

# Protecting Older Consumers 2023–2024

**A Report of the  
Federal Trade Commission**

**Federal Trade Commission**  
October 18, 2024



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## **FEDERAL TRADE COMMISSION**

Lina M. Khan, Chair

Rebecca Kelly Slaughter, Commissioner

Alvaro M. Bedoya, Commissioner

Melissa Holyoak, Commissioner

Andrew N. Ferguson, Commissioner

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# I. Introduction

The Federal Trade Commission (“FTC” or “Commission”) is the United States’ principal consumer protection agency and has extensive authority to protect consumers from unfair and deceptive acts and practices in the marketplace. Protecting older adults remains one of the FTC’s primary objectives,<sup>1</sup> and it uses several approaches to pursue this objective.<sup>2</sup> First, the FTC brings enforcement actions to stop unlawful practices and, when possible, returns money to consumers.<sup>3</sup> This year, the FTC has brought enforcement actions regarding schemes involving money-making opportunities, cash advance scams, deceptive claims about COVID-19 prevention and other home goods, debt relief, tech support services, and illegal robocalls, among others. The FTC’s enforcement efforts in this last fiscal year have resulted in relief of more than \$267 million to consumers of all ages. The FTC has also conducted rulemakings intended to increase its ability to obtain monetary relief for consumers, including older adults.

Second, the FTC continues to spearhead as well as participate in forward-thinking education and outreach directed at older adults nationwide. The FTC’s ongoing efforts serve to alert older adults to common types of fraud and to provide them with resources to avoid such fraud. This education and outreach mission to help consumers recognize, avoid, and report scams is important as the agency considers how to best serve a growing older adult population that is also increasingly diverse. The FTC strives to protect every community, and this year it announced that consumers can file reports with the agency in multiple languages via telephone interpreters. Further, the FTC also offers consumer advice in a dozen languages at [www.ftc.gov/languages](http://www.ftc.gov/languages).

Third, in its work to protect older adults the FTC collaborates with a wide variety of partners, including government, academia, AARP, industry, military family and veterans service organizations, and other older adult advocates. The FTC’s collaborations also include its work under the Stop Senior Scams Act.<sup>4</sup>

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<sup>1</sup> This report refers to persons 60 and older when using the terms “older adults” or “older consumers” to be consistent with the requirements in Section 2(1) of the Elder Abuse Prevention and Prosecution Act, which references Section 2011 of the Social Security Act (42 U.S.C. § 1397j(5)) (defining “elder” as an individual age 60 or older).

<sup>2</sup> This report focuses on the work of the Bureau of Consumer Protection to protect older adults. The FTC’s Bureau of Competition also serves older adults through its work in various sectors of the economy, such as health care, consumer products and services, technology, manufacturing, and energy. The primary drafters of this staff report are Patricia Hsue and Lauren Rivard, Division of Marketing Practices; Emma Fletcher, Division of Consumer Response and Operations; and Kira Krown, Division of Consumer and Business Education. Additional acknowledgement goes to Kati Daffan and James Evans, Division of Marketing Practices; Maria Mayo, Patti Poss, Christopher Stone, Nicole Christ, and Anne Miles, Division of Consumer Response and Operations; Jennifer Leach, Karen Hobbs, Cristina Miranda, Colleen Tressler, and Marlina Patterson, Division of Consumer and Business Education; Devesh Raval, Bureau of Economics; Greg Madden, Division of Enforcement; Karen Mandel, Division of Advertising Practices; and Honors Paralegal Ashley Nevarez Gali. This report reflects the work of staff throughout the Federal Trade Commission’s Bureau of Consumer Protection and its Regional Offices, with much of the work stemming from the FTC’s Every Community Initiative. Lois C. Greisman is the FTC’s Elder Justice Coordinator.

<sup>3</sup> The FTC has wide-ranging law enforcement responsibilities under the Federal Trade Commission Act, 15 U.S.C. § 41 *et seq.* (“FTC Act”) and enforces a variety of other laws ranging from the Telemarketing and Consumer Fraud and Abuse Prevention Act to the Fair Credit Reporting Act. In total, the Commission has enforcement or administrative responsibilities under more than 80 laws. See <https://www.ftc.gov/legal-library/browse/statutes>.

<sup>4</sup> See *infra* Section IV.D.

The FTC applies the information and analyses obtained from these efforts to develop strategic initiatives on how to best address issues older adults face. For example, the FTC’s data analysis of reports filed by consumers nationwide helps the agency identify, understand, and address patterns and trends related to older adults, including estimating the overall cost of fraud to older adults. In 2023, the FTC estimates the overall loss, adjusted for underreporting, was \$158.3 billion or \$23.7 billion for consumers of all ages and \$61.5 billion or \$7.1 billion for older adults. These estimates are based on two different assumptions about the degree of underreporting for high dollar losses.

Finally, recognizing the benefits and threats posed by artificial intelligence to all consumers, including older adults, the FTC successfully held a voice cloning challenge to promote the development of ideas to protect consumers of all ages from the misuse of artificial intelligence-enabled voice cloning and other harms.

The FTC submits this seventh annual report to the Committees on the Judiciary of the United States Senate and the United States House of Representatives to fulfill the reporting requirements of Section 101(c)(2) of the Elder Abuse Prevention and Prosecution Act of 2017.<sup>5</sup> This report describes the FTC’s recent comprehensive efforts to protect older consumers. The report also includes, as required by law, a list in Appendix A of every administrative and federal district court action filed in the last fiscal year that has affected older adults.<sup>6</sup>

## II. FTC Enforcement Activities Affecting Older Adults

Aggressive law enforcement remains the keystone of the FTC’s efforts to protect older consumers. While the actual ages of people affected in a given case are generally unknown, FTC enforcement actions impact consumers of *all* ages. This year, the Commission brought cases involving a wide range of issues, including allegations regarding business opportunity and money-making schemes, unsubstantiated product claims, unlawful robocalls, tech support scams, false claims about health products, unfair and deceptive fees, deceptive or unfair practices around collecting and selling consumer’s precise location data revealing sensitive locations, and more.<sup>7</sup>

This section highlights eight enforcement actions filed within the last fiscal year in which the Commission noted a significant impact on older adults. It also describes other agency actions that affected older consumers, including case resolutions, consumer refunds, and criminal actions brought by other agencies relating to FTC matters or pursued with FTC assistance. Finally, this section describes

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<sup>5</sup> Public Law 115–70, 115th Congress (enacted Oct. 18, 2017).

<sup>6</sup> Under the law, the FTC Chair must file a report listing the FTC’s enforcement actions “over the preceding year in each case in which not less than one victim was an elder or that involved a financial scheme or scam that was either targeted directly toward or largely affected elders.”

<sup>7</sup> Appendix A lists almost all new enforcement actions taken by the FTC between October 1, 2023 and September 30, 2024 since older adults are affected in nearly every consumer protection case. This list includes cases involving violations of children’s privacy laws. The perpetrators of such schemes may not typically target older adults, but the cases are listed because they involve large and diverse groups of consumers. The affected consumers may include an older parent or grandparent who wish to protect the online privacy of children for whom they are caring.

the Commission’s continued efforts to develop additional tools that enhance its law enforcement actions and enable it to recover more money to return to harmed consumers.

## A. Enforcement Actions

The Commission filed the following new enforcement actions in the last fiscal year that likely had a significant impact on older adults:

In *Care.com, Inc.*, the FTC alleged that defendant lured consumers into purchasing memberships to access its job-search platform by using deceptive earnings claims and inflating the number of job opportunities on the platform. Defendant operates a two-sided platform that connects consumers seeking in-home care services with consumers looking for employment opportunities. According to the complaint, many of the consumers seeking care services are older adults and the job opportunities posted involve caring for older adults. The FTC also alleged that defendant failed to provide consumers with a simple cancellation method in violation of the Restore Online Shoppers’ Confidence Act. Under the settlement, defendant is prohibited from making deceptive or unsubstantiated earnings claims, misrepresenting the number of job opportunities available, and is required to provide consumers with an easy method of cancelling their memberships. The defendant is also required to pay \$8.5 million, which the FTC plans to use for consumer redress.

In *K W Technology Inc.*, the FTC sued to stop four related defendants from deceptively marketing their 1 Virus Buster Invisible Mask (“Invisible Mask”) as a scientifically proven defense against COVID-19. Specifically, the complaint alleges that defendants claimed without scientific proof that the Invisible Mask—a badge worn around the neck or clipped onto clothing—creates a three-foot barrier of protection against 99.9 percent of all viruses and bacteria, including COVID-19.<sup>8</sup> Defendants also falsely marketed the Invisible Mask or the materials used to make the mask as government approved or made in a government-approved facility, falsely claiming that the Invisible Mask had “FDA Approval” and that the materials used to make it were “EPA approved.” Despite receiving a warning letter from the FTC in July 2020, defendants continued to falsely advertise the Invisible Mask.<sup>9</sup> Three of the four defendants have agreed to an order settling the FTC’s complaint, providing that they will turn over funds for consumer redress and civil penalties, and banning them from making unsupported health claims for products designed to prevent or treat COVID-19.<sup>10</sup> Litigation continues against the fourth defendant.

In *Weblio*, the FTC alleged that the defendants operated a recruitment-based money-making scheme that preyed on consumers, including older consumers, with bogus promises of huge returns.<sup>11</sup> Consumers

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<sup>8</sup> Press Release, FTC, *FTC Takes Action Against Makers of an ‘Invisible Mask’ They Falsely Claimed Protected Users from COVID-19* (Oct. 24, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-takes-action-against-makers-invisible-mask-they-falsely-claimed-protected-users-covid-19>.

<sup>9</sup> *FTC v. K W Technology Inc., et al.*, No. 23-cv-6633 (E.D.N.Y. Sept. 6, 2023), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/invisible\\_mask\\_complaint.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/invisible_mask_complaint.pdf).

<sup>10</sup> *FTC v. K W Technology Inc., et al.*, No. 23-cv-6633 (E.D.N.Y. Oct. 24, 2023), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/2223083invisiblemasksignedfinalorder.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/2223083invisiblemasksignedfinalorder.pdf).

<sup>11</sup> Press Release, FTC, *FTC Acts to Stop Sprawling Business Opportunity Scheme That Took Millions From Consumers* (Dec. 19, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/12/ftc-acts-stop-sprawling-business-opportunity-scheme-took-millions-consumers>.

were charged at least \$3,000 and as much as \$21,000, plus additional hundreds in “administrative fees,” for membership in the scheme, which nominally promised its members turnkey online businesses that would be operated on the members’ behalf.<sup>12</sup> But the scheme’s marketing was rife with false claims and few consumers made any money, let alone the income the defendants portrayed as typical. Defendants’ scheme was associated with internet domain names that used phrases like “retire wealth system,” “retire wealth source,” “retire wealth network,” and “income to retire system.” As alleged in the complaint, in one instance a defendant urged a septuagenarian consumer to buy the most expensive membership level so she could get out of debt more quickly and start making a profit, while knowing that the consumer was a retiree in need of income. That consumer lost her entire investment. The FTC has settled its charges against all of the defendants, banning one of them from robocalling, banning each of them from selling Money-Making Methods (as defined in the order), and banning two of them from selling Investment Opportunities (as defined in the orders) and from telemarketing. Each of the defendants is subject to a monetary judgment.

In *FloatMe*, the FTC settled charges against the online cash advance provider and its co-founders who used empty promises of quick and free cash advances to entice consumers to join its service—only to fail to deliver the promised advance amounts, make it difficult to cancel, and discriminate against consumers who receive public assistance, including Social Security retirement benefits.<sup>13</sup> As alleged in the FTC’s complaint, consumers receiving Social Security retirement benefits were permitted to sign up for a subscription with FloatMe, only to find that they were categorically prohibited from receiving cash advances—even after paying subscription fees—due to FloatMe’s refusal to offer cash advances for income that derives from these benefits.<sup>14</sup> Under the terms of the settlement order, the defendants are required to stop the company’s deceptive marketing, make it easier for consumers to cancel their subscriptions, institute a fair lending program, and provide \$3 million to be used to refund consumers.<sup>15</sup>

In *Response Tree, LLC*, on behalf of the FTC, the Department of Justice (“DOJ”) settled charges against the lead generator and its president, alleging the defendants sold personal information of hundreds of thousands of consumers as leads to telemarketers who made millions of illegal telemarketing calls, including robocalls, to those consumers.<sup>16</sup> The complaint alleged that defendants used websites—including PatriotRefi.com, AbodeDefense.com, and TheRetailRewards.com—that were actually “consent farms” that used deceptive and manipulative “dark patterns” to induce consumers to provide their personal information and obscured hard-to-find and inadequate disclosures about how the

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<sup>12</sup> *FTC v. Smith, et al.*, No. 2:23-cv-04848 (GAM) (E.D. Pa. Dec. 8, 2023), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/Weblio-Complaint.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/Weblio-Complaint.pdf).

<sup>13</sup> Press Release, FTC, *FTC Acts to Stop FloatMe’s Deceptive ‘Free Money’ Promises, Discriminatory Cash Advance Practices, and Baseless Claims around Algorithmic Underwriting* (Jan. 24, 2024), available at <https://www.ftc.gov/news-events/news/press-releases/2024/01/ftc-acts-stop-floatmes-deceptive-free-money-promises-discriminatory-cash-advance-practices-baseless>.

<sup>14</sup> *FTC v. FloatMe Corp, et al.*, No. 5:24-cv-00001 (W.D. Tex. Dec. 29, 2023), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/FloatMe-Complaint.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/FloatMe-Complaint.pdf).

<sup>15</sup> *FTC v. FloatMe Corp, et al.*, No. 5:24-cv-00001 (W.D. Tex. Jan. 22, 2024), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/DktNo7FinalOrder.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/DktNo7FinalOrder.pdf).

<sup>16</sup> Press Release, FTC, *California-based Lead Generator Agrees to Settlement Banning it from Making or Assisting Others in Making Telemarketing Calls, Including Robocalls* (Jan. 2, 2024), available at <https://www.ftc.gov/news-events/news/press-releases/2024/01/california-based-lead-generator-agrees-settlement-banning-it-making-or-assisting-others-making>.

information would be used. Defendants then sold those leads to telemarketers who used the personal information to conduct illegal telemarketing campaigns related to a multitude of products and services, including solar panels and hearing aids.<sup>17</sup> Under the terms of the settlement, defendants will be banned from making or assisting anyone else in making robocalls or calls to phone numbers on the FTC’s Do Not Call Registry. The order also imposes a \$7 million judgment against defendants, which will be suspended based on their inability to pay.

In *Restoro Cyprus Limited*,<sup>18</sup> the FTC charged that the defendants operated a tech support scheme that has bilked tens of millions of dollars from consumers, particularly older consumers. According to the complaint, the Defendants scared consumers using pop-ups with system warnings and threats into believing that their computers were suffering from performance or security issues requiring immediate attention. The pop-ups urged consumers to “scan” their computers to “avoid more damage.” Defendants offered consumers a free scan, which they also separately marketed through online advertisements. Regardless of the computers’ actual health, the scan inevitably found purported performance or security issues that required repair. The complaint alleged that defendants directed consumers to purchase “software” to “fix” the problems and to call their telemarketers to activate the software, but when contacted the telemarketers attempted to sell additional services. Under a court order, defendants are required to pay \$26 million, which the FTC intends to use to provide redress to deceived consumers. Defendants are also barred from misrepresenting security or performance issues, or any other material issues related to the sale, marketing, or distribution of any product, and from engaging in deceptive telemarketing.<sup>19</sup>

In *BlueSnap, Inc.*, the FTC settled charges against a payment processing company and its former CEO and senior vice president, alleging that they had knowingly processed payments for deceptive and fraudulent companies.<sup>20</sup> The case arose out of a previously settled litigation against ACRO Services, a credit card debt relief scheme often targeting older adults.<sup>21</sup> According to the FTC’s complaint, BlueSnap and its officers processed millions of dollars in credit card payments for ACRO Services despite substantial evidence—including warnings from another payment processor, significant rates of disputed charges, and reports from BlueSnap’s own internal fraud monitoring team—that ACRO

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<sup>17</sup> *US v. Response Tree LLC, et al.*, No. 8:24-cv-1 (C.D. Cal. Jan. 2, 2024), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/Doc.1.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/Doc.1.pdf).

<sup>18</sup> *FTC v. Restoro Cyprus Limited, et al.*, 1:24-cv-00735 (D.D.C. Mar. 14, 2024), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/1-ComplaintagainstRestoro.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/1-ComplaintagainstRestoro.pdf).

