

# Protecting Older Consumers 2022–2023

**A Report of the  
Federal Trade Commission**

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October 18, 2023



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**FEDERAL TRADE COMMISSION**

Lina M. Khan, Chair

Rebecca Kelly Slaughter, Commissioner

Alvaro M. Bedoya, Commissioner

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# I. Introduction

The Federal Trade Commission (“FTC” or “Commission”) serves as the government’s leading consumer protection agency and is charged with protecting consumers from unfair and deceptive acts and practices in the marketplace. One of the FTC’s top priorities is protecting older adults,<sup>1</sup> and it uses a variety of methods to do so.<sup>2</sup> First, the FTC files enforcement actions and returns money to consumers when possible.<sup>3</sup> This year, the FTC has brought enforcement actions regarding schemes involving deceptive sweepstakes, debt relief scams, alleged COVID-relief supplements or addiction recovery services, fraudulent timeshare exit services, chargeback mitigation, tech support services, and illegal robocalls. The FTC’s past enforcement efforts have also resulted in relief of more than \$285 million to consumers of all ages distributed in this last fiscal year. In addition, the FTC held a hearing on a proposed rule prohibiting government and business impersonation, which if finalized, will bolster the FTC’s ability to return money to consumers in light of the impact of the Supreme Court’s ruling in *AMG Capital Mgmt. v. FTC*.<sup>4</sup>

Second, the FTC engages in outreach and education activities to reach older adults throughout the United States. The FTC’s continued innovative approach helps alert older adults to common types of fraud and resources to protect themselves. As the population of older adults grows, the

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<sup>1</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>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 Sophia Siddiqui and Patricia Hsue, Division of Marketing Practices; Emma Fletcher, Division of Consumer Response and Operations; Bridget Small, Division of Consumer and Business Education; and Maria Del Monaco, East Central Region. Additional acknowledgement goes to Kati Daffan, Division of Marketing Practices; Maria Mayo, Patti Poss, Christopher Stone, Nicole Christ, and Vincent Law, Division of Consumer Response and Operations; Jennifer Leach, Karen Hobbs, Kira Krown, Colleen Tressler, and Marlena Patterson, Division of Consumer and Business Education; Devesh Raval, Bureau of Economics; Sarah Waldrop, Division of Enforcement; Karen Mandel and Christine DeLorme, Division of Advertising Practices; and Summer Law Clerks Kristin Elnikar, Molly Gillespie, and Choteau Kammel. 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> The FTC has wide-ranging law enforcement responsibilities under the Federal Trade Commission Act, 15 U.S.C. § 41 *et seq.* (“FTC Act”) 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 80 laws. See <https://www.ftc.gov/legal-library/browse/statutes>.

<sup>4</sup> *AMG Capital Mgmt., LLC v. FTC*, 593 U.S. \_\_\_; 141 S. Ct. 1341 (2021) (holding that Section 13(b) of the FTC Act does not authorize federal courts to require defendants to refund monies to consumers or give up unjust gains). The Commission encourages Congress to enact legislation that restores the FTC’s Section 13(b) authority to provide redress to consumers, as set forth in Section II.D, *supra*.



FTC’s outreach mission to help consumers spot, avoid, and report scams becomes increasingly important.

Finally, the FTC conducts research and collaborates with diverse partners across the country, including AARP, industry, military servicemembers and veterans, and other older adult advocates. The FTC utilizes the information and analysis it obtains from these efforts to make strategic decisions on how to best tackle issues impacting older adults. For example, the FTC’s analysis of fraud and other reports filed by consumers nationwide helps the agency understand and respond to patterns and trends related to older adults, including the differences in how older adults in different demographic populations may experience fraud.

The FTC submits this sixth 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. The report describes the FTC’s recent comprehensive efforts to protect older consumers. The report also includes, as required by law, a list in Appendix A of every administrative and federal district court action filed in the last year that has impacted older adults.<sup>5</sup>

## II. FTC Enforcement Activities Affecting Older Consumers

A key cornerstone of the FTC’s efforts to protect older consumers is aggressive law enforcement. Nearly all FTC enforcement actions involve consumers of all ages. While the actual ages of people affected in a given case are typically unknown, in the Commission’s view, older adults are among those affected in almost every consumer protection case filed this past fiscal year. Therefore, Appendix A to this report lists most new enforcement actions brought by the FTC between October 1, 2022, and September 30, 2023. The cases listed in Appendix A involve a wide range of matters, including allegations regarding sweepstakes, business opportunity and money-making schemes, unsubstantiated product claims, timeshare exit services, unlawful robocalls, debt relief recovery services, tech support scams, addiction recovery treatments, false claims about COVID-19 treatment or prevention, and more.<sup>6</sup>

This section highlights twelve enforcement actions filed within the last fiscal year where the Commission noted a significant impact on older adults. It also describes other agency actions that affected older consumers, including case resolutions, cease and desist demand letters, consumer refunds, and subsequent criminal action by other agencies relating to FTC matters or

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<sup>5</sup> The law requires the FTC Chair 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.”

<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.



with assistance from the FTC. Finally, this section describes the Commission’s work on a proposed rule prohibiting government and business impersonation, as part of its ongoing strategy and efforts to provide better tools to enhance its law enforcement work.

## A. Enforcement Actions

The Commission filed the following new enforcement actions in the last fiscal year that likely had a significant impact on older adults:

In *Publishers Clearing House*, the FTC charged that the company used “dark patterns” to mislead consumers, many of whom were older adults or lower-income, about how to enter the company’s well-known sweepstakes drawings and made them believe that a purchase was necessary to win or would increase their chances of winning.<sup>7</sup> The FTC also charged that the company added surprise shipping and handling fees to the costs of products, misrepresented that ordering was “risk free,” used deceptive emails as part of its marketing campaign, and misrepresented its policies on selling users’ personal data to third parties prior to January 2019.<sup>8</sup> PCH agreed to settle the FTC’s charges that it violated the FTC Act and CAN-SPAM Act, and in June 2023 a district court approved a stipulated order requiring the company to make a number of key changes to its email and internet operations, including halting deceptive marketing practices like manipulative phrasing on its website, and requiring it to turn over \$18.5 million to the FTC to be used to refund consumers.

In *Yodel Technologies*, the DOJ, on behalf of the FTC, filed a complaint and proposed order alleging that defendants bombarded consumers with over a billion calls, including hundreds of millions of robocalls and calls to phone numbers on the National Do-Not-Call Registry, selling a variety of products and services such as medical devices, Medicare supplements, and purported assistance with Social Security benefits.<sup>9</sup> The complaint alleges that defendants used soundboard technology in their calls and obtained consumers’ information from websites that allegedly failed to obtain consumers’ informed consent to receive telemarketing calls. This case is part of a coordinated crackdown on illegal telemarketing calls, “Operation Stop Scam Calls,” that the FTC led in partnership with more than 100 federal and state law enforcement agencies that resulted in over 180 actions targeting operations responsible for billions of calls to consumers.<sup>10</sup> Defendants

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<sup>7</sup> Press Release, FTC, *FTC Takes Action Against Publishers Clearing House for Misleading Consumers About Sweepstakes Entries* (June 27, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/06/ftc-takes-action-against-publishers-clearing-house-misleading-consumers-about-sweepstakes-entries>.

<sup>8</sup> *FTC v. Publishers Clearinghouse, LLC (PCH)*, No. 2:23-cv-04735 (E.D.N.Y. June 27, 2023), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/182-3145-publishers-clearing-house-llc-pch-ftc-v>; <https://www.ftc.gov/legal-library/browse/cases-proceedings/2123074-yodel-technologies>.

<sup>9</sup> *United States v. Yodel Technologies, LLC, et al.*, No. 8:23-cv-1575 (M.D. Fla. Jul. 14, 2023), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/001YodelComplaint.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/001YodelComplaint.pdf).

<sup>10</sup> Press Release, FTC, *FTC, Law Enforcers Nationwide Announce Enforcement Sweep to Stem the Tide of Illegal Telemarketing Calls to U.S. Consumers* (Jul. 18, 2023), available at <https://www.ftc.gov/news-events/news/press->



agreed to settle the complaint charges that they violated the Telemarketing Sales Rule, and in August 2023 a district court approved a stipulated order banning the defendants from engaging in telemarketing and ordering them to pay a \$400,000 civil penalty.

In *ACRO Services*, the FTC settled charges against the individual operators of an alleged credit card debt relief scheme that took millions of dollars from consumers—often older and financially distressed individuals—by falsely claiming to eliminate or reduce their credit card debts.<sup>11</sup> Defendants allegedly told consumers that they would charge consumers’ credit cards an upfront fee in the thousands of dollars (with some charges as high as \$18,000) but that consumers would not actually owe this fee because it would eventually be eliminated in the program. Once consumers were enrolled, defendants encouraged them to cease paying their credit card bills and communicating with their creditors.<sup>12</sup> In reality, according to the complaint, defendants neither reduced nor eliminated consumers’ credit card debts, and many consumers ended up owing their original debts plus thousands in additional fees and interest, being sued by their creditors, and seeing their credit scores drop significantly. The court order permanently bans the operators of this scheme from telemarketing and selling debt relief products or services, enjoins them from deceiving consumers about any other product or service they sell, and requires them to surrender certain property interests and assets to be used for possible refunds to consumers. The FTC is currently pursuing a default judgment against the remaining company defendants.

In *Square One Development Group Inc.*, the Department of Justice (DOJ), on behalf of the FTC, and the Wisconsin Attorney General filed suit against Square One Development Group Inc. and related companies alleging that they sold fraudulent timeshare exit services.<sup>13</sup> According to the complaint, the defendants targeted older Americans through direct mail campaigns, luring consumers to high-pressure sales presentations at local hotels and restaurants. During the presentations, the defendants allegedly made bogus affiliation claims, deceived consumers about their timeshare exit options, and stoked unfounded fears about how their heirs would be affected if they did not act immediately.<sup>14</sup> The complaint further alleges that the defendants charged exorbitant upfront fees, which they promised to return if they were unable to secure the

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<https://www.ftc.gov/press-releases/2023/07/ftc-law-enforcers-nationwide-announce-enforcement-sweep-stem-tide-illegal-telemarketing-calls-us>.

<sup>11</sup> Press Release, FTC, *FTC Lawsuit Leads to Permanent Ban from Debt Relief, Telemarketing for Operators of Debt Relief Scam* (May 1, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/05/ftc-lawsuit-leads-permanent-ban-debt-relief-telemarketing-operators-debt-relief-scam>.

<sup>12</sup> *FTC v. ACRO Services, LLC, et al.*, No. 3:22-cv-00895 (M.D. Tenn. Nov. 30, 2022), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/acro-services>.

<sup>13</sup> *United States v. Square One Development Group Inc., et al.*, No. 4:22-cv-01243 (E.D. Mo. Nov. 21, 2022), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/2123065-square-one-development-group-inc-et-al-us-state-wisconsin-v>.

<sup>14</sup> Press Release, FTC, *FTC, Wisconsin Attorney General Take Action Against Timeshare Exit Scammers for Cheating Consumers Out of \$90 Million* (Nov. 22, 2022), available at <https://www.ftc.gov/news-events/news/press-releases/2022/11/ftc-wisconsin-attorney-general-take-action-against-timeshare-exit-scammers-cheating-consumers-out-90>.



timeshare exits within the promised time. It states that the defendants seldom succeeded in securing exits from the timeshares and failed to return nearly every requested refund, citing numerous phony reasons as to why they did not deliver the promised service. Ultimately, the defendants allegedly scammed consumers out of more than \$90 million. The complaint seeks civil penalties, other monetary relief, and a court order to prevent future violations.

In *Global E-Trading, LLC*, the FTC and the Office of the Attorney General of Florida filed a complaint alleging that the defendants, who operate a chargeback mitigation business known as “Chargebacks911,” have used misleading information to contest chargebacks on behalf of their merchant clients.<sup>15</sup> Chargebacks occur when consumers dispute credit card charges with their banks, such as when consumers believe they have been subject to fraud or unfair business practices. The defendants assist merchants in disputing consumer chargebacks. According to the FTC, the defendants submitted misleading chargeback evidence to consumers’ banks, making it more likely that the chargebacks would be denied.<sup>16</sup> The defendants also allegedly helped their clients wrongfully manipulate their chargeback rates to avoid fraud monitoring programs. The FTC and Florida Attorney General seek an order stopping the defendants’ illegal activities, and the Florida Attorney General seeks to secure monetary relief under Florida law, including civil penalties for each violation that harmed an older consumer.

In *Precision Patient Outcomes, Inc.*, the FTC alleged that the defendants made deceptive claims that their dietary supplement, named COVID Resist/VIRUS Resist, could treat, prevent, or mitigate COVID-19.<sup>17</sup> The supplement contained nothing more than vitamins, zinc, and a flavonoid. According to the FTC, the defendants stated that research and studies supported their claims, including statements such as “A dose of this formula a day keeps viruses away. . . and their variants. Take COVID resist™ daily or for pre-exposure prophylaxis (PrEP), post exposure prophylaxis (PEP), or as a therapeutic.” The complaint alleges that the defendants lacked a reasonable basis for their COVID-19 claims and misrepresented the research and studies.<sup>18</sup> The FTC is seeking permanent injunctive relief, monetary relief, and a civil penalty judgment.

In *XCast Labs, Inc.*, the DOJ, on behalf of the FTC, sued to stop a Voice over Internet Protocol (VoIP) provider, XCast Labs, Inc., from allegedly funneling hundreds of millions of illegal

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<sup>15</sup> Press Release, FTC, *FTC, Florida Attorney General Sue Chargebacks911 for Thwarting Consumers Who Were Trying to Reverse Disputed Credit Card Charges* (Apr. 12, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/04/ftc-florida-attorney-general-sue-chargebacks911-thwarting-consumers-who-were-trying-reverse-disputed>.

<sup>16</sup> *FTC v. Global E-Trading, LLC, et al.*, No. 8:23-cv-00795 (M.D. Fl. Apr. 12, 2023), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/2023009-chargebacks-911>.

<sup>17</sup> Press Release, FTC, *FTC Acts to Stop Deceptive COVID-19 Advertising Claims by California’s Precision Patient Outcomes, Inc.* (Nov. 22, 2022), available at <https://www.ftc.gov/news-events/news/press-releases/2022/11/ftc-acts-stop-deceptive-covid-19-advertising-claims-californias-precision-patient-outcomes-inc-0>.

<sup>18</sup> *FTC v. Precision Patient Outcomes, Inc., et al.*, No. 4:22-cv-7307 (N.D. Cal. Nov. 18, 2022), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/2123137-precision-patient-outcomes>.





robocalls through its network, even after receiving multiple warnings.<sup>19</sup> The complaint alleges that XCast Labs received dozens of “traceback” inquiries from US Telecom’s Industry Traceback Group regarding suspected illegal calls that originated on XCast Labs’ network, as well as inquiries from law enforcement agencies about transmission of suspected illegal traffic on the XCast Labs network. The complaint also alleges that even after receiving these direct warnings, XCast Labs transmitted illegal robocalls to consumers. In addition, the FTC discovered that many of these suspect robocalls were part of organized campaigns designed to generate telemarketing leads by, for example, impersonating federal officials from the Social Security Administration.<sup>20</sup> Lead generators sell the information they gather to telemarketers, who then use consumers’ information to pester them with even more unwanted, illegal calls. The complaint seeks civil penalties, other monetary relief, and a court order to prevent future violations.

The DOJ, on behalf of the FTC, filed three separate complaints and proposed orders against current and former high-level distributors for *doTERRA International, LLC*, a multi-level marketing company.<sup>21</sup> The defendants are former registered nurse **Lauren Busch**, pediatrician **Dr. Tina Wong**, and nurse practitioner **Eliza Johnson Bacot**, all of whom allegedly used their healthcare expertise to bolster their product recommendations. According to the complaints, these distributors participated in a series of webinars during which they made baseless claims that the company’s dietary supplements and essential oils could effectively treat, prevent, or cure COVID-19.<sup>22</sup> The stipulated orders require each defendant to pay a \$15,000 civil penalty, end any COVID claims that are not FDA-approved, and stop making any other health-related claims without scientific proof.<sup>23</sup>

In *Nexway*, the DOJ, on behalf of the FTC, filed suit alleging that, since August 2016, a multinational payment processing company, along with its CEO and chief strategy officer,

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<sup>19</sup> *FTC v. XCast Labs, Inc.*, No. 2:21-mc-01026 (C.D. Cal. Feb. 14, 2023), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/xcast-labs-inc-ftc-v>.

<sup>20</sup> Press Release, FTC, *FTC Sues to Stop VoIP Services Provider That Assisted and Facilitated Telemarketers In Sending Hundreds of Millions of Illegal Robocalls to Consumers Nationwide* (May 12, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/05/ftc-sues-stop-voip-service-provider-assisted-facilitated-telemarketers-sending-hundreds-millions>.

<sup>21</sup> Business Blog, FTC, *An Essential Truth About COVID Claims* (Mar. 3, 2023), available at <https://www.ftc.gov/business-guidance/blog/2023/03/essential-truth-about-covid-claims>.

<sup>22</sup> Press Release, FTC, *FTC Takes Action Against doTERRA Distributors for False COVID-19 Health Claims* (Mar. 3, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/03/ftc-takes-action-against-doterra-distributors-false-covid-19-health-claims>.

<sup>23</sup> *United States v. Busch*, No. 2:23-cv-00009 (D. Utah Mar. 1, 2023), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/doterra-busch>; *United States v. Wong*, No. 2:23-cv-63-MRW (C.D. Cal. Jan. 10, 2023), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/doterra-wong>; *United States v. Bacot*, No. 1:23-cv-00058-AT (N.D. Ga. Jan. 23, 2023), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/doterra-bacot>.



assisted and facilitated illegal sales and laundered credit card charges.<sup>24</sup> The complaint alleges that defendants worked with telemarketers who made misrepresentations to consumers about the performance and security of their computers in connection with the sale of bogus technical support services. It also alleges defendants violated the law either by assisting and facilitating those illegal sales and laundering the credit card charges through their own merchant accounts, or by engaging in the enterprise as the ultimate sellers liable for the transactions.<sup>25</sup> The defendants in the case agreed to proposed court orders that prohibit them from any further payment laundering and require them to closely monitor other high-risk clients for illegal activity. In April 2023, the FTC and DOJ announced that the defendants agreed to a total monetary judgment of \$49.5 million, which will be partially suspended upon payment of \$650,000 in funds for consumer redress due, in part, to an inability to pay.

