



Virtual Consumer Advocacy Week 2021



#ConsumersRising

AUTHORIZE THE FEDERAL TRADE COMMISSION TO QUICKLY STOP SCAMS AND REFUND VICTIMS

Pass the Consumer Protection and Recovery Act, [H.R. 2668](#)

Topline Message:

- **Congress must protect the authority of the Federal Trade Commission (FTC), the nation's chief consumer agency.** The FTC combats unfair, deceptive, and fraudulent practices that steal from consumers' pockets every day.
- **Congress should give the FTC clear authority to fight scams and return funds to victims.** Defrauded and deceived consumers deserve compensation from bad actors in the marketplace that violate the law. The FTC needs authority under the Federal Trade Commission Act to deter wrongdoers with the threat of restitution, injunctions, and removal of their ill-gotten gains.
- **Congress should approve additional funding so that the FTC can continue to protect and educate consumers.** The FTC has been dedicated to protecting consumers for more than one hundred years, but it cannot operate without adequate funding.

The FTC relies on its authority to refund victims and ensure justice for all consumers.

- **We need the FTC now more than ever.** The FTC is charged with protecting people, – seniors, military members, students, and small businesses – against fraud and deception in the marketplace. It reported receiving [2.2 million fraud reports](#) totalling \$3.3 billion in losses from consumers in 2020, in the midst of the COVID-19 crisis—an [almost 30% jump](#) in reports from the year before.
- **The [Federal Trade Commission Act](#) is the FTC's most effective tool to stop scams and refund victims.** To stop fraud, unfair and deceptive practices, the FTC's most valuable tool has been to file cases and request court orders to stop misconduct, require wrongdoers to return their ill-gotten profits, and to return funds to victims. For decades, the FTC has taken this action under [Section 13\(b\)](#), returning [billions of dollars](#) to [harmed consumers](#).
- **Section 13(b) of the FTC Act protects seniors, military members, students, and small businesses from rip-offs.** The FTC has used Section 13(b) to combat misleading [advertising claims](#) to consumers. It has reimbursed [students and veterans](#) cheated by for-profit colleges and secured [refunds](#) to people who lost money to student loan debt relief schemes. It protected [small businesses](#) from deceptive merchant predatory lenders that

overcharged and deceived them. And it has [protected seniors](#) from phony health cures and money-making schemes.

A dramatic shift in court decisions gutted the FTC's ability to get adequate remedies.

- **A recent U.S. Supreme Court decision [removed the FTC's primary way of returning money to fraud victims](#).** In a recent interpretation of the law, [the U.S. Supreme Court](#) held that the FTC does not have the power to go through courts to require violators of the law to return their ill-gotten gains to harmed consumers.
- **The FTC may be limited in [how and when it requests an injunction to stop bad behavior](#),** including a limit on requesting an injunction against a scammer that had preemptively stopped its illegal conduct. Without the ability to use an injunction as a deterrent, the scammer could easily restart its predatory practices.
- **In this new era, bad actors will be able to keep the profits they raked in from their illegal acts.** Predatory lenders, tech monopolies, unscrupulous advertisers, and others will be emboldened now that the FTC's power to catch, stop, and deter rip-offs [has been stifled](#).

Congress must pass The Consumer Protection and Recovery Act, H.R. 2668, which would:

- **AMEND** section 13(b) of the FTC Act to [explicitly grant the FTC the power](#) to obtain injunctive and monetary relief for illegal conduct;
- **AUTHORIZE** the FTC to stop ongoing or imminent violations of the law and seek redress for [past violations](#);
- **ENSURE** that deceptive and dishonest players do not profit off of their misconduct; and
- **RESTORE** the FTC's ability to provide full remedies, including refunds, to harmed consumers.

Congress must ensure the FTC has adequate resources to do its job.

- Fixing the FTC's enforcement authority is the bare minimum needed to restore its ability to enforce the law and make victims whole.
- As President Biden [has proposed](#), the FTC needs [additional assistance](#) from Congress to monitor the market and deter fraud and deception, including the right to obtain civil penalties directly; to issue rules under the Administrative Procedures Act like other federal agencies; and additional resources to fulfill its broad mission.

Consumer Advocacy Week is a joint project of leading national, state, and local consumer groups.

Consumer Advocacy Week 2021 is being organized by [Consumer Federation of America](#), [Americans for Financial Reform](#), [Center for Responsible Lending](#), [Consumer Action](#), [Consumer Reports](#), [National Association of Consumer Advocates](#), [National Consumer Law Center](#), [National Consumers League](#), [Public Citizen](#) and [U.S. PIRG](#).