<sup>19</sup> Press Release, FTC, *Tech Support Firms Will Pay \$26 Million to Settle FTC Charges That They Deceived Consumers into Buying Repair Services* (Mar. 14, 2024), available at <https://www.ftc.gov/news-events/news/press-releases/2024/03/tech-support-firms-will-pay-26-million-settle-ftc-charges-they-deceived-consumers-buying-repair>.

<sup>20</sup> Press Release, FTC, *FTC Takes Action Against BlueSnap and its Former CEO and Senior VP for Credit Card Laundering, Processing Payments for Known Scammer* (May 1, 2024), available at <https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-takes-action-against-bluesnap-its-former-ceo-senior-vp-credit-card-laundering-processing>.

<sup>21</sup> Press Release, FTC, *FTC Halts Debt Relief Scheme that Bilked Millions from Consumers While Leaving Many Deeper in Debt* (Nov. 30, 2022), available at <https://www.ftc.gov/news-events/news/press-releases/2022/11/ftc-halts-debt-relief-scheme-bilked-millions-consumers-while-leaving-many-deeper-debt>.



Services was fraudulent.<sup>22</sup> The terms of the settlement require defendants to turn over \$10 million for consumers and stop processing payments for certain high-risk clients.<sup>23</sup>

In *Aqua Finance, Inc.*, the FTC settled charges that a finance company’s nationwide network of dealers went door to door, deceiving consumers about the financing terms for water filtering and softening products. According to the complaint, the bogus claims left consumers with thousands of dollars in unexpected debt and interest payments, while financing terms allowed the company to file fixture filings on the water treatment systems that impaired some consumers’ ability to sell or refinance their homes.<sup>24</sup> Many of the consumers harmed by the defendant’s deceptive financing practices were older adults. The settlement will provide \$20 million in refunds and an additional \$23.6 million in debt forgiveness for consumers harmed by defendant’s deceptive sales tactics. The settlement also requires that the defendant closely monitor its dealers, make clear and conspicuous disclosures about the nature and practical effects of its fixture filings, and stop misrepresenting financing terms.

## B. Case Resolutions

The Commission reached resolutions in two pending cases involving older adults in the last fiscal year.

In *Global E-Trading, LLC*, the FTC and the Office of the Attorney General of Florida settled charges that the defendants, who operated a chargeback mitigation business known as “Chargebacks911,” used misleading information to contest chargebacks on behalf of their merchant clients.<sup>25</sup> The complaint, filed in April 2023, alleged that the defendants submitted misleading chargeback evidence to consumers’ banks, making it more likely that chargebacks would be denied.<sup>26</sup> The defendants also allegedly helped their clients wrongfully manipulate their chargeback rates to avoid fraud monitoring programs. In November 2023, the court entered a final order, which the defendants had signed, prohibiting them from providing chargeback mitigation services to certain types of high-risk merchant clients.<sup>27</sup> The order further prohibits the defendants from knowingly using deceptive or misleading information on behalf of their clients and prevents them from using techniques to help clients evade fraud-monitoring programs. The order also requires the defendants to pay \$100,000 in civil penalties for violations that harmed older adults and \$50,000 in legal costs to the State of Florida.

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<sup>22</sup> *FTC v. BlueSnap, Inc., et al.*, No. 1:24-cv-1898-MHC (N.D. Ga. May 1, 2024), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/BlueSnapTriStar-Complaint\\_0.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/BlueSnapTriStar-Complaint_0.pdf).

<sup>23</sup> *FTC v. BlueSnap, Inc., et al.*, No. 1:24-cv-1898-MHC (N.D. Ga. May 1, 2024), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/2223008bluesnapordersigned.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/2223008bluesnapordersigned.pdf).

<sup>24</sup> *FTC v. Aqua Finance, Inc.*, 3:24-cv-00288 (W.D. Wis. May 1, 2024), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/AquaFinance-FiledComplaint.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/AquaFinance-FiledComplaint.pdf).

<sup>25</sup> *FTC v. Global E-Trading, LLC, et al.*, No. 8:23-cv-00796 (M.D. Fla. Nov. 29, 2023) available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/Dkt47-2023-11-29-Final%20order.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/Dkt47-2023-11-29-Final%20order.pdf).

<sup>26</sup> *FTC v. Global E-Trading, LLC, et al.*, No. 8:23-cv-00796 (M.D. Fla. Apr. 12, 2023) available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/Dkt-1-2023-04-12-Complaint.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/Dkt-1-2023-04-12-Complaint.pdf).

<sup>27</sup> Press Release, FTC, *FTC, Florida Lawsuit Leads to Restrictions on Chargebacks911, Prohibits Deceptive Efforts to Stop Consumers from Reversing Disputed Charges* (Nov. 7, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/11/FTCFloridaLawsuitLeadsToRestrictionsOnChargebacks911ProhibitsDeceptiveEffortstoStopConsumersFromReversingDisputedCharges>.

In *Precision Patient Outcomes, Inc.*, the FTC settled charges against a company and its CEO alleging that they made deceptive claims that their dietary supplement, named COVID Resist/VIRUS Resist, could treat, prevent, or mitigate COVID-19.<sup>28</sup> In its complaint filed in November 2022, the FTC alleged that the defendants lacked a reasonable basis for advertising that research and studies supported defendants' claims, including statements such as "A dose of this formula a day keeps viruses away. . . and their variants. Take COVID resist™ daily or for pre-exposure prophylaxis (PrEP), post exposure prophylaxis (PEP), or as a therapeutic."<sup>29</sup> The settlement bans defendants from making any claims that any product prevents or reduces the likelihood of infection with, or transmission of, the COVID-19 virus, or that any product reduces the severity or duration of COVID-19 or otherwise cures, mitigates, or treats COVID-19, unless the FDA has approved the claim.<sup>30</sup> The order further prohibits the defendants from misrepresenting the health benefits or efficacy of any drug, food, or dietary supplement or the results of any tests or studies. The defendants must also notify customers and resellers about the FTC's lawsuit.

## C. Other Enforcement Highlights

### 1. Consumer Monetary Relief

In the last fiscal year, FTC enforcement actions have resulted in relief of more than \$267 million to consumers of all ages.<sup>31</sup> Although the Supreme Court held in *AMG Capital Management*<sup>32</sup> that the FTC cannot obtain monetary relief for harmed consumers under Section 13(b), the FTC has delivered refunds to consumers when possible. These payments provide people some recompense for the losses that occurred due to illegal conduct.

The FTC sued *NTS IT Care*<sup>33</sup> and its owner, Jagmeet Singh Virk, in May 2020, alleging that they deceived people into buying unnecessary and expensive tech support services, and often targeted older adults unfamiliar with computer security. According to the complaint, consumers received pop-up warnings on their computers that falsely claimed their computers contained viruses or other intrusions. The pop-ups directed consumers to call a telephone number to fix their purported problem, which led them to contact NTS. NTS used fake security diagnostics that identified various computer security

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<sup>28</sup> *FTC v. Precision Patient Outcomes, Inc., et al.*, No. 4:22-cv-7307 (N.D. Cal. Feb. 15, 2024), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/Dkt102-2024-02-15-GrantedStipulatedOrder.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/Dkt102-2024-02-15-GrantedStipulatedOrder.pdf).

<sup>29</sup> *FTC v. Precision Patient Outcomes, Inc., et al.*, No. 4:22-cv-7307 (N.D. Cal. Nov. 18, 2022), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/ppo\\_filed\\_complaint.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/ppo_filed_complaint.pdf).

<sup>30</sup> Press Release, FTC, *FTC Order Will Ban California-based Company from COVID-19 Advertising Claims* (Feb. 15, 2024), available at <https://www.ftc.gov/news-events/news/press-releases/2024/02/ftc-order-will-ban-california-based-company-covid-19-advertising-claims>.

<sup>31</sup> The FTC provides updated statistics about where refunds were sent, the dollar amounts refunded, and the number of people who benefited from FTC refund programs at [www.ftc.gov/refunds](http://www.ftc.gov/refunds).

<sup>32</sup> *AMG Capital Mgmt., LLC v. FTC*, 593 U.S. 67; 141 S. Ct. 1341 (2021) (holding that Section 13(b) of the FTC Act does not authorize federal courts to require defendants to refund monies to consumers or give up unjust gains). See also discussion in Section II.D below.

<sup>33</sup> *FTC v. NTS IT Care, Inc., and Virk*, 4:20-cv-3388 (N.D. Cal. May 19, 2020), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/nts\\_complaint\\_0.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/nts_complaint_0.pdf).

threats and issues to mislead consumers into purchasing multi-year “tech support” services. The FTC’s case has been under seal until last year because it was pending the outcome of a criminal case involving the defendants that was brought by the DOJ. In November 2023, the FTC began providing full refunds to 272 people who lost money to this scheme and provided statements to support the government’s case. The funds disbursed totaled more than \$255,000.

In *Mile High Madison Group, Inc.*, the FTC filed suit against defendants in April 2020 alleging they deceptively promoted their products to older adults using false claims that their products could stop pain and treat age-related ailments.<sup>34</sup> The complaint alleged that defendants claimed their products were anti-aging cure-alls that could repair cells and were clinically proven to treat multiple conditions. The FTC also alleged that defendants used fake endorsements from doctors and fake testimonials from consumers to advertise their products. The FTC has mailed two rounds of checks to consumers harmed by defendants’ deceptive advertising practices in October 2021 and December 2022, resulting in more than \$854,000 in refunds. In November 2023, the FTC began sending a third round of checks totaling more than \$133,000 to 11,527 people who received and cashed payments from the first round of distributions and paid defendants \$380 or more for supplements.<sup>35</sup>

In *Nexway*, the DOJ, on behalf of the FTC, brought suit against defendants for allegedly assisting and facilitating illegal sales and credit card laundering. The complaint alleged that defendants worked with telemarketers that used bogus security warnings and pop-up messages to sell their tech support services to consumers, many of whom were older adults, and assisted and facilitated the scam by allowing the scammers to use the defendants’ merchant accounts to process payments.<sup>36</sup> In February 2024, the FTC began sending payments totaling over \$610,000 to 6,490 people who lost money in the scam.<sup>37</sup>

In March 2024, the FTC announced it was sending payments totaling more than \$10 million to 4,670 customers who paid defendants in *Nudge* for a deceptive real estate investment training program.<sup>38</sup> According to the FTC’s first amended complaint, filed in November 2020, defendants marketed their real estate investment training opportunities through celebrities who promised to reveal strategies for making “amazing profits” at seminars—where they upsold additional training to unsuspecting consumers, including retirees and those on limited fixed incomes.<sup>39</sup>

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<sup>34</sup> *FTC v. Mile High Madison Group, Inc., et al.*, 1:20-cv-21622 (S.D. Fla. Apr. 17, 2020), available at <https://www.ftc.gov/system/files/documents/cases/milehighcomplaint.pdf>.

<sup>35</sup> Press Release, FTC, *FTC Sends Another Payment to Eligible Customers Who Bought Dietary Supplements* (Nov. 2023), available at <https://www.ftc.gov/enforcement/refunds/mile-high-madison-group-refunds>.

<sup>36</sup> *FTC v. Nexway SASU, et al.*, 1:23-cv-900 (D.D.C. Apr. 3, 2023), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/nexway-complaint.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/nexway-complaint.pdf).

<sup>37</sup> Press Release, FTC, *FTC Sends Refunds to People Who Lost Money to a Tech Support Scheme* (Feb. 2024), available at <https://www.ftc.gov/enforcement/refunds/nexway-refunds>.

<sup>38</sup> Press Release, FTC, *Did You Pay for a Real Estate Investment Training Program from Response Marketing? You May Be Eligible for a Refund.* (Aug. 2024), available at <https://www.ftc.gov/enforcement/refunds/response-marketing-refunds>.

<sup>39</sup> *FTC v. Nudge LLC, et al.*, 2:19-cv-00867 (D. Utah Nov. 18, 2020), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/1823016-nudge-first-amended-complaint\\_-\\_redacted.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/1823016-nudge-first-amended-complaint_-_redacted.pdf).

The following month, in April 2024, the FTC began sending a second round of payments totaling over \$627,000 to 6,999 people who cashed or otherwise accepted their first payments in *Ragingbull.com*.<sup>40</sup> The FTC alleged in its December 2020 complaint against Raging Bull and its owners that Raging Bull used inflated and false earnings claims to induce consumers into signing up for expensive and difficult to cancel subscriptions, as well as paying for investment strategies.<sup>41</sup> The FTC's complaint also alleged that older adults, retirees, and immigrants were among the consumers Raging Bull bilked. The FTC's first round of refunds resulted in more than \$1.7 million disbursed to impacted consumers.

## 2. Criminal Liaison Unit

The FTC's Criminal Liaison Unit works with federal and state criminal prosecutors to bring consumer fraud criminal cases.<sup>42</sup> Through this work, many successful criminal prosecutions have been built on facts the FTC exposed in bringing its civil law enforcement actions, or with other forms of assistance from the FTC.

For example, on October 12, 2023, following an FTC civil action, former FTC defendants Jess Kinmont and John P. Wenz, Jr., were sentenced to a combined 130 months in federal prison in connection with a timeshare resale scam defrauding more than 8,000 consumers, many of them older adults, out of more than \$18 million.<sup>43</sup> Specifically, Kinmont was sentenced to 86 months and Wenz to 46 months in federal prison. The FTC had filed suit in 2016 against both defendants, charging that their timeshare reselling scheme had bilked more than \$15 million from timeshare property owners by imposing hefty up-front fees based on false promises that they would sell or rent their properties.<sup>44</sup> The FTC's action yielded industry-wide bans against Kinmont and Wenz,<sup>45</sup> and ultimately led to their indictment in 2021. The FTC also provided more than \$2.6 million in consumer redress following its civil case.<sup>46</sup>

In another example, on March 11, 2024, FTC defendant Huu Tieu, President and CEO of Golden Sunrise Nutraceutical, Inc., pled guilty to three counts of Introduction of Misbranded Drugs into

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<sup>40</sup> Press Release, FTC, *FTC Sends Second Payment to People Harmed by Deceptive Investment Scheme* (Apr. 2024), available at <https://www.ftc.gov/enforcement/refunds/ragingbullcom-refunds>.

<sup>41</sup> *FTC v. RagingBull.com, et al.*, 1-20-cv-3538 (D. Md. Mar. 15, 2022), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/304%20-%20Second%20Amended%20Complaint.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/304%20-%20Second%20Amended%20Complaint.pdf).

<sup>42</sup> Information about the FTC's Criminal Liaison Unit is available at <https://www.ftc.gov/enforcement/criminal-liaison-unit>.

<sup>43</sup> Press Release, U.S. Department of Justice, *Owners of timeshare resale company sentenced to federal prison for defrauding over 8,000 victims out of \$18 million* (October 18, 2023), available at <https://www.justice.gov/usao-ndga/pr/owners-timeshare-resale-company-sentenced-federal-prison-defrauding-over-8000-victims>.

<sup>44</sup> Press Release, Federal Trade Commission, *FTC Action Halts Timeshare Resale Scheme* (Dec. 22, 2016), available at <https://www.ftc.gov/news-events/news/press-releases/2016/12/ftc-action-halts-timeshare-resale-scheme>.

<sup>45</sup> Press Release, Federal Trade Commission, *Time's Up for Florida Operation That Pitched Worthless Timeshare Resale Scheme* (May 4, 2018), available at <https://www.ftc.gov/news-events/news/press-releases/2018/05/times-florida-operation-pitched-worthless-timeshare-resale-scheme>.

<sup>46</sup> Press Release, Federal Trade Commission, *FTC Sending Refund Checks for Nearly \$2.7 Million to Consumers Defrauded in Timeshare Resale Scheme* (October 10, 2019), available at <https://www.ftc.gov/news-events/news/press-releases/2019/10/ftc-sending-refund-checks-nearly-27-million-consumers-defrauded-timeshare-resale-scheme>.

Interstate Commerce for his sale of a purported COVID-19 treatment product.<sup>47</sup> The FTC had earlier sued Tieu and Golden Sunrise Nutraceutical in a 2020 civil action parallel to Tieu’s indictment, alleging that Tieu and his companies were deceptively advertising purportedly scientifically proven treatments for life-threatening diseases, such as Alzheimer’s and COVID-19.<sup>48</sup> The United States Attorney’s Office for the Eastern District of California used evidence from the FTC’s action in its prosecution and in obtaining a guilty plea. On June 13, 2024, Tieu was sentenced to 18 months in prison for his actions.<sup>49</sup>

On July 24, 2024, a federal judge sentenced former Simple Health Plan CEO Steven Dorfman to 25 years in prison following a jury conviction on thirteen wire and mail fraud counts for his role in Simple Health Plan’s telemarketing operations selling bogus health plans as comprehensive health insurance.<sup>50</sup> The FTC had previously sued Dorfman, Simple Health Plan, and several other defendants in a 2018 civil action that shut down the fraud, and resulted in a \$195 million judgment against the defendants. The United States Attorney’s Office for the Southern District of Illinois action started with a referral from the FTC and two FTC senior investigators testified for the prosecution.

