



Office of the Chairman

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

**Statement of Chairman Andrew N. Ferguson,
Joined by Commissioners Melissa Holyoak and Mark R. Meador
In the Matter of Paddle.com
Matter Number 2223154**

June 16, 2025

America is suffering under a serious scam problem. Millions of Americans are the victims of scams every year, and the perpetrators of those scams steal tens of billions of dollars out of Americans' pockets.¹ Many of these scams are inflicted on Americans by their fellow citizens. But a huge proportion of scams targeting Americans are now coming from outside of the United States.² Today's case involves such foreign scammers. Each of the companies that the Commission by name alleges used Paddle's services to scam Americans were operating abroad.

In addition to those brought against Paddle's clients, Reimage and Restoro,³ the Federal Trade Commission has initiated roughly 150 cross-border enforcement actions in the past two decades and will bring many more.⁴ The FTC also partners with international counterparts to stop malicious foreign actors.⁵ Nevertheless, foreign scams present challenges. For one thing, many of these scammers are criminals.⁶ The risk of civil enforcement by the Commission will not always dissuade a business willing to commit crimes to bilk Americans out of their hard-earned money. For another thing, although the Commission has authority to enforce the Federal Trade

¹ See FTC, Protecting Older Consumers 2023–2024, at 28 (Oct. 18, 2024) (“[T]he estimated 2023 overall loss, adjusted to account for underreporting, was \$ 158.3 billion[.]”), https://www.ftc.gov/system/files/ftc_gov/pdf/federal-trade-commission-protecting-older-adults-report_102024.pdf; Press Release, *New FTC Data Show a Big Jump in Reported Losses to Fraud to \$12.5 Billion in 2024*, FTC (Mar. 10, 2025) (totaling reported losses from 2024), <https://www.ftc.gov/news-events/news/press-releases/2025/03/new-ftc-data-show-big-jump-reported-losses-fraud-125-billion-2024>.

² See Stop Scam Alliance, *As Scams by Foreign Organized Crime Soar, Here's How America Must Respond* 4 (Dec. 2024) (“Scams have become mostly tech-based in recent years and are largely conducted by organized criminal gangs operating abroad.”).

³ Press Release, *FTC Sends More Than \$25.5 Million to Consumers Impacted by Tech Support Firms' Scam*, FTC (Mar. 10, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/03/ftc-sends-more-255-million-consumers-impacted-tech-support-firms-scam>.

⁴ See FTC, *The U.S. Safe Web Act and the FTC's Fight Against Cross-Border Fraud* 2, 12–13, 20–21 (Oct. 2023), available at https://www.ftc.gov/system/files/ftc_gov/pdf/ftc_safe_web_congressional_report_oct_2023.pdf. Notable examples include: shutting down a foreign real-estate investment scam, known as “Sanctuary Belize,” that took in more than \$100 million; cooperating with privacy authorities in Canada and the United Kingdom to pursue actions against AshleyMadison.com, an online dating site that deceived consumers and failed to protect the account and profile information of more than 36 million individuals; and working with foreign law-enforcement agencies to stop fraudulent money transfers to Western Union and MoneyGram locations in Spain resulting from a Nigerian email scam. *Id.*

⁵ *Id.* at 16–23.

⁶ See Stop Scam Alliance, *supra* n. 2, at 4.

Commission Act⁷ against foreign businesses whose activities have a nexus to the United States,⁸ international enforcement is often both difficult and expensive.⁹

One way the Commission combats foreign scams, however, is enforcing the law against American companies who unlawfully facilitate foreign schemes. By vigorously requiring domestic actors to obey the law, the Commission can cut off foreign scammers' use of American companies to prey on American families. Today's settlement is an example of such a case. Paddle, though primarily based in the United Kingdom, has a continuing presence in the United States, with an American component through which it channels American payments.

Using its American presence, Paddle, the Complaint alleges, served as foreign scammers' payment processor, allowing them to draw from American consumers' debit and credit cards without crucial safeguards. The American debit- and credit-card ecosystem, in its most basic form, consists of card networks and banks connecting consumers and merchants. Some companies, known as "payment facilitators," get access to that ecosystem and sell it, subject to oversight, to other companies for whom direct access is impracticable. Paddle has obtained indirect access through that pathway. Per the Complaint, Paddle recognized that it could re-sell its indirect access to merchants that the card networks and banks would neither allow direct access nor allow the payment facilitators they have relationships with to give indirect access. Those merchants showed high chargeback rates and a propensity to harm American consumers, but, the Complaint alleges, Paddle shrouded them to prevent card networks and banks from identifying and stopping them from exploiting the payment system.

Today's settlement is an important win for American families and businesses. Myopically focusing on individual foreign scams could drain the Commission's resources while hardly making a dent in their onslaught on American consumers. But by vigorously enforcing our laws in our payment systems, the Commission ensures that private industry takes the steps the law requires to protect Americans from foreigners who would use the payment system to prey on them.

I am very proud of the Commission's staff for its thorough investigation and its insistent settlement negotiations. Combatting foreign scammers will meaningfully improve the lives of all Americans and is one of the Commission's highest priorities. The American people can rest easy knowing that the Commission's dutiful staff is on the lookout for these foreign scams and those among us who facilitate them.

⁷ 15 U.S.C. §§ 41–58.

⁸ *Id.* § 45(a)(4).

⁹ Gathering evidence abroad, especially during the investigation stage, typically requires formal procedures that vary depending on jurisdiction. One such procedure, letters of request or letters rogatory, requires hiring foreign counsel and seeking a foreign court's judicial assistance, which it may or may not provide, to gather the desired evidence. Many countries have far more limited views of what evidence is permissible to obtain than the United States, and some do not permit gathering evidence prior to filing a complaint at all. See generally *Preparation of Letters Rogatory*, U.S. State Dep't (last accessed June 12, 2025) (noting the time consuming process and different views of what constitutes permissible discovery), available at <https://travel.state.gov/content/travel/en/legal/travel-legal-considerations/internl-judicial-asst/obtaining-evidence/Preparation-Letters-Rogatory.html>. The ability to enforce a judgment also varies by jurisdiction and many jurisdictions will refuse to enforce judgments involving civil penalties. See, e.g., Hague Conf. on Private Int'l Law, Convention on the Recognition and Enforcement of Foreign Judgments, Art. 10 (July 2, 2019), available at <https://www.hcch.net/en/instruments/conventions/full-text/?cid=137>.