



FEDERAL TRADE COMMISSION:

Report focuses on discrete FTC program areas that have a particular impact on women and that most closely reflect some of the stated goals of the White House Council on Women and Girls. The Report highlights five areas, describing, for each, recent FTC law enforcement actions or policy initiatives as well as available consumer and business education materials:

1. Health Care for Women and Children. The Report summarizes FTC law enforcement actions against misleading or unfair marketing, or unfair methods of competition, involving women's health services or products – hormone replacement therapy, breast biopsies, genetic tests, cervical cancer screening, oral contraceptives, and fraudulent weight-loss products. The Report also describes recent FTC actions to protect children's health involving over-the-counter children's pain medication and new drugs to treat congenital heart defects in newborns.
2. Marketing to Children and Adolescents. The Report discusses FTC policy studies and law enforcement actions in the marketing of alcohol, cigarettes, and violent entertainment to kids. It also reviews the FTC's work concerning food advertising to children; in particular, it describes the FTC's recent initiative with industry, consumer advocates, and other federal agencies to foster effective self-regulatory initiatives to combat childhood obesity and under-age drinking.
3. Consumer Credit. The Report highlights the FTC's study of mortgage disclosures – how well all consumers, including women, understand existing requirements and whether improved disclosures could help consumers better understand mortgage costs, shop for mortgage loans, and avoid deceptive lending practices. Based on the study, the FTC drafted a prototype mortgage form. The Report describes numerous FTC law enforcement actions to protect consumers from deceptive or unfair practices over the full life cycle of credit – from deceptive advertising of mortgages and credit cards to foreclosure rescue scams and phony credit repair schemes.
4. Entrepreneurship and Business Opportunities. The Report describes the FTC's promotion of business opportunities for new entrepreneurs, noting that women are the fastest growing group of small business owners. The agency brings law enforcement actions against companies that make deceptive claims about work-at-home and other business opportunities. It also challenges professional codes – covering professions such as real estate brokers, medical professionals, and fashion designers – that unnecessarily restrict participation and thereby keep out businesses that offer cheaper prices or challenge the status quo.
5. Family Pocketbook Issues. The Report summarizes FTC activities that affect women's and families' purchasing decisions for a range of goods and services, including energy, so-called "green" products, food and drugs, and funeral services.

II. PROGRAMS THAT IMPROVE THE LIVES OF THE FEDERAL WORKFORCE

For many years, the FTC has taken steps to improve the lives of employees and to make the workplace more family friendly. These efforts have received outside recognition. In 2007, and again in 2009, the FTC was named by the Partnership for Public Service as one of the top small federal agencies which to work. This rating is based not only on the FTC's inspiring consumer mission and its rewarding work, but also on the wide array of programs offered to employees to improve their lives. Key workplace programs include:

Childcare and Parental Support. Since 1989, the FTC has offered an on-site Day Care Center for pre-school aged children. The day care center provides critical and direct support for employees with young children, and also enriches the lives of all employees by "humanizing" the workplace and giving everyone the opportunity to see children learn and grow in a safe and caring environment. The agency supports expectant parents (both biological and adoptive) with one-on-one counseling about the benefits available to them and with information on how employees can most effectively use their leave to support their new families. The agency also provides lactation support to new mothers.

Telework and Flexiwork. The agency provides a variety of work schedules and work place options for employees.

Emotional Intelligence
Health Education

To help employees deal with the challenges of the current economic situation, the agency has hosted a series of brown bag seminars on home ownership, home retention, and household budgeting, and has provided website links to savings calculators and information on stress reduction.

The FTC has long provided an Employee Assistance Program for its employees and since August 2008, the agency has contracted with LifeCare, a concierge service for its employees and their family members. Among other things, LifeCare provides free kits to employees on:

Prenatal and Infant Care
Child Safety
College
Eldercare

Employees can obtain a wealth of practical work/life information and assistance through the Human Resources Management Office's monthly newsletters, which recently featured articles or provided information on:

Financial Planning
Fitness
Mental Health
Self Esteem

Since 2007, each October the agency celebrates National Work and Family Month with such programs as:

Managing Work and Life
Strategies for Healthy Meal Planning
Wills, Trusts, and Estate Planning

