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February 26, 2021

Rebecca Kelly Slaughter  
Acting Chair  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Dear Acting Chair Slaughter,

As the Chair of the Senate Commerce Committee's Subcommittee on Consumer Protection, Product Safety and Data Security, I write to urge the Federal Trade Commission (FTC) to take aggressive enforcement action against an alarming wave of illicit pandemic scams preying on consumers who need vaccines, personal protective equipment, economic relief, and more. Hearings and oversight are planned by our subcommittee – to fight fraud and dangerous products so the FTC and Congress can confront these threats through timely warnings and swift deterrent action.

The pandemic has raised new predatory threats from scammers and con artists exploiting personal loss and economic hardship. Consumers have been flooded with false cures, fake personal protective equipment (PPE), theft of stimulus checks, and other dangers. According to the FTC's Consumer Sentinel Network data, since the start of the pandemic, consumers have reported \$348.64 million lost in fraud across 363,239 reports. In Connecticut alone, nearly 3,600 residents have lost \$2.7 million.<sup>1</sup> This onslaught of scams has hit hardest senior citizens, immigrant communities, and other vulnerable populations, who often incur greater losses but face obstacles reporting crimes.

I appreciate the Commission's efforts to warn the public and stop prominent scams, particularly initial actions against fake COVID-19 cures.<sup>2</sup> The FTC's lawsuit against Golden Sunrise Nutraceutical, when it deceptively claimed its dietary supplements could cure COVID-

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<sup>1</sup> Federal Trade Commission, "FTC COVID-19 and Stimulus Reports Consumer Sentinel Network Reports," <https://public.tableau.com/profile/federal.trade.commission#!/vizhome/COVID-19andStimulusReports/Map> (accessed February 25, 2021).

<sup>2</sup> Federal Trade Commission, Warning Letters, <https://www.ftc.gov/enforcement/warning-letters> (accessed February 25, 2021).

19 and other diseases, is an enforcement model that must be followed by more.<sup>3</sup> The Commission must bring more cases and remain vigilant as new scammers become more skilled at exploiting people's fears. For example, as soon as communities started to provide vaccinations, people began receiving robocalls and messages falsely claiming to offer at-home delivery for senior citizens.

In Connecticut, state law enforcement, consumer protection advocates, and communities have encountered a series of new schemes that warrant attention from the FTC, including:

- *Fraudulent Vaccination Appointments and Sales* – In North Haven, city officials have alerted residents about scams claiming to sell the COVID-19 vaccine over the internet, to book at-home appointments, or to reserve priority access for cost.<sup>4</sup>
- *Economic Benefits Scams* – In Canton, residents have received mail that offered them the chance at a “relief benefits interest rate” on their debt with fake checks, attempting to lure them into loans and credit cards.<sup>5</sup>
- *Fake Contact Tracing* – In Meriden, members of the public have reported receiving calls from scammers posing as COVID-19 contact tracers, requesting personal information including social security numbers, likely for identity theft.<sup>6</sup>
- *Counterfeit Personal Protective Equipment and Facemasks* – In New Haven, doctors have warned that counterfeit masks and PPE have infiltrated the market, creating a dangerous risk to consumers that believe they are using medical grade masks to protect themselves from COVID-19.<sup>7</sup>

To stop spreading costly scams and fraud, we must take strong, swift steps. The Commission must urgently act against this fresh scourge of fake cures, robocalls, counterfeit PPE, impersonations of charities, and identity theft. Fortunately, it has new tools to act: the December COVID-19 relief package within the 2021 Appropriations Bill provides the Commission the ability to seek civil penalties up to \$43,280 per violation for deceptive practices related to “treatment, cure, prevention, mitigation, or diagnosis of COVID–19” or “government benefit related to COVID–19.”<sup>8</sup> The FTC and its federal agency partners also have new

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<sup>3</sup> Federal Trade Commission, Division of Consumer & Business Education, *Cracking down on fake COVID-19 cures*, by Jabari Cook, July 31, 2020, <https://www.consumer.ftc.gov/blog/2020/07/cracking-down-fake-covid-19-cures>.

<sup>4</sup> “North Haven Officials Warn of COVID-Related Scams,” *NBC Connecticut*, December 23, 2020, <https://www.nbcconnecticut.com/news/local/north-haven-officials-warn-of-covid-related-scams/2390740/>.

<sup>5</sup> Peter Yankowski, “CT police department warns of COVID-19 mailer fraud,” *CTPost*, November 20, 2020, <https://www.ctpost.com/local/article/CT-police-department-warns-of-covid-19-mailer-15743968.php>.

<sup>6</sup> “Meriden Officials Warn of COVID-19 Contact Tracing Scams,” *NBC Connecticut*, January 11, 2021, <https://www.nbcconnecticut.com/news/coronavirus/meriden-officials-warn-of-covid-19-contact-tracing-scams/2401060/>.

<sup>7</sup> Bob Wilson, “Doctors say to be on the lookout for counterfeit facemasks flooding PPE market,” *WTNH*, January 27, 2021, <https://www.wtnh.com/news/health/coronavirus/doctors-say-to-be-on-the-lookout-for-counterfeit-facemasks-flooding-ppe-market/>.

<sup>8</sup> COVID-19 Consumer Protection Act of the Consolidated Appropriations Act, Pub. L. No. 116-260, 134 Stat. 1182, Division FF, Title XIV, § 1401 (2020).

resources to find and stop those behind the recent surge of robocalls through the TRACED Act. Congress has empowered the Commission to impose consequential costs on those who rip off consumers during COVID-19, and it is urgent that you now act.

As the Chair of the Subcommittee on Consumer Protection, I look forward to working with the Commission to better address the rising threats to the safety and pocketbooks of consumers. I hope to hear from the Commission in upcoming hearings about the work that it is doing to protect consumers and what more is needed to arm our enforcers in this fight. The COVID-19 pandemic has shown in vivid detail that an active, engaged, and empowered FTC is vital to all consumers and should be a time for us to reinvigorate the Commission's consumer protection mission. As we look forward toward protecting consumers, I am interested in your answers to the following questions:

- 1.) What further legal authorities, expertise, personnel, and resources does the FTC need to fully hold those that break our consumer protection laws accountable?
- 2.) How does the FTC plan to use the COVID-19 civil penalty authority provided by Congress to deter scammers and peddlers of fraudulent products from exploiting and gouging consumers and to create a lasting impact on dangerous markets?
- 3.) What impact would the undermining of the FTC's 13(b) consumer redress authority have on its ability to seek remedies for harms to consumers during this crisis?
- 4.) What steps will the FTC take to improve efforts to provide the public with timely information about the new scams and schemes targeting consumers during COVID-19?
- 5.) How can the FTC better work with other law enforcement, including states' Attorneys General, to raise public awareness, identify perpetrators, and bring cases to prevent and deter scams?
- 6.) How does the FTC plan to address the role that online marketplaces and social media have in the availability, advertising, and sale of dangerous products, such as false cures and fake PPE?

Thank you for your attention to this matter and your work to protect consumers. I look forward to your response.

Sincerely,

A handwritten signature in blue ink that reads "Richard Blumenthal". The signature is written in a cursive style and is positioned above a horizontal line.

RICHARD BLUMENTHAL  
United States Senate