In *AWAREmed*, the DOJ, on behalf of the FTC, filed a complaint and a proposed order against a medical clinic alleging it made unfounded claims about the success of its treatments.<sup>26</sup> The complaint alleged that AWAREmed and its owner, Dr. Dalal Akoury, used deceptive advertisements that promised a 98% improvement rate in treating almost any condition. Specifically, defendants advertised on AWAREmed's website that their cancer treatments would either lessen or eliminate cancer in most patients, and that their treatment of chronic diseases, including Alzheimer's disease and Parkinson's disease, was almost always successful. Defendants' ads also promised a fast and painless recovery from various addictions, including everything from alcohol and opioids to food and gambling that the complaint alleged violated the Opioid Addiction Recovery Fraud Prevention Act.<sup>27</sup> The Court accepted the proposed settlement, which requires AWAREmed and Akoury to pay a \$100,000 civil penalty and bars them from making future claims about cures or treatments that are unsupported by scientific evidence.<sup>28</sup>

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<sup>24</sup> *FTC v. Nexway*, No. 1:23-cv-900 (D.D.C. Apr. 17, 2023), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/1923239-x230018-nexway-inc-matter>.

<sup>25</sup> Press Release, FTC, *FTC Acts to Block Payment Processor's Credit Card Laundering for Tech Support Scammers* (Apr. 17, 2023) available at <https://www.ftc.gov/news-events/news/press-releases/2023/04/ftc-acts-block-payment-processors-credit-card-laundering-tech-support-scammers>.

<sup>26</sup> Press Release, FTC, *FTC Sues Medical Clinic and its Owner for False or Unsubstantiated Claims its Treatment Could Cure Addiction and Other Diseases* (Mar. 16, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/03/ftc-sues-medical-clinic-its-owner-false-or-unsubstantiated-claims-its-treatment-could-cure-addiction>.

<sup>27</sup> Pub. L. No. 115-271, 132 Stat. 4082 (codified in relevant part at 15 U.S.C. § 45d); Consumer Alert, FTC, *Before You Believe Addiction or Cancer Claims, Read This* (Mar. 16, 2023), available at <https://consumer.ftc.gov/consumer-alerts/2023/03/you-believe-addiction-or-cancer-claims-read>.

<sup>28</sup> *United States v. Akoury*, No. 2:23-cv-00026 (E.D. Tenn. Mar. 16, 2023), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/2123039-dalal-akoury-dba-awaremed-et-al-us-v>.



## B. Case Resolutions

The Commission reached resolution in three pending cases involving older adults in the last fiscal year.

In *Raging Bull.com*, the FTC settled charges against Kyle Dennis, the last remaining defendant in a case filed in December 2020 against *Raging Bull.com* and related companies. The FTC’s complaint alleged the defendants fraudulently marketed investment-related services that they claimed would enable consumers to make consistent profits and beat the market.<sup>29</sup> It also alleged the defendants used inflated and false earnings claims to induce consumers into signing up for costly and hard-to-cancel subscriptions and to pay for investment strategies. The FTC further alleged that Raging Bull and its owners were “bilking consumers out of millions of dollars on a monthly basis” and that “a number of these consumers [were] older adults, retirees, and/or immigrants.” In September 2023, defendant Kyle Dennis, a supposed stock trading “guru” for RagingBull.com, who was charged by the FTC with pitching bogus stock tips that cost consumers more than \$40 million, agreed to settle the FTC’s charges. Under the final order, Dennis is permanently prohibited from making any representations about potential earnings without having written evidence that those claims are typical for consumers, and from making any false or misleading marketing claims in general.<sup>30</sup>

In *ZyCal Bioceuticals Healthcare Company, Inc.*, the FTC settled charges that a company and its president deceptively claimed their products could grow bone and cartilage and relieve joint pain, including in persons with osteoporosis and osteoarthritis. In its complaint filed in early 2020, the FTC alleged these claims were not substantiated by competent and reliable scientific evidence, and that their claims of scientific proof were false.<sup>31</sup> The settlement bars the defendants from making claims about bone and cartilage growth, joint pain, and other health-related claims unless they are substantiated by competent and reliable scientific evidence, and prohibits them from misrepresenting the results of any tests, studies, and research.<sup>32</sup> The defendants also must provide notice of the settlement to numerous purchasers of the products.

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<sup>29</sup> *FTC v. Raging Bull.com, et al.*, No. 1:20-cv-3538 (D. Md. Dec. 7, 2020), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/2023073-x210014-ragingbullcom>.

<sup>30</sup> Press Release, FTC, *RagingBull.com Stock Trading “Guru” Kyle Dennis Faces Permanent Injunction as Result of FTC Action* (Sept. 8, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/09/ragingbullcom-stock-trading-guru-kyle-dennis-faces-permanent-injunction-result-ftc-action>.

<sup>31</sup> *FTC v. ZyCal Bioceuticals Healthcare Company, Inc., et al.*, No. 4:20-cv-10249-TSH (D. Mass. Feb. 10, 2020), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/182-3133-zycal-bioceuticals-healthcare-company-inc>.

<sup>32</sup> Press Release, FTC, *FTC Order to Bar ZyCal Bioceuticals from Deceptive Health Marketing* (Feb. 6, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/02/ftc-order-bar-zycal-bioceuticals-deceptive-health-marketing>.



In *Romero*, the FTC obtained summary judgment in its favor in a case filed in June 2021 against Frank Romero, doing business as Trend Deploy.<sup>33</sup> The complaint stated that Romero acted on consumers' fears during the COVID-19 pandemic and deceptively advertised quick delivery of N95 masks and other protective devices.<sup>34</sup> The FTC further stated that Romero rarely if ever shipped the devices his websites offered for sale, failed to offer refunds for consumers' purchases required by the FTC's Mail Order Rule, and failed to notify customers of shipping delays. The court order permanently enjoins Romero from selling or offering for sale any protective goods or services, imposes a civil penalty, and enters a monetary judgment.

## C. Other Enforcement Highlights

Other FTC enforcement highlights include the issuance of cease and desist demand letters, the provision of consumer redress to consumers in cases previously brought by the FTC, and criminal actions by other agencies that relate to prior FTC matters or where the FTC provided assistance.

### 1. COVID-19 Demand Letters

COVID-19 has had a particularly devastating impact on the health and finances of older adults. Throughout the pandemic, the FTC has taken action to stop many false and unsubstantiated claims about COVID-19 treatment or prevention that exploit consumers' fear of the disease and its effects. In some circumstances, to swiftly address troubling claims related to COVID-19, the FTC has sent cease and desist demand letters to companies and individuals. These letters warn recipients that their conduct is unlawful, and that they can face serious legal consequences, such as a federal lawsuit and civil penalties, if they do not immediately cease and desist from engaging in such conduct.<sup>35</sup>

During the last fiscal year, the FTC sent five cease and desist demand letters to companies that allegedly violated the law by making false or unsupported claims about their products' ability to prevent, treat, or cure coronavirus disease. All of these letters were sent jointly with the FDA. The unsubstantiated claims included references to clinical trials or studies touting the products' effectiveness against COVID-19, as described below.

- In October 2022, the FTC sent a cease and desist demand letter to Lakpura LLC challenging its claims that various ayurvedic and other products could prevent or treat COVID-19. The company claimed on its website that one of its products was

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<sup>33</sup> Press Release, FTC, *At FTC's Request, Florida District Court Permanently Bars Deceptive COVID-19 PPE Marketer from Selling Any Protective Goods or Services to Consumers* (June 5, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/06/florida-district-court-permanently-bars-covid-19-ppe-marketer-from-selling-goods-services>.

<sup>34</sup> *FTC v. Romero*, No. 5:21-cv-00343 (M.D. Fla. June 30, 2021), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/2023128-trend-deploy>.

<sup>35</sup> Information about the letters sent by the FTC can be found at <https://www.ftc.gov/news-events/features/coronavirus/enforcement/warning-letters>.



“[A]pproved by the ayurvedic Department of Health, an immune-enhancing drink for the COVID-19 virus based on ancient indigenous prescription and treatment,” and encouraged consumers to purchase Ceylon black teas by stating that: “While still in its preliminary findings, it has been noted that according to the latest research, the presence of theaflavin, a polyphenolic compound in black tea is said to have a medicinal value; thus acting as an inhibitor against several viruses . . . even SARS-related viruses like COVID-19.”

- In November 2022, the FTC sent a cease and desist demand letter to Alternative Health Distribution LLC (d/b/a CannaAid) challenging its promotion of cannabidiol (CBD) products to treat and prevent COVID-19. The company made claims on its website such as:

“HOW DOES CBD HELP TO FIGHT AGAINST COVID-19? . . . Recent analyses from numerous preliminary in vitro and animal studies have shown that cannabinoids in hemp, specifically CBD, can significantly reduce COVID-19’s ability to infect new cells – limiting inflammation in the lungs and possibly improving a patients’ quality of life during severe COVID-19 infection.”

- In January 2023, the FTC sent a cease and desist letter to PharmaCanna challenging its advertising of cannabinoid products to treat and prevent COVID-19. The company made claims on its website and social media including: “CBDefense 2000 - Virus Protective Formula . . . This revolutionary virus fighting product contains the two cannabinoids, CBDa & CBGa, that has been shown through a published study to keep covid from infecting human cells,” and “Our CBDefense 2000, anti-covid formula, is Now Available.”
- In January 2023, the FTC sent a cease and desist letter to PureCraft LLC challenging claims that its CBD products could treat and prevent COVID-19. The company made the claims on its website including: “Early results show that therapeutic doses of CBD do have a protective effect against COVID,” and “According to a March 2022 article in *Frontiers in Immunology*, CBD has been shown to decrease the severity of COVID. It’s primarily doing this by counteracting the body’s inflammatory response to the SARS-CoV-2 virus . . . .”
- In January 2023, the FTC sent a cease and desist letter to Medical Mikes, Inc. challenging its promotion of CBD products to treat and prevent COVID-19. The company made claims on its website that included: “widely circulated research indicated that highly potent oral CBD inhibits Covid infection in human lung cells and mice,” and “Study investigators found that, of hemp’s hundreds of cannabinoids, CBDa and CBGa exhibited the most powerful ability to inhibit the Covid protein from seizing human cells. Even more profound, these minor cannabinoids reduced viral infection loads (still, in a petri dish) by an astounding 50%.”



## 2. Consumer Monetary Relief

In the last fiscal year, FTC enforcement actions have resulted in relief of more than \$285 million to consumers of all ages.<sup>36</sup> Although the FTC’s ability to seek monetary relief for harmed consumers is now substantially limited following the Supreme Court’s decision in *AMG Capital Management*,<sup>37</sup> the FTC continues to deliver refunds to consumers when possible. These payments provide people some recompense for the losses that occurred due to illegal conduct.

In September 2023, the FTC sent a second round of payments in *Lifewatch Inc.* totaling more than \$1.04 million to 27,809 people, following a previous round of checks sent in December 2021 that resulted in \$669,195 in refunds to consumers. The FTC and the Florida Attorney General alleged that Lifewatch Inc., its officers and related entities bombarded consumers with at least a billion unsolicited robocalls pitching supposedly free medical alert systems, and claimed that the systems were endorsed or recommended by reputable organizations like the American Heart Association when they were not. The company’s telemarketers often told consumers that they could receive the medical alert system “at no cost whatsoever,” but consumers eventually learned that they were responsible for monthly monitoring fees, and it was difficult to cancel without paying a penalty. Defendants are permanently banned from telemarketing and prohibited from misrepresenting the terms associated with the sale of any product or service.

In September 2023, the Claims Administrator in *Western Union* sent approximately \$40 million to approximately 25,000 consumers, bringing the total amount returned to consumers to over \$404 million. The FTC’s settlement was filed in conjunction with a settlement involving the DOJ, the U.S. Postal Inspection Service, and the U.S. Attorneys Offices for the Middle District of Pennsylvania, the Eastern District of Pennsylvania, the Central District of California and the Southern District of Florida, where Western Union agreed to pay \$586 million and admitted to aiding and abetting wire fraud. The FTC alleged that fraudsters around the world used Western Union’s money transfer system to perpetrate fraud, such as telemarketing schemes, online scams, lottery or prize scams, grandparent scams, and romance scams, even though the company had long been aware of these illicit transactions, and that some Western Union agents were complicit in the fraud. The FTC complaint alleged that Western Union failed to put in place effective anti-fraud policies and procedures and failed to act promptly against problem agents. Western Union also agreed to implement and maintain a comprehensive anti-fraud program with training for its agents and their front-line associates, monitoring to detect and prevent fraud-induced money transfers, due diligence on all new and renewing company agents and suspension or termination of noncompliant agents.

In February 2023, the Claims Administrator in *MoneyGram International* sent checks totaling more than \$115 million to 38,889 people who used MoneyGram to send money to scammers. The FTC settled charges in November 2018 of allegations that the company failed to take steps required under a 2009 FTC order to protect consumers from fraud through its money transfer

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<sup>36</sup> 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).

<sup>37</sup> *AMG Capital Mgmt.*, 141 S. Ct. at 1341. See also discussion in Section II(D) below.



system. In its 2018 filing addressing violations of the 2009 order, the FTC alleged that MoneyGram failed to implement the comprehensive fraud prevention program mandated by the 2009 order, which required the company, among other things, to promptly train, investigate, restrict, suspend, and terminate high-fraud agents. The 2009 order also required MoneyGram to conduct timely fraud investigations of any agent location that received two or more fraud complaints within 30 days, had fraud complaints totaling 5 percent or more of the location’s total monthly received transactions, or displayed any unusual or suspicious money transfer activity. MoneyGram also was required to terminate locations that may be complicit in fraud-induced money transfers. The original FTC case described several scams perpetrated through the MoneyGram payment system including lottery or prize scams that often target older adults. MoneyGram agreed to a \$125 million payment as part of a global settlement, which resolved allegations that MoneyGram also violated a separate 2012 deferred prosecution agreement with the Department of Justice.<sup>38</sup>

In March 2023, the FTC began sending payments totaling nearly \$2.4 million to consumers who paid subscription fees to the stock trading website *Ragingbull.com*.<sup>39</sup> The FTC’s complaint against Raging Bull and its owners, filed in December 2020, alleged that Raging Bull used inflated and false earnings claims to induce consumers into signing up for costly and hard-to-cancel subscriptions and paying for investment strategies.<sup>40</sup> The FTC further alleged that Raging Bull and its owners were “bilking consumers out of millions of dollars on a monthly basis” and that “a number of these consumers [were] older adults, retirees, and/or immigrants.”

Two months later, the FTC announced that it was sending payments totaling \$577,000 to consumers who had paid money to *GDP Network*, a Florida telemarketing company, for allegedly selling fraudulent debt relief services.<sup>41</sup> According to the complaint filed in July 2020, the FTC and the State of Florida alleged that GDP Network and its owners falsely claimed affiliations with consumers’ credit card companies and charged consumers upfront fees ranging from \$995 to \$3,995 to reduce their credit card debts. GDP Network targeted older adults and financially distressed individuals and obtained sensitive information, such as their passwords, social security numbers, and financial information. If consumers sought refunds for GDP Network’s supposed debt relief services, the company issued refunds “only when consumers

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<sup>38</sup> Press Release, FTC, *More than \$115 Million in Refunds Sent to Consumers as a Result of FTC, DOJ Charges That MoneyGram Failed to Crack Down on Scams* (Feb. 10, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/02/more-115-million-refunds-sent-consumers-result-ftc-doj-charges-moneygram-failed-crack-down-scams>.

<sup>39</sup> Press Release, FTC, *FTC Sends Nearly \$2.4 Million to Raging Bull Customers After the Company Agrees to Settle Charges of Bogus Earnings Claims* (March 6, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/03/ftc-sends-nearly-24-million-raging-bull-customers-after-company-agrees-settle-charges-bogus-earnings>.

<sup>40</sup> *FTC v. Ragingbull.com et al.*, No. 1:20-cv-3538 (D. Md. filed Dec. 14, 2020), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/2023073-ragingbullcom>.

<sup>41</sup> Press Release, FTC, *FTC Sends More Than \$557,000 to Consumers Harmed by Credit Card Interest Rate Reduction Scam* (May 22, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/05/ftc-sends-more-557000-consumers-harmed-credit-card-interest-rate-reduction-scam>.



threaten[ed] to contact the Better Business Bureau or a state or federal law enforcement agency.”<sup>42</sup>

In *8 Figure Dream Lifestyle LLC*, the FTC alleged that the defendants consistently made false or unsubstantiated claims about how much consumers could earn through their programs.<sup>43</sup> They often said, for example, that a typical person with no prior skills could make \$5,000 to \$10,000 in 10 to 14 days. While the defendants marketed their scheme broadly, they also directly targeted older consumers. Their marketing to retirees said, “Make sure those golden years are actually ‘Golden’!!” People who bought the program spent up to \$22,000, and rarely earned substantial income. In fact, a majority lost money up to their entire investment, and often incurred significant loans and credit card debt.<sup>44</sup> Defendants agreed to settle with the FTC and surrendered funds to the FTC, which the FTC used to pay back consumers.

In October 2021, the FTC sent payments that resulted in \$740,000 in refunds. In February 2023, the FTC sent a second round of payments totaling more than \$390,000 to 1,542 people who accepted their first payment and had paid the defendants more than \$2,000.

In *Triangle Media Corp.*, the FTC alleged the defendants sold anti-aging and other products, including a cognitive enhancement supplement and an anti-aging cream, using deceptively advertised free trial offers. Consumers who ordered the free trials were charged for the trial shipment, and were also enrolled in a negative-option continuity plan without their consent, under which they receive an additional shipment each month and are charged full price for each shipment.<sup>45</sup> The FTC’s complaint alleges such practices violate the FTC Act, as well as the Restore Online Shoppers’ Confidence Act, and the Electronic Fund Transfer Act and its implementing Regulation. Defendants agreed to settle the matter. In June 2020, the FTC sent checks that resulted in \$7.3 million in refunds to consumers. The FTC sent a second round of checks in February 2023 totaling \$1.3 million.<sup>46</sup>

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<sup>42</sup> *FTC v. GDP Network, et al.*, No. 6:20-cv-1192-78DCI (M.D. Fla. July 16, 2020), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/192-3137-gdp-network-llc-yf-solution>.