### 3. Referral to the FBI’s Recovery Asset Team

The Federal Bureau of Investigation (“FBI”) Internet Crime Complaint Center Recovery Asset Team (“IC3 RAT”) initiates a process called a Financial Fraud Kill Chain (“FFKC”) to attempt to freeze funds sent to scammers. In 2023, the FBI IC3 RAT initiated the FFKC for 3,008 incidents and, with the assistance of their banking partners, froze an impressive \$538.4 million of the \$758 million reported losses, making recovery possible for many consumers.<sup>51</sup>

The FTC refers consumer reports involving high dollar losses received through its ReportFraud.ftc.gov website and call center that meet certain criteria to the FBI IC3 RAT when the consumer agrees to the referral. In 2023, the FTC referred more than 1,000 reports through its Consumer Sentinel Network to the FBI IC3 RAT. Here are some recent success stories involving older adults shared by the FBI IC3 RAT:

- In June 2023, an older adult reported to the FTC that they received a pop-up on their computer telling them that a virus had taken over their machine and for them to contact Microsoft Help at a provided phone number. The consumer called the phone number and was then passed to an

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<sup>47</sup> Press Release, U.S. Department of Justice, *Tulare County Man Pleads Guilty to Falsely Marketing Products as Effective in Treating Medical Conditions Including COVID-19* (March 13, 2024), available at <https://www.justice.gov/usao-edca/pr/tulare-county-man-pleads-guilty-falsely-marketing-products-effective-treating-medical>.

<sup>48</sup> Press Release, Federal Trade Commission, *FTC Sues California Marketer of \$23,000 COVID-19 “Treatment” Plan* (July 31, 2020), available at <https://www.ftc.gov/news-events/news/press-releases/2020/07/ftc-sues-california-marketer-23000-covid-19-treatment-plan>.

<sup>49</sup> *United States v. Tieu*, Case No. 1:20-cr-00109 (E.D. Cal. June 13, 2024), Docket Entry 92.

<sup>50</sup> Press Release, U.S. Attorney’s Office for the Southern District of Illinois, *Telemarketing Company CEO Convicted of Health Insurance Policy Scheme Sentenced to Federal Prison for 25 Years* (July 25, 2024), available at <https://www.justice.gov/usao-sdil/pr/telemarketing-company-ceo-convicted-health-insurance-policy-scheme-sentenced-federal>.

<sup>51</sup> Department of Justice Federal Bureau of Investigation, *Federal Bureau of Investigation Internet Crime Report 2023* at 10 (2023), available at [https://www.ic3.gov/Media/PDF/AnnualReport/2023\\_IC3Report.pdf](https://www.ic3.gov/Media/PDF/AnnualReport/2023_IC3Report.pdf)

individual claiming to be an agent from the FTC. Ultimately, the consumer was instructed to make a wire transfer of over \$65,000 to a fraudulent domestic bank account. The consumer was able to quickly report the matter to the FTC. The report was referred to the FBI IC3 RAT, which then initiated the FFKC. The FBI IC3 RAT contacted the recipient bank and froze the full wired amount for possible recovery.

- In July 2023, an older adult reported to the FTC that they received a spoofed email from the Geek Squad requesting an annual renewal fee. The consumer contacted the phone number provided in the spoofed email which resulted in the scammer taking over the consumer's bank account. The subject was able to make a \$50,000 wire and then a separate wire of \$99,000 from the consumer's account to a fraudulent domestic bank account. The consumer made a report with the FTC the very next day. The report was referred to the FBI IC3 RAT, which then initiated the FFKC. The FBI IC3 RAT contacted the recipient bank and froze the full wired amount for possible recovery.
- In October 2023, an older adult reported to the FTC that they received a pop-up message from Microsoft on their new computer regarding a virus and to call a provided phone number. The consumer contacted the phone number, reaching someone claiming to be an employee from Microsoft. The consumer was then referred over to an individual claiming to be from the FTC, who instructed the consumer to send a wire transfer of over \$39,000 to a fraudulent domestic bank account to remove the computer virus. The consumer was able to quickly report the matter to the FTC. The report was referred to the FBI IC3 RAT, which then initiated the FFKC. The FBI IC3 RAT contacted the recipient bank and froze the full wired amount for possible recovery.

The FTC is proud to partner with the FBI IC3's Recovery Asset Team to help consumers, particularly those experiencing large dollar losses, recover funds when possible.

## **D. FTC Law Enforcement Actions to Protect Older Adults Remain Hampered Without 13(b) Fix**

During this past fiscal year, the FTC has continued its efforts to develop tools to enhance its law enforcement efforts after the Supreme Court's decision in *AMG Capital Management*. There, the court held that the FTC lacked the authority to seek equitable monetary relief in cases brought under Section 13(b) of the FTC Act.<sup>52</sup> Historically, the FTC had employed its Section 13(b) authority to seek and subsequently provide billions of dollars in monetary relief to consumers affected by unfair or deceptive acts or practices, including older adults.<sup>53</sup> The FTC continues to urge Congress to amend Section 13(b) of the FTC Act to provide the FTC the ability to seek equitable monetary remedies so it can provide refunds to harmed consumers and prevent violators from benefitting from their schemes by keeping their illegally gained profits. In 2019, for example, under 13(b), Office Depot, Inc. and a tech support software provider paid \$35 million to the FTC to settle allegations that they tricked consumers into buying millions of dollars of computer repair and technical services by deceptively claiming that their

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<sup>52</sup> *AMG Capital Mgmt.*, 141 S. Ct. at 1341.

<sup>53</sup> FTC Act, 15 U.S.C. § 53(b). From FY 2017 to 2021, the Commission returned \$11.4 billion to consumers across all FTC cases, including those brought solely under the FTC's Section 13(b) authority.

software had found malware symptoms on consumers' computers.<sup>54</sup> Without an amendment to Section 13(b), such relief is not possible. The FTC continues to strongly support legislation to address the FTC's need for authority to seek equitable monetary relief under Section 13(b) for the benefit of consumers. Without it, the FTC remains greatly compromised in its ability to recoup money that older Americans have lost to scammers.

## E. Strategies to Provide Additional Tools Post-AMG to Enhance FTC Enforcement Efforts

In the interim, the Commission has been conducting several rulemakings intended to address areas of pervasive fraud impacting older adults. For example, on March 1, 2024, the FTC issued a rulemaking notice aimed at combatting impersonation fraud, a pernicious threat that was the most commonly reported fraud category for consumers of all ages in calendar year 2023.<sup>55</sup> The notice announced a Final Trade Regulation Rule prohibiting the impersonation of government and businesses ("Impersonation Rule").<sup>56</sup> As discussed in Section IV below, analysis of FTC reports shows that in 2023, older adults reported tremendous losses to impersonation scams: \$311 million to business impersonation, \$254 million to government impersonation, and \$36 million to friends and family impersonation. Analysis of reports also shows that older adults are 41% more likely to report a loss to government impersonation scams than younger adults. Now that the Impersonation Rule is in effect, the Commission may seek refunds for consumers harmed by government and business impersonation scams in any new civil actions filed to enforce this new rule.

The Commission also initiated a rulemaking to address technical support scams. As outlined in Section IV below, older adults continue to be disproportionately impacted by these scams and are five times more likely than younger adults to report losing money to them. In 2023, older adults reported losing \$175 million to technical support scams, which is a 10% increase from 2022. Thus, on April 16, 2024, the Commission issued a Notice of Proposed Rulemaking seeking comment on whether to extend the Telemarketing Sales Rule's ("TSR") protections to calls consumers make (also called inbound calls) to

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<sup>54</sup> *FTC v. Office Depot, Inc. et al.*, No. 9:19-cv-80431 (S.D. Fl. March 27, 2019), available at <https://www.ftc.gov/legal-library/browse/cases-proceedings/172-3023-office-depot-inc>.

<sup>55</sup> Consumer Sentinel Network Databook 2023 (Feb. 2024), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/CSN-Annual-Data-Book-2023.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/CSN-Annual-Data-Book-2023.pdf).

<sup>56</sup> Trade Regulation Rule on Impersonation of Government and Businesses, 89 Fed. Reg. 15017 (Mar. 1, 2024), available at <https://www.govinfo.gov/content/pkg/FR-2024-03-01/pdf/2024-04335.pdf>. At that time, the Commission also issued a Supplemental Notice of Proposed Rulemaking seeking public comment on whether to extend the Impersonation Rule in certain respects. Supplemental Notice of Proposed Rulemaking on Trade Regulation Rule on Impersonation of Government and Businesses, 89 Fed. Reg. 15072 (Mar. 1, 2024), available at <https://www.govinfo.gov/content/pkg/FR-2024-03-01/pdf/2024-03793.pdf>. In addition, the Commission has other pending rulemakings that may address certain aspects of fraud on older adults. See, e.g., Press Release, Federal Trade Commission, FTC to Hold Virtual Informal Hearing in January 2024 as Part of its Review of the Proposed "Click to Cancel" Rulemaking (Dec. 4, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/12/ftc-hold-virtual-informal-hearing-january-2024-part-its-review-proposed-click-cancel-rulemaking>; Press Release, Federal Trade Commission, FTC Proposes Rule to Ban Junk Fees (Oct. 11, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-proposes-rule-ban-junk-fees>.

those selling technical support services.<sup>57</sup> While the TSR covers calls that technical support scammers make to consumers (also called outbound calls), it does not currently provide the same protections to inbound calls. The Commission will determine whether to issue a final rule once it has considered the public comments submitted.

### III. Outreach and Education Activities

#### A. *Pass It On* Education Campaign

This year marked the 10th anniversary of *Pass It On*, the FTC’s ongoing fraud prevention education campaign for older adults.

In 2014, the FTC developed *Pass It On* (*¡Pásalo!* in Spanish) to change common narratives about older adults and fraud. *Pass It On* deploys older adults as part of the solution in the fight against fraud. Campaign materials show respect for the readers’ life experience and accumulated knowledge and supply them with resources to read and “pass on” to family and friends. The materials encourage conversations about fraud that can help people avoid losing money to scams. The factsheets, bookmarks, videos, presentations, and other materials refresh and add to readers’ knowledge by briefly explaining how certain scams work and what a reader can do to avoid them.

Since the campaign began, the FTC expanded the number of topics it covers in print and online, based on community partners’ requests and changes in fraud trends. The recently updated catalog of print and online material addresses these 13 common frauds:

- Business Impersonator Scams
- Charity Fraud
- Government Impersonator Scams
- Grandkid and Family Scams
- Health Insurance Scams
- Home Repair Scams
- Identity Theft
- Investment Scams
- Job and Money-Making Scams

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<sup>57</sup> Telemarketing Sales Rule, 89 Fed. Reg. 26798 (April 16, 2024), available at <https://www.govinfo.gov/content/pkg/FR-2024-04-16/pdf/2024-07182.pdf>.



- Romance Scams
- Tech Support Scams
- Unwanted Calls and Text Messages
- “You’ve Won” Scams

The FTC has distributed nearly 22 million *Pass It On* items since the campaign began, including more than 2.4 million items in fiscal year 2024. Many groups, organizations, and individuals request the free English and Spanish print material. Community banks, libraries, police departments, adult protective services offices, state attorneys general, military support groups, and educational and community groups nationwide order, use, and distribute *Pass It On* materials. Campaign materials are available at [www.ftc.gov/passiton](http://www.ftc.gov/passiton), [www.ftc.gov/pasalo](http://www.ftc.gov/pasalo) (Spanish), and can be ordered in print at [www.bulkorder.ftc.gov](http://www.bulkorder.ftc.gov).

The FTC routinely emails Consumer Alerts about the topics covered by *Pass It On*, as well as about phishing scams, online shopping scams, fraud relating to weather emergencies, and other common scams affecting older adults. The FTC emails the Alerts in English and Spanish to 445,000 subscribers, who include individuals, community groups, advocates, national and local news media outlets, and other stakeholders. The FTC also posts these Alerts and materials on its consumer website, [www.consumer.ftc.gov](http://www.consumer.ftc.gov), so the public can read, link to, and share the prevention messages.<sup>58</sup>

## B. Outreach to Older Adults

The FTC collaborates with many organizations across the country to share its consumer education messages and inform the public about its work. In this reporting period, FTC staff in Washington, DC and eight regional offices have presented, exhibited, or participated in more than 600 outreach events with the public, other law enforcement agencies, and stakeholders focused on protecting members of a wide range of communities from scams. Over 150 of these events served older adults and the people who work with them or engaged partner organizations in discussion and education about issues affecting older adults.

FTC staff participated in events for older adults together with local, state, and federal organizations, including, among others, AARP, the Better Business Bureau (“BBB”), public libraries, consumer organizations, legal services providers, state attorneys general and consumer affairs offices, and other federal government agencies. The FTC also joined in multiple activities with groups including those described below.

### 1. AARP Members

Staff educated older adults through nearly 40 events with AARP members, including nationwide and statewide Facebook Live conversations, webinars, podcast recordings, and tele-town halls focused on

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<sup>58</sup> Information about subscribing to Consumer Alerts is available at [www.ftc.gov/ConsumerAlerts](http://www.ftc.gov/ConsumerAlerts).

government impersonators, holiday scams, romance scams, home improvement scams, and related topics.

For example, FTC staff shared information about imposters at an Ohio tele-town hall that reached more than 6,000 AARP members. And in Mississippi, FTC staff and AARP co-hosted a Consumer Protection Roundtable attended by legal service organizations and community partners to discuss fake websites, romance scams, junk health care plans, imposter scams, and other issues affecting residents of the state.

## **2. Members of Congress**

The FTC joined members of Congress in presenting and sharing FTC resources at, for example, a congressional anti-fraud workshop attended by more than 400 constituents in Roseville, CA and a Senior Fraud Prevention Seminar attended by close to 150 in Foster City, CA.

Through a congressional connection, FTC staff presented to approximately 70 older adults in a townhall-style event in Sandusky, Ohio organized by Serving Our Seniors.

## **3. Military Servicemembers and Veterans**

With more than half (56%) of current veterans expected to be over age 60 at the end of FY 2024,<sup>59</sup> the agency's military outreach is another way of engaging with older adults.

The Military Consumer initiative, which the FTC created and manages in collaboration with Department of Defense's Office of Financial Readiness and the Consumer Financial Protection Bureau's Office of Servicemember Affairs, led its annual celebration of Military Consumer Month in July. During the month, a large network of military partners, including military, federal, and state agencies, consumer and military advocates, and trade groups, collaborate to warn veterans and servicemembers about the scams that target them.

This year, some of the FTC's Military Consumer Month activities focused on older veterans. These included presenting in joint webinars—in English and in Spanish—with the Veterans Benefits Administration to discuss how veterans can spot and avoid scams, as well as publishing blog posts and social media on job scams, investment scams, rental listing scams, and others. Agency staff also joined groups like AARP's Veterans & Military Families Initiative and the Wounded Warrior Project to deliver live and virtual presentations to veterans and discuss scams targeting veterans, identity theft, and how to keep your information safe. Agency staff also participate in the VA-organized Veteran Scam and Fraud Evasion Task Force (VSAFE), which is working to create centralized tools to help veterans, servicemembers, and their families to protect themselves and others from scams and fraud.

## **4. Older Adult Advocates and Allied Professionals**

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<sup>59</sup> National Center for Veterans Analysis and Statistics, Population Tables: The Nation: Age/Gender: Table 1L, *available at* [www.va.gov/vetdata/veteran\\_population.asp](http://www.va.gov/vetdata/veteran_population.asp).

Commission staff distributed *Pass It On* and other education materials in English and Spanish at several conferences related to aging, adult education, library, and older adult volunteer services.

Staff attended conferences of the American Society on Aging, whose 5,000 members work in a broad range of aging disciplines; AmeriCorps Seniors, a federal program with more than 200,000 community-based older volunteers nationwide; and the Village to Village Network, a national association of local villages serving older adults. Staff also distributed resources at the Aging Well Expo in Arlington, Texas, which brings together health professionals and other vendors.