Employee Wellness. The FTC has had an employee wellness program since 2005. The FTC Wellness Program supports daily walking expeditions, running clubs, on-site exercise and fitness classes, locker rooms for employees. The agency provides storage facilities for employees who bike work. It hosts an annual health fair to educate employees on health provider costs and provides a variety of health care services, including vision screening, glaucoma testing, allergy shots, annual flu shots, physicals, blood pressure monitoring, glucose testing, lipid profiling, and tuberculosis screening. The FTC also provides on-site clinical screening services, including those for osteoporosis, heart disease (echocardiograms and electrocardiograms), stroke, and breast cancer (mammograms). The agency provides periodic job-related ergonomic assessments and offers CPR training. The agency also observes Older Americans Month,

osteoporosis. Working in conjunction with the U.S. Food and Drug Administration (FDA), the FTC has sent warning letters to scores of online sellers making such claims, advising them that their marketing claims may be illegal. The FTC ultimately filed complaints against seven such sellers. www.ftc.gov/opa/2005/11/hormone.shtm
www.ftc.gov/opa/2007/10/hormonethrpy.shtm, www.ftc.gov/opa/2008/01/hrt.shtm

Breast Biopsies. The FTC recently unraveled a merger between the only two makers of prone stereotactic breast biopsy systems (SBBs). Prone SBBs are integrated systems that allow doctors to conduct highly precise, minimally invasive breast biopsies using X-ray guidance. This technology is a life-saving innovation that helps doctors detect breast cancer at an early stage of development. The FTC's action revived competition by reestablishing a second company working to improve detection and screening technology in hopes that further breakthroughs will improve the accuracy, minimize the risk, and reduce the cost of diagnosing breast cancer. www.ftc.gov/opa/2006/07/hologic.shtm

Pregnancy Tests. The FTC also stopped a leading medical diagnostic company from buying up new technology and interfering with the efforts of a smaller competitor to develop a new type of digital over-the-counter pregnancy test that would compete with existing products and offer women more choice. The FTC's order, finalized in 2008, clears the way for the development of new and improved consumer pregnancy tests, sales of which total \$125 million per year in the United States. www.ftc.gov/opa/2008/12/inverness.shtm

Cervical Cancer Screening. In 2002, the FTC blocked a merger between the maker of the only DNA-based test for the human papillomavirus (HPV), which is believed to cause nearly all cervical cancer cases, and the leading U.S. maker of liquid-based Pap tests, which are the most widely used sensitive, primary screening tool to detect cervical cancer. The HPV test is used as a follow-up test when Pap test results are unclear, and uses the same patient sample. The FTC was concerned that the combined firm would have the ability and the incentive to raise the price or to refuse to supply its HPV test, creating a competitive advantage for smaller companies currently marketing a liquid Pap test, or hoping to develop a new Pap test that allows for HPV testing using the same patient sample. www.ftc.gov/opa/2002/06/cytyc_digene.shtm

Operation "False Cures" Cancer Sweep. In 2008, the FTC announced actions charging 11 companies or individuals with making false or unsubstantiated claims that their products – including laetrile, black salve (a corrosive ointment), essiac tea and other herbal mixtures, coral calcium, and shark cartilage – cure or treat cancer. Some complaints also alleged that companies falsely claimed clinical or scientific proof for their products. Six of the 11 actions have been resolved through settlements that bar future false or unsubstantiated claims and require notification to purchasers that little or no scientific evidence exists to demonstrate product effectiveness in treating or curing cancer. The letters to consumers urge consultation with their doctors about these products. Four of the settlements also require a monetary payment. The cancer cure cases originated with an Internet surf coordinated among the FTC, the FDA, and the Competition Bureau Canada. www.ftc.gov/opa/2008/09/boguscures.shtm

Fraudulent Weight-Loss Products. In a general survey on fraud in the United States, the FTC's Bureau of Economic found that 30.2 million adults (13.5 percent of the adult population) were victims of fraud in 2005. Perhaps not surprisingly, given the national obsession with dieting, the top fraud involved weight-loss products, including dietary supplements, nonprescription drugs, patches, creams, wraps, and earrings, all of which were advertised to cause substantial