<sup>43</sup> *FTC v. 8 Figure Dream Lifestyle, LLC*, No. 8:19-cv-01165 (C.D. Cal. Oct. 4, 2021), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/182-3117-8-figure-dream-lifestyle-llc>.

<sup>44</sup> Press Release, FTC, *FTC, Law Enforcement Partners Announce New Crackdown on Illegal Robocalls* (June 25, 2019), available at <https://www.ftc.gov/news-events/news/press-releases/2019/06/ftc-law-enforcement-partners-announce-new-crackdown-illegal-robocalls>.

<sup>45</sup> *FTC v. Triangle Media Corp., No.*, 18-cv-1388 (S.D. Cal. June 22, 2020), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/172-3108-triangle-media-corporation>.

<sup>46</sup> Press Release, FTC, *Triangle Media Refunds: FTC Returns Money to People Who Were Charged For “Risk-Free” Trial Products* (Feb. 2023), available at <https://www.ftc.gov/enforcement/refunds/triangle-media-refunds>.





In *Elite IT Partners, Inc.*, the FTC alleged that the defendants operated a technical support scheme using internet ads targeting consumers looking for email password recovery help.<sup>47</sup> According to the FTC’s complaint, the defendants’ representatives falsely told consumers that their computer problems most likely stemmed from a virus or infection. The telemarketers ran bogus “diagnostic” tests and used scare tactics and misrepresentations to sell additional service plans. The vast majority of consumers that the defendants contacted were older. At the FTC’s request, the federal court temporarily shut down the defendants’ scheme and froze their assets. The defendants agreed to settle this matter. The case was brought as part of a coordinated effort with DOJ and other federal and state agencies to take down technical support scams. The FTC has returned just over \$218,000 to consumers to date.<sup>48</sup>

In *Mile High Madison Group, Inc.*, the FTC alleged the marketers of three supplements called Neurocet, Regenify, and Resetigen-D deceptively promoted their products to older Americans through direct mail and online using false claims that their products could stop pain and treat age-related ailments.<sup>49</sup> The defendants claimed their products were anti-aging cure-alls that could repair cells and were clinically proven to treat multiple conditions. The FTC alleged the defendants also deceptively advertised through fake doctor endorsements and consumer testimonials. The defendants agreed to a settlement order barring them from making any claims about the health benefits of their products unless they are true and supported by scientific evidence. The order also imposed a judgment of more than \$38.1 million, which is partially suspended due to an inability to pay after the defendants paid \$1.3 million.

In October 2021, the FTC sent the first set of payments to people who paid \$120 or more for supplements, which resulted in more than \$660,000 in refunds. In December 2022, the FTC sent checks totaling just over \$368,000 to people who paid between \$110 and \$119.99 for the supplements.

In *Seed Consulting*, the defendants allegedly partnered with companies, including the defendants in two other FTC actions, Nudge and MOBE, to obtain “funding” for people to purchase pricey training or coaching programs.<sup>50</sup> The FTC charged that the defendants in those two actions deceived people, including older adults and retirees, through a variety of misrepresentations about their wealth-creation programs. 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

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<sup>47</sup> *FTC v. Elite IT Partners, Inc.*, No. 2:19-cv-00125 (D. Utah Dec. 10, 2019), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/182-3114-elite-it-partners-inc>.

<sup>48</sup> Press Release, FTC, *Elite IT Refunds: FTC Sends Checks to People Who Lost Money to a Tech Support Scheme* (Jan. 2023), available at <https://www.ftc.gov/enforcement/refunds/elite-it-refunds>.

<sup>49</sup> Press Release, FTC, *FTC Sends Refunds to Consumers Who Bought Deceptively Marketed Supplements to Treat Pain and Age-Related Health Conditions* (Oct. 20, 2021), available at <https://www.ftc.gov/news-events/news/press-releases/2021/10/ftc-sends-refunds-consumers-who-bought-deceptively-marketed-supplements-treat-pain-age-related>.

<sup>50</sup> *FTC v. Seed Consulting, LLC*, No. 2:21-cv-00154 (D. Nev. Jan. 29, 2021), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/182-3183-seed-consulting-llc>.



personal credit cards on their behalf and inflating people’s income many times over to get high credit lines—so that those 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 the defendants from misrepresenting the financial status of anyone to a financial institution. In September 2021, the FTC mailed checks that resulted in \$1.8 million in refunds to consumers.<sup>51</sup> In November 2022, the FTC sent a second round of checks totaling more than \$147,000 to consumers.

In *OTA Franchise Corp.*, the FTC alleged that the defendants used false or unsubstantiated earnings claims, often targeted at older consumers, to sell “training programs” costing as much as \$50,000.<sup>52</sup> The FTC also alleged that the defendants misrepresented that the company had a patented “strategy” that anyone could use to generate substantial income from trading in the financial markets. Evidence obtained by the FTC indicated that many of the defendants’ customers did not make any money, and many lost money on top of the money they paid the defendants. Evidence obtained by the FTC also indicated that instructors’ claims of amassing wealth were false or unsubstantiated. A federal court granted the FTC’s request for a preliminary injunction. In September 2020, the defendants agreed to a settlement order that among other things prohibits them from making claims about potential earnings unless the claims are truthful and they have written documentation to support them. The defendants offered debt forgiveness to thousands of consumers who purchased their “training programs,” which resulted in \$13.3 million in debt forgiveness for consumers.<sup>53</sup> In August 2021, the FTC sent checks that resulted in an additional \$4.6 million in refunds to consumers, and in January 2023, sent a second round of checks totaling more than \$800,000.

In *Neurometrix, Inc.*, the FTC alleged the defendants deceptively claimed their product, Quell, an electrical nerve stimulation device, would treat pain throughout the body when placed below the knee.<sup>54</sup> The FTC alleged that the defendants lacked scientific evidence to support widespread chronic pain relief claims and that their claims about clinical proof and the scope of clearance by the U.S. Food and Drug Administration (FDA) were false. The order settling the case bars the defendants from making pain-relief claims unless they are true, not misleading, and supported by

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<sup>51</sup> Press Release, FTC, *FTC Returns \$2M to Consumers Who Paid High Upfront Fees to Get “Funding” for Expensive, Ineffective Training Programs* (Sept. 29, 2021), available at <https://www.ftc.gov/news-events/news/press-releases/2021/09/ftc-returns-2m-consumers-who-paid-high-upfront-fees-get-funding-expensive-ineffective-training>.

<sup>52</sup> *FTC v. OTA Franchise Corp.*, No. 8:20-cv-00287 (C.D. Cal. Sept. 15, 2020), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/182-3175-x200032-online-trading-academy>.

<sup>53</sup> Press Release, FTC, *FTC Settlement Requires Online Trading Academy to Forgive Consumer Debt, and Principals to Turn Over Millions in Cash and Assets* (Sept. 15, 2020), available at <https://www.ftc.gov/news-events/news/press-releases/2020/09/ftc-settlement-requires-online-trading-academy-forgive-consumer-debt-principals-turn-over-millions>.

<sup>54</sup> *FTC v. Neurometrix, Inc.*, 1:20-cv-10428 (D. Mass. Sept. 8, 2020), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/172-3130-neurometrix-inc>.



competent and reliable scientific evidence; prohibits misrepresentations about clinical proof or the scope of FDA clearance; and requires them to pay redress. The order imposed a \$4 million judgment and required the defendants to turn over any future foreign licensing payments under existing contracts at the time.

Between September 2020 and August 2021, the FTC sent checks and PayPal payments, which resulted in over \$3.4 million in refunds. In February 2023, the FTC sent another round of PayPal payments totaling over \$300,000 to 40,244 people who accepted their first payment.<sup>55</sup>

### 3. Criminal Liaison Unit

The FTC’s Criminal Liaison Unit works with federal and state criminal prosecutors to bring more consumer fraud cases.<sup>56</sup> Many of these prosecutors have brought criminal cases that built on matters the FTC developed in its civil law enforcement actions, or with other forms of assistance from the FTC.

For example, in January 2023, defendant Jennifer Shah was sentenced to 78 months in prison (or six and a half years) for a fraudulent telemarketing scheme that victimized older Americans.<sup>57</sup> Shah was the last of 23 defendants to plead guilty from the operation, which marketed home-based business opportunities. The FTC provided the U.S. Attorney’s Office for the Southern District of New York information from multiple FTC matters to assist the prosecution, which to date has resulted in sentences totaling 744 months (or 62 years), including a 60-month sentence for former FTC defendant and scheme ringleader Ryan Hult. The FTC provided more than \$7 million in redress for consumers through its civil cases.<sup>58</sup>

In March 2023, the Cuyahoga County (Ohio) Prosecutor’s Office indicted three individuals and one company who used “cryptocurrency ATMs” to defraud millions of victims, many of whom

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<sup>55</sup> Press Release, FTC, *FTC Refunds Almost \$3.9 Million to Purchasers of Deceptively Advertised Quell Wearable Pain-Relief Device* (Sept. 8, 2020), available at <https://www.ftc.gov/news-events/news/press-releases/2020/09/ftc-refunds-almost-39-million-purchasers-deceptively-advertised-quell-wearable-pain-relief-device>.

<sup>56</sup> Information about the FTC’s Criminal Liaison Unit is available at <https://www.ftc.gov/enforcement/criminal-liaison-unit>.

<sup>57</sup> Press Release, U.S. Department of Justice, *Reality Show Cast Member Jennifer Shah Sentenced to 78 Months in Prison for Running Nationwide Telemarketing Fraud Scheme* (Jan. 6, 2023), available at <https://www.justice.gov/usao-sdny/pr/reality-show-cast-member-jennifer-shah-sentenced-78-months-prison-running-nationwide>.

<sup>58</sup> Redress Page, FTC, *FTC Sends Checks to People Who Paid for Business Coaching Services* (Mar. 2023), available at <https://www.ftc.gov/enforcement/refunds/refunds-business-coaching-services>.



were elderly.<sup>59</sup> The Prosecutor’s Office and the United States Secret Service, which coordinated the operation, thanked the FTC for its assistance in the matter.

#### 4. Referrals to the FBI’s Recovery Asset Team

Since 2019, the FTC has referred reports involving high dollar losses to the Federal Bureau of Investigation (“FBI”) Internet Crime Complaint Center (IC3) Recovery Asset Team. This team’s goal is to “streamline communication with financial institutions and assist FBI field offices with the freezing of funds for victims who made transfers to domestic accounts under fraudulent pretenses.”<sup>60</sup> In 2022, the FBI IC3 Recovery Asset Team responded to 2,838 incidents and with the assistance of their banking partners, froze an impressive \$433.30 million of the \$590.62 million in reported losses, making recovery possible for many victims.<sup>61</sup>

The FTC refers reports received through its *ReportFraud.ftc.gov* website and call center that meet certain criteria (typically larger dollar losses) to the FBI IC3 Recovery Asset Team when the consumer agrees to the referral. In the past year, the FTC has referred more than 800 reports through its Consumer Sentinel Network to the FBI IC3’s Recovery Asset Team. Here are some recent success stories involving older adults shared by the FBI IC3 Recovery Asset Team:

- In January 2023, an older adult reported to the FTC that their business email was compromised, resulting in the individual receiving a spoofed email containing fraudulent wire transfer instructions to a beneficiary trust account. The individual ultimately sent a wire of more than \$850,000 to the fraudulent account. The individual quickly reported the incident to the FTC, and the FBI IC3 Recovery Asset Team was able to contact the recipient bank and freeze almost the full wired amount for possible recovery.
- In March 2023, an older adult reported to the FTC that they placed a call to their investment advisor firm because they were unable to access their online account. The call did not go to their investment advisor, but to a spoofed phone number for Vanguard. The individual was told their account had been blocked for inappropriate material and they should make an almost \$400,000 wire transfer to a fraudulent domestic bank account for a cryptocurrency exchange. Since the individual reported the incident quickly to the FTC, the FBI IC3 Recovery Asset Team was able to contact the recipient bank and freeze the full wired amount for possible recovery.

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<sup>59</sup> Press Release, Cuyahoga County Office of the Prosecutor and U.S. Secret Service, *Three Individuals and One Business Indicted on Engaging in a Pattern of Corrupt Activity Among Other Charges for Operating Cryptocurrency Kiosks in Northeast Ohio* (Mar. 2, 2023), available at <http://prosecutor.cuyahogacounty.us/en-US/BOA-and-3-people-insicted-cryptocurrency-kiosks.aspx> and <https://www.secretservice.gov/newsroom/releases/2023/03/three-individuals-and-one-business-indicted-engaging-pattern-corrupt>.

<sup>60</sup> Department of Justice Federal Bureau of Investigation, *Federal Bureau of Investigation Internet Crime Report 2022* at 9 (2022), available at [https://www.ic3.gov/Media/PDF/AnnualReport/2022\\_IC3Report.pdf](https://www.ic3.gov/Media/PDF/AnnualReport/2022_IC3Report.pdf).

<sup>61</sup> *Id.* at 10.



- In March 2023, an older adult reported to the FTC that they received a pop-up message on their frozen computer screen instructing them to call a Microsoft Windows Defenders phone number. After placing the call, the individual’s computer was taken over by the scammer. The individual was instructed to initiate a wire transfer supposedly to the FTC for more than \$50,000 to a fraudulent domestic bank account. The individual immediately contacted the FTC, and the FBI IC3 Recovery Asset Team was able to contact the recipient bank and freeze the full wired amount for possible recovery.

The FTC is proud to partner with the FBI IC3’s Recovery Asset Team to help consumers, particularly those experiencing large dollar losses, to recover funds when possible.

## **D. FTC Efforts to Protect Older Americans Remain Handicapped After *AMG***

In the past fiscal year, the FTC continued its efforts to develop tools to enhance its law enforcement efforts. In 2021, the Supreme Court held in *AMG Capital Management* that the FTC did not have authority to seek equitable monetary relief in cases brought under Section 13(b) of the FTC Act.<sup>62</sup> Prior to this ruling, the FTC had used its Section 13(b) authority to provide billions of dollars in monetary restitution to consumers affected by unfair or deceptive acts or practices, including older adults.<sup>63</sup> This decision constrained the FTC’s ability to obtain redress for consumers. The FTC urges Congress to amend Section 13(b) of the FTC Act to revive the FTC’s ability to provide refunds to harmed consumers and prevent violators from keeping the money they earned by breaking the law. For example, prior to *AMG Capital*, Office Depot, Inc. and a tech support software provider paid \$35 million to the FTC to settle allegations that they tricked consumers into buying millions of dollars of computer repair and technical services by deceptively claiming that their software had found malware symptoms on consumers’ computers.<sup>64</sup> This type of relief is no longer possible. The FTC continues to strongly support legislation to fix *AMG*. Without it, older Americans will continue to lose money to scammers that the FTC cannot return to them.

## **E. Strategies to Provide Additional Tools Post-*AMG* to Enhance FTC Enforcement Efforts**

Consequently, in a response to the *AMG* decision, the Commission has sought to initiate rulemakings to cover a wider category of types of practices, as our statute explicitly permits

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<sup>62</sup> *AMG Capital Mgmt.*, 141 S. Ct. at 1341.

<sup>63</sup> FTC Act, 15 U.S.C. § 53(b). From FY 2017 to 2021, the Commission returned \$11.4 billion to consumers across all FTC cases, including those brought solely under the FTC’s Section 13(b) authority.

<sup>64</sup> *FTC v. Office Depot, Inc. et al.*, No. 9:19-cv-80431 (S.D. Fl. March 27, 2019), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/172-3023-office-depot-inc>.



consumer redress and/or civil penalties for rule violations.<sup>65</sup> On October 17, 2022, the FTC issued a Notice of Proposed Rulemaking addressing impersonation of government and businesses (“NPRM”).<sup>66</sup> The proposed rule is aimed at combatting government and business impersonation fraud, a pernicious problem that grew worse during the pandemic.<sup>67</sup> Government impersonators often pretend to represent institutions such as the Social Security Administration, Medicare/Health and Human Services, IRS, or law enforcement, and may threaten their targets with a discontinuation of government benefits, enforcement of tax liability, and even arrest or prosecution. Business impersonators may claim there is suspicious activity on a customer’s account or offer a refund or prize if the victim will provide some personal information. According to FTC data, the most common type of government impersonation fraud involved the Social Security Administration,<sup>68</sup> with more than 308,000 complaints between 2017 and 2021, more than twice the number of the next type.<sup>69</sup> As discussed in Section IV below, analysis of FTC reports shows older adults reported tremendous losses to impersonation scams: \$271 million for business impersonation scams and \$186 million for government impersonation scams

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<sup>65</sup> 15 U.S.C. § 57(b). In addition to the Commission’s rulemaking efforts, the FTC has also revitalized its authority to put bad actors on notice that their conduct violates the FTC Act by sending them a Notice of Penalty Offenses. These notices outline a number of practices that the Commission has previously found to be unfair or deceptive and highlight that engaging in this conduct could lead to civil penalties. *See, e.g.*, Press Release, FTC, *FTC Targets False Claims by For-Profit Colleges* (Oct. 6, 2021), available at <https://www.ftc.gov/news-events/news/press-releases/2021/10/ftc-targets-false-claims-profit-colleges>.

<sup>66</sup> Trade Regulation Rule on Impersonation of Government and Businesses, 87 Fed Reg. 62741 (Oct. 17, 2022), available at <https://www.govinfo.gov/content/pkg/FR-2022-10-17/pdf/2022-21289.pdf>.

<sup>67</sup> Press Release, FTC, *FTC Launches Rulemaking to Combat Sharp Spike in Impersonation Fraud* (Dec. 16, 2021). “The COVID-19 pandemic has spurred a sharp spike in impersonation fraud, as scammers capitalize on confusion and concerns around shifts in the economy stemming from the pandemic. Incorporating new data from the Social Security Administration, reported costs have increased an alarming 85 percent year-over year, with \$2 billion in total losses between October 2020 and September 2021. Notably, since the pandemic began, COVID-specific scam reports have included 12,491 complaints of government impersonation and 8,794 complaints of business impersonation.”

