been amazed at both the breadth of the work we do and the urgency of it. Today I would like to provide an overview of our work and recent priorities.

Not surprisingly, one of the Commission's highest priorities in the past year has been frauds that prey upon those hardest hit by the economic crisis. These consumers are struggling to keep their homes; they are desperate for work; they are trying to pay their bills; and they need our help. Scammers are trying to steal their last dollar.

Mortgage assistance relief scams. One area of particular concern to us has been mortgage assistance relief scams. I am sure you have seen the ads: these companies promise to obtain a loan modification or prevent foreclosure in exchange for a large up-front fee. In reality, they do little but collect their fee. Many of these firms also take advantage of the widespread publicity about government mortgage assistance programs, such as the Making Home Affordable program, by using copycat names or look-alike websites to falsely suggest affiliation with those programs. In some cases, they pose as non-profit programs or claim to be affiliated with the consumer's lender or servicer.

In response, the FTC launched an aggressive enforcement initiative against mortgage assistance relief scams last year. We brought 28 cases against more than 150 individual and corporate defendants. In addition, we partnered with numerous state and federal law enforcement agencies, including the Ohio Attorney General's Office, to bring two nationwide sweeps: Operation Stolen Hope and Operation Loan Lies. These sweeps involved more than 200 lawsuits against loan modification and foreclosure rescue providers. To date, 34 defendants have settled with the Commission, agreeing to lifetime bans on providing mortgage assistance relief.

In addition to this enforcement work, we have commenced several rulemakings aimed at

sites, and Microsoft Bing has worked with the FTC to do search PSAs that offer a link to ftc.gov/jobscams when key terms are searched.

Debt collection. In addition to a surge in layoffs and foreclosures, we have seen an increase in debt collection efforts in the past year. While most of these efforts are lawful, others are not. The law is clear that debt collectors may not deceive, harass, or abuse consumers. In 2009, the FTC received nearly 120,000 complaints from consumers about the conduct of debt collectors – more complaints than the agency received about **any** other single industry. This number is troubling, and the Commission will continue to make enforcement of the Fair Debt Collection Practices Act a priority in the future.

In addition, the Commission created two major consumer education pieces related to debt collection. In August 2009, the FTC issued "Mortgage Payments Sending You Reeling?" This publication advises consumers on how to protect themselves when their mortgage payments increase, or when they have fallen or anticipate falling behind on payments. By the end of 2009, it had been disseminated or viewed on our website nearly one-quarter of a million times. In September 2009, the FTC also released on our website and on Youtube a video explaining consumer rights regarding debt collection, and thousands of consumers already have viewed this as well. Both the video and the publication are also available in Spanish.

And finally, the Commission has taken several steps in the past year to address some of the problems in this area: (1) it issued a report recommending that the debt collection regulatory scheme be reformed; (2) it convened a series of roundtables relating to debt collection litigation and arbitration; and (3) it began a study of the debt buying industry.

Debt relief services. With credit card delinquencies at historic highs, we have seen the emergence of many companies that falsely claim they can reduce or eliminate consumers' interest rates or balances. The federal-state enforcement response to such debt relief schemes has been substantial. Over the past few years, the Commission has brought 19 lawsuits against for-profit debt relief companies, including five in the past year, halting deceptive practices and returning money to consumers. In the last five years, state attorneys general have brought a combined 127 cases and secured other important relief. For example, Ohio has returned over $320,000 to consumers as part of its complaint resolution process.

Despite these significant enforcement efforts, the Commission is seeking additional tools to tackle the problems in this industry. Last August, we proposed amendments to the Telemarketing Sales Rule (TSR) designed to curb deception and abuse by providers of for-profit debt relief services. The proposed amendments would, among other things, prohibit debt relief service providers from charging a fee until they have delivered the promised results. The TSR is an excellent vehicle for addressing deceptive and abusive practices in this industry given the pervasive use of telemarketing to sell these services. The TSR offers the added and significant benefit of joint enforcement authority with the state attorneys general. We currently are assessing the 300-plus comments we received and are preparing the final Rule.

Negative options. Another area that we are keeping a close eye on is negative option marketing. I am sure you are familiar with this practice: it occurs whenever a marketer takes a consumer's silence as agreement to continue a transaction, such as monthly billing for membership in an Internet discount buying club. While these offers can provide benefits to consumers, they also pose a high risk of deception. Unscrupulous marketers use negative options to trap consumers in a cycle of recurring charges for goods or services they do not want and never knew they purchased.

The FTC and its state law enforcement partners have taken aggressive action over the years to stop abusive negative option marketing. Indeed, in the past 10 years, the Commission has initiated 60 cases against negative option marketers selling everything from dietary supplements to buyers' clubs. Most recently, the FTC brought a case against a massive get-rich-quick scheme perpetrated by John Beck and several co-defendants. Here's what we alleged: the scheme began with consumers buying a kit, supposedly to help them make their fortune. Then they were automatically enrolled in what they thought was a free trial offer to receive lists of tax distressed properties. In fact, the "free trial" had a hidden negative option feature whereby consumers were billed for the service after the first month. We believe that consumers likely lost tens of millions of dollars in the negative option portion of the scheme alone.