Cigarette Marketing. The FTC's mandate extends to

Prime Targets for Subprime Lending

mortgage foreclosure rescue and loan modification scams and is actively engaged in ongoing, non-public investigations. The scammers falsely represent that they will stop foreclosure in all or nearly all instances, and, in some cases, that they will refund most or all of the fees where foreclosure cannot be stopped. To coordinate efforts with state and local enforcement agencies, the FTC has formed task forces in seven cities with high foreclosure rates – Tampa, Atlanta, Cleveland, Detroit, Chicago, Los Angeles, and San Francisco www.ftc.gov/os/testimony/706414foreclosure.pdf

Consumer Debt Collection. In February 2009, the FTC recommended that the debt collection regulatory system in the United States be reformed and modernized to reflect changes in consumer debt patterns, the debt collection industry, and technology. To follow up, the FTC has announced a series of regional roundtables with participants from industry, academia, consumer groups, and state and federal government, to explore such policy issues as the role of consumer choice, perceptions of bias, codes and protocols, and transparency of results www.ftc.gov/opa/2009/02/fdcpa.shtml

Subprime Credit Card Abuses. The FTC also has increased its focus on the subprime credit card market that targets consumers with lower credit scores. In one action coordinated last year with the Federal Deposit Insurance Corporation, the settlement agreement required the company to reverse the fees charged to eligible accounts, thus providing consumers an estimated \$114 million in credits and cash refunds. The complaint alleged that the company deceptively marketed the cards as credit cards, primarily through mail solicitations that misrepresented the amount of credit available and also failed to disclose critical information about the cost of that credit. www.ftc.gov/opa/2008/12/compucredit.shtml

Credit Repair Schemes. Another consumer protection challenge exacerbated by the economic downturn is the effect of delinquencies, bankruptcy, or other negative credit information on consumers' credit reports. Fraudulent credit repair companies falsely claim they can remove – for a fee – negative and inaccurate information from credit reports. This false promise targets consumers with poor credit histories who are seeking a job, a car loan, or a mortgage. The FTC has acted aggressively against such scams and has brought 42 enforcement actions since 1999. In October 2008, the FTC and 24 state agencies announced a crackdown on 33 credit repair operations – entities that deceptively claimed they could remove negative information, even when the information was accurate and current. Partnerships with state authorities have increased significantly the reach of the FTC's law enforcement efforts to promote broader compliance with the law. www.ftc.gov/opa/2008/10/cleansweep.shtml

Deceptive Financing on Purchases. In 2008, the FTC stopped two companies from allegedly targeting low-income consumers

the FTC, including the Federal Trade Commission Act, the Truth in Lending Act, the Electronic Fund Transfer Act, and the FTC's Mail Order Rule. To settle these charges, the companies agreed to pay up to \$5 million in restitution to the injured consumers. www.ftc.gov/opa/2008/02/bluehippo.shtm

Consumer Education Initiatives Complementing its law enforcement and policy making activities, the FTC educates consumers to help them better understand financial transactions, instruments, and obligations, avoid fraud; and become aware of emerging scams. The FTC's consumer education materials are available www.ftc.gov in both English and Spanish. Highlights of the FTC's consumer education initiatives on credit include:

Money Matters. The FTC publishes a series of consumer education materials, entitled *Money Matters*, that offer short practical tips, videos, and links to reliable sources on a wide variety of topics from credit repair, debt collection, job-hunting and job scams to vehicle repossession, managing mortgage payments and avoiding foreclosure rescue scams. The FTC, along with the Department of the Treasury (MakingHome-Affordable.gov), the Department of Housing and Urban Development, and Fannie Mae, are working on an outreach campaign to help consumers avoid mortgage foreclosure fraud. www.ftc.gov/MoneyMatters

Foreclosure Rescue Scams This summer, the FTC released *Real People, Real Stories*, a three-and-a-half minute video featuring people who were targeted by foreclosure rescue scammers and who share lessons they learned. The FTC is distributing English and Spanish language copies of this video to thousands of housing counseling and consumer protection organizations around the country. The video also is posted on the FTC's website. www.ftc.gov/multimedia/video/credit/mortgage/hope-now.shtm

Consumer Credit Reports. An FTC microsite provides details about consumers' rights to a free copy of their credit reports at their request, once every 12 months. Reviewing credit reports regularly is an effective way to deter and detect identity theft. www.ftc.gov/freereports