<sup>68</sup> “The FTC has been warning consumers for years about [impersonation scams](#) – calls that falsely claim to come from the IRS, the Social Security Administration, or other offices or businesses. The messages try to coerce people into making immediate payments or turning over sensitive personal information.” *See* Press Release, FTC, *FTC Data Spotlight on Scammers Impersonating Amazon: How Businesses Can Reduce Injury to Consumers* (Oct. 20, 2021), available at <https://www.ftc.gov/business-guidance/blog/2021/10/ftc-data-spotlight-scammers-impersonating-amazon-how-businesses-can-reduce-injury-to-consumers>.

<sup>69</sup> Trade Regulation Rule on Impersonation of Government and Businesses, 86 Fed. Reg. 72901, 72902 (Dec. 23, 2021). “From January 1, 2017 through September 30, 2021, consumers reported 1,362,996 instances of government impersonation and associated total losses of roughly \$922,739,109. The most common such schemes involved Social Security Administration (SSA) impersonators, with more than 308,000 complaints alleging SSA impersonation, followed by the IRS (124,000) and Health and Human Services/Medicare programs (125,000).”



in 2022. The FTC held an informal hearing on the proposed rule on May 4, 2023. This rulemaking is ongoing.<sup>70</sup>

### 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 in response. Since the *Pass It On* campaign began in 2014, the number of topics it covers in print and online has expanded, based on community partners’ requests and changes in fraud trends. The updated catalog of print and online material addresses these 13 common frauds:

- Business Impersonator Scams
- Charity Fraud
- Government Impersonator Scams
- Grandkid and Family Scams
- Health Insurance Scams
- Home Repair Scams
- Identity Theft
- Investment Scams
- Job and Money-Making Scams
- Romance Scams
- Tech Support Scams
- Unwanted Calls and Text Messages
- “You’ve Won” Scams

The FTC has distributed almost 20 million *Pass It On* items since the campaign began, including more than 2.1 million items in fiscal year 2023. The free English and Spanish print material is

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<sup>70</sup> The FTC also continued a number of rulemaking initiatives evaluating existing rules. Of note in the context of this report is the Funeral Rule’s Advance Notice of Proposed Rulemaking (“ANPR”), issued on November 2, 2022, seeking public comment, among other issues, on whether to require funeral providers to provide online the same price disclosures that the Rule mandates when consumers visit a funeral provider in person. Funeral Industry Practice Rule, 87 Fed. Reg. 66096, 66097 (Nov. 2, 2022). *See, e.g.*, Press Release, FTC, *FTC Seeks to Improve the American Public’s Access to Funeral Services Online* (Oct. 20, 2022), available at <https://www.ftc.gov/news-events/news/press-releases/2022/10/ftc-seeks-improve-american-publics-access-funeral-service-prices-online>. The Commission hosted a workshop on September 7, 2023 that further explored the topics raised in the ANPR. Press Release, FTC, *FTC to Host Workshop Examining Issues Related to Proposed Changes to the Funeral Rule* (May 17, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/05/ftc-host-workshop-examining-issues-related-proposed-changes-funeral-rule>.



requested by groups including banks, libraries, police departments, adult protective services 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 can be ordered in print at [www.ftc.gov/bulkorder](http://www.ftc.gov/bulkorder).

The FTC routinely emails Consumer Alerts about the topics covered by *Pass It On*, as well as about phishing scams, how to protect your data, and dealing with scammers' demands for payment by gift card, wire transfer, and cryptocurrency. The FTC emails the Alerts in English and Spanish to more than 421,000 subscribers, who 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, [www.consumer.ftc.gov](http://www.consumer.ftc.gov), so the public can read, link to, and share the prevention messages.<sup>71</sup>

## 1. Outreach 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 600 outreach events with the public, other law enforcement agencies, and stakeholders focused on protecting members of a wide range of communities from scams. More than 145 served older adults and the people who work with them or engaged partner organizations in discussion and education about issues that affect older adults. The FTC's outreach and education work also focused on issues related to consumers' financial resilience and recovery from effects of the COVID-19 pandemic.

FTC staff participated in events for older adults together with local, state, and federal organizations, including the Better Business Bureau (BBB), public libraries, consumer organizations, legal services providers, state attorneys general and consumer affairs offices, and federal agencies including the Internal Revenue Service, Social Security Administration, U.S. Department of Veterans Affairs, and U.S. Postal Inspection Service. The FTC also joined in multiple activities with groups including those described below.

### a. AARP members

Staff educated older adults through more than 36 events with AARP members, including nationwide and statewide Facebook Live conversations, webinars, and tele-town halls about topics including impersonators, identity theft, scams targeting veterans, and romance, charity, and post-disaster scams. More than 8,000 AARP members attended a tele-town hall in Ohio where they posed questions and got advice from FTC regional staff. In Oregon, more than 350 people turned out for the first in-person AARP scam jam since 2019 and learned about identity theft and impersonation scams from FTC regional staff.

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<sup>71</sup> Information about subscribing to Consumer Alerts is available at [www.ftc.gov/ConsumerAlerts](http://www.ftc.gov/ConsumerAlerts).





## **b. Members of Congress**

The FTC joined members of Congress and shared FTC resources at a Town Hall at Bowling Green State University's Elder College in Ohio, a tele-town hall for 4,700 Pennsylvania residents, and a Senior Fraud Prevention Seminar attended by 150 people in San Francisco.

## **c. Military Servicemembers and Veterans**

Since the FTC developed the Military Consumer initiative in 2013, the FTC, Department of Defense Office of Financial Readiness, and Consumer Financial Protection Bureau's Office of Servicemember Affairs have jointly led the annual celebration of Military Consumer Month. Throughout the month, a large network of military partners, including military, federal, and state agencies, consumer and military advocates, and trade groups, collaborate to warn veterans and servicemembers about the scams that target them. With more than half (56%) of current veterans expected to be over age 60 at the end of FY 2023,<sup>72</sup> the agency's military outreach is another way of engaging with older adults. This year, some of the FTC's Military Consumer Month activities focused on older veterans. These included joining an AARP Ohio call-in program to discuss how veterans can spot and avoid scams, as well as publishing blog posts and social media on scams related to the PACT Act, romance scams, investments, and others.<sup>73</sup>

Agency staff also joined groups including AARP, the U.S. Department of Veterans Affairs, and the U.S. Postal Inspection Service in 23 live and virtual presentations to veterans, where they discussed scams targeting veterans, identity theft, and how to keep information safe. In November 2022, staff talked about scams with veterans at a VA Economic Development Initiatives conference.

## **d. Older Adult Advocates and Allied Professionals**

Commission staff distributed Pass It On and other education materials in English and Spanish at several conferences related to aging, adult education, library, and older volunteer services. Staff attended conferences of the American Society on Aging, whose 5,000 members work in a broad range of aging disciplines; AmeriCorps Seniors, a federal program with more than 200,000 community-based older volunteers nationwide; the TRIAD of Wisconsin, a group of older volunteers who coordinate with local law enforcement to reduce crime against older adults; and USAging, the national association that supports Area Agencies on Aging.

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<sup>72</sup> National Center for Veterans Analysis and Statistics, Population Tables: The Nation: Age/Gender: Table 1L, available at [www.va.gov/vetdata/veteran\\_population.asp](http://www.va.gov/vetdata/veteran_population.asp).

<sup>73</sup> Consumer Alert, FTC, *Veterans: You don't have to pay for help filing for your benefits* (Jul. 10, 2023), available at <https://www.militaryconsumer.gov/blog/veterans-you-dont-have-pay-help-filing-your-benefits>; Consumer Alert, FTC, *Military Consumers and Romance Scams* (Jul. 5, 2023), available at <https://www.militaryconsumer.gov/blog/military-consumers-and-romance-scams>; Consumer Alert, FTC, *Is it a legitimate investment opportunity or a scam?* (Jul. 20, 2023) available at <https://www.militaryconsumer.gov/blog/it-legitimate-investment-opportunity-or-scam>.



The FTC works with libraries to reach communities nationwide, and help libraries and educators address questions about consumer issues, fraud, and avoiding scams and identity theft. People visit libraries and bookmobiles to get information, use technology, and attend programs and lectures. More than forty percent of people aged 52-70 visited a library or bookmobile in the last twelve months,<sup>74</sup> and more than half of people in that age range said libraries help them get information to help with decisions.<sup>75</sup> Staff attended the Association of Bookmobile and Outreach Services, whose members serve patrons in rural and urban locations; Coalition of Adult Basic Education, which advances adult education and literacy; Joint Conference of Librarians Of Color, which advocates for American Indian, Asian/Pacific American, Black, Chinese and Latino libraries and their communities; Teachers of English to Speakers of Other Languages, an international association of English language teaching professionals; and the Texas Library Association, whose 5,000 members make up the nation’s largest state library association.

In 2021, the FTC launched the Community Advocate Center (CAC) to support legal services organizations’ fraud reporting and strengthen the FTC’s connections with historically underserved communities.<sup>76</sup> Participating legal service providers get a customized link to report fraud and other bad business practices directly to the FTC and receive periodic email updates and virtual briefings from the FTC. Twelve members of the CAC operate programs dedicated to serving older adults. The FTC issued a Consumer Alert about scammers posing as TV and internet providers based on reports from CAC member the Center for Elder Law and Justice in New York.<sup>77</sup>

Staff also deepened their connections with front line professionals, older adults, and lower income residents of Georgia, Arkansas, and Kansas through virtual state Consumer Protection Conversations. Each conversation, co-hosted by FTC staff and representatives from local BBB, legal aid, and state attorney general offices, offered participants information about identity theft, current fraud trends in their state, and consumer protection resources to use in their communities.

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>74</sup> Pew Research Center, *Millennials Are the Most Likely Generation of Americans to Use Public Libraries* (June 21, 2017), available at <https://www.pewresearch.org/short-reads/2017/06/21/millennials-are-the-most-likely-generation-of-americans-to-use-public-libraries/>.

<sup>75</sup> Pew Research Center, *Most Americans — Especially Millennials — Say Libraries Can Help Them Find Trustworthy Information* (Aug. 30, 2017), available at <https://www.pewresearch.org/short-reads/2017/08/30/most-americans-especially-millennials-say-libraries-can-help-them-find-reliable-trustworthy-information/>.

<sup>76</sup> The Community Advocate Center is available at <https://reportfraud.ftc.gov/community>.

<sup>77</sup> Consumer Alert, FTC, *Scammers Are Posing as Your TV and Internet Company* (Oct. 19, 2022), available at <https://consumer.ftc.gov/consumer-alerts/2022/10/scammers-are-posing-your-tv-and-internet-company>.



## 2. Pandemic Response

The pandemic has had a significant impact on older adults. As the effects of the pandemic have evolved, the agency increased its outreach on issues related to financial resiliency. The outreach includes posting and sharing advice and resources at [www.ftc.gov/MoneyMatters](http://www.ftc.gov/MoneyMatters) ([www.ftc.gov/AsuntosDeDinero](http://www.ftc.gov/AsuntosDeDinero) in Spanish) to help people learn — and teach others — how to tackle financial issues resulting from or worsened by the pandemic. The website gathers in one place dozens of articles, graphics, and ready-made presentations about common money issues, including finding work, getting loans, and buying or renting a home for consumers and speakers.

Commission staff used a large-scale mailing and presentations to deliver information about financial resiliency. In November 2022, staff mailed 13,000 folders with *Pass It On* fraud prevention material to community-based organizations serving older Spanish-speaking adults in senior centers, Area Agencies on Aging, and adult education and community centers. Staff attended the Qualitas of Life Organization during its Financial Access Fair, called Health, Nutrition, and Finance (Salud, Nutrición y Finanzas), and talked with attendees about buying and saving money as part of overall consumer financial health. Staff also gave information about consumer rights and what to know before you shop. The FTC joined the CFPB, National Center on Elder Abuse and SAGE, an advocacy and service organization for older LGBTQ+ people, for a webinar focused on financial wellness and introducing participants to the FTC’s *Money Matters* resources. During an AARP California Facebook Live event, FTC staff discussed how to avoid scams after a disaster and how to report scams. The event was part of AARP California’s Let’s Talk Dinero: Protect Yourself from Fraud series. It was held in English and marketed to California’s bilingual Latino community.

## 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”). 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 contribute consumer reports,<sup>78</sup> and the FTC collects reports directly from the public through its call center and online at [ReportFraud.ftc.gov](http://ReportFraud.ftc.gov) and [ReporteFraude.ftc.gov](http://ReporteFraude.ftc.gov) (Spanish). The Sentinel database is searchable by criteria such as the type of fraud or problem and the name, address, and telephone number of the reported entity. Using Sentinel, the FTC and its law enforcement partners can analyze reports

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<sup>78</sup> Data contributors are listed at <https://www.ftc.gov/enforcement/consumer-sentinel-network/data-contributors>.

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 2022, Sentinel took in more than 5.4 million reports from consumers, both directly and through its data contributors, about problems they experienced in the market. Over 2.5 million of the reports were about fraud, more than 1.1 million were about identity theft, and over 1.7 million were about other consumer problems.<sup>79</sup> Consumers reported losing \$9 billion to fraud in 2022. About 44% of fraud reports filed in 2022 included consumer age information. About a third (385,590) of reports that included age information came from people 60 and older, and their reported losses totaled more than \$1.6 billion.<sup>80</sup> Because the vast majority of frauds are not reported, these numbers include only a fraction of older adults harmed by fraud.<sup>81</sup>

These numbers are also not representative of elder financial exploitation. While elder financial exploitation is defined as encompassing financial losses caused by both known and unknown individuals,<sup>82</sup> Sentinel reports are overwhelmingly about fraud perpetrated by strangers that occur on a mass scale, such as through robocalls or fake ecommerce websites. These frauds are dissimilar to financial exploitation by family members, caretakers and other known individuals. Recognizing the distinction between financial exploitation perpetrated by known individuals rather than by strangers will result in better understanding of the financial harm to older adults caused by fraud.

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<sup>79</sup> See generally FTC, *FTC Consumer Sentinel Network* (last updated July 25, 2023), available at <https://public.tableau.com/profile/federal.trade.commission>. Figures are based on reports made 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 what information, if any, to provide. 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” include various categories of reports not classified as fraud, such as auto-related reports and reports about cable and satellite TV.

<sup>80</sup> Data provided by the Internet Crimes Complaint Center (IC3) are excluded here and throughout this report, except where otherwise noted, due to differences in the age ranges collected from consumers.

<sup>81</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).

<sup>82</sup> See, e.g., Weissberger, G.H., et al., *Elder Abuse Characteristics Based on Calls to the National Center on Elder Abuse Resource Line*, at 19 (October 2020), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6992470/> (study includes the following definition of elder financial exploitation: Improper, unauthorized, or fraudulent use of an older person’s property by a caregiver or trusted individual (abuse) or stranger (victimization) for the benefit of someone other than the elderly person.)



### **Key findings from the 2022 Sentinel data:**

- Older adults (ages 60 and over) were still less likely than younger adults (ages 18-59) to report losing money to fraud.
- Older adults continued to report higher individual median dollar losses than younger adults. The disparity remained particularly large among people 80 and over compared to younger adults.
- Older adults remained much more likely than younger adults to report losing money on tech support scams, prize, sweepstakes and lottery scams, and family and friend impersonation.
- Online shopping fraud continued to be the most commonly reported category of fraud in which people of all ages indicated they lost money, but older adults remained much less likely to report losing money to online shopping fraud than younger adults.
- Losses to investment scams continued to soar, becoming the top fraud type based on aggregate reported losses by older adults generally. But for those 80 and over, prize, sweepstakes and lottery scams remained the costliest.
- Aggregated reported losses and the number of reports indicating money was lost by older adults were highest for online frauds, but reported median individual losses continued to be highest for frauds that started with a phone call.
- Aggregate losses reported by older adults were highest on bank transfers or payments, followed by cryptocurrency. Credit cards and gift cards were the fraud payment methods most frequently reported by older adults.<sup>83</sup>
- Analysis points to differences in how older adults in different demographic populations may experience fraud. Most notably, older adults most likely to be Asian American and Pacific Islander<sup>84</sup> reported a much higher share of losses to investment scams, and older adults most likely to be Black reported a higher share of losses to prize, sweepstakes and lottery scams.
- Working with two different assumptions on the underreporting of fraud, we estimate the overall cost of fraud to older adults to be \$5.9 billion or \$48.4 billion. These figures

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<sup>83</sup> The gift card payment method includes cards that hold a specific cash value that can be used for purchases and reload cards such as MoneyPak that are used to add value to these cards.

<sup>84</sup> See *infra* note 99 which describes the method used to impute race and ethnicity for this report.



reflect a considerable degree of uncertainty because the scale of underreporting, particularly when losses are high, is not well understood.

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 Adults Who Filed Fraud Reports Avoided Losing Any Money**

As in previous years, the overwhelming majority of Sentinel fraud reports filed in 2022 by people 60 or over did not indicate any monetary loss. Figure 1, which controls for population size,<sup>85</sup> shows that older adults were 57% more likely to file these no-loss reports about fraud they had spotted or encountered—but avoided losing money on—than people ages 18-59.<sup>86</sup> Moreover, consistent with previous years, older adults were 18% less likely to report losing money to fraud than people ages 18-59. 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 victimization” for the various categories of frauds included in the survey was generally lower for those 65 and older than for younger consumers.<sup>87</sup>

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<sup>85</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, 2017-2021 American Community Survey 5-Year Estimates*.