The FTC works with libraries and other organizations to reach communities nationwide and helps libraries and educators address questions about consumer issues, fraud, and avoiding scams and identity theft. Staff attended conferences organized by the Association of Bookmobile and Outreach Services, whose members serve patrons in rural and urban locations, including many senior centers; Coalition of Adult Basic Education, which advances adult education and literacy; National Conference of African American Librarians, which promotes the development and improvement of library resources and services targeted toward African-American communities; and Teachers of English to Speakers of Other Languages, an international association of English language teaching professionals.

The FTC's Community Advocate Center ("CAC") is a special program to support legal services organizations' consumer fraud reporting and strengthen the FTC's connections with historically underserved communities.<sup>60</sup> Participating legal service providers get a customized link to report fraud and other bad business practices directly to the FTC and receive periodic email updates and virtual briefings from the FTC. At least thirteen members of the CAC operate programs dedicated to serving older adults.

Staff also deepened the agency's connections with front line professionals, older adults, and lower income residents of Montana, Washington, South Carolina, Nevada, and Hawaii through virtual state Consumer Protection Conversations. Each conversation, co-hosted by FTC staff and representatives from local BBB, AARP, legal aid, and state attorney general offices, offered participants information about identity theft, current fraud trends in their state, and consumer protection resources to use in their communities. The FTC's outreach partnerships with groups and communities throughout the country provide opportunities to share the agency's important prevention messages and foster more direct communication lines so the FTC learns in real time about ongoing scams and other consumer protection problems affecting the public. This, in turn, can generate ideas for policy and education initiatives, as well as new case leads.

## **IV. Developing Effective Strategies to Protect Older Consumers**

### **A. Research and Data Analysis**

The FTC collects and analyzes consumer report information through its Consumer Sentinel Network ("Sentinel"). Sentinel is a secure online database that provides federal, state, and local law enforcement

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<sup>60</sup> The Community Advocate Center is available at <https://reportfraud.ftc.gov/community>.

agencies with access to reports from consumers about fraud and other consumer problems. Law enforcement agencies and other organizations contribute consumer reports,<sup>61</sup> and the FTC collects reports directly from the public through its call center in multiple languages and online at ReportFraud.ftc.gov and ReporteFraude.ftc.gov (Spanish). The FTC and its law enforcement partners can search the Sentinel database by criteria such as the type of fraud or problem and the name, address, and telephone number of the reported entity. They also can search by age range, and identify reports filed by older adults to look for patterns and trends, identify problematic business practices and enforcement targets, and develop cases against targets under investigation.

## 1. Consumer Sentinel Reports from Older Adults

During calendar year 2023, Sentinel took in more than 5.5 million reports from consumers, both directly and through its data contributors, about problems they experienced in the market. Over 2.6 million of those reports were about fraud, more than 1 million were about identity theft, and over 1.9 million were about other consumer problems.<sup>62</sup> Consumers reported losing over \$10 billion to fraud in 2023. About 43% of fraud reports filed in 2023 included consumer age information. About 35% (392,742) of reports that included age information came from people 60 and older, and their reported losses totaled more than \$1.9 billion, up from about \$1.6 billion in 2022.<sup>63</sup> Because the vast majority of frauds are not reported, these numbers include only a fraction of older adults harmed by fraud.<sup>64</sup>

### *Key findings from the 2023 Sentinel data:*

- Older adults (ages 60 and over) were still less likely than younger adults (ages 18-59) to report losing money to fraud.
- Older adults continued to report tremendous losses to fraud, with higher individual median dollar losses than younger adults. The disparity remained particularly large among people 80 and over, compared to younger adults.
- Older adults were much more likely than younger adults to report losing money on tech support scams, prize, sweepstakes, and lottery scams, family and friend impersonation, and government impersonation.

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<sup>61</sup> Data contributors are listed at <https://www.ftc.gov/enforcement/consumer-sentinel-network/data-contributors>.

<sup>62</sup> See generally FTC, *FTC Consumer Sentinel Network* (April 25, 2024 update), available at <https://public.tableau.com/profile/federal.trade.commission>. Figures are based on reports made directly to the FTC and reports provided by all Sentinel data contributors. These figures do not include reports about unwanted calls. Sentinel data is self-reported and not a survey. As such, individuals decide whether to file a report and what information, if any, to provide. Not all consumers who file a report provide their age, payment method, amount of dollar loss, and other data. As referenced in the text above, “other consumer problems” include various categories of reports not classified as fraud, such as auto-related reports and reports about cable and satellite TV.

<sup>63</sup> Data provided by the Internet Crimes Complaint Center (IC3) are excluded here and throughout the remainder of this report, except where otherwise noted, due to differences in the age ranges collected from consumers.

<sup>64</sup> See Anderson, K. B., *To Whom Do Victims of Mass-Market Consumer Fraud Complain?* at 1 (May 2021), available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3852323](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3852323) (study showed that only 4.8 percent of victims of mass-market consumer fraud complained to a Better Business Bureau or a government entity).

- Online shopping fraud continued to be the most commonly reported category of fraud in which people of all ages indicated they lost money, but older adults remained much less likely to report losing money to online shopping fraud than younger adults.
- Investment scams continued to be the top fraud type based on aggregate reported losses by older adults generally. But for those 80 and over, prize, sweepstakes, and lottery scams remained the costliest.
- Both aggregated reported losses and the number of reports of money lost by older adults were highest for online frauds, but reported median individual losses continued to be highest for frauds that started with a phone call.
- Aggregate losses reported by older adults were highest on bank transfers or payments, followed by cryptocurrency. Credit cards and gift cards were the fraud payment methods most frequently reported by older adults.<sup>65</sup>
- Working with two different assumptions on the underreporting of fraud, we estimate the overall cost of fraud to older adults to be \$7.1 billion or \$61.5 billion. These figures reflect considerable degree of uncertainty because the scale of underreporting, particularly when losses are high, is not well understood.

These findings, explored more fully below, help inform the FTC’s efforts to protect consumers through consumer education, law enforcement, and policy work.

#### **a. Most Older Adults Who Filed Fraud Reports Avoided Losing Any Money**

As in previous years, the overwhelming majority of Sentinel fraud reports filed in 2023 by people 60 or over did not indicate any monetary loss. Figure 1, which controls for population size,<sup>66</sup> shows that older adults were 60% more likely to file these no-loss reports about fraud they had spotted or encountered—but avoided losing money on—than people ages 18-59.<sup>67</sup> Moreover, consistent with previous years, older adults were 13% less likely to report losing money to fraud than people ages 18-59. This suggests that older adults may be more likely to avoid losing money when exposed to fraud, more inclined to report fraud when no loss has occurred, or a combination of these or other factors. The FTC’s most recent fraud survey, published in October 2019, also found that what it called the “rate of victimization”

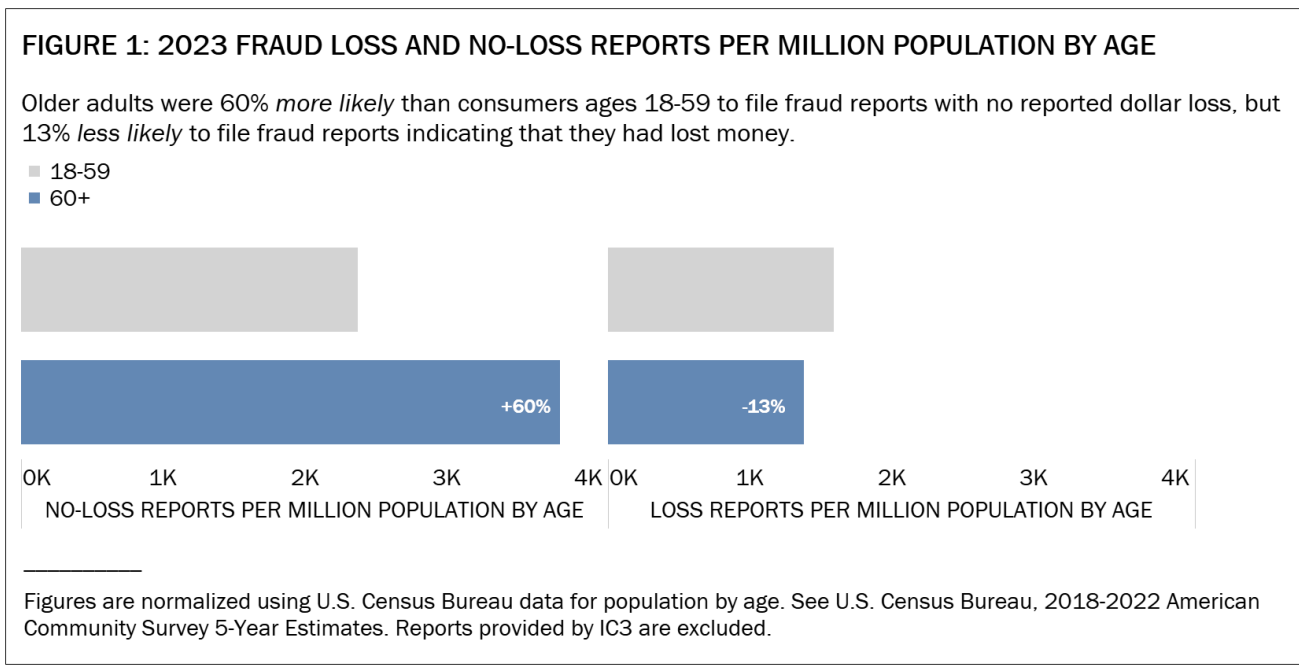
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<sup>65</sup> The gift card payment method includes cards that hold a specific cash value that can be used for purchases and reload cards such as MoneyPak that are used to add value to these cards.

<sup>66</sup> The comparison of older adults and younger consumers is normalized against the population size of each age group. The analysis is based on U.S. Census Bureau data for population by age. *See U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates.*

<sup>67</sup> The largest share of 2023 no-loss reports by older adults were about email scams, and these were most often emails from scammers impersonating businesses, particularly Geek Squad.

for the various categories of frauds included in the survey was generally lower for those 65 and older than for younger consumers.<sup>68</sup>



**b. Older Adults Reported Higher Median Individual Dollar Losses than Younger Consumers**

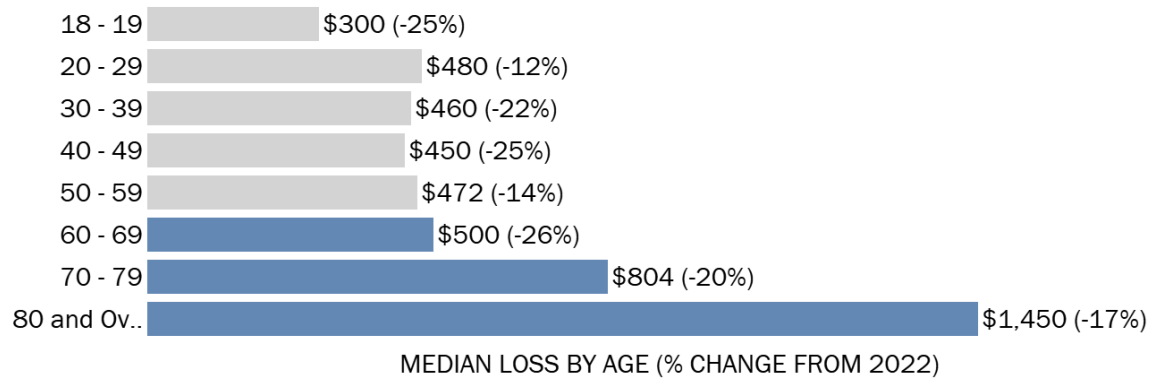
In 2023, as in previous years, younger adults were more likely to report losing money to fraud than older adults, but older adults who reported losing money reported higher median individual losses (see Figure 2). The combined median loss reported by people ages 60 and over was \$650 compared to \$450 for ages 18 to 59. For people 80 and over, the reported median individual loss was \$1,450, far higher than any other age group. However, even as older adults’ aggregate reported losses increased compared to 2022, their reported median individual dollar loss decreased.<sup>69</sup> Changes in the mix of fraud types that people report from year to year affect these figures since losses vary tremendously by fraud type.

<sup>68</sup> FTC Bureau of Economics Staff Report, *Mass-Market Consumer Fraud in the United States: A 2017 Update* at 76–79 (Oct. 2019), available at <https://www.ftc.gov/system/files/documents/reports/mass-market-consumer-fraud-united-states-2017-update/p105502massmarketconsumerfraud2017report.pdf>.

<sup>69</sup> In 2022, people 60 and over reported a median loss of \$850 and people 18-59 reported a median loss of \$550.

## FIGURE 2: 2023 MEDIAN INDIVIDUAL MONETARY LOSS REPORTED BY AGE

Older adults continued to report higher median fraud losses than younger age groups, but median losses decreased for all age groups compared to 2022.



Percent change from 2022 shown in parentheses. Median losses calculated based on reports in each age group indicating a monetary loss of \$1 to \$999,999. Reports provided by IC3 are excluded.

Reports indicating losses of \$100,000 or more are relatively uncommon yet make up the lion's share of aggregate reported losses to Sentinel.<sup>70</sup> The number of reports filed by older adults indicating a loss of this magnitude has increased more than threefold since 2020.<sup>71</sup> Controlling for population size, older adults were nearly 60% more likely than younger adults to file these outsized-loss reports in 2023. These reports were often about investment scams, romance scams, and scammers impersonating banks, the FTC, Publishers Clearing House, and Microsoft.

<sup>70</sup> In 2023, about \$7 billion of the \$10 billion total fraud losses reported to Sentinel were reported by people who lost \$100,000 or more. This includes reports provided by IC3.

<sup>71</sup> The number of reports by older adults indicating a dollar loss of \$100,000 or more by year are as follows: 4,556 (2023), 3,835 (2022), 2,283 (2021), 1,329 (2020).

Some Sentinel reports are filed on behalf of consumers by adult children, spouses, caretakers, or others. In 2023, over 16% of reports for people 80 and over indicated they were submitted by a person on behalf of the consumer, a far higher rate than any other age group.<sup>72</sup> This is consistent with prior years.

### **c. Some Types of Fraud Affected Older Adults Differently from Younger Adults**

Figure 3 displays the top fraud types ranked by the combined number of fraud reports from both older and younger adults who said they lost money. The blue bars show loss reports filed by older adults (age 60 and over), and the gray bars show loss reports filed by younger people (ages 18-59) for each top fraud. Controlling for population size, older adults were more likely than younger people to report financial losses to certain types of frauds. Four types of fraud stood out in 2023. Older adults were: 1) over five times (453%) more likely than younger people to report losing money on a tech support scam; 2) nearly three times as likely to report a loss on a prize, sweepstakes, or lottery scam; 3) 53% more likely to report a loss on a family or friend impersonation scam; and 4) 41% more likely to report a loss on a government impersonation scam. Although older adults continued to be less likely than younger people to report losing money to online shopping fraud, the number of loss reports filed by older adults on this fraud type continued to exceed any other fraud type. Older adults were also much less likely to report losing money on investment scams and job scams relative to younger adults.

