

discuss each issue in turn, and I'll also address how we're targeting abuses we're seeing around vehicles, schools, and housing – some of the biggest pain points facing consumers.

A. Combatting Junk Fees and Subscription Traps

Let's start by talking junk fees. Too many firms are concealing price increases by keeping sticker prices static and tacking on mandatory fees at the end.³ This dynamic can distort competition in serious ways, and it's why the FTC has been fighting for upfront pricing for decades. We've brought major cases,⁴ issued reports,⁵ and held workshops.⁶ But the problem has not gone away. In fact, we see it growing.⁷ That's why last year, we proposed a junk fee ban that would require firms to post prices upfront, rather than burying or misrepresenting mandatory fees.⁸ We think this rule would help honest businesses compete, and would help consumers shop around.

It's not only junk fees where we've launched ambitious efforts to crack down on long-festering problems. Consider subscription plans. We know how these have grown in popularity, and we see businesses large and small turning increasingly to subscription models. These models offer consumer many benefits, but too often, they come with a downside – firms can lie about the terms, and make it difficult for consumers to cancel.

You've probably noticed how active we've been on the enforcement front. Over the last three years we have brought actions against Adobe, Amazon, Brigit, Care.com, Vonage and more, alleging that they made subscriptions difficult to cancel.⁹ You probably also noticed some the groundbreaking remedies

³ Stacey Vanek Smith, NPR, [What my \\$30 hamburger reveals about fees and how companies use them to jack up prices](#) (July 27, 2023).

⁴ E.g., Press Release, [FTC Takes Action Against Bill Payment Company Doxo for Misleading Consumers, Tacking on Millions in Junk Fees](#) (Apr. 25, 2024); Press Release, [FTC Action Leads to Permanent Ban for Scammers Who Charged Students Seeking Debt Relief with Junk Fees](#) (Feb. 6, 2024); Press Release, [FTC Action Leads to \\$18 Million in Refunds for Brigit Consumers Harmed by Deceptive Promises About Cash Advances, Hidden Fees, and Blocked Cancellation](#) (Nov. 2, 2023); Press Release, [FTC Takes Action Against Multistate Auto Dealer Napleton for Sneaking Illegal Junk Fees onto Bills and Discriminating Against Black Consumers](#) (Apr. 1, 2022); Press Release, [LendingClub Agrees to Pay \\$18 Million to Settle FTC Charges](#) (July 14, 2021). A particularly pernicious area in which we have brought cases are companies advertising that something is “free” when it isn't for most consumers. See Press Release, [FTC Takes Action Against Tax Prep Company H&R Block For Wiping Consumers' Data, Deceptively Marketing 'Free' Online Filing](#) (Feb. 23, 2024); Press Release, [FTC Issues Opinion Finding that TurboTax Maker Intuit Inc. Engaged in Deceptive Practices](#) (Jan. 22, 2024).

⁵ E.g., Press Release, [FTC Staff Perspective Recaps Online Event Tickets Workshop](#) (May 7, 2020); Mary W. Sullivan, FTC, [Economic Analysis of Hotel Resort Fees](#) (Jan. 2017).

⁶ E.g., Press Release, [FTC Staff Perspective Recaps Online Event Tickets Workshop](#) (May 7, 2020); [The Economics of Drip Pricing](#) (May 21, 2012).

⁷ FTC, [Trade Regulation Rule on Unfair or Deceptive Fees \(NPRM\)](#), 88 Fed. Reg. 77420, 77421–38 (Nov. 9, 2023).

⁸ 88 Fed. Reg. at 77483–84.

⁹ Press Release, [FTC Takes Action Against Adobe and Executives for Hiding Fees, Preventing Consumers from Easily Cancelling Software Subscriptions](#) (June 17, 2024); Press Release, [FTC Takes Action Against Amazon for Enrolling Consumers in Amazon Prime Without Consent and Sabotaging Their Attempts to Cancel](#) (June 21, 2023); Press Release, [FTC Adds Senior Executives Who Played Key Roles in Prime Enrollment Scheme to Case Against Amazon](#) (Sept. 20, 2023); Press Release, [FTC Action Leads to \\$18 Million in Refunds for Brigit Consumers Harmed by Deceptive Promises About Cash Advances, Hidden](#)

we've obtained, including our largest-ever ROSCA judgment,¹⁰ requirements to preserve A/B testing,¹¹ and provisions to guarantee simple cancellation.¹²

In spite of our enforcement track record, problems in this market persist. That's why last year, we proposed our click-to-cancel rule – requiring that firms be honest in their marketing, and make subscriptions as easy to cancel as they are to enroll in.¹³ As with junk fees, we believe this would level the playing field for businesses that market subscriptions honestly, while saving consumers time and money.