Credit Cards and Credit Scores. An FTC microsite contains information and tips on shopping for credit cards, using cards carefully, and keeping credit records accurate. It explains credit scores, identity protection, and how to avoid credit repair scams. www.ftc.gov/gettingcredit

Read Up. Reach Out. The FTC's bilingual resources for Spanish speakers include a 44-page guide *Read Up! How to be an Informed Consumer* – that includes information on consumer rights, managing finances, making major purchases, avoiding scams and rip-offs, and staying safe and secure online. *Read Up and Reach Out: A Guide to Consumer Education and Outreach* is a CD that offers tips for organizations on how to incorporate consumer information into existing outreach programs, enlist other organizations as partners in the fight against consumer fraud,

and get free, practical information in Spanish and English from the FTC.
www.ftc.gov/readup

D. Entrepreneurship and Business Opportunities.

The FTC promotes greater business opportunities for new entrepreneurs, including women. According to the Small Business Administration, women are the fastest growing group of small business owners in the United States.
www.sba.gov/ADVO/research/rs323tot.pdf Between 1997 and 2004, the growth of women-owned firms increased nearly two and a half times more than U.S. privately held firms. Center for Women's Business Research, available at
www.sba.gov/ADVO/research/rs323tot.pdf Through its consumer protection mission, the FTC helps ensure that claims and disclosures about business opportunities are free from fraud and deception. Through its competition mission, the FTC strives to keep markets open for new entrants and entrepreneurs, especially by advocating against unnecessary impediments, such as professional association rules, which prevent entry in the marketplace. When motivated by improper factors, unreasonable government restrictions can limit competition for the benefit of incumbents to the detriment of consumers.

Highlighted here are some recent and ongoing FTC initiatives designed to keep business opportunities free from deceptive or misleading disclosures or anticompetitive restraints.

Work-at-Home Scams. Work-at-home scams often target women who want to earn money from home. In one fraudulent envelope-stuffing scheme, for example, the promoter allegedly promised that in exchange for a deposit, he would provide all materials consumers needed to earn lucrative profits that were "guaranteed." In return for sending in deposits, however, consumers received a home mailing sales pamphlet that told how to publish ads at consumers' own expense to sell the same pamphlet. In another scheme, the fraudsters allegedly charged consumers to access a website with "money-making secrets" that fraudulently promised quick and easy money. The FTC charged proprietors behind both schemes with making false and unsubstantiated earnings claims in violation of the FTC Act. In these examples and others, the agency has won multimillion-dollar awards against these malefactors and stopped their deceptive work-at-home ploys.
www.ftc.gov/opa/2008/04/workathome.shtm,
www.ftc.gov/opa/2008/mmsecret.shtm

"Bizopp" Scams. Over the past several years, the FTC has worked to stop scammers who dupe consumers into investing their savings in bogus business opportunities, known as "bizopp scams." The FTC has promulgated rules requiring a purveyor of a business opportunity to disclose litigation history, a list of prior purchasers, and its refund and cancellation policy, and to substantiate any earnings claims. The FTC has filed actions against scammers that have violated these requirements and harmed consumers by misleading them to believe that they would profit substantially from selling various products and services as a host of ventures. As job losses,

foreclosures, and dwindling retirement accounts have forced increasingly more Americans to search for ways to make ends meet, the FTC has stepped up enforcement against these scams. Recent bizopp scams stopped by the FTC include schemes to sell overstocked merchandise, asset protection services, and office supplies. In July 2009, the FTC announced "Operation Short Change," a law enforcement crackdown on scammers trying to take advantage of the economic downturn to bilk vulnerable consumers through business opportunity scams and other fraudulent schemes.

www.ftc.gov/opa/2009/07/worldtraders.shtm

www.ftc.gov/opa/2008/06/platte.shtm; www.ftc.gov/opa/2008/02/hotlink.shtm

Restrictive Professional Codes. Over the years, the FTC has been at the forefront of efforts to open up the professions by eliminating rules that unnecessarily restrict participation in certain licensed professions. Many of these codes kept out new businesses that offered lower prices and challenged the status quo. The FTC has challenged restrictive rules that harmed consumers by limiting market entry in the following professions: real estate brokers, interior designers, arbitrators, music dealers, medical professionals, veterinarians, and accountants.