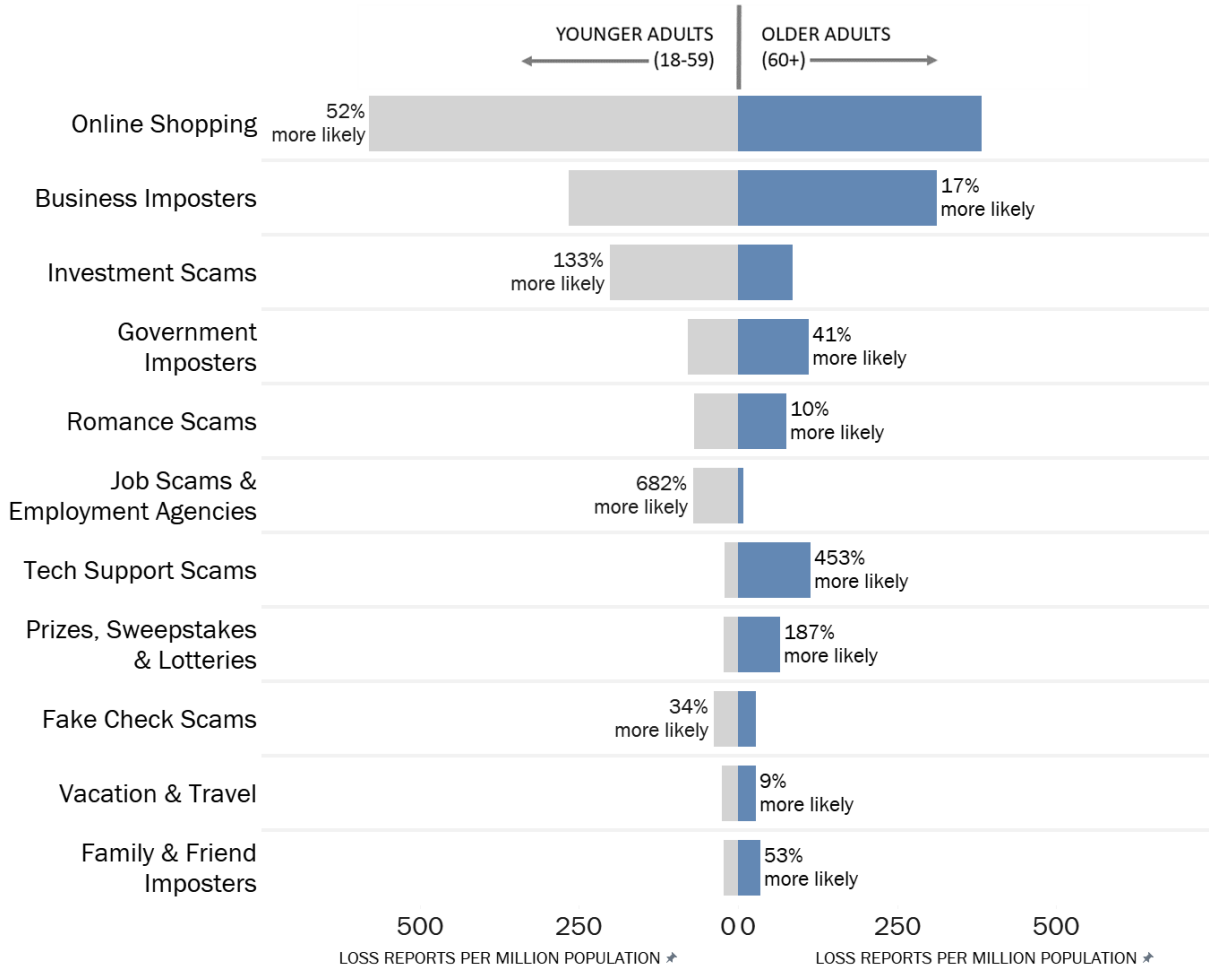
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<sup>72</sup> The percentage of reports submitted by another person on behalf of a consumer in 2023 were as follows: 16.2% (80 and over), 5.7% (70-79), 3.4% (60-69), 2.8% (50-59), 2.3% (40-49), 2.1% (30-39), 2.4% (20-29), and 4.0% (18-19). These figures exclude reports collected by Sentinel data contributors because of differences in identifying reports submitted by third parties.



**FIGURE 3: 2023 LOSS REPORTS BY AGE AND FRAUD TYPE**

Losses to some types of fraud are more likely to be reported by younger adults, while others are more likely to be reported by older adults.



Figures are normalized using U.S. Census Bureau data for population by age. See U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates. Fraud types are ranked by the combined number of loss reports for both younger and older adults. Reports categorized as unspecified and reports provided by IC3 are excluded.

The relative number of reports, however, is just one metric. Another way to understand the effect of fraud on older adults is to identify the magnitude of the financial injury. Analysis of total dollars reported lost by older adults by fraud type, shown in Figure 4, once again highlights the tremendous financial harm caused by investment scams, business impersonation scams, romance scams, and government impersonation scams. Reported losses by older adults to investment scams continued to

soar, increasing from about \$400 million in 2022 to \$538 million in 2023.<sup>73</sup> These reports often describe fake cryptocurrency investment opportunities that target people through ads, posts, and messages on social media platforms.<sup>74</sup> Losses to business impersonation scams were next, with the highest aggregate reported losses on Microsoft impersonation scams.<sup>75</sup> Romance scams ranked third, with many people reporting that their romantic interest convinced them to invest in a fake cryptocurrency opportunity.<sup>76</sup> Reported losses to government impersonation scams jumped 39%, with the largest share of these losses on scams impersonating the Social Security Administration and the FTC. For adults 80 and over, the highest aggregate reported losses were again on prize, sweepstakes, and lottery scams, with about \$48 million reported taken in 2023.

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<sup>73</sup> Here and throughout this section of the report, investment scams refer to fraud reports classified as miscellaneous investments and investment advice and stocks and commodity futures trading.

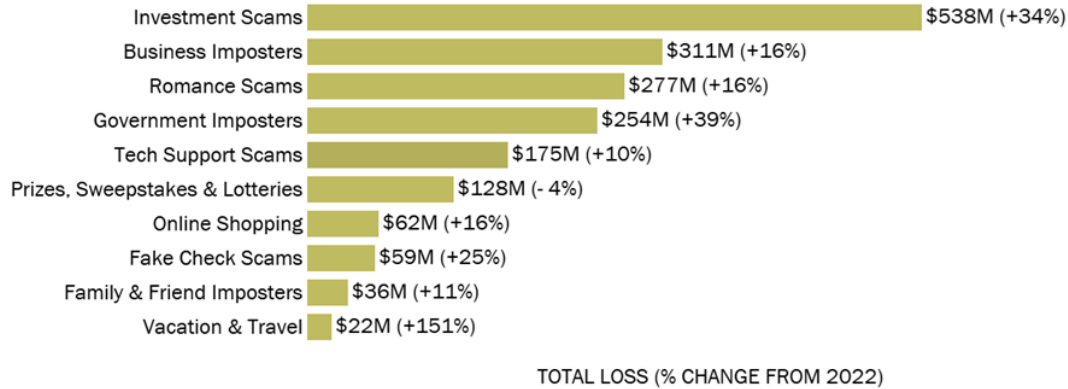
<sup>74</sup> In 2023, far more investment scam reports identified social media as the method of contact than any other contact method. This was true for both older and younger adults. For more information about investment scams see FTC Consumer Protection Data Spotlight, *Reports Show Scammers Cashing in on Crypto Craze* (June 3, 2022), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2022/06/reports-show-scammers-cashing-crypto-craze>.

<sup>75</sup> In 2023, older adults reported losing about \$54 million to Microsoft impersonation scams, including reports categorized as business impersonation scams, tech support scams, or both. Publishers Clearing House impersonation scams were next with \$46 million reported lost by older adults, including reports categorized as business impersonation scams, prize, sweepstakes, and lottery scams, or both. In 2023, older adults filed 85% of Microsoft impersonation loss reports and 84% of Publishers Clearing House impersonation loss reports. These figures exclude reports contributed by Microsoft Corporation and Publishers Clearing House and reports that did not include age data. For more information about these and other impersonation scams see FTC Consumer Protection Data Spotlight, *Who's who in scams: a spring roundup* (May 24, 2024), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2024/05/whos-who-scams-spring-roundup>.

<sup>76</sup> For more information about romance scams see FTC Consumer Protection Data Spotlight, *Romance Scammers' Favorite Lies Exposed* (Feb. 9, 2023), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2023/02/romance-scammers-favorite-lies-exposed>.

**FIGURE 4: 2023 TOP FRAUD TYPES BY TOTAL DOLLARS LOST (AGES 60 AND OVER)**

Reports suggest that some fraud types are far more costly in aggregate than others, and losses to a number of fraud types increased from 2022 to 2023.



Percent change from 2022 is shown in parentheses. Reports categorized as unspecified and reports provided by IC3 are excluded.

**d. Fraud that Started Online was the Most Costly for Older Adults in the Aggregate, but Individual Losses were Highest on Fraud that Started with a Phone Call**

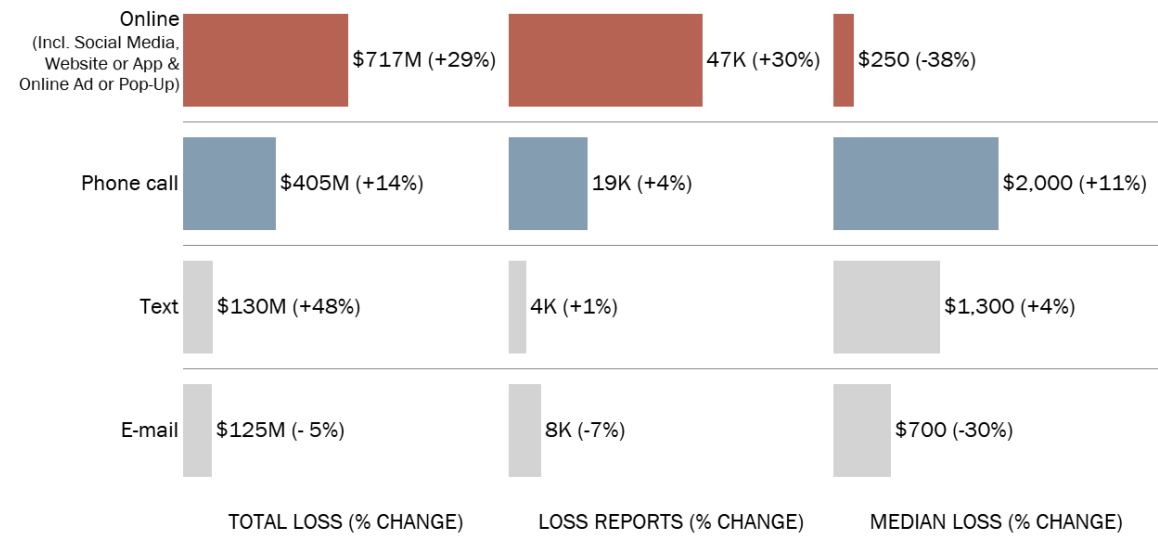
In 2023, as shown in Figure 5, older adults filed more than twice as many loss reports about online fraud than phone fraud,<sup>77</sup> and their aggregate reported losses to online fraud were also much higher. However, 2023 reported median individual losses remained far higher for phone fraud at \$2,000, compared to \$250 for online fraud. Among the online contact methods, social media continued to stand out, with total reported losses increasing from \$277 million in 2022 to \$389 million in 2023.<sup>78</sup> Also notable were text scams, which were second only to phone calls on median individual reported losses by older adults. The total loss amount reported by older adults on text scams increased from about \$90 million in 2022 to \$130 million in 2023.

<sup>77</sup> Online frauds are defined here as those in which the consumer reported first learning about the fraud on a website or app, on social media, or via an online ad or pop-up. Phone frauds are those in which the consumer reported first learning about the fraud via a phone call. Text frauds belong to a category separate from phone frauds.

<sup>78</sup> For more information about reports indicating social media as the contact method see FTC Consumer Protection Data Spotlight, *Social media: a golden goose for scammers* (October 6, 2023), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2023/10/social-media-golden-goose-scammers>.

**FIGURE 5: 2023 TOP CONTACT METHODS RANKED BY LOSSES  
(AGES 60 AND OVER)**

The aggregate losses and number of loss reports were highest for online fraud, but median reported dollar losses were highest on fraud that started with a phone call.



Percent change from 2022 is shown in parentheses. Reports that did not indicate a contact method and other contact methods consumers wrote in were excluded.

The types of frauds older adults most frequently reported losing money to varied by contact method. When the contact method was a phone call, older adults most often reported dollar losses on business impersonation scams, followed by government impersonation scams and prize, sweepstakes, and lottery scams. When social media was the contact method, older adults most often reported losing money to online shopping scams, but their highest aggregate reported losses were on investment scams followed by romance scams. The largest share of text scam reports by older adults were about texts impersonating well-known businesses, particularly Amazon and banks. These texts often look like account security alerts about suspicious activity or an unauthorized charge or purchase.<sup>79</sup>

People 80 and over were an exception. For this age group, aggregate reported losses to phone fraud (\$92 million) were once again higher than to online fraud (\$55 million). However, the number of loss reports filed about online fraud by this age group inched past the number filed about phone fraud for the first time in 2023.<sup>80</sup>

<sup>79</sup> For more information about copycat account security alerts see FTC Consumer Protection Data Spotlight, *Impersonation scams: not what they used to be* (April 1, 2024), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2024/04/impersonation-scams-not-what-they-used-be>.

<sup>80</sup> In 2023, adults 80 and over filed 3,342 loss reports about fraud that started online and 3,244 loss reports about fraud that started with a phone call, with a median reported loss of \$400 and \$3,882 respectively.

**e. Bank Transfers and Cryptocurrency Held the Top Spot for Total Dollars Lost, but Credit Cards and Gift Cards Were the Most Frequently Reported Payment Methods**

People reporting fraud frequently indicate the payment method they used. The first column in Figure 6 shows the aggregate dollar losses that older adults reported for the payment methods shown. Fraud reports from older consumers indicated that bank transfers and cryptocurrency payments are the most costly payment mechanisms. The largest share of aggregated reported losses by older adults using bank transfers and payment were on investment scams.<sup>81</sup> While the largest share of cryptocurrency losses reported by older adults were on investment scams, nearly half the reports indicating cryptocurrency as the payment method were about business impersonation, tech support scams, and government impersonation scams.<sup>82</sup> These consumers often report being directed to Bitcoin ATMs to deposit cash.<sup>83</sup>

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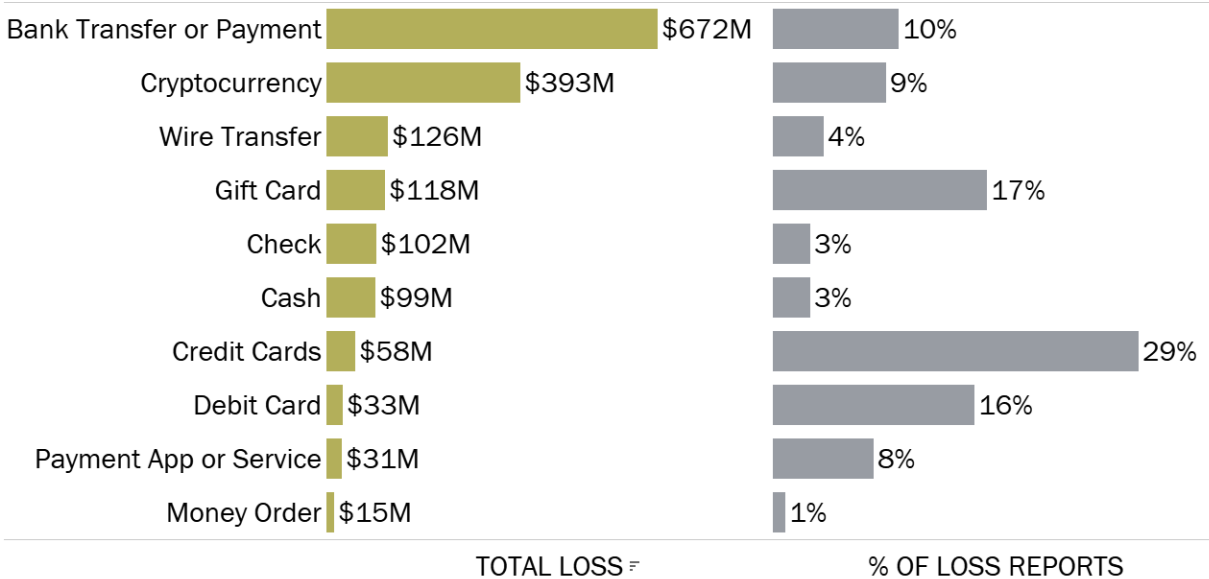
<sup>81</sup> Business impersonation scams were the most frequently reported and were most often about bank impersonations.

<sup>82</sup> The number of reports about cryptocurrency payments by older adults on business impersonation, government impersonation, and tech support scams increased by over 80%, from 2,304 in 2022 to 4,191 in 2023.

<sup>83</sup> FTC Consumer Protection Data Spotlight, *Bitcoin ATMs: A payment portal for scammers* (Sept. 3, 2024), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2024/09/bitcoin-atms-payment-portal-scammers>.

**FIGURE 6: 2023 TOTAL LOSSES AND LOSS REPORTS BY PAYMENT METHOD (AGES 60 AND OVER)**

Bank transfers and payments and cryptocurrency were highest on total reported dollar losses, but credit cards and gift cards were the most frequently reported payment methods



Reports that did not indicate a payment method and other payment methods consumers wrote in were excluded.

The second column in Figure 6 shows that, in 2023, older adults most often reported paying scammers with credit cards followed by gift cards. About half their reported credit card payments were on online shopping fraud, while their reported gift card payments were overwhelmingly on impersonation scams. Gift cards were the most frequent payment method reported by older adults on several common fraud types, including government impersonation scams, tech support scams, romance scams, and family and friend impersonation scams.

**f. Estimating the Overall Cost of Fraud to Older Adults**

Estimating the true cost of fraud to older adults based on reporting data is challenging. While Sentinel provides invaluable information about the nature of fraud, the losses reported in Sentinel are the “tip of the iceberg” as most consumers do not report. Since we do not know the exact degree of underreporting, especially for consumers losing large amounts of money, it is difficult to calculate the missing losses to estimate the overall financial harm. We describe a methodology to calculate the overall cost of fraud below and show how the uncertainty in underreporting rates affects our estimates.