I know many of you may be wondering when and if we'll be finalizing our click-to-cancel and junk fee rules. But rather than making news, I'll tell you something you should already know. Hiding fees and trapping consumers in subscriptions is already unlawful, not only under the FTC Act but under other laws we enforce, like ROSCA. We sued Vonage, Amazon and others under our existing authority, and companies should heed the call to follow the law *now* rather than waiting for a final rule.

B. Cracking Down on Illegal Telemarketing

Speaking of calls, during this talk, I'm sure some of you will be hit with a robocall. This problem is so widespread that it might at times feel hopeless. But over the last four years, we've led the most aggressive crackdown on illegal telemarketing since the creation of the Do Not Call List. Our multifaceted strategy includes enforcement, rulemaking, and leveraging American innovation.

On the enforcement front, we announced last year the largest crackdown on unwanted calls in U.S. history, with more than 100 enforcers bringing more than 180 actions. We challenged telemarketers themselves, such as those who are looking to exploit struggling student borrowers. We also sued their enablers, particularly VoIP providers and "consent" farms – including Fluent, a publicly-traded firm that sold hundreds of millions of leads to telemarketers.¹⁴ All told our actions targeted *billions* of illegal calls, halting frauds and saving consumers countless hours.

Our strategy is working. While the prevalence of illegal calls remains unacceptably high, the number of Do Not Call complaints to the FTC is less than half of what it was in 2021 – marking significant progress.¹⁵

[Fees, and Blocked Cancellation](#) (Nov. 2, 2023); Press Release, [FTC Takes Action Against Care.com for Deceiving Caregivers About Wages and Availability of Jobs on its Site, Impeding Cancellation Process](#) (Aug. 26, 2024); Press Release, [FTC Action Against Vonage Results in \\$100 Million to Customers Trapped by Illegal Dark Patterns and Junk Fees When Trying to Cancel Service](#) (Nov. 3, 2022).

¹⁰ Press Release, [FTC Action Against Vonage Results in \\$100 Million to Customers Trapped by Illegal Dark Patterns and Junk Fees When Trying to Cancel Service](#) (Nov. 3, 2022).

¹¹ Press Release, [FTC Takes Action to Stop Credit Karma From Tricking Consumers With Allegedly False "Pre-Approved" Credit Offers](#) (Sept. 1, 2022).

¹² E.g., Stipulated Order for Permanent Injunction, Monetary Judgment, and Other Relief § IV, [FTC v. Care.com, Inc.](#), No. 1:24-cv-00987 (W.D. Tex. Aug. 30, 2024), ECF No. 7.

¹³ Press Release, [Federal Trade Commission Proposes Rule Provision Making it Easier for Consumers to "Click to Cancel" Recurring Subscriptions and Memberships](#) (Mar. 23, 2023).

¹⁴ Press Release, [FTC, Law Enforcers Nationwide Announce Enforcement Sweep to Stem the Tide of Illegal Telemarketing Calls to U.S. Consumers](#) (July 18, 2023).

¹⁵ [National Do Not Call Registry, All Complaints by Call Type, July 2020 to June 2024](#) (last visited Sept. by Call.8 (All 0



