

# Federal Trade Commission

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## Roundtable on Consumer Protection in Immigrant Communities

Jessica Rich<sup>1</sup>

Director, Bureau of Consumer Protection, FTC

Introductory Remarks

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### I. Introduction

Hello everyone. Welcome and thank you for coming. I am Jessica Rich, Director of the Bureau of Consumer Protection at the Federal Trade Commission. I am delighted to see you all here today to discuss the consumer protection issues facing immigrant communities in North Carolina. Thanks, especially, to the federal, state, and

great opportunity to talk about what we have learned so far, and how we will move forward.

A slew of consumer protection issues hit hard at immigrants. Notario fraud, abusive debt collection practices, auto fraud, and a host of others come to mind. Scammers are eager to exploit confusion in the marketplace – and language barriers – to target immigrants. I want to help launch this event by briefly describing some of the tools the FTC is using – and can offer to our partners – to stop these harmful practices.

## **II. FTC Immigration Toolkit**

I'll highlight first the educational tools we make available for distribution, and on our website – tools we are eager for everyone here to use.

To help immigrant consumers and their advocates navigate the wide range of consumer protection issues they face, now and in the future, the FTC, with the help of legal services advocates, put together a toolkit available on our website at [consumer.gov/immigranthelp](http://consumer.gov/immigranthelp).

The toolkit provides information on topics such as notario fraud, debt collection, money wiring, and job scams. It includes materials created by the FTC, as well as other law enforcement agencies, legal services organizations, and immigrant advocates. For example, it includes a new manual on notario fraud remedies created by the Community Justice Project at Georgetown Law.

We are very pleased to offer this toolkit as a resource, and hope you will assist us in spreading the word about it. We have one-page information sheets here, in several languages (Spanish, Vietnamese, Chinese, Korean, and Tagalog), that you can take with

you. With your help, we can provide valuable information to those seeking to combat fraud in immigrant communities.

While you are on [consumer.gov](http://consumer.gov), or [consumidor.gov](http://consumidor.gov), the Spanish language version,

acts of deception against consumers, we refer them to the Department of Justice for criminal prosecution. We've brought numerous cases in district court to combat a variety of frauds affecting immigrant communities, including mortgage foreclosure rescue scams, bogus work-at-home opportunities, deceptive prepaid calling card sales, immigration services fraud, and more. You'll hear about some of these cases today.

For example, in January, the FTC obtained a preliminary injunction against Oro Marketing. We alleged that the company targeted Spanish-speaking consumers and offered to sell brand name merchandise at wholesale prices that consumers could supposedly resell to others to make money. However, instead of providing the possibility of a lucrative business, Oro provided shoddy merchandise, even after consumers paid hundreds of dollars. To make matters worse, the company allegedly threatened consumers who declined the merchandise with fines, phony lawsuits, wage garnishment, and even arrest or reporting to immigration authorities. The FTC obtained an order to stop the illegal activity and to freeze the company's assets to prevent it from dissipating money while the case progresses.

Another problem area is mortgage relief scams. These scammers falsely claim that, for a fee, they will negotiate with consumers' mortgage lenders to obtain a loan modification or other relief to avoid foreclosure. Immigrants have often been victims of these scams.

For example, last year, the FTC announced the settlement of its case against a business called Freedom Companies. The FTC charged that the company contacted Spanish-speaking homeowners in financial distress and promised mortgage modifications

within 90 days for a fee of \$995 to \$1500. In reality, however, the FTC alleged that the company, which was actually operating from the Dominican Republic, failed to help lower consumers' mortgage payments and often requested additional fees of up to several thousand dollars. We received invaluable help in the case from Texas Rio Grande Legal Aid, which worked with us to get a sworn consumer declaration about the company's deceptive marketing practices. With their help, the FTC was able to shut down the business and obtain a ban preventing the defendants from marketing mortgage assistance relief products.

And last summer, we received a final ruling in an immigration services fraud case that we brought to trial, *FTC v. Loma*. In that case, the court found that Loma International and its principals, Manuel and Lola Alban, violated the law by misrepresenting that they were qualified immigration consultants, legally authorized to provide immigration services to consumers. The court found serious harm in the case, stating "Some customers suffered severely for their reliance upon the Albans. Several of the Albans' customers were deported. One customer who relied upon the Albans' advice was arrested and jailed for almost 11 months." -co comT(Internph ofm)9.h 7oase frn9drst immigration