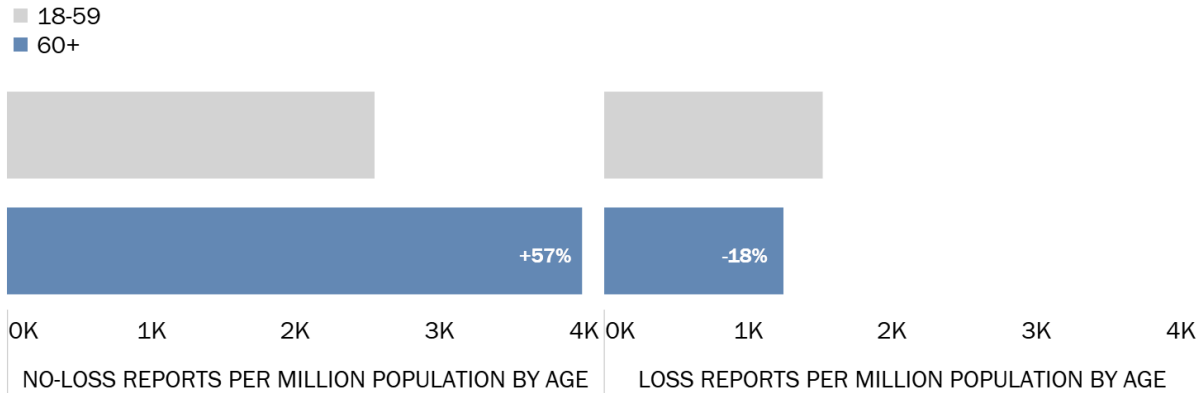
<sup>86</sup> The largest share of 2022 no-loss reports by older adults were about phone scams, and these were most often calls from scammers impersonating government agencies and businesses.

<sup>87</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>.



**FIGURE 1: 2022 FRAUD LOSS AND NO-LOSS REPORTS PER MILLION POPULATION BY AGE**

Older adults were 57% *more likely* than consumers ages 18-59 to file fraud reports with no reported dollar loss, but 18% *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, 2017-2021 American Community Survey 5-Year Estimates. Reports provided by IC3 are excluded.

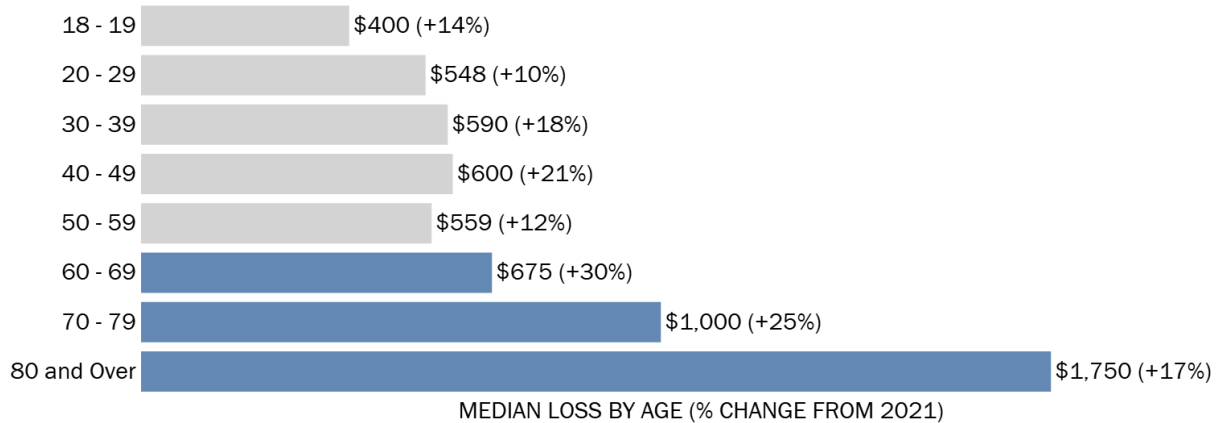
**b. Older Adults Reported Higher Median Individual Dollar Losses than Younger Consumers**

In 2022, as in previous years, younger consumers were more likely to report losing money to fraud than older adults, but older adults who did report losing money reported higher median individual losses (see Figure 2). People 80 and over reported median individual losses of \$1,750, far higher than any other age group. The reported median individual dollar loss increased for all age groups in 2022 as compared to 2021.



**FIGURE 2: 2022 MEDIAN INDIVIDUAL MONETARY LOSS REPORTED BY AGE**

Older adults reported higher median fraud losses than younger age groups, and median losses increased for all age groups compared to 2021.



Percent change from 2021 shown in parentheses. Median losses calculated based on reports in each age group indicating a monetary loss of \$1 to \$999,999. Reports provided by IC3 are excluded.

Some Sentinel reports are filed on behalf of consumers by adult children, spouses, caretakers, or others. As in prior years, 2022 Sentinel data show that adults ages 80 and over were more likely than other age groups to have a Sentinel report filed on their behalf. Over 16% 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>88</sup>

### **c. Some Types of Fraud Affected Older Adults Differently from Younger 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 blue bars show loss reports submitted by older adults (age 60 and over), and the gray lines show loss reports filed by younger people (ages 18-59) for each type 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 2022. Older adults were: 1) over six times, or 517%, more likely than younger people to report losing money on a tech support scam; 2) more than twice as likely to report a loss on a prize, sweepstakes, or lottery scam; and 3) 73% more likely to report a loss on a family or friend impersonation scam. Although older adults continued to be

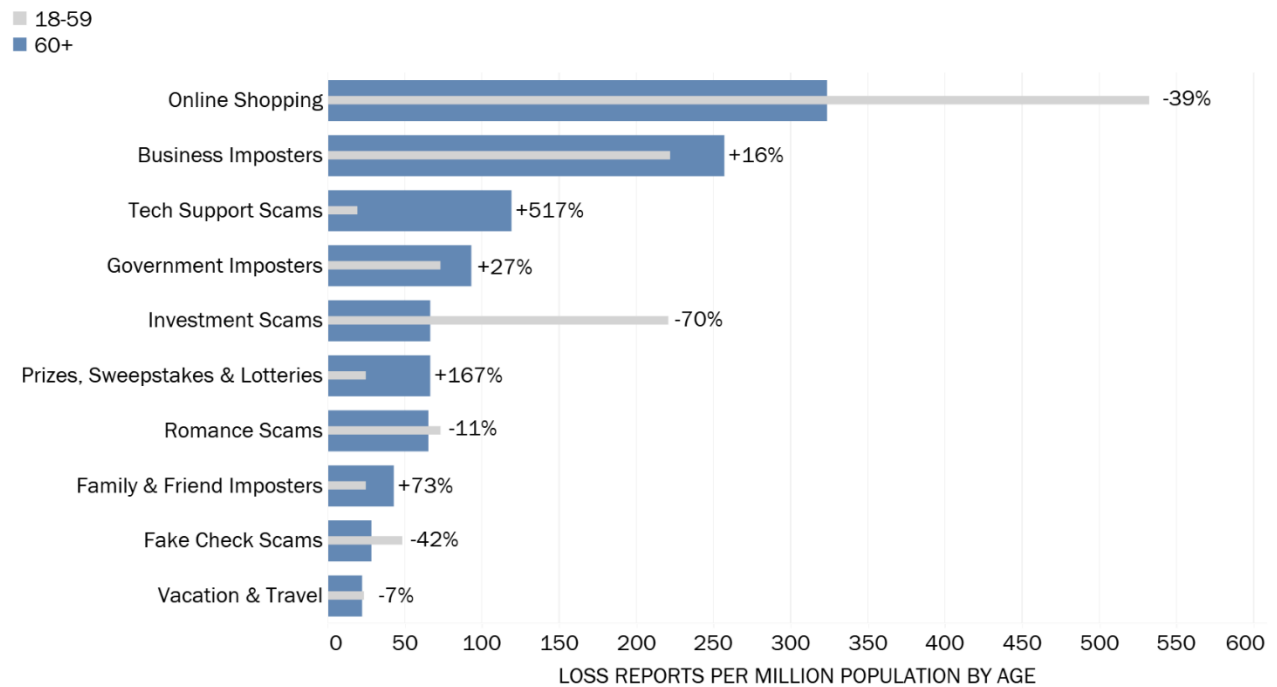
<sup>82</sup> The percentage of reports submitted by another person on behalf of a consumer in 2022 were as follows: 16.3% (80 and over), 5.3% (70-79), 3.1% (60-69), 2.5% (50-59), 2.2% (40-49), 1.9% (30-39), 2.2% (20-29), and 3.9% (18-19). These figures exclude reports collected by Sentinel data contributors because of differences in identifying reports submitted by third parties.



less likely than younger people to report losing money to online shopping fraud, the number of loss reports submitted by older adults on this fraud type continued to exceed any other category of fraud reported by older adults.

**FIGURE 3: 2022 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 18-59.



Fraud types are ranked by the number of loss reports filed by consumers 60 and over. Figures are normalized using U.S. Census Bureau data for population by age. See U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates. Reports categorized as unspecified and reports provided by IC3 are excluded.

Analysis of total dollars reported lost by older adults by fraud type, shown in Figure 4, highlights the tremendous financial harm caused by investment scams, business impersonation scams, and romance scams. Reported losses by older adults to investment scams continued to soar, increasing from \$147 million in 2021 to \$404 million in 2022.<sup>89</sup> These reports often describe fake cryptocurrency investment opportunities that target people through ads, posts, and messages

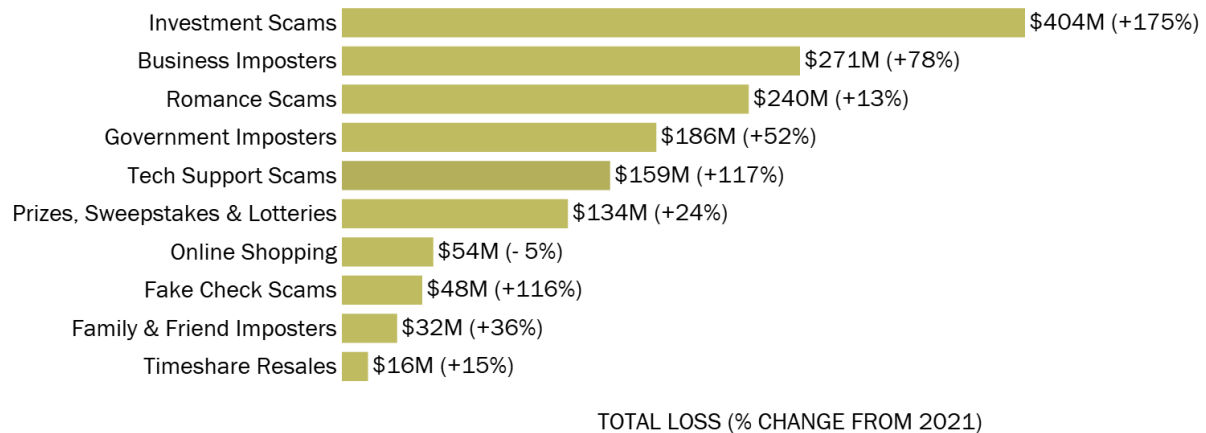
<sup>89</sup> Here and throughout this section of the report, investment scams refer to fraud reports classified as miscellaneous investments and investment advice and stocks and commodity futures trading.



on social media platforms.<sup>90</sup> Losses to business impersonation scams by older adults increased 78%, with Amazon impersonators once again the most frequently reported.<sup>91</sup> Reported losses to romance scams by older adults increased 13%, topping the record levels seen in 2021.<sup>92</sup> For adults 80 and over, the highest aggregate reported losses were again on prize, sweepstakes and lottery scams, with \$54 million reported taken in 2022.

**FIGURE 4: 2022 TOP FRAUD TYPES BY TOTAL DOLLARS LOST (AGES 60 AND OVER)**

Reports suggest that some fraud types are far more costly in aggregate than others, and losses to a number of fraud types soared from 2021 to 2022.



Percent change from 2021 is shown in parentheses. Reports categorized as unspecified and reports provided by IC3 are excluded.

<sup>90</sup> FTC Consumer Protection Data Spotlight, *Reports Show Scammers Cashing in on Crypto Craze* (June 3, 2022), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2022/06/reports-show-scammers-cashing-crypto-craze>.

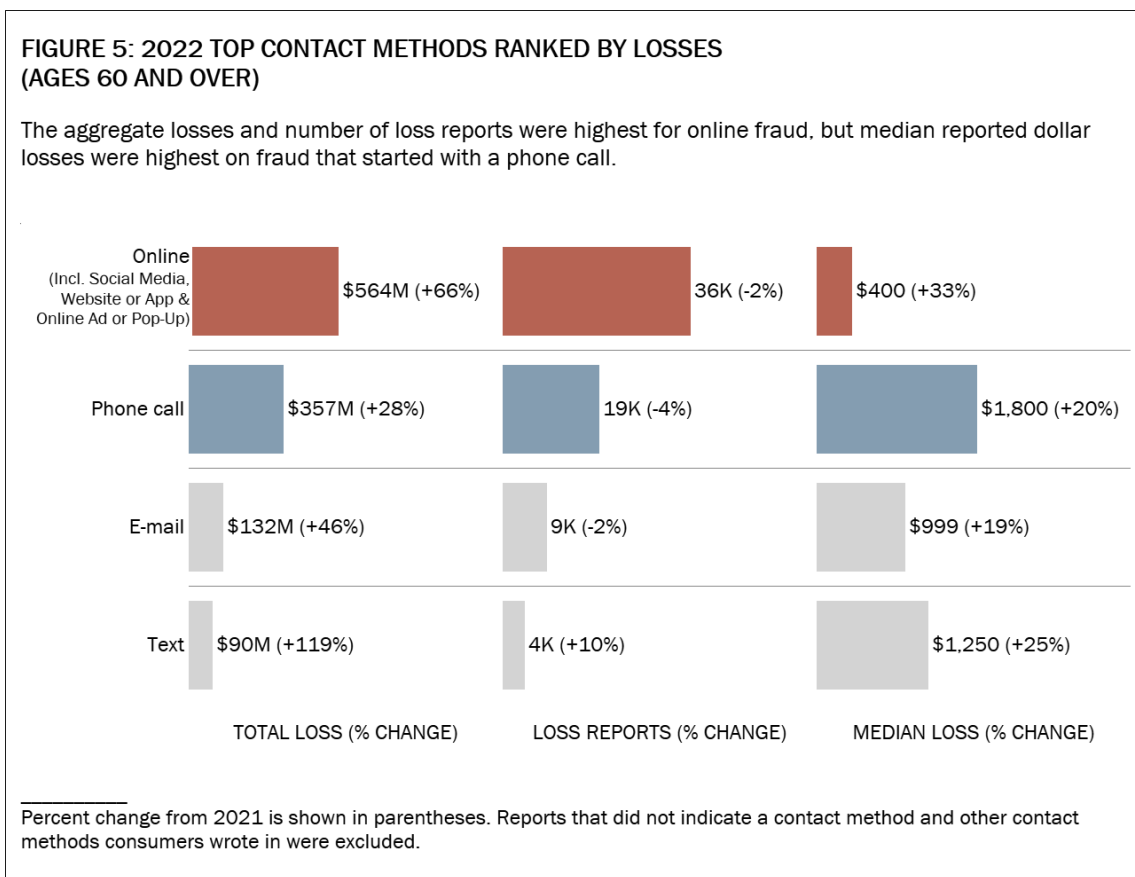
<sup>91</sup> Amazon imposters reportedly contact consumers with false claims about compromised accounts or unauthorized purchases. See FTC Consumer Protection Data Spotlight, *Amazon Tops List of Impersonated Businesses* (Oct. 20, 2021), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2021/10/amazon-tops-list-impersonated-businesses>.

<sup>92</sup> FTC Consumer Protection Data Spotlight, *Romance Scammers' Favorite Lies Exposed* (Feb. 9, 2023), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2023/02/romance-scammers-favorite-lies-exposed>.



**d. Loss Reports and Aggregate Losses were Highest on Online Fraud, but the Highest Median Individual Loss Amounts were to Fraud that Started with a Phone Call**

In 2022, as shown in Figure 5, older adults filed nearly twice as many loss reports about online fraud as phone fraud,<sup>93</sup> and their aggregate reported losses to online fraud were also higher. However, 2022 reported median individual losses remained far higher for phone fraud at \$1,800 compared to \$400 for online fraud. Among the online contact methods, social media continued to stand out, with total reported losses increasing from \$163 million in 2021 to \$277 million in 2022.<sup>94</sup> Also notable were text scams, which were second only to phone calls on median individual reported losses by older adults. The total loss amount reported by older adults on text scams more than doubled from \$41 million in 2021 to \$90 million in 2022.



<sup>93</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 category separate from phone frauds.

<sup>94</sup> Median individual losses by older adults on scams reported as starting on social media increased from \$460 in 2021 to \$800 in 2022.

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 impersonation scams followed by government impersonation scams and prize, sweepstakes and lottery scams. When social media was the contact method, older adults most often reported losing money to online shopping scams, but their highest aggregate reported losses were on investment scams followed by romance scams.<sup>95</sup> The largest share of text scam reports by older adults were about texts impersonating well-known businesses, particularly banks.<sup>96</sup>

People 80 and over were once again an exception. This age group continued to file loss reports about phone fraud at higher rates than online fraud.<sup>97</sup> Their aggregate reported loss to phone fraud in 2022 was \$86 million, compared to \$40 million reported lost to online fraud. About 44% of their phone fraud losses were on prize, sweepstakes and lottery scams.

#### **e. Bank Transfers and Cryptocurrency Held the Top Spot for Total Dollars Lost, but Credit Cards and Gift Cards Were the Most Frequently Reported Payment Methods**

People reporting fraud frequently indicate the payment method they used. The first column in Figure 6 shows the aggregate dollar losses that older adults reported for the payment methods shown. Aggregate losses reported by older adults were highest on bank transfers and payments followed by cryptocurrency. While the largest share of reported losses by older adults using both these payment methods was on investment scams, reported losses using these methods increased across a number of scam types, including scams impersonating businesses and government agencies, romance scams, and tech support scams, among others.

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<sup>95</sup> In 2022, 49% of aggregate reported losses by older adults to fraud originating on social media were on investment scams and 29% were on romance scams.

