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

Office of Commissioner
Rebecca Kelly Slaughter

STATEMENT OF COMMISSIONER REBECCA KELLY SLAUGHTER

Regarding Advance Notice of Proposed Rulemaking
on Government and Business Impersonation Fraud

Commission File No. R207000
December 16, 2021

Erosion of public trust in government, public institutions, and businesses operating in good faith is a growing and pernicious problem that threatens to unravel the social fabric that knits us together. The cacer.(k)2 (no)4(32 (no)4(ogeoblthe oknoinnet.2 (y.n)]TJ2 eTJ23d (eTJe)0.9 bm m2 ((tine)0.1 serious breaches of public trust by large corporations. The Federal Trade Commission has a responsibility to prevent further fraying of our collective trust.

Impersonation scams are one of the many threats to public trust that can also be devastating to individual consumers. Over the past decade, reports of impersonation scams to the Commission have continued to pile up despite multiple law enforcement actions and education efforts—in just the first three quarters of 2021, consumers reported losing $1.6 billion dollars to these frauds and scams. And all too often, the folks who are targeted by impersonation scams tend to be those who can least afford to bear the fall-out from these frauds: seniors, small businesses, and newcomers to the United States. And it feels a little personal to me; when I was Acting Chair earlier this year, we had to put out an alert because scammers were impersonating me to steal people's COVID relief benefits.

Today's Advance Notice of Proposed Rulemaking on Impersonation of Government and Business is a welcome and necessary step for the Commission to take to determine if a Trade Regulation Rule targeting deceptive or unfair impersonation practices is warranted. I want to thank BCP, in particular the Division of Marketing Practices, for their important work to stop impersonation scams through aggressive law enforcement actions over the past many years and for their partnership with the Office of General Counsel to develop this ANPR. In particular, I want to thank Christopher Brown, Dotan Weinman, and Lois Greisman from DMP; Leah Frazier, Monica Vaca, and Sam Levine from the Bureau; and Austin King, Kendall Christie, and Reilly Dolan from OGC. I also want to express my appreciation to my fellow Commissioners for working together to open this inquiry.

Finally, I want to highlight one reason why I think initiating a rulemaking inquiry in this area is so critical—that is the loss of our ability to deliver consumer redress under Section 13(b) of our statute. Some significant actions cracking down on impersonators relied exclusively or primarily on our Section 5 deception or unfairness authority. In these instances, the main way we were able to recover funds stolen from our seniors or our immigrant communities has been closed off—if we brought those cases today, injured consumers might not get a dollar back. I