A study of mass market fraud analyzed several FTC surveys and found that just 2.6% of consumers who experience fraud said that they reported the incident to a government agency. The frauds covered in the survey, however, generally resulted in low loss amounts.<sup>84</sup>

Another study took a more direct and novel approach; it matched data in nine FTC law enforcement cases to consumer reports about the same companies.<sup>85</sup> Consumers named in the case records affected by the frauds were compared to Sentinel reports to determine whether each consumer had reported their experience to the FTC or other data contributors. These results showed an average 2.0% reporting rate in cases with average losses of less than \$1,000 and a 6.7% reporting rate in cases with an average loss of over \$1,000. None of the nine cases in the study had an average loss of \$10,000 or more.

These estimated reporting rates can be used to extrapolate the missing losses. We assume that Sentinel includes just 2.0% of all losses from consumers who lost under \$1,000 and 6.7% of all losses from consumers who lost \$1,000 or more. Given these assumptions, the estimated 2023 overall loss, adjusted to account for underreporting, was \$158.3 billion,<sup>86</sup> with an estimated \$61.5 billion lost by older adults.<sup>87</sup>

However, these estimates are highly sensitive to assumptions about reporting rates for high-dollar loss frauds as these account for the lion's share of all losses reported to Sentinel.<sup>88</sup> A more conservative approach assumes that reporting rates are higher still for frauds that cause higher losses. If we assume that 100% of people who experienced losses of \$10,000 or more did in fact submit a report and are

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<sup>84</sup> See Anderson, K.B., *To Whom Do Victims of Mass-Market Consumer Fraud Complain?* at 1 (May 2021) (finding that just 2.6% of people who experienced a fraud reported the incident to government, and 4.8% to BBB or government), available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3852323](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3852323). This estimate is based on consumer self-reports. In "Mass Market Consumer Fraud in the U.S.: A 2017 Update," Anderson found the median loss of fraud victims reporting a dollar loss amount was \$100, and the 75<sup>th</sup> percentile loss was \$250. See <https://www.ftc.gov/system/files/documents/reports/mass-market-consumer-fraud-united-states-2017-update/p105502massmarketconsumerfraud2017report.pdf>.

<sup>85</sup> See Raval, D., *Whose Voice Do We Hear in the Marketplace? Evidence from Consumer Complaining Behavior*, Marketing Science (2020), 39 (1), 168-87, available at <https://deveshraval.github.io/complaintBehavior.pdf>.

<sup>86</sup> The 2023 reported fraud loss figured used for this purpose are \$108.1 million (combined reported losses under \$1,000) and \$10.2 billion (combined reported losses of \$1,000 or more). This includes the subset of IC3 data that is contributed to Sentinel.

<sup>87</sup> About 78% of the reported losses used in this analysis included age data, and 39% of these losses were reported by adults 60 and older. We assumed that age data was "missing at random" conditional on loss amount. That is, that consumers who did report age had the same age distribution as consumers who did not report age for a given loss bracket. This assumption may be conservative. For example, Grosz and Raval, "Hassle Costs and Consumer Voice: Evidence from a Website Redesign" (2023) examined a change to the FTC's reporting website that improved usability. See <https://deveshraval.github.io/websiteRedesign.pdf>. Grosz and Raval found that the website change substantially increased consumer reports *and* reduced the share of consumers not reporting age, and the share of older adults who filed a report increased the most compared to other age groups. This could reflect either an increase in the number of reports from older adults or that older adults were previously more likely to omit age information than other groups.

<sup>88</sup> While just 15% of people who reported a fraud loss in 2023 lost \$10,000 or more, their combined losses were equal to 93% of all 2023 losses reported to Sentinel.

therefore included in Sentinel, we would calculate a very conservative estimate of \$23.7 billion in overall fraud losses, with \$7.1 billion lost by older adults.<sup>89</sup>

## 2. Hearing Directly from Older Adults About FTC Impersonators

The FTC has continued to receive reports about scammers impersonating FTC employees and Commissioners.<sup>90</sup> These scammers weave elaborate lies designed to catch people off guard and create fake emergency situations to get people's money or information. Many of these reports describe scammers initially pretending to be businesses, such as Amazon or Microsoft, alarming consumers that there is a problem, and then turning the calls over to other scammers impersonating FTC agents. In another scheme, scammers claim they are with the FTC and inform people that they have won large prizes and need to pay certain fees, or they will forfeit their winnings.

In one of the heinous schemes, scammers falsely tell consumers their information has been associated with child pornography or drug trafficking, and they are going to be arrested and their bank accounts will be frozen if they don't act. These scammers convince people to transfer money, buy gift cards and share the codes, send cash or gold bars, buy cryptocurrency, or share bank account information. Some reports describe couriers sent to people's homes to pick up boxes of cash or gold bars in person. Losses from these scams, particularly for older adults, can be devastating, involving hundreds of thousands of dollars and draining retirement savings.<sup>91</sup>

The FTC has continued its program engaging with older adults who report losing money to FTC impersonators, and with all consumers who appear to be in the middle of any scam and at immediate risk of losing money. These adults often talk about how the scammers tell convincing stories that appear legitimate. The fact that the caller says they are with the FTC makes them a trusted voice. These adults also describe how the scammers called daily to build a rapport, lowering suspicions as they requested more payments. People also report that the scammers will often stay on the phone while they go to the bank to withdraw the funds. Some consumers say they were coached by the scammers on what to say to the bank employees to prevent any suspicion that they may be involved in a scam. Consumers are often

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<sup>89</sup> The 2023 reported fraud loss figures used for this purpose are \$108.1 million (combined reported losses under \$1,000), \$577.5 million (combined reported losses between \$1,000 and \$10,000), and \$9.7 billion (combined reported losses of \$10,000 or more). This includes the subset of IC3 data that is contributed to Sentinel. Losses reported by older adults made up 21.9% of losses under \$1,000, 26.8% of losses of \$1,000 to \$10,000, and 40.2% of losses of \$10,000 or more.

<sup>90</sup> FTC impersonators are one of the top 5 types of government impersonator reports. See FTC, *Explore Government Imposter Scams* (last updated July 24, 2024), available at <https://public.tableau.com/app/profile/federal.trade.commission/viz/GovernmentImposter/Infographic>; Consumer Alert, FTC, *Did someone tell you to move or transfer your money? It could be a scam* (Jan. 19, 2024), available at <https://consumer.ftc.gov/consumer-alerts/2024/01/did-someone-tell-you-move-or-transfer-your-money-it-could-be-scam>; Consumer Alert, FTC, *Recognize business and government imposters who want your money* (June 14, 2024), available at <https://consumer.ftc.gov/consumer-alerts/2024/06/recognize-business-and-government-imposters-who-want-your-money>; FTC, *How To Avoid a Government Impersonation Scam* (Nov. 2023), available at <https://consumer.ftc.gov/articles/how-avoid-government-impersonation-scam>.

<sup>91</sup> See FTC Press Release, *FTC Data Shows Major Increases in Cash Payments to Government Impersonation Scammers* (June 14, 2024) available at <https://www.ftc.gov/news-events/news/press-releases/2024/06/ftc-data-shows-major-increases-cash-payments-government-impersonation-scammers>.



told to put their money into Bitcoin ATMs that can be found at local gas stations and convenience stores.<sup>92</sup> The general unfamiliarity with cryptocurrency transactions makes it easy for the scammers to keep the consumers from realizing that they are giving the scammer their funds.

When speaking with these older adults, the FTC staff makes sure they know that the experiences were scams and the FTC will never tell people to transfer or send money. Because these scammers are so good at what they do, it can be challenging to help people believe that FTC staff are legitimate, and that the previous callers were scammers. In addition to the consumer education efforts described in Section III, the FTC has also placed prominent warnings on its websites, such as FTC.gov, to caution consumers about FTC impersonation scams. Consumers have reported to the FTC that these warnings have successfully alerted them to FTC impersonations and prevented them from losing money to these scams.

## **B. Technological Advancements Impacting Older Adults**

Another avenue that the FTC has explored is addressing technological advancements in the marketplace that make it easier for bad actors to harm older adults. As text-to-speech artificial intelligence (“AI”) technology has improved, voice cloning technology has become more sophisticated, posing risks to consumers. For example, scammers may use voice cloning to impersonate family, friends, government officials, or business executives to attempt to coerce consumers to send money or personal information to the scammers. And as discussed above, analysis of FTC reports shows that older consumers are more likely than younger consumers to report losses to impersonation scams, particularly government or friends and family impersonation schemes. As part of its efforts to address the misuse of voice cloning to effectuate scams, the FTC launched a Voice Cloning Challenge in January 2024.<sup>93</sup> The challenge was aimed at encouraging new breakthrough ideas on detecting, preventing, monitoring, and evaluating malicious cloning. On April 8, 2024, the FTC announced four winning submissions for its Voice Cloning Challenge.<sup>94</sup>

This was the sixth challenge the FTC has launched under the America COMPETES Act aimed at spurring the development of innovative solutions to complex consumer protection issues that impact older adults.

## **C. Coordinated Efforts to Protect Older Consumers**

The FTC’s strategic planning for the protection of older adults is led by its Every Community Initiative. As highlighted in the 2021 Serving Communities of Color Report, different types of consumer protection issues affect different groups of people, and this Initiative examines the impact of various consumer problems on distinct groups, including older adults, military service members and veterans, Black Americans, Latinos, Asian Americans, Native Americans, communities who speak languages

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<sup>92</sup> FTC Consumer Protection Data Spotlight, *Bitcoin ATMs: A payment portal for scammers* (Sept. 3, 2024), available at <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2024/09/bitcoin-atms-payment-portal-scammers>.

<sup>93</sup> Press Release, FTC, *FTC Announces Exploratory Challenge to Prevent the Harms of AI-enabled Voice Cloning* (November 16, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/11/ftc-announces-exploratory-challenge-prevent-harms-ai-enabled-voice-cloning>.

<sup>94</sup> Press Release, FTC, *FTC Announces Winners of Voice Cloning Challenge* (April 8, 2024), available at <https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-announces-winners-voice-cloning-challenge>.

other than English, and other groups.<sup>95</sup> The Initiative relies on research and input from numerous resources to develop strategies to prevent fraud, inform the agency’s law enforcement program, and expand outreach, including from the FTC’s Senior Fraud Advisory Office, which the FTC created pursuant to the Seniors Fraud Prevention Act of 2022,<sup>96</sup> and stakeholders in communities. These partnerships across the country have been an extremely valuable aspect of the FTC’s approach to protecting older adults in a wide range of communities from financial loss.

For example, to pursue law enforcement actions that have the largest possible impact, the FTC coordinates with federal, state, local, and international agencies, including those with criminal authority as discussed in Section II above. Through partnerships, the FTC leverages resources to track down fraudsters and build cases to stop them. In particular, the FTC participates in the Global Anti-fraud Enforcement Network, a multilateral network of agencies that enforces laws prohibiting mass marketing fraud. The Network has been pivotal in enforcement actions against entities that have defrauded millions of older consumers. The FTC also participates in a network of federal agencies focused on elder justice issues led by the DOJ (“DOJ US Elder Fraud Working Group”).

The FTC has also continued to be an active member of the Elder Justice Coordinating Council, a multi-agency federal entity that coordinates activities across the federal government related to elder abuse, neglect, and exploitation. Led by the Assistant Secretary for Aging within the Department of Health and Human Services (“HHS”), the EJCC meets twice a year with the goal of better coordinating the federal response to elder abuse.<sup>97</sup> The EJCC and its staff-level working group have strengthened the FTC’s connections with other federal government offices that are also working to combat elder abuse and have facilitated valuable information sharing and coordination.

Recently, members of the EJCC and the DOJ US Elder Fraud Working Group coordinated on a consumer education and outreach campaign regarding government impersonation scams in honor of World Elder Abuse and Awareness Day. From June 13 to June 15, the FTC, along with the DOJ, Federal Bureau of Investigation, U.S. Postal Inspection Service, Internal Revenue Service, Social Security Administration, Customs and Border Protection, Department of Labor, Securities and Exchange

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<sup>95</sup> FTC Staff Report, *Serving Communities of Color: A Staff Report on the Federal Trade Commission’s Efforts to Address Fraud and Consumer Issues Affecting Communities of Color* (Oct. 2021), available at [https://www.ftc.gov/system/files/documents/reports/serving-communities-color-staff-report-federal-trade-commissions-efforts-address-fraud-consumer/ftc-communities-color-report\\_oct\\_2021-508-v2.pdf](https://www.ftc.gov/system/files/documents/reports/serving-communities-color-staff-report-federal-trade-commissions-efforts-address-fraud-consumer/ftc-communities-color-report_oct_2021-508-v2.pdf).

<sup>96</sup> The FTC’s Senior Fraud Advisory Office advises the Commission on fraud prevention strategies, monitors the market for emerging fraud trends impacting older adults, and coordinates with our law enforcement partners to disseminate consumer education regarding these new trends. See Fraud and Scam Reduction Act, Section 101, Division Q of the Consolidated Appropriations Act, 2022, Pub. L. No. 117-103, available at <https://www.congress.gov/117/plaws/publ103/PLAW-117publ103.pdf>. Subtitle B of the Act, referred to as the “Seniors Fraud Prevention Act of 2022,” requires the FTC to establish an Advisory Office to, among other responsibilities, advise the Commission on the prevention of fraud targeting seniors, monitor the market for fraud trends impacting older adults, and disseminate consumer education about those trends in coordination with the U.S. Department of Health and Human Services; U.S. Department of Justice; U.S. Postal Inspection Service; and U.S. Postal Service.

<sup>97</sup> HHS convened the Elder Justice Coordinating Council in accordance with the Elder Justice Act passed in 2010. The Council consists of heads of federal departments and other government entities identified as having responsibilities, or administering programs, relating to elder abuse, neglect, and exploitation. See HHS, *What is the Elder Justice Coordinating Council?* (last modified Nov. 1, 2022), available at <https://www.acl.gov/programs/elder-justice/elder-justice-coordinating-council-ejcc>.

Commission, Department of Health and Human Services, Veterans Administration, AmeriCorps, Federal Reserve Board, and others, issued press releases, videos, social media posts, radio ads, mailers, and print ads all addressing government impersonation scams that generated over 140 million views, impressions, or other engagements. For its part, the FTC issued a press release and consumer blog post that generated over 7,000 impressions and more than 300 local television and radio news stories that reached millions of consumers in markets across the country.<sup>98</sup>

## D. Scams Against Older Adults Advisory Group

The FTC coordinates efforts with a wide variety of stakeholders through an Advisory Group it established and leads pursuant to the Stop Senior Scams Act.<sup>99</sup> The Scams Against Older Adults Advisory Group (“Advisory Group”) is comprised of twenty-one representatives from government, industry, and consumer advocacy groups.<sup>100</sup> It held its first public meeting on September 29, 2022,<sup>101</sup> where it launched four committees to address fraud impacting older adults. These committees have focused on: 1) expanding consumer education and outreach efforts; 2) improving industry training on scam prevention; 3) identifying innovative or high-tech methods to detect and stop scams; and 4) reviewing research on effective consumer messaging to prevent scams. The four committees included a diverse array of collaborators with expertise from academia; local, state and federal government; trade associations, businesses, and other industry members; and consumer advocacy and other non-profit organizations.<sup>102</sup> The committees began meeting in December 2022, and they provided an update on the work they have completed, as well as the work that is ongoing, at the Advisory Group’s second meeting

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<sup>98</sup> Press Release, FTC, *FTC Data Shows Major Increases in Cash Payments to Government Impersonation Scammers* (June 14, 2024), available at <https://www.ftc.gov/news-events/news/press-releases/2024/06/ftc-data-shows-major-increases-cash-payments-government-impersonation-scammers>; Consumer Blog, *Recognize Business and Government Imposters Who Want Your Money* (June 14, 2024), available at <https://consumer.ftc.gov/consumer-alerts/2024/06/recognize-business-and-government-imposters-who-want-your-money>.

<sup>99</sup> Congress enacted the Fraud and Scam Reduction Act, Section 101, Division Q of the Consolidated Appropriations Act, 2022, Pub. L. No. 117-103 on March 15, 2022. See <https://www.congress.gov/117/plaws/publ103/PLAW-117publ103.pdf>. Subtitle A of the Act, referred to as the “Stop Senior Scams Act,” requires the FTC to create an Advisory Group comprised of various members, including those identified in the Act.