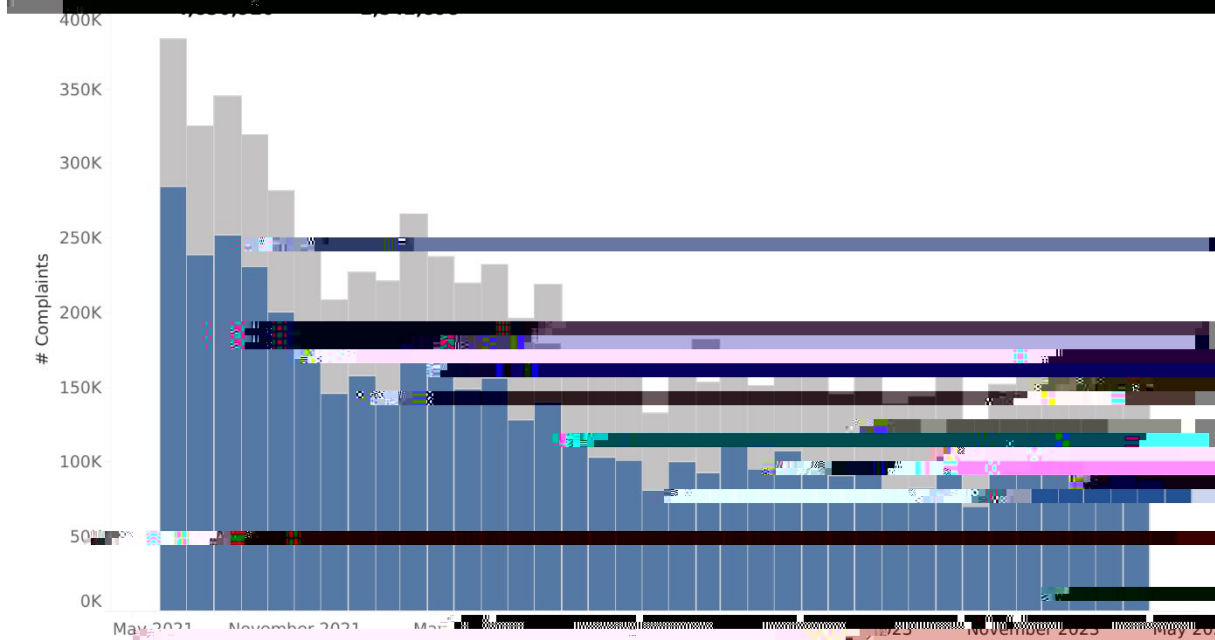
National Do Not Call Registry
June 2021 to June 2024



Robocall



Live Call



Complaints where the call type was not reported is relatively small every year and is not included.
FEDERAL TRADE COMMISSION - ftc.gov

(data as of June 30, 2024)

Our enforcement work played a big role in this success, but we are using other tools, too. I am particularly proud of work to strengthen the Telemarketing Sales Rule. Earlier this year, we extended telemarketing fraud protections to businesses and updated the rule’s recordkeeping requirements.¹⁶ And we also tapped American ingenuity to combat emerging forms of telemarketing fraud, launching a Voice Cloning Challenge that I’ll discuss later in my remarks. These actions make clear that the FTC will continue to combat unlawful telemarketing practices in every corner of the ecosystem.

C. Focusing on Cars, Education, and Housing

Let me now turn to what the FTC is doing in some specific markets where consumers face particularly large expenses – their cars, their schools, and their homes.

Cars

Let’s start with some Car Talk.¹⁷ Tom and Ray would weekly thank their Chief Legal Counsel: Hugh Louis Dewey of the firm Dewey, Cheetham, & Howe. Well, today the FTC is taking on the Dewey, Cheetham, & Howes of the auto realm – and we’re notching some wins.

¹⁶ Press Release, [FTC Implements New Protections for Businesses Against Telemarketing Fraud and Affirms Protections Against AI-enabled Scam Calls](#) (Mar. 7, 2024).

¹⁷ NPR, [The Best of Car Talk](#) (last visited Sept. 10, 2024).

movements of individuals to and from sensitive locations.⁵⁰ And this year, we've already announced two major actions banning the sale of sensitive geolocation data.⁵¹

We're also taking bold action to protect kids and teens online. In December, we proposed strengthening the COPPA Rule by further limiting companies' ability to monetize children's data.⁵² And we have not let up on enforcement. In fact, our Epic Games suit was the largest COPPA action ever – and the first to challenge unfair practices targeting teens.⁵³ And this summer,

responsibility, and we expect them to be honest in the claims they are making. When they are not, we take action.⁵⁷