Restrictions on Dental Hygienists. An example of the FTC's work to prevent restrictive codes that can limit women's professional opportunities is a 2007 case involving dental hygienists. The FTC settled charges with the South Carolina State Board of Dentistry that the Board had unlawfully restrained competition by adopting a rule that required a dentist to examine every child before a dental hygienist could provide preventive care – such as cleanings – in schools. The FTC claimed that the Board's rule led to fewer children receiving preventive dental care, affecting particular economically disadvantaged children, who had little other opportunity to receive dental care.

www2.ftc.gov/opa/2007/06/dentists.shtm Given that dental hygienists are 97 percent females (see www.bls.gov/cps/wlf-table11-2006.pdf), the rule also limited professional opportunities for women.

Restrictive Real Estate Rules. In the past few years, the FTC has initiated over 20 actions against Multiple Listing Services (MLS) rules that prevent innovative low-cost brokers from entering the real estate business. The FTC's efforts have forced changes to MLS rules in several areas that kept less-than-full-service brokers from having access to MLS real estate listings, or to popular real estate websites where buyers visit listings online. In addition, a joint FTC-Department of Justice study concluded that state legislators and industry regulators should consider repealing existing laws, rules, and regulations, such as minimum-service and anti-rebate provisions, that limit choice and reduce the ability of new brokerage models (e.g., fee-for-service brokers, discount full-service brokers, virtual office web site brokers, and broker referral networks) to compete and that do not appear to provide any consumer benefit that would justify such restrictions. The FTC has engaged in extensive advocacy with state officials to prevent the proliferation of these anticompetitive regulations.

www.ftc.gov/bc/realestate/cases/index.htm

www.ftc.gov/opa/2007/05/realestate.shtm

E. Family Pocketbook Issues.

The FTC's work touches the purchasing decisions of families and households everyday. Both in the United States and globally, women make the majority of these decisions – they make about two-thirds of family purchasing decisions, and that number is expected to rise to approximately three-quarters in the next 20 years.

www.marketwire.com/press-release/The-Boston-Consulting-Group-1025016.htm

We highlight below some areas of FTC work that particularly affect family purchasing, including “green” product claims, energy labeling and marketing, and competition affecting supermarkets and drugstores, auto repairs, and funeral services.

Green Marketing. Environmental marketing has increased dramatically as businesses tout the “green” attributes of their product services. The FTC maintains its *Guides for the Use of Environmental Marketing Claims* – colloquially known as Green Guides – to explain consumer understanding of commonly used environmental claims such as “recyclable” and “biodegradable,” and describe the basic elements needed to substantiate those claims. The FTC currently is reviewing its Green Guides, first issued in 1992, to ensure that they continue to be relevant to today’s marketplace and to determine whether they should address such green claims as “eco-friendly,” “carbon neutral,” and “sustainable.” The FTC also has challenged advertisements that make false or unsubstantiated green claims. For example, in 2009, the FTC entered into a consent agreement with Kmart for allegedly claiming falsely that certain products were biodegradable. By promoting uniform understanding and accurate disclosure of green claims, the FTC ensures that competition based on green claims drives businesses to greater innovation, and benefits consumers by increasing the availability of the green products and services they desire.

Appliance Labeling. Since 1987, the FTC’s Appliance Labeling Rule has helped families comparison shop for energy-efficient lighting, plumbing products, and household appliances – clothes washers, dishwashers, refrigerators, freezers, water heaters, window air conditioners, central air conditioners, furnaces, boilers, heat pumps, and pool heaters. The Rule requires manufacturers of most major home appliances to attach the ubiquitous yellow EnergyGuide labels, which estimate the product’s annual operating cost and energy use, as well as the highest and lowest operating costs of similar models. The FTC regularly reviews the Rule to keep it up to date with the changing nature of markets and technology. www.ftc.gov/appliances/ The FTC’s has brought similar proceedings to evaluate the labeling and marketing of light bulbs (www.ftc.gov/opa/2008/07/lightbulb.sh), television and consumer electronics (www.ftc.gov/opa/2009/03/anpr.sh), and home insulation products (www.ftc.gov/opa/2009/03/rvalue.sh).