<sup>100</sup> The Advisory Group is comprised of representatives of the following entities: AARP; AmeriCorps Senior; Chamber of Digital Commerce; Commodity Futures Trading Commission; Consumer Financial Protection Bureau; Federal Deposit Insurance Corporation; Federal Reserve Board; Federal Trade Commission; Financial Crimes Enforcement Network; Financial Industry Regulatory Authority; Innovative Payments Association; National Retail Federation; Office of the Attorney General for the State of Vermont; Retail Gift Card Association; Securities and Exchange Commission; The Money Services Round Table; U.S. Department of Health and Human Services; U.S. Department of Justice; U.S. Department of Treasury; U.S. Postal Inspection Service; and USTelecom.

<sup>101</sup> Press Release, FTC, *FTC to Convene First Meeting of Scams Against Older Adults Advisory Group on Sept. 29* (Sept. 12, 2022), available at <https://www.ftc.gov/news-events/news/press-releases/2022/09/ftc-convene-first-meeting-scams-against-older-adults-advisory-group-sept-29> (last visited Sept. 10, 2024); see also *Scams Against Older Adults Advisory Group Meeting*, available at <https://www.ftc.gov/news-events/events/2022/09/scams-against-older-adults-advisory-group-meeting> (last visited Sept. 10, 2024).

<sup>102</sup> Press Release, FTC, *FTC Announces Members of the Stop Senior Scams Act Advisory Committees Aimed at Protecting Older Adults Against Scams* (Dec. 7, 2022), available at <https://www.ftc.gov/news-events/news/press-releases/2022/12/ftc-announces-members-stop-senior-scams-act-advisory-committees-aimed-protecting-older-adults> (last visited Aug. 20, 2024); see also *Scams Against Older Adults Committee Members* (last modified Mar. 2024), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/ssa-committee-list.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/ssa-committee-list.pdf) (last visited Aug. 20, 2024).

on April 2, 2024.<sup>103</sup> As a result of this work, the committees have conducted pilot programs and published reference materials on consumer education and outreach for organizations that work with older adults, guiding principles for effective employee training on preventing scams, and a report outlining what research shows are useful approaches in scam prevention messaging. The work of the Advisory Group’s committees is available to the public on the Advisory Group’s website at [www.ftc.gov/olderadults](http://www.ftc.gov/olderadults).

**Consumer Education Committee.** The Consumer Education Committee was led by AmeriCorps, Cuyahoga County Consumer Affairs, the FTC, and the U.S. Department of Treasury. The committee focused on identifying and sharing more effective methods of reaching older adults with information on spotting, avoiding, and reporting scams. Committee members included a diverse group of federal, state, and local agencies, consumer advocates, and industry. The committee’s work was divided between two teams: the Outreach Subcommittee and the Guiding Principles Subcommittee. The Outreach Subcommittee determined effective ways to reach older adults through people trusted in communities by implementing pilot or test projects. In the pilot programs, members shared consumer education materials with an expanded network of trusted community members, and experimented with new materials, partnerships, or other communication channels to see if they resulted in better outcomes than their traditional outreach methods. For example, the FTC created its own pilot, the “Fraud Fighters” outreach program, to see whether monthly trainings with FTC experts would help organizations more effectively deliver presentations on a range of scams. Participants used ready-made slide presentations from the FTC’s Pass It On campaign, which cover thirteen scams and frauds that affect older adults. Organizations nationwide participated, including Availa Bank in Iowa, La Raza Centro Legal in San Francisco, Riverdale Senior Services in New York, the Better Business Bureau, and the Center for Independent Living for Central Pennsylvania. All participants concluded that the opportunity to talk with an expert helped them deliver more confident presentations with greater expertise, in both English and Spanish. Additionally, an organization that shared Pass It On print resources and information during its law clinics reported getting more calls from older adults and others requesting information and assistance in dealing with scams and identity theft.

The Guiding Principles Subcommittee derived principles to help people and organizations more effectively reach older adults on scam-related topics by drawing on its members’ own experience on prior outreach efforts. Discussions centered on how to: develop messages that resonate, target specific audiences in ways that appeal to those audiences and use culturally or otherwise appropriate language, identify trusted community members who can help amplify the messaging to a particular community, deliver resources that a community will use, and obtain feedback or otherwise measure the effectiveness of the outreach measures. Subcommittee members also drew on presentations from organizations like the National Center to Reframe Aging and the Benjamin Rosen Institute, along with others, to form its recommendations.

The Consumer Education Committee produced a user-friendly, streamlined reference sheet that highlights five principles to guide organizations who work with older adults. These principles are: 1) Know your audience, 2) Use clear and empowering messaging, 3) Offer resources in multiple languages,

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<sup>103</sup> Press Release, FTC, *FTC Convenes Advisory Group to Fight Scams Against Older Adults* (March 7, 2024), available at <https://www.ftc.gov/news-events/news/press-releases/2024/03/ftc-convenes-advisory-group-fight-scams-against-older-adults> (last visited July 11, 2024).

when possible, 4) Seek feedback, and 5) Partner with people trusted in the community that you are trying to reach. The Committee developed these principles from insights gleaned from their pilot projects and past outreach efforts, members' own experience, existing consumer education materials, and research reviewed by the Scam Prevention Research Committee. The reference sheet expounds on these five guiding principles, outlining messaging and best practices, as well as common scammer tactics, and general advice on how to avoid scams. The reference sheet provides a solid foundation that any organization can adapt and use to enhance their fraud prevention communications with older adults. It is available to all organizations on the Advisory Group's website. Appendix B to this report includes illustrative examples of both the committee's pilot outreach programs and its retrospective analysis of past outreach efforts.

***Industry Training Committee.*** The Industry Training Committee was led by AARP and the FTC. The committee's work focused on implementing the Stop Senior Scams Act's mandates by collecting industry employee training and educational materials and discussing how industry uses them to train their employees to identify and prevent scams that affect older adults. Committee members represented a wide range of industries including in banking, digital assets, gift cards, wire transfers, retail, and other payment sectors. Committee members also included consumer advocates, trade associations, and state and federal government.

Through a series of meetings, discussions, and presentations, the committee collected examples of existing employee training material and identified four guiding principles of effective employee training. These principles include: 1) Corporate Support: establish a corporate culture and governance that values and rewards scam prevention; 2) Impact: make education and training content, methods, and frequency adaptive and responsive for employees; 3) Empowerment: make employee training personal and encourage empathy, connection, and ownership; and 4) Delivery: establish effective escalation, intervention, report, and hold processes for employees. The committee discussed each principle in greater depth at its monthly meetings, where committee members volunteered to present on how their organization approached a particular principle and shared examples of their training materials that illustrated their methods.

These presentations and discussions revealed several existing gaps or challenges that organizations face in implementing effective employee training on spotting and stopping scams. First, discussions highlighted that it was not always easy to obtain support from organization leaders on the importance of training employees on scam prevention. Importantly, support needed to be demonstrated in the form of resources, such as dedicated employee time and funds for training. Second, organizations could do more to take into consideration their audience in designing their training materials. For example, to tailor the training materials to particular audiences, organizations might use more plain language and less technical or legal terminology. They may also streamline their trainings more so that the most salient information is conveyed, making it easier for employees to retain. Third, organizations reported it could be difficult to keep their training materials from becoming stale and appreciated the tips that other members shared on how they kept their training materials fresh, interactive, and current to improve employee engagement. And fourth, organizations reported they were still exploring how to modify their training methods to evolving technology uses, such as adapting trainings to digital formats and reducing the length of trainings but increasing the frequency.

The committee distilled the information and lessons shared and produced a guiding document that provides industry with core principles that any industry sector can use to help them develop or improve

their employee training on mitigating the impact of scams on older adults. The guiding document also provides concrete examples illustrating how industry can adopt the principle in practice. Once the committee reached consensus on these guiding principles in the fall of 2023, committee leaders encouraged the members to implement them in their own organization’s trainings and to report back to the committee on their efforts.

In June 2024, 14 committee members provided updates on their efforts to implement the new guiding principles.<sup>104</sup> For Corporate Support, members such as PayPal and American Bankers Association (“ABA”) reported that they were able to make shifts in the corporate culture with the support of their organizations’ leadership. PayPal also reported it incorporated new metrics for tracking success and new programs to empower and reward employees for escalating suspected fraud. For Impact and Empowerment, multiple members such as ABA, Bank of America, Blackhawk Network, National Credit Union Administration, and Western Union reported that they had revamped or produced new simplified training materials that incorporate plain language or modified the language used to encourage empathy and empower their employees to be proactive in stopping scams. Members also reported that they reconsidered the format of their training materials. For example, Blackhawk Network also provided their revamped training materials in multiple formats to accommodate different learning styles. AARP produced a new shorter version of its *BankSafe* training called “BiteSized BankSafe,”<sup>105</sup> which is a free online training toolkit to help financial institutions keep their scam prevention training fresh and easily accessible for frontline employees. Some members such as Western Union, AARP, and PayPal also discussed providing their training using gamification to keep the trainings engaging and fun, or videos and toolkits to encourage connection and empathy for older adults who have been harmed by scams. For Delivery, members such as AARP, Blackhawk Network, and the National Credit Union Administration discussed creating short tip sheets or one-page resources that are printable and easily available to managers and frontline employees that they can use as a quick refresher while they are interacting with an older adult.

The guiding document that the committee produced is available to all organizations on the Advisory Group’s website and Appendix C to this report includes additional illustrative examples of how committee members’ training programs reflect the four guiding principles.

***Technology and New Methods Committee.*** The Technology and New Methods Committee is led by the Consumer Financial Protection Bureau, the FTC, the DOJ, and USTelecom. The committee’s work is concentrated on: 1) identifying and encouraging adoption of technologies that can help stakeholders spot or stop scams, 2) promoting data and information sharing more broadly to make fraud detection or prevention easier, and 3) determining what legal or other impediments might exist to achieving these goals and whether there are potential solutions. From December 2022 to November 2023, the committee met monthly and was focused on sharing information on what strategies and techniques committee members use to detect and stop scams. Committee members come from a diverse

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<sup>104</sup> The committee members who provided updates on their efforts include: AARP, American Bankers Association, Bank of America, Best Buy, Blackhawk Network, Cape Cod 5 Bank, Consumer Financial Protection Bureau, EverSafe, Fidelity Investments, JP Morgan Chase Bank, N.A., National Credit Union Administration, Osaic/American Portfolios Financial Services, Inc., PayPal, and Western Union.

<sup>105</sup> See AARP, *BiteSized BankSafe* (June 2024), available at <https://www.aarp.org/content/dam/aarp/money/scams-and-fraud/2024/06/aarp-bitesize-banksafe-june-2024.pdf> (last visited July 11, 2024).

range of industries and experiences, and learning about their different approaches to mitigate fraud was illuminating and educational for the members. The committee also invited guest speakers to present to the members on different models of effective industry collaboration.

In November 2023, the Technology and New Methods Committee launched four projects. The first project is led by the DOJ and ABA and is focused on exploring ways to help older adults who have lost money to fraud through a bank payment recover their funds (“Bank Payment”). The Bank Payment project group is exploring options to raise public awareness of the different ways that older adults may be able to recover stolen funds, such as by promoting the work of the FBI’s Internet Crime Complaint Center’s Recovery Asset Team. The group also identified state laws that allow banks to implement a temporary transaction hold or freeze in instances in which fraud is suspected, which may help prevent a scammer from obtaining consumer funds. A snapshot of such state laws is available on the Advisory Group’s website. The group plans to obtain information from banks and credit unions to learn more about the efficacy of these state laws.

The second project is led by Blackhawk Network and the FTC and is focused on exploring how to encourage broader adoption of fraud prevention tactics to prevent gift card fraud (“Gift Card”). The Gift Card project group meets bi-weekly and is developing fraud mitigation best practices for each stakeholder across the gift card ecosystem including retailers, integrators, and gift card brands. The project group has drafted a summary of best practices and sought feedback from a team of risk practitioners from the Retail Gift Card Association (“RGCA”). The project group will also disseminate the best practices to gift card stakeholders more broadly for review and consideration. Blackhawk Network and InComm, the gift card industry’s largest integrators, are actively meeting with their respective gift card partners to discuss the best practices proposed in the draft. The project group has also begun brainstorming what critical data attributes would be helpful in combatting gift card fraud impacting older adults if they could be shared with other project group members.

The third project is led by USTelecom, Western Union, and ABA, and is focused on encouraging information sharing across industry sectors (“Info Sharing”). The Info Sharing project group consists of representatives of the financial and telecommunication sectors, along with representatives from government. The group is currently working to create an inventory of existing and emerging fraud information sharing mechanisms. The inventory will include sector-specific, cross-industry, as well as public-private information sharing mechanisms. The goal is to develop a comprehensive understanding of what mechanisms exist, identify where there may be gaps and need for further development, and to help raise awareness and provide a contact point for project group members or other entities who may be interested in engaging with them to promote effective information sharing to stop scams.

The fourth project is led by CTIA and the FTC and is focused on mitigating the impact of fraud that utilizes text messages to contact older adults (“Text Message”). The Text Message project group is comprised of a cross-sector of government, a wide array of industry representatives including from the telecommunication, financial, and technology sectors, as well as consumer advocacy organizations. The project group meets on a monthly basis and has considered several areas of action to mitigate text message fraud. First, the group explored whether more could be done to develop trusted texting technology, such as new methods of verifying or authenticating the sender information for text or methods that can enhance existing spam and fraud text filtering mechanisms. As discussed in Section IV, older adults are reporting more in total losses to text scams—increasing from \$90 million in 2022 to \$130 million in 2023—and the majority are about text messages impersonating well-known businesses,

particularly Amazon and banks. The project group agreed that verification methods such as verified brand trademarks or logos or other signals could help protect consumers from impersonation texts. But because any new method would likely require the development of technical solutions such as common industry standards, the project group declined to pursue this solution.<sup>106</sup> Second, the project group considered and will continue to explore how to increase data sharing between industry cross-sectors (e.g., between members of the telecommunication and financial sectors) or public-private data sharing in order to facilitate targeting and disrupting spam and scam text messages. Such data sharing could include 7726, “report junk,” or “block & report scam” information, identified phishing campaigns, and common methods, channels and routes used by bad actors. The project group will convene a broad sector of representatives with legal, policy, and technology expertise from government, the telecommunication industry, message senders such as banks, and data scientists, among others, to explore collaborative solutions that can facilitate and incentivize data sharing.

The work for all these project groups is ongoing and any work product that the committee is able to share with the public will be made available on the Advisory Group’s website.

***Scam Prevention Research Committee.*** The Scam Prevention Research Committee is led by the Consumer Financial Protection Bureau, the FTC, Financial Industry Regulatory Authority, International Association of Better Business Bureaus, and the DOJ. The committee draws expertise from fraud prevention experts from non-profits, government, industry, as well as several researchers who have authored studies relevant to the Commission’s work. The committee scanned the research landscape on scam prevention messaging, summarized the findings, and identified gaps in the research along with questions that warranted further exploration.

The committee’s review of the literature revealed several key challenges to scam prevention messaging. First, people do not believe that scams will happen to them (e.g., optimism bias). Second, scammers are experts at causing consumers to experience elevated emotions that disrupt critical thinking. Third, consumers tend to forget scam prevention messaging after a period of time has passed. And finally, in-the-moment warnings often fail. The committee’s literature review also identified some strategies that those engaged in scam prevention messaging (“practitioners”) can employ to overcome these challenges. Research suggests it is helpful to make the message memorable and actionable. Providing reminders can also be effective to counteract people’s tendency to forget information over time. Practitioners can also provide context for their messaging by conveying the benefits of following the consumer messaging advice. When thinking about how to convey information to a particular individual or community, practitioners should consider how that individual or community’s commonly held beliefs and values might impact how that individual or community will receive the information. Practitioners should also consider making the message specific, such as warning against a specific type of scam or tactics that scammers use. Finally, research suggests practitioners should optimize the design and content for any in-the-moment warnings.

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<sup>106</sup> The group also considered whether it could raise public awareness to message senders about adopting existing industry solutions that facilitate trusted texting such as participation in non-consumer registries or do more to encourage consumers to report spam text messages. Since public awareness efforts to encourage consumers to report spam already exist, including through the FTC’s own consumer education and outreach, the committee decided to focus its energies on other endeavors. The group may consider raising public awareness to message senders about adopting existing industry solutions in the future.