Consider our work around gig platforms.⁵⁸ Over the last four years, we have secured more than \$80 million in relief for gig workers who've been subject to a range of unlawful practices – from secretly withholding tips from drivers⁵⁹ to selling lousy leads to home improvement contractors⁶⁰ to misleading consumers about earnings and job opportunities.⁶¹ A number of these firms engaged in these practices in spite of receiving Notices of Penalty Offenses, and we are proud of our track record holding them accountable.⁶²

Franchising is another area where we want to make sure entrepreneurs have a real chance to succeed. In 2022, we sued BurgerIM for making false promises to franchisees and leaving them buried in debt.⁶³ And in July, we announced three important initiatives: First, the Commission made clear that franchisors cannot use non-disparagement clauses to prohibit franchisees from reporting law violations to the government. Second, we released staff guidance making clear that franchisors can't impose fees on franchisees that were not previously disclosed. And finally, working with our Office of Policy Planning, we released a report summarizing the top concerns we've been hearing from franchisees.⁶⁴

Multilevel marketing is another area where we are proceeding on multiple fronts. Last month, after two years of litigation, we secured an order shutting down a credit repair pyramid scheme and returning more than \$12 million to consumers.⁶⁵ And earlier this month, BCP staff issued a report examining income disclosure statements from 70 MLMs.⁶⁶ The results were disappointing. Far too many of these disclosures

⁵⁷ Our concern with these practices is what led the agency, in 5-0 vote, to issue Notices of Penalty Offenses concerning money-making opportunities. Press Release, [FTC Puts Businesses on Notice that False Money-Making Claims Could Lead to Big Penalties](#) (Oct. 26, 2021)

fold over a four-year period.⁷⁶ Given this experience, we simply cannot afford to let scammers harness the power of yet another emerging technology. And we will not.

Over the last year, we've already sued one firm defrauding consumers with AI claims,⁷⁷ and we're just getting started. But we're also making sure we have the tools we need to shut down these schemes. The Commission recently issued a rule outlawing government and business impersonation scams – a type of fraud that generative AI can turbocharge.⁷⁸ At the same time, the Commission proposed extending that ban to the impersonation of individuals and to prohibit providing scammers with the means and instrumentalities to execute impersonation scams.⁷⁹ The Commission has also made clear that AI robocalls are not exempt from the Telemarketing Sales Rule.⁸⁰ And the Commission recently finalized a rule cracking down on firms that generate fake reviews – an online scourge that AI threatens to exacerbate.⁸¹

Enforcement is not the only tool we're deploying to protect the public. Earlier this year, the Commission launched its Voice Cloning Challenge, led by our Division of Marketing Practices and our Office of Technology. We invited the public to submit multidisciplinary approaches aimed at protecting consumers from AI-enabled voice cloning harms, including fraud and the improper appropriation of creative content. And in April, working with our expert panel of judges, we announced four promising winners.⁸² There is no single solution to AI-fueled fraud, but we should never count out American ingenuity as a complement to strong enforcement.

In addition to combatting fraud, we want to make sure AI isn't being used in ways that unlawfully shut people out of opportunities. For example, last December, the Commission charged Rite Aid with recklessly deploying AI facial recognition technology that falsely tagged consumers, especially women and people of color, as shoplifters or other bad actors.⁸³ Our groundbreaking order banned RiteAid from deploying these systems for five years and imposed stringent requirements on the future use of biometric surveillance systems, sending a strong message that firms should use AI responsibly, or not at all.

Our proactive enforcement approach should not su

summer, for example, we challenged a baseless claim that AI can keep kids safe online.⁸⁶ Actions like these help ensure firms generating real innovations don't lose out to those innovating in lawbreaking. You can expect more actions like this before the end of the year.

Conclusion

Let me conclude by zooming out a bit. I've been in consumer protection my whole career, starting after -55.5 (e.)TJ0 Tw ir

against dark patterns drew some skepticism

in our agency's work, staffing cases in both bureaus and spearheading important market studies.¹⁰² Across our agency, we are firing on all cylinders to make Americans' lives better. And that won't change.

I hope to be back next year to give you a further progress update. In the meantime, I'm happy to take your questions.

¹⁰² BCP is proud to be working with the Office of Technology on its recently announced 6(b) study examining surveillance pricing, an emerging trend that we want to ensure we understand and are prepared to address. See Press Release, [FTC Issues Orders to Eight Companies Seeking Information on Surveillance Pricing](#) (July 23, 2024).