



Office of Commissioner
Rebecca Kelly Slaughter

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

STATEMENT OF COMMISSIONER REBECCA KELLY SLAUGHTER
*Regarding Notice of Proposed Rulemaking
on Impersonation of Government and Business*

Over the past decade, reports of impersonation scams to the Commission have continued to pile up despite multiple law enforcement actions and education efforts. In 2021, there were over 984,000 impersonation scam reports to the FTC's Consumer Sentinel Network. Seventeen percent of those reported a loss, totaling over **\$2.3 billion**. These scams included people falsely claiming to be the government, a well-known business, or a technical support expert in order to get a consumer's money, as well as scams in which people falsely posed as an individual, such as a relative in distress or a romantic interest.¹

In late 2021, the Commission published an Advance Notice of Proposed Rulemaking on Impersonation of Government and Business and sought comment on whether a Trade Regulation Rule targeting deceptive or unfair impersonation practices is warranted. The Commission received 164 comments in response to the ANPR, many from consumer victims of impersonation fraud, as well as from large companies and a bipartisan coalition of enforcers. The commenters voiced strong support for a rule.

I'm pleased today to support the publication of a Notice of Proposed Rulemaking on Impersonation of Government and Business. This straightforward NPRM articulates as a rule what has always been the law: impersonation of government and businesses violates Section 5 of the FTC Act. If finalized, the proposed rule would allow the Commission to seek civil penalties against impersonators, more readily obtain monetary redress for their victims, and would benefit businesses whose brands are harmed by unscrupulous impersonators.

The NPRM asks a number of questions and seeks public comment on the proposed rule, which is a valuable step in our rulemaking process; I encourage all interested stakeholders to weigh in.

I want to highlight one additional area of inquiry in the NPRM: impersonation of individuals. Though the ANPR sought input on the impersonation of individuals, the comment record focused heavily on impersonation of government and businesses. In the meantime, the FTC took note of a sharp increase in the number of complaints reporting scams in which fraudsters impersonated an individual, such as a romantic interest or a relative. For example, reports to the FTC's Consumer Sentinel Network reflect that, in the past five years, people have

¹ Consumer Sentinel Network Databook 2021, at 5
https://www.ftc.gov/system/files/ftc_gov/pdf/CSN%20Annual%20Data%20Book%202021%20Final%20PDF.pdf.

reported losing a staggering **\$1.3 billion** to romance scams--more than any other fraud category tracked by the FTC.² The numbers have skyrocketed in recent years, and in 2021 reported losses hit a record \$547 million for the year--a nearly 80% increase compared to 2020.³

The NPRM seeks further comment on impersonation of individuals, including the prevalence of the practice, whether another NPRM should be issued to prohibit impersonation of individuals,⁴ the impact of such a proposal on consumers, businesses, and governments, and what alternative proposals the Commission might consider to address this type of unlawful impersonation.

I want to thank BCP's Division of Marketing Practices and the Office of the General Counsel for their partnership and hard work in developing this NPRM. I look forward to hearing more from the public.

² Emma Fletcher, Reports of romance scams hit record highs in 2021, FTC Data Spotlight (Feb. 10, 2022), <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2022/02/reports-romance-scams-hit-record-highs-2021>.

³ The median individual reported loss in 2021 was \$2,400. *Id.*

⁴ It is worth noting that the Telemarketing Sales Rule currently prohibits, in the context of telemarketing, "misrepresenting affiliation with, or endorsement or sponsorship by, any **person** or government entity." 16 C.F.R. § 310.3 (a)(2)(viii).