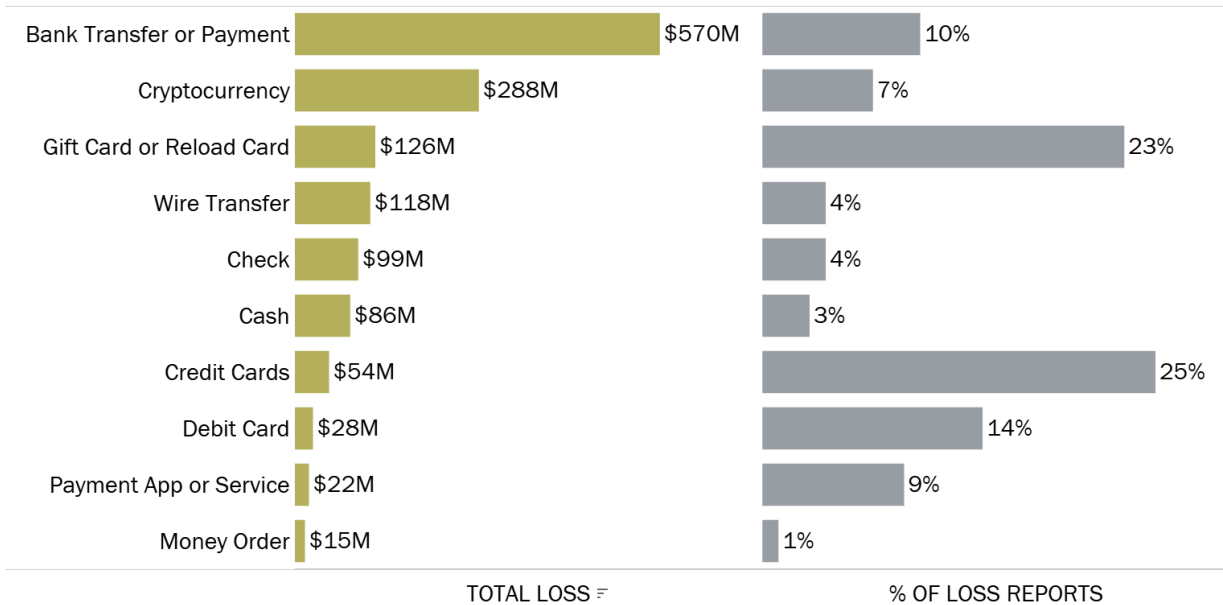
<sup>96</sup> FTC Consumer Protection Data Spotlight, *IYKYK: The Top Text Scams of 2022* (June 8, 2023), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2023/06/iykyk-top-text-scams-2022>.

<sup>97</sup> In 2022, adults 80 and over filed 3,182 loss reports about fraud that started with a phone call and 2,430 loss reports about fraud that started online, with a median reported loss of \$3,400 and \$700 respectively.



**FIGURE 6: 2022 TOTAL LOSSES AND LOSS REPORTS BY PAYMENT METHOD (AGES 60 AND OVER)**

Bank transfers and payments and cryptocurrency were highest on total reported dollar losses, but credit cards and gift cards were the most frequently reported payment methods.



Reports that did not indicate a payment method and other payment methods consumers wrote in were excluded.

The second column in Figure 6 shows that, in 2022, older adults most often reported paying scammers with credit cards followed by gift cards. About half their reported credit card payments were on online shopping fraud, while their reported gift card payments were overwhelmingly on impersonation scams.

#### **f. Identifying Differences in Fraud and Consumer Issues Affecting Older Adults of Color**

FTC research and analysis has demonstrated that different demographic communities report different types of fraud at different rates.<sup>98</sup> This section seeks to identify trends for older adults in Black, Latino, and Asian American and Pacific Islander (“AAPI”) populations. Although the FTC does not collect race and ethnicity information directly from consumers, a method to impute race and ethnicity using name and zip code information has been applied for the purpose of

<sup>98</sup> FTC Staff Report, *Serving Communities of Color* at 41-46 (Oct. 2021), available at [https://www.ftc.gov/system/files/documents/reports/serving-communities-color-staff-report-federal-trade-commissions-efforts-address-fraud-consumer/ftc-communities-color-report\\_oct\\_2021-508-v2.pdf](https://www.ftc.gov/system/files/documents/reports/serving-communities-color-staff-report-federal-trade-commissions-efforts-address-fraud-consumer/ftc-communities-color-report_oct_2021-508-v2.pdf).



identifying any trends in reporting.<sup>99</sup> Using this method, 48,001 fraud reports filed in 2022 from older adults most likely to be Black, Latino, and AAPI were identified for analysis.<sup>100</sup> The results show differences in the reported fraud types and payment methods for each community, as well as larger reported losses for older adults most likely to be AAPI.

Figure 7 shows top fraud types by the share of total reported fraud losses by older adults most likely to be Black, Latino, and AAPI. The gray bars represent all reports by older adults, including reports where no race/ethnicity prediction was made. Each colored bar shows the share of total losses from each demographic group from various types of fraud. The data suggest that the fraud types with the highest reported dollar losses for older adults as a whole are also among the most costly for Black, Latino and AAPI older adults. However, differences are also evident. Most notably, 62% of all reported losses by older adults most likely to be AAPI were on investment scams, compared to 27% of all reported losses by older adults. The median reported loss to investment scams by older adults most likely to be AAPI was a staggering \$100,000. These reports most often describe fake cryptocurrency investment opportunities. Of reports from older adults most likely to be Black, prize, sweepstakes and lottery scams stood out at 16% of the total reported losses for this group compared to 9% for older adults generally. The largest share of these losses was on scams in which consumers reported that the scammers claimed a connection with Publishers Clearing House. Differences were less pronounced for older adults most likely to be Latino.

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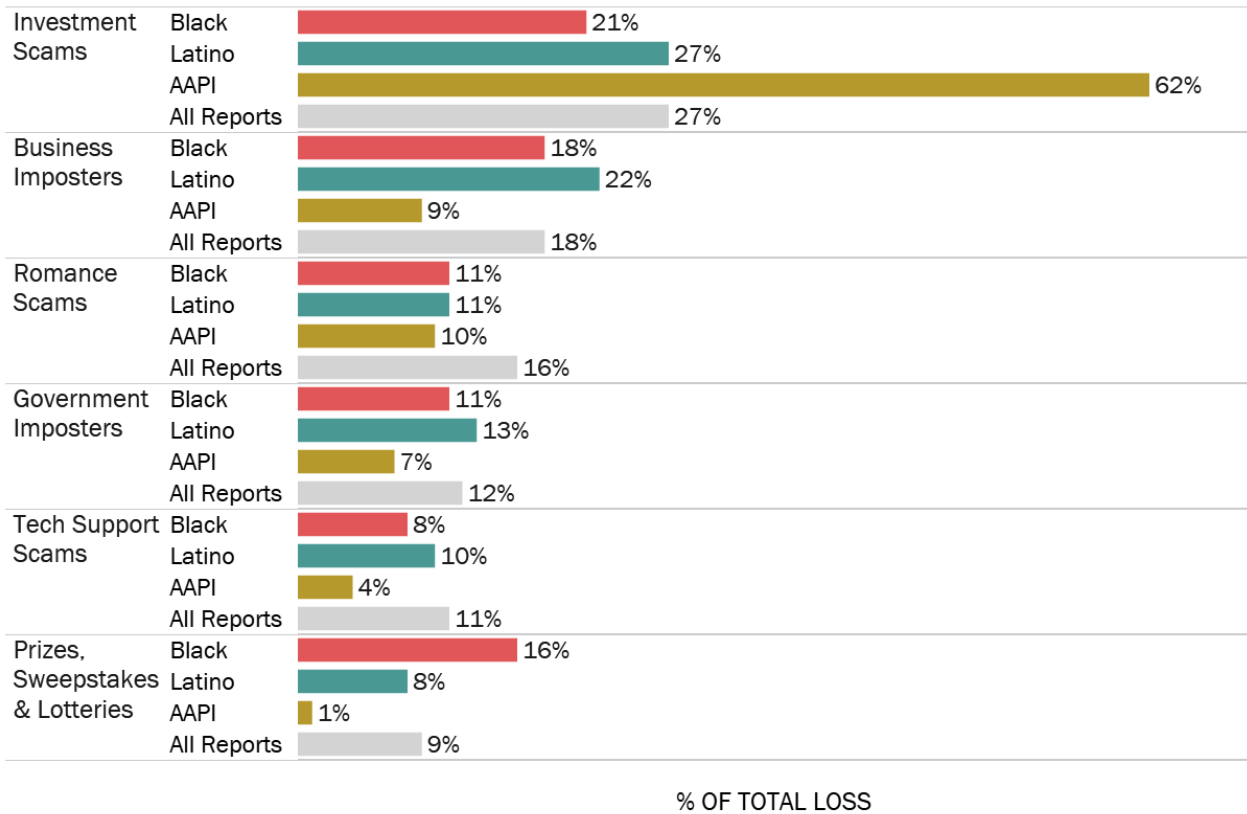
<sup>99</sup> The procedure used to impute race and ethnicity for this report combines information from a consumer's first name, surname, and home zip code, with a method known as Bayesian Improved First Name Surname Geocoding (BIFSG). Where BIFSG could not be applied, race/ethnicity probabilities were determined using surname and zip code (BISG) and using zip code alone where surname could not be used. Race/ethnicity was not predicted for reports that did not include a U.S. zip code. Consumers were then classified according to their largest single race/ethnicity probability. To check for robustness, statistics were also computed using race probabilities as weights and threshold classification methods to ensure that the findings broadly held across methodologies. BISG is a standard technique in fair lending analysis for banking supervision, originally explored in Mark N. Elliott *et al.*, *Using the Census Bureau's Surname List to Improve Estimates of Race/Ethnicity and Associated Disparities*, Health Services and Outcomes Research Methodology 9, no. 2. (2009). For more information on BIFSG, see Ioan Voicu, *Using First Name Information to Improve Race and Ethnicity Classification*, Statistics and Public Policy, Volume 5, Issue 1 at 1-13 (2018), available at <https://www.tandfonline.com/doi/full/10.1080/2330443X.2018.1427012>.

<sup>100</sup> The number of 2022 reports identified for analysis for each group were as follows: 23,602 Black, 17,112 Latino, and 7,287 AAPI. Note that this information only includes a fraction of the older adults in these populations who experienced fraud. One study has shown that only about 4.8 percent of the victims of mass-marketing consumer fraud complained to the Better Business Bureau or a government agency. 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). Further, research involving nine consumer protection matters found that heavily Black and Latino areas complained substantially less relative to their rate of victimization after controlling for other demographic characteristics. See Raval, D., *Whose Voice Do We Hear in the Marketplace?: Evidence from Consumer Complaining Behavior*, Marketing Science (2020), 39 (1), 168-87, available at <http://deveshraval.github.io/complaintBehavior.pdf>.



## FIGURE 7: 2022 TOP FRAUD TYPES

SHARE OF TOTAL LOSSES BY RACE AND ETHNICITY (AGES 60 AND OVER)



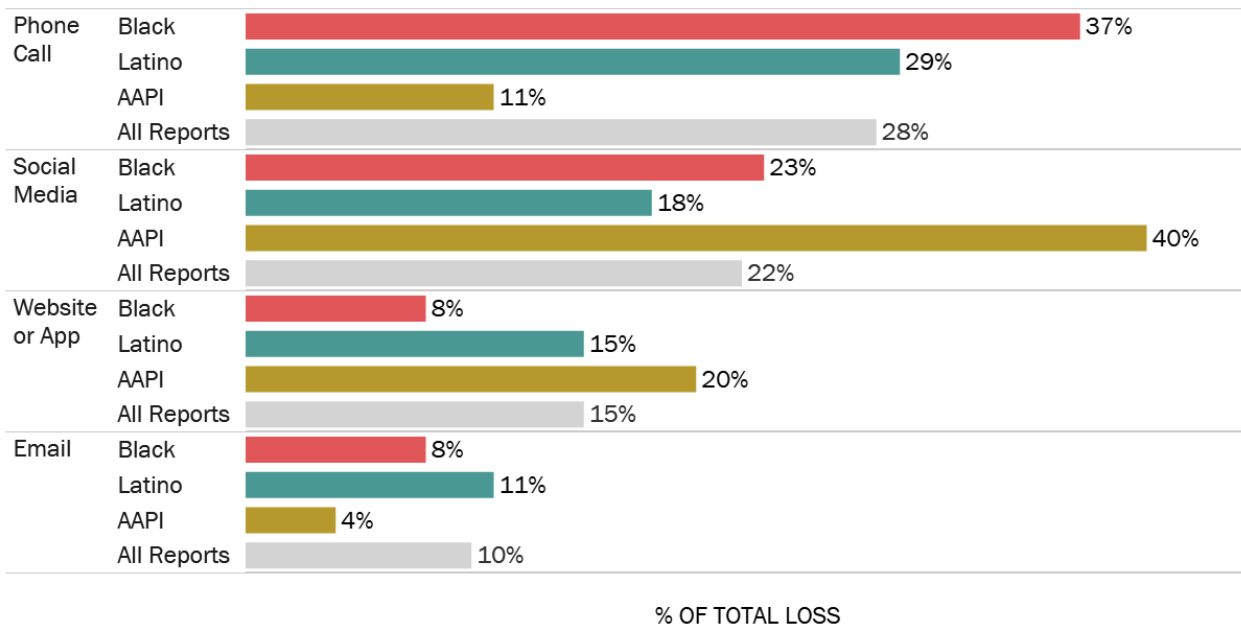
Top fraud types are ranked by reported fraud losses by older adults. Reports categorized as unspecified and reports provided by IC3 are excluded. Reports can be classified as more than one fraud type. The method used to impute race and ethnicity uses a procedure that combines information from a consumer's first name, surname, and home zip code. Consumers were classified according to their largest single race/ethnicity probability.

Figure 8 shows the differences in the top fraud contact methods reported by older adults for each demographic group by the share of total reported fraud losses. Phone fraud accounted for a larger share of the fraud losses reported by older adults most likely to be Black. The largest share of these losses were to scams impersonating Publishers Clearing House. A much larger share of aggregate losses by older adults most likely to be AAPI were to scams that started with an ad,

post or contact on social media. These reported losses were overwhelmingly on investment scams.<sup>101</sup>

### FIGURE 8: 2022 TOP CONTACT METHODS

SHARE OF TOTAL LOSSES BY RACE AND ETHNICITY (AGES 60 AND OVER)



Top contact methods are ranked by reported fraud losses by older adults. Reports that do not indicate a contact method, other contact methods consumers write in, and reports provided by IC3 are excluded. The method used to impute race and ethnicity uses a procedure that combines information from a consumer's first name, surname, and home zip code. Consumers were classified according to their largest single race/ethnicity probability.

Figure 9 shows the differences in the top fraud payment methods reported by older adults for each of the three demographic groups. A larger share of aggregate losses and loss reports by older adults most likely to be AAPI were to scams that took money by bank transfer or payment and cryptocurrency. The largest share of these losses was on investment scams. About one in four loss reports by older adults most likely to be Black and Latino indicated gift card as the payment method. These losses were most often on scams impersonating businesses and government agencies.

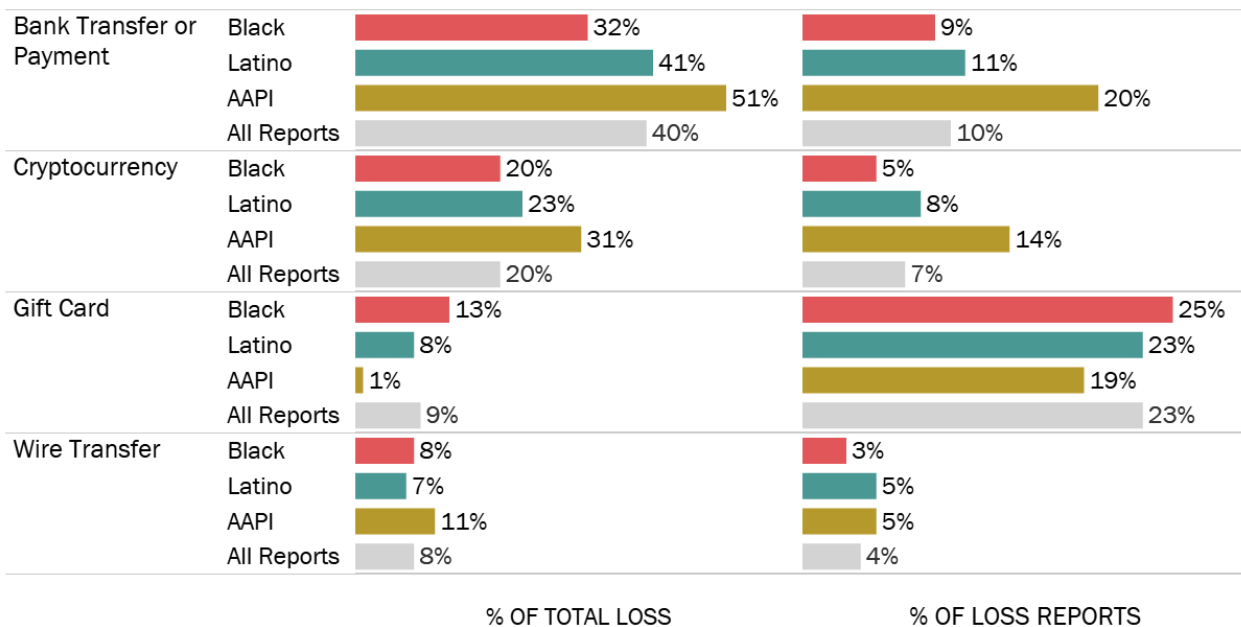
<sup>101</sup> In 2022, older adults most likely to be AAPI reported losing \$46 million to fraud that started with an ad or contact on social media. About \$37 million of these losses were on investment scams.





## FIGURE 9: 2022 TOP PAYMENT METHODS

SHARE OF TOTAL LOSSES AND LOSS REPORTS BY RACE AND ETHNICITY (AGES 60 AND OVER)



Top payment methods are ranked by reported fraud losses by older adults. Reports that do not indicate a payment method, other payment methods consumers write in, and reports provided by IC3 are excluded. The method used to impute race and ethnicity uses a procedure that combines information from a consumer's first name, surname, and home zip code. Consumers were classified according to their largest single race/ethnicity probability.

