STYLE OF CASE</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
United States of America v. Vivint Smart Home, Inc.	2:21-cv-00267	District of Utah	4/29/2021	FCRA/Red Flags Rule	Alleged the defendant violated the Fair Credit Reporting Act by improperly obtaining credit reports in order to qualify potential customers for financing for its smart home monitoring and security products and also violated the FTC's Red Flags Rule by failing to implement an identity theft prevention program, which is required of certain companies that regularly use or obtain credit reports.	Settlement
In the Matter of Everalbum, Inc.	FTC Matter No. 192 3172	FTC Administrative Matter	5/6/2021	Photo storage and facial recognition	Alleged the respondent deceived consumers about its use of facial recognition technology and its retention of the photos and videos of users who deactivated their accounts.	Consent Order
In the Matter of Kushly Industries LLC, <i>et al.</i>	FTC Matter No. 2023111	FTC Administrative Matter	5/17/2021	CBD claims	Alleged the respondents made false or unsubstantiated claims that their CBD products could effectively treat or cure a host of conditions, including cancer and multiple sclerosis, and that scientific studies or research prove that CBD products effectively treat, mitigate, or cure the diseases, including hypertension, Parkinson's disease, and Alzheimer's disease.	Consent Order

<b>STYLE OF CASE</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission, State of Alabama, <i>et al.</i> v. Frontier Communications Corporation, <i>et al.</i>	2:21-cv-04155	Central District of California	5/19/2021	Internet speed claims	Alleged the defendants deceptively advertised their Internet service, failed to provide the promised speeds to many consumers, and charged some consumers for a higher, more costly level of service than what was provided.	Litigation Ongoing
In the Matter of BASF SE, <i>et al.</i>	FTC Matter No. 192 3088	FTC Administrative Matter	5/25/2021	Dietary supplements	Alleged the respondents deceptively marketed two dietary fish oil supplements as clinically proven to reduce liver fat in adults and children with non-alcoholic fatty liver disease (NAFLD).	Consent Order
In the Matter of Amazon.com, Inc. and Amazon Logistics, Inc.	FTC Matter No. C4746	FTC Administrative Matter	6/9/2021	Driver tipping practices	Alleged the respondents failed to pay Amazon Flex drivers the full amount of tips they received from Amazon customers over a two and a half year period.	Consent Order
In the Matter of Flo Health, Inc.	FTC Matter No. 192 3133	FTC Administrative Matter	6/17/2021	Deceptive privacy policies /Privacy Shield	Alleged the respondent shared the health information of users with third parties after promising that such information would be kept private.	Consent Order
Federal Trade Commission v. Frank Romero and also d/b/a Trend Deploy, <i>et al.</i>	5:21-cv-00343	Middle District of Florida	6/29/2021	PPE claims	Alleged the defendants took advantage of consumers' fear of COVID-19 by advertising the availability and quick delivery of PPE, including N95 facemasks, even though they had no basis to make those promises.	Litigation Ongoing

<b>STYLE OF CASE</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Moneta Management, LLC <i>et al.</i>	9:21-cv-81139	Southern District of Florida	6/29/2021	Payment processing	Alleged the defendants knowingly provided false or deceptive information to credit card and ACH processors to obtain merchant processing for a scam operated by defendant and his three companies.	Settlement
United States of America v. Kuuhuub Inc., <i>et al.</i>	1:21-cv-01758	District of Columbia	6/30/2021	COPPA violation	Alleged the defendants violated the Children’s Online Privacy Protection Act Rule (COPPA Rule).	Settlement
United States of America v. Environmental Safety International, Inc. <i>et al.</i>	2:21-cv-13350-MCA-LDW	District of New Jersey	7/6/2021	TSR/robocalls	Alleged the defendants’ telemarketers made illegal robocalls to consumers, including calls to numbers listed on the Do Not Call Registry, and made false, misleading or unsubstantiated representations in connection with the sale and collection of payment for septic tank products.	Settlement
In the Matter of FleetCor Technologies, Inc. and Ronald Clarke	FTC Matter No. 1823000	FTC Administrative Matter	8/10/2021	Fuel card marketing	Alleged the respondents charged hidden and undisclosed fees to their customers after making false promises they could save customers on their fuel costs.	Admin. Complaint
Federal Trade Commission and State of Georgia v. Steven D. Peyroux also d/b/a Stem Cell Institute of America, LLC, <i>et al.</i>	1:21-cv-03329-AT	Northern District of Georgia	8/16/2021	Deceptive stem cell claims	Alleged that the defendants promoted the false or unsubstantiated claim that stem cell therapy is comparable or superior to surgery, steroid injections, and painkillers, and that they provided chiropractors and other healthcare practitioners with the means of deceiving consumers about such treatments.	Litigation Ongoing

<b>STYLE OF CASE</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Disruption Theory LLC <i>et al.</i>	3:20-cv-06919	Northern District of California	9/1/2021	Inmate calling scheme	Alleged the defendants advertised and marketed calling plans to inmates for unlimited minutes, which they did not provide.	Permanent Injunction
Federal Trade Commission and Office of the Attorney General, State of Florida, Department of Legal Affairs v. Inmate Magazine Service, Inc., <i>et al.</i>	3:21-cv-294-TKW-HTC	Northern District of Florida	9/7/2021	Magazine subscription scam/MITOR	Alleged the defendants charged hundreds of incarcerated people and their families millions of dollars for magazine subscriptions that showed up late or not at all.	Partial Settlement, Litigation Ongoing



**Federal Trade Commission**

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