Although the FTC has a Negative Option Rule, the Rule's coverage is limited to pre-notification negative option plans – those plans like the book-of-the-month club in which consumers receive a postcard each month that they can send in to decline delivery. Needless to say, such plans are not the chosen vehicle for those looking to deceive consumers. Therefore, in our current review of the Rule, the FTC is seeking comment on whether the Rule should be expanded. I know that Ohio and thirteen other states have filed a joint comment supporting expansion of the Rule.

In addition to the Commission's enforcement and rulemaking activities, we have developed consumer and business education to help consumers avoid negative option scams and to help businesses comply with the law.

Privacy. Privacy has been one of my main priorities at the Commission, and we have been very active on behalf of consumers in this area. Let me mention a few initiatives.

First, we are hosting a series of roundtables to reexamine consumer privacy. These roundtables are designed to explore the privacy challenges posed by the vast array of 21st century technology and business practices that collect and use consumer data. Such practices include social networking, cloud computing, online behavioral advertising, mobile marketing, and the collection and use of information by retailers, data brokers, third-party applications, and

And there appears to be an eager audience for this advice. Our NetCetera guide has been flying off the shelves – as of this week, we have distributed over 1.5 million copies in English, nearly 150,000 Spanish language booklets, and over 700,000 copies of our NetCetera bookmark.

In addition to providing advice on online safety, the FTC has taken a closer look at emerging online content – much of which is aimed at teenagers. In December 2009, we released a report to Congress documenting the amount and types of violently and sexually explicit content available in online virtual worlds. Online virtual worlds (a term that might be unfamiliar to many of us in the room) blend 3-dimensional gaming environments with elements of online social networking, allowing users to create their own online content. It is no wonder that they are wildly popular with children across the globe. Frankly, we breathed a huge sigh of relief when our research revealed only a minimal amount of violent or sexually explicit content in online virtual worlds open to children under age 13. However, we observed a greater amount of explicit content in virtual worlds that permit teens to register and where teens are likely to congregate – a fact that is quite worrisome to parents.

The FTC's virtual worlds report recommends that virtual world operators take certain steps to reduce the risk of youth exposure to explicit content. These steps include using more effective age-screening mechanisms to prevent children from registering in adult virtual worlds, ensuring that filters detect and eliminate language that violates rules of behavior in virtual worlds, and employing a staff of specially trained moderators who are equipped to take swift action against rule violations. The report also recommends that parents and children become better educated about online virtual worlds.

As you can see, we have been hard at work on the investigative and educational fronts. However, we have not overlooked the central role that law enforcement plays in the FTC's efforts to protect children online. As you know, we enforce the Children's Online Privacy Protection Act of 1998 (affectionately known as "COPPA") together with the states. COPPA gives parents of children under age 13 control over the information websites may collect about their kids and how the websites can use that information. So far, the FTC has brought 15 cases against operators of child-directed and general audience websites that failed to comply with COPPA, obtaining more than $3 million in civil penalties.

The FTC is poised to launch a wholesale review of our COPPA regulations to determine whether they should be modified to address the use of smartphones and other devices that kids use to access the Internet. Our review will provide an opportunity for public comment, so be on the lookout for an announcement in the Federal Register later this month.

Consumer education. Because consumers are the first line of defense against fraud and deception, we place a high priority on consumer education. I have already described several of our recent consumer education initiatives, but I want to mention one more that we are very excited about.

Later this month, we are planning to release "Ad Mongo," which is an interactive video game that will be paired with lesson plans for third to sixth graders to teach kids about advertising – how to recognize it and how to think critically about it. We put together the video game with the help of a consultant, and we have partnered with Scholastic Magazine to help distribute the game and lesson plans to schoolteachers. The game is still under beta testing, but feel free to play at Admongo.gov. It's a lot of fun. Anyone with a 7 to 11-year-old kid ought to see how alert your child is to advertising. We're hoping it will have the same kind of impact as Net Cetera has had, if not more.

Conclusion. Though the FTC is a relatively small agency, we have a large mandate. Today I have described some of our new initiatives. However, we also continue to pursue longstanding programs and responsibilities. For example, we continue to oversee the national Do Not Call program, which has more than 195 million registered phone numbers. Our identity theft program continues to provide world-class education materials to consumers. It also continues to provide leads and other support to criminal law enforcement agencies engaged in criminal prosecutions of identity thieves. And we continue to scour the marketplace for traditional deceptive advertising.

However, to serve consumers well, we must form partnerships and leverage resources. Some of our most successful partnerships are with state attorneys general and state agencies. We look forward to working with you more in the future. Thank you