Fraud reports from older adults in each demographic group also show differences in individual loss amounts and the share of reports that indicated any money was lost. The median reported loss in 2022 was \$750 for the older adults most likely to be Black, \$959 for older adults most likely to be Latino, and \$2,500 for older adults most likely to be AAPI, compared to \$850 for all older adults. Aggregate reported losses were also highest for older adults most likely to be AAPI at \$138 million compared to \$78 million and \$72 million for older adults most likely to be Black and Latino, respectively. As with older adults generally, most fraud reports from the three demographic groups were no-loss reports.<sup>102</sup>

<sup>102</sup> In 2022, 24% of fraud reports by all older adults indicated a monetary loss. The share of fraud reports indicating a monetary loss for each demographic group was as follows: 27% (Black), 26% (Latino), and 29% (AAPI).



## g. Estimating the Overall Cost of Fraud to Older Adults

While Sentinel provides invaluable information about the nature of fraud, as well as broad trends in fraud, estimating the cost of fraud to older adults is challenging when the data available is limited. What's reported to Sentinel and its contributors is far less than the fraud people actually experience. This underreporting results in an incomplete picture of the scale of the problem. For example, while many people don't report fraud at all, others might report it to an authority that doesn't share reports with Sentinel. Or they might report it to an authority that shares with Sentinel only some of the data they collect.<sup>103</sup> Furthermore, some populations may have lower reporting rates than others, and some frauds may be less likely to be reported than others. Finally, people who lose large amounts of money might be more likely to report the fraud than people who lose less.

What *is* clear is that the scale of the underreporting problem is uncertain. An FTC study of mass market fraud analyzed several FTC surveys and found that just 2.6% of consumers who experience fraud said that they reported the incident to a government agency. However, the frauds covered in these surveys generally resulted in low loss amounts.<sup>104</sup>

One novel study took a more direct approach, matching FTC enforcement data in nine cases to consumer reports about the same companies.<sup>105</sup> Affected consumers named in case records were compared to consumer reports to determine whether each consumer had reported their experience to the FTC or other data contributors. These results show an average 2.0% reporting rate in the cases with average losses of less than \$1,000 and a 6.7% reporting rate in cases with an average loss of over \$1,000. None of the cases in the study had an average loss of \$10,000 or more.

To extrapolate the missing losses and better estimate the cost of fraud – albeit with a considerable degree of uncertainty – we take two approaches using these estimated reporting rates. First, we assume that Sentinel includes just 2.0% of all losses from consumers who lost under \$1,000, and 6.7% of all losses from consumers who lost \$1,000 or more. Given these

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<sup>103</sup> Most notably, Sentinel contains only a subset of the fraud reports collected by BBB and IC3, and 2022 BBB reports do not generally include a dollar loss figure.

<sup>104</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). This study found that just 4.8% of consumers who experienced a fraud reported the incident to BBB or a government agency, and 2.6% to a government agency. This estimate was based on consumer self-reports. In “Mass Market Consumer Fraud in the U.S.: A 2017 Update,” Anderson found the median loss of fraud victims reporting a dollar loss amount was \$100, and the 75<sup>th</sup> percentile loss was \$250. See <https://www.ftc.gov/system/files/documents/reports/mass-market-consumer-fraud-united-states-2017-update/p105502massmarketconsumerfraud2017report.pdf>.

<sup>105</sup> See Raval, D., *Whose Voice Do We Hear in the Marketplace?: Evidence from Consumer Complaining Behavior*, *Marketing Science* (2020), 39 (1), 168-87, available at <http://deveshraval.github.io/complaintBehavior.pdf>.



assumptions, the estimated 2022 overall loss, adjusted to account for underreporting, would be \$137.4 billion,<sup>106</sup> with an estimated \$48.4 billion loss by older adults.<sup>107</sup>

Since high dollar losses account for the lion’s share of all losses reported to Sentinel and its contributors, the first approach might overestimate unreported fraud losses.<sup>108</sup> A second, more conservative approach assumes that reporting rates are higher still for much more costly frauds. If we assume that 100% of people who experienced losses of \$10,000 or more reported, and are therefore included in Sentinel, we would obtain a very conservative estimate of \$20.5 billion in overall fraud losses, with \$5.9 billion lost by older adults.<sup>109</sup>

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

The FTC has continued to receive reports about scammers pretending to work at or be affiliated with the FTC.<sup>110</sup> These scammers tell a variety of lies to convince people to buy gift cards and share the codes, send cash or gold bars, buy cryptocurrency, transfer money, or share bank account information. Recently, scammers have been telling people that their money, including their retirement accounts, have been compromised, or are at risk of being frozen, and they should

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<sup>106</sup> The 2022 reported fraud loss figures used for this purpose are \$98.6 million (combined reported losses under \$1,000) and \$8.9 billion (combined losses of \$1,000 or more). This includes the subset of IC3 data that is contributed to Sentinel.

<sup>107</sup> About 84% of the reported losses used in this analysis included age data, and 35.5% of these losses were reported by adults 60 and older. We assumed that age data was “missing at random” conditional on loss amount; that is, that consumers who did not report age had the same age distribution as consumer who did report age for a given loss bracket. This assumption may be conservative. For example, Grosz and Raval, “Hassle Costs and Consumer Voice: Evidence from a Website Redesign” (2023) examine a change to the FTC’s reporting website that improved usability. Grosz and Raval, “Hassle Costs and Consumer Voice: Evidence from a Website Redesign (2023) available at <https://deveshraval.github.io/websiteRedesign.pdf>. Grosz and Raval find that the change both substantially increased consumer reports and reduced the share of consumers not reporting age, and the share of older adults who filed a report increased the most. This could reflect either increased reports from older adults or that older adults were more likely not to report age than other groups.

<sup>108</sup> While just 15% of people who reported a fraud loss in 2022 lost \$10,000 or more, their combined losses were equal to 93% of all 2022 losses reported to Sentinel.

<sup>109</sup> The 2022 reported fraud loss figures used for this purpose are \$98.6 million (combined reported losses under \$1,000) and \$556.6 million (combined reported losses between \$1,000 and \$10,000), and \$8.3 billion (combined reported losses of \$10,000 or more). This includes the subset of IC3 data that is contributed to Sentinel. Losses reported by older adults made up 20.6% of losses under \$1,000, 25.3% of losses between \$1,000 and \$10,000, and 36.3% of losses above \$10,000.

<sup>110</sup> FTC impersonators are one of the top 5 types of government impersonator reports. See FTC, *Explore Government Imposter Scams* (last updated July 25, 2023), available at <https://public.tableau.com/app/profile/federal.trade.commission/viz/GovernmentImposter/Infographic>; Consumer Alert, FTC, *The FTC Won’t Demand Money, Threaten You, or Promise You a Prize* (July 5, 2023), available at <https://consumer.ftc.gov/consumer-alerts/2023/07/ftc-wont-demand-money-threaten-you-or-promise-you-prize>; Consumer Alert, FTC, *Will the FTC Call or Write You? Will They Demand Money?* (Feb. 13, 2023), available at <https://consumer.ftc.gov/consumer-alerts/2023/02/will-ftc-call-or-write-you-will-they-demand-money>.



move all of the funds to “protect” them. Losses from these scams can be devastating, particularly for those losing retirement savings late in life.

The FTC has continued its program engaging with older adults who reported losing money to FTC impersonators. These adults often talk about how these scammers tell convincing stories that appear legitimate. The fact that the caller says they are with the FTC makes them a trusted voice. These adults also describe how the scammers called daily to build a rapport, lowering any suspicions as they requested more payments.

After listening to these stories, FTC staff has found it important to make sure these older adults know that the experiences were scams and the FTC will never demand money or personal information. Because these scammers are so good at what they do, it can be challenging to help people believe that FTC staff are legitimate and that the truth is that the previous callers were scammers. Taking the time to reach out to these consumers has been an important way for the FTC to hear more about these terrible scams, while empowering these older adults with information to identify and avoid such scams in the future.

## B. Coordinated Efforts to Protect Older Consumers

The FTC’s Every Community Initiative leads the agency’s strategic planning for the protection of older consumers. As highlighted in the 2021 *Serving Communities of Color Report*, different types of consumer protection issues affect different groups of people, and this 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, communities who speak languages other than English, and other groups.<sup>111</sup> The Initiative relies on research and input from numerous resources to develop strategies to prevent fraud, inform the agency’s law enforcement program, and expand outreach, including from the FTC’s Senior Fraud Advisory Office, which the FTC created pursuant to the Seniors Fraud Prevention Act of 2022,<sup>112</sup> and stakeholders in communities. These partnerships across the country have been extremely valuable in the FTC’s approach to protecting older adults in a wide range of communities from financial loss.

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<sup>111</sup> FTC Staff Report, *Serving Communities of Color: A Staff Report on the Federal Trade Commission’s Efforts to Address Fraud and Consumer Issues Affecting Communities of Color* (Oct. 2021), available at [https://www.ftc.gov/system/files/documents/reports/serving-communities-color-staff-report-federal-trade-commissions-efforts-address-fraud-consumer/ftc-communities-color-report\\_oct\\_2021-508-v2.pdf](https://www.ftc.gov/system/files/documents/reports/serving-communities-color-staff-report-federal-trade-commissions-efforts-address-fraud-consumer/ftc-communities-color-report_oct_2021-508-v2.pdf).

<sup>112</sup> The FTC’s Senior Fraud Advisory Office advises the Commission on fraud prevention strategies, monitors the market for emerging fraud trends impacting older adults, and coordinates with our law enforcement partners to disseminate consumer education regarding these new trends. *See* Fraud and Scam Reduction Act, Section 101, Division Q of the Consolidated Appropriations Act, 2022, Pub. L. No. 117-103, available at <https://www.congress.gov/117/plaws/publ103/PLAW-117publ103.pdf>. Subtitle B of the Act, referred to as the “Seniors Fraud Prevention Act of 2022,” requires the FTC to establish an Advisory Office to, among other responsibilities, advise the Commission on the prevention of fraud targeting seniors, monitor the market for fraud trends impacting older adults, and disseminate consumer education about those trends in coordination with the U.S. Department of Health and Human Services; U.S. Department of Justice; U.S. Postal Inspection Service; and U.S. Postal Service.



For example, to pursue law enforcement actions that have the largest possible impact, the FTC coordinates with federal, state, local, and international agencies, including those with criminal authority. Through partnerships, the FTC leverages resources to track down fraudsters and build cases to stop them. In particular, the FTC participates in the Global Anti-fraud Enforcement Network, a multilateral network of agencies that enforce laws prohibiting mass marketing fraud. The Network has been pivotal in enforcement actions against entities that have defrauded millions of older consumers.

The FTC has also continued to be an active member of the Elder Justice Coordinating Council, a multi-agency federal entity that coordinates activities across the federal government related to elder abuse, neglect, and exploitation. Led by the Assistant Secretary for Aging within the Department of Health and Human Services (“HHS”), the EJCC meets twice a year with the goal of better coordinating the federal response to elder abuse.<sup>113</sup> The EJCC and its staff-level working group have strengthened the FTC’s connections with other federal government offices that are also working to combat elder abuse and has facilitated valuable information sharing and coordination.

## C. Scams Against Older Adults Advisory Group

In addition to working with partners through the Every Community Initiative and the EJCC, the FTC also coordinates efforts with a wide variety of stakeholders through an Advisory Group it established pursuant to the Stop Senior Scams Act.<sup>114</sup> The Scams Against Older Adults Advisory Group is comprised of twenty-one representatives from government, industry, and consumer advocacy groups.<sup>115</sup> It held its first public meeting on September 29, 2022<sup>116</sup> where it launched

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<sup>113</sup> HHS convened the Elder Justice Coordinating Council in accordance with the Elder Justice Act passed in 2010. 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 Nov. 1, 2022), available at <https://www.acl.gov/programs/elder-justice/elder-justice-coordinating-council-ejcc>.

<sup>114</sup> Congress enacted the Fraud and Scam Reduction Act, Section 101, Division Q of the Consolidated Appropriations Act, 2022, Pub. L. No. 117-103 on March 15, 2022. *See* <https://www.congress.gov/117/plaws/publ103/PLAW-117publ103.pdf>. Subtitle A of the Act, referred to as the “Stop Senior Scams Act,” requires the FTC to create an Advisory Group comprised of various members, including those identified in the Act.

<sup>115</sup> The Advisory Group is comprised of representatives of the following entities: AARP; AmeriCorps Senior; Chamber of Digital Commerce; Commodity Futures Trading Commission; Consumer Financial Protection Bureau; Federal Deposit Insurance Corporation; Federal Reserve Board; Federal Trade Commission; Financial Crimes Enforcement Network; Financial Industry Regulatory Authority; Innovative Payments Association; National Retail Federation; Office of the Attorney General for the State of Vermont; Retail Gift Card Association; Securities and Exchange Commission; The Money Services Round Table; U.S. Department of Health and Human Services; U.S. Department of Justice; U.S. Department of Treasury; U.S. Postal Inspection Service; and USTelecom.

<sup>116</sup> Press Release, FTC, *FTC to Convene First Meeting of Scams Against Older Adults Advisory Group on Sept. 29* (Sept. 12, 2022), available at <https://www.ftc.gov/news-events/news/press-releases/2022/09/ftc-convene-first-meeting-scams-against-older-adults-advisory-group-sept-29>; *see also* FTC, *Scams Against Older Adults Advisory*



four initiatives to address fraud impacting older adults. These initiatives are focused on: 1) expanding consumer education efforts; 2) improving industry training on scam prevention; 3) identifying innovative or high-tech methods to detect and stop scams; and 4) developing research on consumer or employee engagement to reduce fraud. To tackle these initiatives, the Advisory Group formed four committees led by the FTC and one or more Advisory Group members, and invited interested members of the public with relevant expertise to submit applications to join a committee. The FTC and the committee co-leads also identified key stakeholders and extended invitations to those partners to assist the Advisory Group’s work. As a result of broad public interest and the Advisory Group’s recruiting efforts, the four committees include a diverse array of collaborators with expertise from academia; local, state and federal government; trade associations, businesses, and other industry members; and consumer advocacy and other non-profit organizations, which are all joining forces to help stop scams from impacting older adults.<sup>117</sup> The committees began meeting regularly in December 2022, and are focused as follows:

***Consumer Education Committee.*** The Consumer Education Committee is led by AmeriCorps, Cuyahoga County Consumer Affairs, FTC, and the U.S. Department of Treasury. The committee’s work is divided into two parts: the Outreach Subcommittee and the Guiding Principles Subcommittee. The Outreach Subcommittee is working to identify more effective ways to reach older adults. To help older adults protect themselves from scams, subcommittee members are implementing test pilot projects that involve sharing consumer education materials with an expanded network of trusted community members. Members of this subcommittee are using the pilot projects to experiment with new materials, partnerships, or other communication channels to see if they result in better outcomes than their traditional outreach methods. For example, the FTC’s own pilot, the Fraud Fighters outreach program, builds on the *Pass It On* campaign, offering train-the-trainer sessions to a range of participants to determine if it enhances the experience and results for participants and their respective audiences. The subcommittee meets monthly to discuss important topics and assist members design or implement their pilot projects, including the importance of word choice and plain language in messaging, the needs and challenges of offering and delivering in-language resources, and the benefits of building partnerships.

The Guiding Principles Subcommittee is working to glean principles to help people and organizations of all types more effectively reach older adults on scam-related topics. They are doing this by drawing on members’ own experiences from prior outreach efforts. Subcommittee members derive their expertise from varied backgrounds including local, state, and federal government, industry, and non-profit organizations. Members meet monthly to share their

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Group Meeting (Sept. 2022), available at <https://www.ftc.gov/news-events/events/2022/09/scams-against-older-adults-advisory-group-meeting>.

<sup>117</sup> Press Release, FTC, *FTC Announces Members of the Stop Senior Scams Act Advisory Committees Aimed at Protecting Older Adults Against Scams* (Dec. 7, 2022) available at <https://www.ftc.gov/news-events/news/press-releases/2022/12/ftc-announces-members-stop-senior-scams-act-advisory-committees-aimed-protecting-older-adults> (last visited July 5, 2023); see also FTC, *Scams Against Older Adults Committee Members* (last visited Sept. 2023), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/ssa-committee-list.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/ssa-committee-list.pdf).



outreach experiences, including materials used, research conducted or relied on, and any measured outcomes from their past outreach campaigns. The two subcommittees will distill their discussions and learnings into a document outlining guiding principles and best practices that many different organizations can utilize to enhance their fraud prevention communications with older adults.

***Industry Training Committee.*** The Industry Training Committee is led by AARP and the FTC. The committee’s work is focused on implementing the Stop Senior Scams Act’s mandates by collecting information on employee training and educational materials used by industry and discussing how they can be used as a guide to educate employees on identifying and preventing scams that affect older adults. Committee members come from a wide range of industries including financial institutions, digital assets, gift cards, wire transfers, retail, and other payment companies. Committee members also include consumer advocates, trade associations, and state and federal government. The committee has identified several principles of effective employee training and is meeting regularly to discuss each principle in greater depth. In its meetings, committee members volunteer to explain how their organization approaches a particular principle and share examples of their training materials that illustrate their approach. The committee will produce, among other outputs, a guidance document describing the principles of effective employee training that can be applied and adapted to any industry segment.

***Technology and New Methods Committee.*** The Technology and New Methods Committee is led by the Consumer Financial Protection Bureau, FTC, U.S. Department of Justice, and USTelecom. The committee’s work is concentrated on identifying technologies that can help stakeholders spot scams and promoting other ways that stakeholders can collaborate to provide greater protection to older adults from the impact of fraud. For example, this collaboration could include sharing data and information more broadly to make fraud detection easier. Since December 2022, the committee meets monthly and has focused on sharing information regarding the strategies and techniques committee members currently use to detect and stop scams. Committee members come from a diverse range of industries, and sharing information on their different approaches to mitigate fraud has been educational for the members. The committee has also invited guest speakers to present to the members on different models of effective industry collaboration. The committee will collate a list of possible collaborations that can help provide older adults additional protection from the impacts of fraud, and committee members will commit to working on one or more of these projects.