Gas Saving Devices. The FTC filed two federal court actions against marketers of “miracle” devices advertised to dramatically increase gas mileage in ordinary cars. In each case, the FTC alleged that the claims for the device violate basic scientific

principles. www.ftc.gov/opa/2009/02/dutchman.shtm
<http://www.ftc.gov/opa/2004/11/fuelsaver.shtm>

Car Repairs. The FTC recently blocked a merger that threatened to raise the cost of generating car repair estimates and total loss valuations for cars that have been severely damaged. The FTC filed suit in federal court to stop the proposed \$1.4 billion merger of CCC Information Services Inc. and Mitchell International Inc., two of the three U.S. providers of “estimatics,” a software system used by auto insurers and repair shops to estimate costs of repairs, and total loss valuation systems, which are used to value passenger vehicles that have been totaled. After a nine-day evidentiary hearing, the court ruled for the FTC, and the parties abandoned the merger.

www2.ftc.gov/opa/2009/03/cccmitchell.shtm

Supermarkets and Drugstores. For decades, the FTC has been reviewing mergers among supermarkets and drug stores to ensure that consumers benefit from competitive markets in the purchase of food, pharmaceuticals, and basic care products – purchases that make up a big part of the family budget. In just the last 15 years, the FTC has preserved competition among grocery stores in 145 communities throughout the United States and in Puerto Rico. For instance, the FTC recently required Whole Foods Markets to sell 32 Wild Oats stores in 17 cities to restore competition among premium natural and organic supermarkets. The FTC has blocked several mergers between national drug store chains that would have raised prices and reduced product choices for consumers across the country.

www.ftc.gov/bc/caselist/industry/cases/retail/RetailGrocery.pdf

www.ftc.gov/bc/caselist/industry/cases/healthcare/HealthCareRetail.pdf u4iery y Tf 0.0002

homes and cemeteries in 47 markets across the nation – from Arizona to Michigan to Florida. www.ftc.gov/opa/2006/11/scialderwoods.shtm

Consumer Education Initiatives. The FTC provides a wide range of consumer education materials, written in both English and Spanish, which are helpful to women and families in making purchasing decisions. The materials include tips on buying and assessing specific products.

Energy Savings. An important pocketbook item for American families is the cost of energy. The FTC website offers tips to save homeowners money -- www.ftc.gov/EnergySavings and information on energy labeling for consumer products, retail sales of electricity, environmental marketing claims, insulation and home energy issues, and fuel and automotive products. www.ftc.gov/energy

Service Contracts. Service contracts are promises to perform (or pay for) certain repairs or services. Although they are sometimes called extended warranties, they are not warranties as defined by federal law. Service contracts may be arranged any time and always cost extra; warranties typically come with new cars and major

Funerals. Each year, Americans spend billions of dollars arranging more than 2 million funerals for family members and friends. The FTC's education materials – at www.ftc.gov/funerals – help consumers understand their rights and help businesses understand their legal obligations under the FTC's Funeral Rule.

IV. OVERARCHING RECOMMENDATIONS.

The FTC intends to continue to implement programs that improve the lives of its federal employees and to strengthen initiatives within its consumer mission that improve the lives of American women and families.

- A. Workplace Improvements. While the FTC has sponsored various initiatives that make its federal government workplace hospitable for families and allow women's careers to thrive, the agency will work toward further improvement. Specifically, the FTC will:

Evaluate carefully the results of the annual Office of Personnel Management Federal Human Capital Survey of FTCEmployees and implement program changes to ensure that the FTC remains an agency of choice.

Work to eliminate any vestiges of a glass ceiling by, for example, identifying any barriers to the advancement of women to Senior Executive Service positions.

- B. Program Improvements. The FTC's mission on behalf of consumers is one that affects and improves the daily lives of women and families. The FTC will work to expand the reach and impact of its mission by:

Leveraging its resources by increasing the number and variety of partnerships with state and federal agencies with complementary missions to improve the lives of women and all American consumers.

Increasing the number of consumer and business education materials, and finding new outlets and media.

Focusing its efforts on sectors of the economy with the greatest effect on women's and families' lives and pockets, including consumer credit and finance, health care, energy, retail, technology, and real estate.