***Scam Prevention Research Committee.*** The Scam Prevention Research Committee is led by the Consumer Financial Protection Bureau, FTC, Financial Industry Regulatory Authority, International Association of Better Business Bureaus, and the U.S. Department of Justice. The committee draws expertise from fraud prevention experts from non-profits, government, industry, as well as several researchers who have authored studies relevant to the Commission’s work. The committee has completed an initial survey of the relevant research, with a focus on research addressing fraud prevention messaging. The committee is synthesizing the information they have reviewed. The committee plans to identify key takeaways that can serve as a resource for the Consumer Education Committee as it prepares information to assist those who prepare consumer messaging or education on scam prevention on how they can integrate research-based recommendations into existing scam prevention methods. The Scam Prevention Research Committee also plans to prepare a resource that will highlight research gaps and propose



questions that warrant further exploration to encourage additional research on these topics. This document can serve as a reference for both researchers developing proposals and for agencies and organizations that are interested in funding research on scam prevention.

## V. Conclusion

The FTC is committed to protecting older adults through aggressive law enforcement, continuing research efforts, and effective outreach and education. It will persist in using all these tools, while also coordinating with a wide range of stakeholders, as it works to protect older adults in the future.





### Appendix A – Federal Trade Commission FY 2023

Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
Federal Trade Commission v. Passport Automotive Group, Inc., <i>et al.</i>	8:22-cv-02670	District of Maryland	10/18/2022	Equal Credit Opportunity Act (ECOA)	Alleged the defendants participated in deceptive and unfair acts or practices in the advertising, sales, and financing of motor vehicles.	Settlement
In the Matter of Drizly, LLC	FTC Matter No. 2023185	FTC Administrative Matter	10/24/2022	Data Privacy/Security	Alleged that security failures by the defendants, including the company and CEO, led to a data breach exposing the personal information of about 2.5 million consumers.	Consent Order
In the Matter of Chegg, Inc.	FTC Matter No. 2023151	FTC Administrative Matter	10/31/2022	Data Privacy/Security	Alleged the defendant's lax data security practices exposed sensitive information about millions of its customers and employees.	Consent Order
Federal Trade Commission, The People of the State of California v. Ygrene Energy Fund Inc.	2:22-CV-07864	Central District of California	10/28/2022	Mortgage Acts and Practices Advertising Rule	Alleged defendant deceived consumers about the potential financial impact of its financing and unfairly recorded liens on consumers' homes without their consent.	Settlement



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
Federal Trade Commission v. Vonage Holdings Corp., <i>et al.</i>	3:22-cv-6435	District of New Jersey	11/3/2022	Restore Online Shoppers' Confidence Act (ROSCA)	Alleged the defendants unfairly charged consumers without their express informed consent and failed to provide simple mechanisms to cancel their service.	Settlement
Federal Trade Commission v. ACRO Services LLC, <i>et al.</i>	3:22-cv-00895	Middle District of Tennessee	11/7/2022	Telemarketing Sales Rule (TSR)/Credit Repair	Alleged the defendants violated the TSR by using telemarketers to call consumers and pitch their deceptive credit card debt relief scheme.	Default Judgment
Federal Trade Commission v. DK Automation LLC, <i>et al.</i>	1:22-cv-23760	Southern District of Florida	11/16/2022	Business Opportunity Rule/Consumer Review Fairness Act (CRFA)	Alleged the defendants made false or unsubstantiated earnings claims, violated the Business Opportunity Rule by making false claims and failing to provide required disclosures, and violated prior Commission decisions regarding money-making claims and endorsements.	Settlement
Federal Trade Commission v. Precision Patient Outcomes, Inc., <i>et al.</i>	4:22-cv-07307	Northern District of California	11/18/2022	COVID-19 Consumer Protection Act (CCPA)	Alleged the defendants deceptively advertised that their dietary supplement "COVID/VIRUS Resist" treats, prevents, or mitigates COVID-19.	Litigation Ongoing



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
United States of America, State of Wisconsin v. Consumer Law Protection LLC., <i>et al.</i> (Square One)	4:22-cv-01243	Eastern District of Missouri	11/21/2022	FTC's Cooling Off Rule	Alleged the defendants scammed consumers—mostly older adults—out of more than \$90 million in a massive timeshare exit scam.	Litigation Ongoing
In the Matter of Google LLC and iHeartMedia, Inc.	FTC Matter No. 2023092	FTC Administrative Matter	11/28/2022	False Endorsement Claims	Alleged the defendants had on-air talent make false endorsement claims for the Google Pixel 4 phone.	Consent Order
United States of America v. Epic Games, Inc.	5:22-CV-00518	Eastern District of North Carolina	12/19/2022	Children's Online Privacy Protection Rule (COPPA) and use of unfair design	Alleged the defendants violated the Children's Online Privacy Protection Act (COPPA) and used unfair default settings that exposed users to harm.	Settlement
In the Matter of Epic Games, Inc.	FTC Matter No. 1923203	FTC Administrative Matter	12/19/2022	Unfair Billing Practices and Unfair Denial of Account Access	Alleged the defendants used dark patterns and other deceptive practices to trick players into making unwanted purchases and let children rack up unauthorized charges without any parental involvement.	Consent Order



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
United States of America v. Eliza Johnson Bacot	1:23-cv-00058	Northern District of Georgia	1/5/2023	COVID-19 Consumer Protection Act	Alleged the defendant made numerous claims about the ability of various doTERRA products to prevent, treat, or cure COVID-19.	Settlement
United States of America v. Dr. Tina Wong	2:23-cv-00063	Central District of California	1/5/2023	COVID-19 Consumer Protection Act	Alleged the defendant made numerous claims about the ability of various doTERRA products to prevent, treat, or cure COVID-19.	Settlement
United States of America v. Lauren Busch	2:23-cv-00009	District of Utah	1/5/2023	COVID-19 Consumer Protection Act	Alleged the defendant made numerous claims about the ability of various doTERRA products to prevent, treat, or cure COVID-19.	Settlement
Federal Trade Commission v. Wealthpress Holdings LLC, <i>et al.</i>	3:23-cv-46	Middle District of Florida	1/12/2023	Restore Online Shoppers' Confidence Act and Notice of Penalty Offenses	Alleged the defendants used deceptive and unsubstantiated earnings claims to sell consumers investment advising services.	Settlement
In the Matter of Instant Brands LLC	FTC Matter No. 2223140	FTC Administrative Matter	1/18/2023	Made In USA (MUSA)	Alleged the defendant made false claims that all of its popular glass measuring cups were made in the United States during a time when some measuring cups were imported from China.	Consent Order



<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
In the Matter of LCA-Vision (LasikPlus)	FTC Matter No. 1923157	FTC Administrative Matter	1/19/2023	Deceptive Advertising	Alleged the defendant used deceptive bait-and-switch advertising to mislead consumers into believing they could have their vision corrected for less than \$300.	Consent Order
United States of America v. GoodRx Holdings, Inc.	3:23-cv-460	Northern District of California	2/1/2023	Health Breach Notification Rule (HBNR)	Alleged the defendant committed deceptive and unfair practices by sharing consumers' personal health information with Facebook, Google, and other companies, and violated the Health Breach Notification Rule by failing to notify consumers of those unauthorized data disclosures.	Settlement
In the Matter of The Bountiful Company	FTC Matter No. 2223019	FTC Administrative Matter	2/16/2023	Review Hijacking	Alleged the defendant deceived consumers into thinking that its newly introduced supplements had more product ratings and reviews, higher average ratings, and "#1 Best Seller" and "Amazon's Choice" badges.	Consent Order



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
United States of America v. Stratics Networks, Inc., <i>et al.</i>	3:23-cv-00313	Southern District of California	2/16/2023	Telemarketing Sales Rule	Alleged the defendants transmitted millions of illegal VoIP and ringless voicemail robocalls pitching phony debt relief services.	Partial Settlement, Litigation Ongoing
In the Matter of BetterHelp, Inc.	FTC Matter No. 2023169	FTC Administrative Matter	3/2/2023	Data Privacy/Security	Alleged the defendant revealed consumers' sensitive data with third parties such as Facebook and Snapchat for advertising after promising to keep such data private.	Consent Order
United States of America v. Dalal A. Akoury, <i>et al.</i> (AWAREmed)	2:23-cv-00026	Eastern District of Tennessee	3/16/2023	Opioid Addiction Recovery Fraud Prevention Act (OARFPA)	Alleged the defendants made false or unsupported claims for addiction treatment services, cancer treatment services, and the treatment of other serious conditions.	Settlement
United States of America v. Nexway Sasu, <i>et al.</i>	1:23-cv-00900	District of Columbia	4/3/2023	Telemarketing Sales Rule	Alleged the defendants worked with telemarketers who made misrepresentations to consumers about the performance and security of their computers in connection with the sale of bogus technical support services.	Settlement



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
In the Matter of Cycra, Inc.	FTC Matter No. 2323007	FTC Administrative Matter	4/5/2023	Made In USA	Alleged the defendants falsely claimed that the company's products were manufactured in the U.S.	Consent Order
Federal Trade Commission, Office of the Attorney General, State of Florida v. Global E-Trading LLC (Chargebacks911)	8:23-cv-00795	Middle District of Florida	4/12/2023	Unfairness	Alleged the defendants used multiple unfair techniques to prevent consumers from successfully winning chargeback disputes.	Litigation Ongoing
Federal Trade Commission v. SL Finance LLC, <i>et al.</i>	8:23-cv-00698	Central District of California	4/24/2023	TSR/CCPA/Gramm-Leach-Bliley Act (GLB Act)	Alleged the defendants operated unlawful student loan debt relief schemes.	Litigation Ongoing
Federal Trade Commission v. BCO Consulting Services, Inc., <i>et al.</i>	8:23-cv-00699	Central District of California	4/24/2023	TSR/CCPA/GLB Act	Alleged the defendants operated unlawful student loan debt relief schemes.	Litigation Ongoing



<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
United States of America v. Xcast Labs, Inc.	23-cv-03646	Central District of California	5/12/2023	Telemarketing Sales Rule	Alleged the defendant, a Voice Over Internet Protocol (VOIP) provider, assisted and facilitated the dialing of billions of calls that violated the Telemarketing Sales Rule (TSR).	Litigation Ongoing
United States of America v. Edmodo, LLC	3:23-cv-02495	Northern District of California	5/22/2023	Children's Online Privacy Protection Rule	Alleged the defendant collected personal data from children without obtaining their parent's consent and used that data for advertising, in violation of the COPPA Rule, and unlawfully outsourced its COPPA compliance responsibilities to schools.	Settlement
Federal Trade Commission v. Ring LLC	1:23-cv-1549	District of Columbia	5/31/2023	Data Privacy/Security	Alleged the defendant compromised its customers' privacy by allowing any employee or contractor to access consumers' private videos and by failing to implement basic privacy and security protections, enabling hackers to take control of consumers' accounts, cameras, and videos.	Settlement





Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
United States of America v. Amazon.com, Inc., <i>et al.</i>	2:23-cv-00811	Western District of Washington	5/31/2023	Children's Online Privacy Protection Rule	Alleged the defendant violated the Children's Online Privacy Protection Act Rule (COPPA Rule) and deceived parents and users of the Alexa voice assistant service about its data deletion practices.	Settlement
United States of America v. Microsoft Corporation	2:23-cv-00836	Western District of Washington	6/5/2023	Children's Online Privacy Protection Rule	Alleged the defendant violated COPPA by collecting personal information from children who signed up to its Xbox gaming system without notifying their parents or obtaining their parents' consent, and by illegally retaining children's personal information.	Settlement
Federal Trade Commission v. Vision Online, Inc. (dba Ganadores Online) <i>et al.</i>	6:23-cv-01041	Middle District of Florida	6/5/2023	Business Opportunity Rule/ CRFA/Cooling-Off Rule	Alleged the defendants operated an ecommerce and real estate investment business opportunity scheme that targeted Spanish-speaking consumers with false money-making pitches.	Litigation Ongoing



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
In the Matter of 1Health.io, Inc./Vitagene, Inc.	FTC Matter No. 1923170	FTC Administrative Matter	6/16/2023	Data Privacy/ Security	Alleged the defendant left sensitive genetic and health data unsecured, deceived consumers about their ability to get their data deleted and changed its privacy policy retroactively without adequately notifying and obtaining consent from consumers whose data the company had already collected.	Consent Order
Federal Trade Commission v. Amazon.com, Inc.	2:23-cv-0932	Western District of Washington	6/21/2023	Restore Online Shoppers' Confidence Act,	Alleged the defendant used manipulative, coercive, or deceptive user-interface designs known as "dark patterns" to trick consumers into enrolling in automatically renewing Prime subscriptions and that Amazon knowingly complicated the cancellation process for Prime subscribers who sought to end their membership.	Litigation Ongoing
In the Matter of Chaucer Accessories, Inc.; Bates Accessories, Inc. <i>et al.</i>	FTC Matter No. 2223163	FTC Administrative Matter	6/26/2023	Made In USA	Alleged the defendants falsely made claims that certain company products were manufactured in the U.S.	Consent Order



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
Federal Trade Commission v. Publishers Clearing House LLC	2:23-cv-04735	Eastern District of New York	6/26/2023	CAN-SPAM Act	Alleged the defendant used “dark patterns” to mislead consumers about how to enter the company’s well-known sweepstakes drawings and made them believe that a purchase is necessary to win or would increase their chances of winning, and that their sweepstakes entries are incomplete even when they are not.	Settlement
United States of America v. Michael J. Connors <i>et al.</i> (Smoke Away)	2:23-cv-00475	Middle District of Florida	6/29/2023	Opioid Addiction Recovery Fraud Prevention Act	Alleged the defendants deceptively marketed their Smoke Away products as able to eliminate consumers’ nicotine addiction and enable them to quit smoking quickly, easily, and permanently.	Settlement
United States of America v. Hello Hello Miami, LLC <i>et al.</i>	1:23-cv-22553	Southern District of Florida (Miami Division)	7/10/2023	Telemarketing Sales Rule	Alleged the defendants assisted and facilitated illegal robocalls, including calls to consumers on the National Do Not Call Registry, and misrepresented themselves as representatives of Amazon.	Litigation Ongoing



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
Federal Trade Commission v. Celsius Network, Inc. <i>et al.</i>	1:23-cv-06009	Southern District of New York	7/13/2023	Gramm-Leach-Bliley Act	Alleged the defendants misled consumers into transferring cryptocurrency onto the platform by falsely promising that deposits would be safe and always available.	Partial Settlement, Litigation Ongoing
United States of America, and State of Arizona v. Vision Solar LLC, Solar Xchange LLC, <i>et al.</i>	2:23-cv-01387	District of Arizona	7/14/2023	Telemarketing Sales Rule	Alleged the defendants made misrepresentations during sales pitches and called consumers on the National Do Not Call Registry.	Partial Settlement, Litigation Ongoing
United States of America v. Viceroy Media Solutions, LLC d/b/a quickjobs.com, <i>et al.</i>	3:23-cv-03516	Northern District of California	7/14/2023	Telemarketing Sales Rule	Alleged the defendants assisted and facilitated their partners placing millions of illegal robocalls that were based on leads and invalid consent gathered on the defendants' websites in violation of the TSR.	Settlement
United States of America v. Yodel Technologies, LLC <i>et al.</i>	8:23-cv-1575	Middle District of Florida (Tampa Division)	7/14/2023	Telemarketing Sales Rule	Alleged the defendants violated the TSR by placing illegal calls to numbers on the National Do Not Call Registry and illegally placing calls with pre-recorded messages.	Settlement



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
United States of America v. Fluent, LLC <i>et al.</i>	9:23-cv-81045	Southern District of Florida	7/17/2023	Telemarketing Sales Rule	Alleged the defendants used false or misleading promises of job opportunities or valuable items to induce consumers to divulge personal information on their websites and then sold this information to third parties that used it to bombard consumers with unwanted robocalls, spam text messages, and commercial emails.	Settlement
Federal Trade Commission v. Rejuvica LLC, <i>et al.</i>	8:23-cv-01286	Central District of California	7/18/2023	Opioid Addiction Recovery Fraud Prevention Act	Alleged the defendants made false claims that their product reduced or eliminated cravings for alcohol and that it enabled consumers to reduce their alcohol consumption or quit drinking completely.	Settlement
United States of America v. ConsumerInfo.com, Inc.	8:23-cv-01494	Central District of California	08/14/2023	CAN-SPAM Act	Alleged the defendants violated the CAN-SPAM Act by sending consumers marketing offers without providing clear and conspicuous notice of a consumer's right to opt out of receiving marketing messages or a mechanism to opt out.	Settlement



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
Federal Trade Commission v. Automators LLC, <i>et al.</i>	3:23-cv-01444	Southern District of California	08/08/23	Business Opportunity Rule/CRFA	Alleged the defendants promised consumers high returns as “passive investors” in profitable e-stores powered by artificial intelligence.	Litigation Ongoing
Federal Trade Commission v. Intercontinental Solutions LLC, <i>et al.</i>	8:23-cv-01495	Central District of California	08/14/23	TSR/GLB	Alleged the defendants pretended an affiliation with the U.S. Department of Education to make deceptive promises about student loan forgiveness programs that cost consumers millions in illegal upfront fees.	Litigation Ongoing
Federal Trade Commission v. KW Technology Inc., <i>et al.</i>	1:23-cv-06633	Eastern District of New York	9/6/23	COVID-19 Consumer Protection Act	Alleged the defendants made false and deceptive claims about their product named "the Invisible Mask," which they stated prevented COVID-19.	Litigation Ongoing
Federal Trade Commission v. Instant Checkmate, LLC, <i>et al.</i>	3:23-cv-01674	Southern District of California	09/11/23	Fair Credit Reporting Act (FCRA)/ Deceptive Advertising and Endorsement Claims	Alleged that defendants sold background reports to consumers and made numerous deceptive claims, including that the reports were the most accurate reports available, that individuals had criminal records when they did not, and that consumers could remove inaccurate information in the background reports.	Settlement



Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
Federal Trade Commission v. Hey Dude, Inc.	2:23-cv-1412	District of Nevada	09/11/23	Deceptive Endorsement Claims/Mail, Internet, or Telephone Order Merchandise Rule	Alleged that defendant misled consumers by suppressing negative reviews, and failed to respond appropriately when they were unable to ship consumers' orders on time.	Settlement
Federal Trade Commission v. Lurn, Inc., <i>et al.</i>	8:23-cv-02622	District of Maryland	09/27/23	Deceptive Earnings Claims/TSR/ Notice of Penalty Offenses	Alleged the defendants used deceptive and unsubstantiated earnings claims to sell consumers business coaching services.	Settlement





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