The committee prepared a report of the group’s takeaways from the research it reviewed. In the report, the committee also noted that the research indicated several special considerations for effective scam prevention messaging to older adults. Research suggests that for this population, one should consider using positive messages (e.g., this information will help you) rather than negative (e.g., a warning that something bad will happen). Research also shows that practitioners should consider older adults’ preferred messaging platform or who is delivering the message (e.g., a family/friend or trusted community member). It also illustrated the importance of testing messages with older adults. The report also called for new research; the committee identified gaps where additional research would be helpful to practitioners and raised key topics and questions for future inquiry that would address those gaps. The committee hopes that this report will serve as a reference for both researchers developing research proposals and for agencies and organizations interested in funding research on scam prevention. The committee’s report is available on the Advisory Group’s website.

## V. Conclusion

The FTC will continue to protect older adults through aggressive law enforcement, ongoing research efforts, and broad outreach and education. The FTC is also committed to innovating and seeking new ways to prevent consumer harm through its ongoing collaboration with a variety of stakeholders, as it works to protect older adults from future scams.

**Appendix A – Federal Trade Commission FY 2024**

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. K W Technology, <i>et al.</i>	1:23-cv-06633-MKB-CLP	Eastern District of New York	9/6/2023	COVID-19 Consumer Protection Act (“CCPA”)	Alleged the defendants deceptively marketed their 1 Virus Buster Invisible Mask purportedly created a three-foot barrier of protection against 99.9 percent of all viruses and bacteria, including COVID-19 – without any scientific proof that the product actually worked.	Full Settlement
Federal Trade Commission v. TransUnion Rental Screening Solutions, Inc., <i>et al.</i>	1:23-cv-2659	District of Colorado	10/12/2023	Fair Credit Reporting Act (“FCRA”)	Alleged the defendants failed to ensure the accuracy of the information included in their tenant background screening reports.	Full Settlement
<b>VI. Federal Trade Commission v. Voyager Digital, LLC., <i>et al.</i></b>	1:23-cv-08960	Southern District of New York	10/12/2023	Gramm-Leach-Bliley Act (“GLB Act”)	Alleged the defendants falsely claimed that customers’ accounts were insured by the Federal Deposit Insurance Corporation (FDIC).	Full Settlement

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Sollers, Inc. and Sollers Education LLC	2:23-cv-21250	District of New Jersey	10/18/2023	Trade Regulation Rule Concerning Preservation of Consumers' Claims and Defenses ("Holder Rule")	Alleged the defendants lured prospective students to enroll by falsely touting their job-placement rates and that their relationships with prominent companies would lead to jobs after students graduated.	Full Settlement
Federal Trade Commission and the State of Wisconsin v. Rhinelander Auto Center Inc., <i>et al.</i>	3:23-cv-00737	Western District of Wisconsin	10/24/2023	Equal Credit Opportunity Act ("ECOA")	Alleged the defendants deceived consumers by tacking hundreds or even thousands of dollars in illegal junk fees onto car prices and discriminated against American Indian customers by charging them higher financing costs and fees.	Full Settlement
Federal Trade Commission v. Bridge It, Inc. d/b/a Brigit	1:23-cv-09651	Southern District of New York	11/2/2023	Restore Online Shoppers' Confidence Act ("ROSCA")	Alleged the defendant's promises of "instant" cash advances of up to \$250 for people living paycheck-to-paycheck that were deceptive and that the company locked consumers into a \$9.99 monthly membership they couldn't cancel.	Full Settlement

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
In the Matter of Global Tel Link Corporation, <i>et al.</i>	FTC Matter No. 2123012	FTC Administrative Matter	11/16/2023	Data Privacy/Security	Alleged the defendants failed to secure sensitive data of hundreds of thousands of users stored in a cloud environment and failed to alert all those affected by the incident.	Consent Order
Federal Trade Commission and State of California v. <u>CRI Genetics</u> LLC	2:23-cv-9824	Central District of California	11/20/2023	Deceptive Practices	Alleged the defendant deceived users about the accuracy of its DNA reports.	Full Settlement
Federal Trade Commission v. Traffic and Funnels LLC, <i>et al.</i>	3:23-cv-01277	Middle District of Tennessee	12/5/2023	Telemarketing Sales Rule (“TSR”)	Alleged the defendants deceived consumers to pay hundreds or thousands of dollars for supposed training programs that rarely, if ever, delivered on what was promised.	Full Settlement
In the Matter of ExotoUSA LLC, <i>et al.</i>	FTC Matter No. 2323035	FTC Administrative Matter	12/6/2023	Made in USA	Alleged the defendants falsely claimed that certain company products were manufactured in the U.S, and that the company was veteran-operated and donated 10 percent of its sales to military service charities.	Consent Order

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Samuel James Smith d/b/a Weblio, <i>et al.</i>	2:23-cv-04848	Eastern District of Pennsylvania	12/7/2023	TSR	Alleged the defendants' marketing was filled with false claims and that they used robocalls, telemarketing, and social media ads to contact consumers and convince them to join the Blueprint to Wealth scheme.	Full Settlement
Federal Trade Commission v. Rite Aid Corporation, <i>et al.</i>	2:23-cv-5023	Eastern District of Pennsylvania	12/19/2023	Data Privacy/Security	Alleged the defendants failed to implement reasonable procedures and prevent harm to consumers in their use of facial recognition technology in hundreds of stores.	Full Settlement
Federal Trade Commission v. Grand Canyon Education, Inc., <i>et al.</i>	2:23-cv-02711	District of Arizona	12/27/2023	TSR	Alleged the defendants deceived prospective doctoral students about the cost and course requirements of their doctoral programs and about being a nonprofit, while also engaging in deceptive and abusive telemarketing practices.	Litigation Ongoing

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. FloatMe Corp., <i>et al.</i>	5:24-cv-00001	Western District of Texas	12/29/2023	ROSCA/ECOA	Alleged the defendants failed to deliver promised advance amounts, made it difficult to cancel, discriminated against consumers who receive public assistance, and made baseless claims that cash advance limits would be increased by an algorithm or another automated system.	Full Settlement
United States of America v. Response Tree LLC, <i>et al.</i>	8:24-cv-00001	Central District of California	1/2/2024	TSR	Alleged the defendants operated more than 50 websites designed to trick consumers into providing their personal information for supposed mortgage refinancing loans and other services.	Full Settlement
Federal Trade Commission and State of Connecticut, v. Chase Nissan, LLC, <i>et al.</i>	3:24-cv-00012	District of Connecticut	1/2/2024	Deceptive Advertising	Alleged the defendants deceived consumers and regularly charged them junk fees for certification, add-on products, and government charges without the consumers' consent.	Litigation Ongoing

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
In the Matter of X-Mode Social, Inc./Outlogic	FTC Matter No. 2123038	FTC Administrative Matter	1/9/2024	Data Privacy/Security	Alleged the defendants sold precise location data that could be used to track people's visits to sensitive locations such as medical and reproductive health clinics, places of religious worship and domestic abuse shelters.	Consent Order
In the Matter of InMarket Media, LLC	FTC Matter No. 2023088	FTC Administrative Matter	1/18/2024	Data Privacy/Security	Alleged the defendant did not fully inform consumers and obtain their consent before collecting and using their location data for advertising and marketing.	Consent Order
United States of America v. Kubota North America Corporation, <i>et al.</i>	3:24-cv-00159-S	Northern District of Texas	1/22/2024	Made in USA	Alleged the defendants falsely labeled some of their replacement parts as being "Made in USA."	Full Settlement
In the Matter of Blackbaud, Inc.	FTC Matter No. 2023181	FTC Administrative Matter	2/1/2024	Data Privacy/Security	Alleged the defendant's lax security allowed a hacker to breach the company's network and access the personal data of millions of consumers including Social Security and bank account numbers.	Full Settlement

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
In the Matter of Avast Limited, <i>et al.</i>	FTC Matter No. 2023033	FTC Administrative Matter	2/22/2024	Data Privacy/Security	Alleged the defendants unfairly collected consumers' browsing information through the company's browser extensions and antivirus software, stored it indefinitely, and sold it without adequate notice and without consumer consent.	Consent Order
In the Matter of H&R Block Inc., <i>et al.</i>	D-9427	FTC Administrative Matter	2/23/2024	Deceptive Advertising	Alleged the defendants unfairly deleted consumers' tax data and required them to contact customer service when they downgraded to more affordable online products, and deceptively marketed their products as "free" when they were not free for most consumers.	Litigation Ongoing



<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission and the States of California; Florida; Maryland; Massachusetts; North Carolina; Oklahoma; Oregon; Texas; Virginia and Wisconsin v. Cancer Recovery Foundation International, Inc., <i>et al.</i>	4:24-cv-00881	Southern District of Texas	3/11/2024	TSR	Alleged the defendants deceived donors who sought to offer financial support to women battling cancer and their families.	Litigation Ongoing
Federal Trade Commission v. Restoro Cyprus Limited, Reimage Cyprus Limited (Kape Technologies)	1:24-cv-00735	District of Columbia	3/12/2024	TSR	Alleged the defendants tricked consumers into signing up for computer repair services through deceptive marketing.	Full Settlement
Federal Trade Commission, v. Biz2Credit, Inc., <i>et al.</i>	1:24-cv-02001	Southern District of New York	3/18/2024	CCPA	Alleged the defendants deceptively advertised that consumers' emergency PPP loan applications would be processed in an average of 10-14 business days when, in reality, the average processing took well over a month.	Full Settlement

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Oto Analytics, Inc. d/b/a Womply, <i>et al.</i>	3:24-cv-01661	Northern District of California	3/18/2024	CCPA	Alleged the defendants falsely advertised those small businesses – particularly one-person businesses like gig workers – could successfully get PPP funding when they applied through them.	Full Settlement
United States of America v. Monument, Inc.	1:24-cv-01034	District of Columbia	4/11/2024	Opioid Addiction Recovery Fraud Prevention Act of 2018 (“OARFPA”)	Alleged the defendant disclosed users’ personal health data to third-party advertising platforms, including Meta and Google, for advertising without consumer consent, after promising to keep such information confidential.	Full Settlement
United States of America v. Cerebral, Inc., <i>et al.</i>	1:24-cv-21376	Southern District of Florida	4/12/2024	OARFPA/ ROSCA	Alleged the defendants failed to secure and protect sensitive health data and misled consumers about the company’s cancellation policies.	Full Settlement

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
United States of America v. Williams-Sonoma, Inc., <i>et al.</i>	3:24-cv-02396	Northern District of California	4/22/2024	Made in USA	Alleged the defendant listed multiple products for sale as being “Made in USA” when they were made in China and other countries.	Full Settlement
Federal Trade Commission v. Doxo, Inc., a corporation, <i>et al.</i>	2:24-cv-00569	Western District of Washington	4/25/2024	GLB Act/ ROSCA	Alleged the defendants used misleading search ads to impersonate consumers’ billers and deceptive design practices to mislead consumers about millions of dollars in junk fees they tacked on to consumers’ bills.	Litigation Ongoing
United States of America v. Razer, Inc., <i>et al.</i>	8:24-cv-00907	Central District of California	4/25/2024	CCPA	Alleged the defendants made COVID-related health misrepresentations and unsubstantiated health claims about protective health equipment.	Full Settlement
Federal Trade Commission v. BlueSnap, Inc., <i>et al.</i>	1:24-cv-01898	Northern District of Georgia	5/1/2024	TSR	Alleged the defendants knowingly processed payments for deceptive and fraudulent companies	Full Settlement

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Aqua Finance, Inc.	3:24-cv-00288	Western District of Wisconsin	5/1/2024	Truth in Lending Act (“TILA”)/FCRA	Alleged the defendants deceived consumers about the financing terms for water filtering and softening products.	Full Settlement
Federal Trade Commission v. TheFBAMachine, Inc., <i>et al.</i>	2:24-cv-06635-JXN-LDW	District of New Jersey	6/3/2024	Business Opportunity Rule/ Consumer Review Fairness Act (“CRFA”)	Alleged the defendants used deceptive earnings claims to convince consumers to shell out tens of thousands of dollars each to invest in what Defendants claimed were a surefire business opportunity powered by AI.	Litigation Ongoing
United States of America v. Adobe, Inc. <i>et al.</i>	5:24-cv-03630	Northern District of California	6/17/2024	ROSCA	Alleged the defendants pushed consumers toward the “annual paid monthly” subscription without adequately disclosing that cancelling the plan in the first year could cost hundreds of dollars.	Litigation Ongoing
Federal Trade Commission v. Legion Media, LLC, <i>et al.</i>	8:24-cv-01459-JLB-AAS	Middle District of Florida	6/17/2024	ROSCA/ Electronic Fund Transfer Act (“EFTA”)	Alleged the defendants deceived consumers with ads for “free” CBD and Keto-related personal care products, billing many for products they did not consent to purchase.	Full Settlement

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Panda Benefits Services, LLC, <i>et al.</i>	8:24-cv-01386-CAS-RAO	Central District of California	6/24/2024	TSR/GLB Act/Impersonation of Government and Businesses Rule (“Impersonation Rule”)	Alleged the defendants falsely claimed that they would take over consumers’ student loans to get them loan forgiveness that did not exist.	Litigation Ongoing
Federal Trade Commission v. Arise Virtual Solutions Inc.	0:24-cv-61152	Southern District of Florida	7/2/2024	Business Opportunity Rule	Alleged the defendant misled consumers about the money they could make on Arise’s platform and in marketing its business opportunity	Full Settlement
Federal Trade Commission v. Vroom, Inc. <i>et al.</i>	4:24-cv-02496	Southern District of Texas	7/2/2024	Sale of Mail, Internet, or Telephone Order Merchandise (“MITOR”)/ Used Motor Vehicle Trade Regulation Rule (“Used Car Rule”)/ Pre-Sale Availability of Written Warranty Terms (“Pre-Sale Availability Rule”)	Alleged the defendants misrepresented that Vroom had completed an examination of all vehicles before listing them for sale and failed to obtain consumers’ consent to shipment delays or provide prompt refunds when cars weren’t delivered in the time the defendants promised.	Full Settlement

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission; and The People of the State of California v. NGL Labs, LLC, <i>et al.</i>	2:24-cv-5753	Central District of California	7/9/2024	ROSCA/ Children’s Online Privacy Protection Act of 1998 (“COPPA”)	Alleged the defendants committed law violations related to their anonymous messaging app, including unfairly marketing the service to children and teens.	Full Settlement
Federal Trade Commission v. Start Connecting, LLC, <i>et al.</i>	8:24-cv-01626-KKM-AAS	Middle District of Florida	7/9/2024	TSR/GLB Act	Alleged the defendants tricked financially strapped consumers seeking student loan relief into paying hundreds of dollars in junk fees.	Litigation Ongoing
Federal Trade Commission v. Career Step, LLC	1:24-cv-03354-MLB	Northern District of Georgia	7/29/2024	TSR/GLB Act	Alleged the defendant lured consumers, specifically servicemembers and their families, with deceptive ads that falsely touted inflated employment outcomes, job placement, and partnerships with prominent companies.	Full Settlement
Federal Trade Commission v. NRRM, LLC, <i>et al.</i>	4:24-cv-01055	Eastern District of Missouri	7/31/2024	TSR/Deceptive Advertising	Alleged the defendants’ advertisements and telemarketing for vehicle service contracts were deceptive and misleading.	Full Settlement

Case Name	Case Number	Court Name	Date of Complaint	Case Type	Description	Outcome
<b>VII. United States of America v. ByteDance LTD, et al.</b>	2:24-cv-06535	Central District of California	8/2/2024	COPPA	Alleged the defendants violated a 2019 consent order for infringing the Children's Online Privacy Protection Act.	Litigation Ongoing
Federal Trade Commission, and State of Arizona, <i>ex rel.</i> Kristin K. Mayes, Attorney General v. Coulter Motor Company, LLC, <i>et al.</i>	2:24-cv-02086-ROS	District of Arizona	8/15/2024	ECOA	Alleged the defendants engaged in a wide array of practices that harmed consumers, from deceptive online vehicle pricing to charging Latino car buyers more in interest and add-on products.	Full Settlement
In the Matter of Asbury Automotive Group, Inc., <i>et al.</i>	D-9436	FTC Administrative Matter	8/16/2024	ECOA	Alleged the defendants systematically charged consumers for costly add-on items they did not agree to or were falsely told were required as part of their purchase.	Litigation Ongoing
Federal Trade Commission and State of Florida v. RivX Automation Corp. <i>et al.</i>	1:24-cv-23152-JB	Southern District of Florida	8/19/24	Business Opportunity Rule	Alleges defendants deceptively marketed business opportunities in the trucking industry, including through false income claims.	Litigation Ongoing

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Care.com, Inc.	1:24-cv-00987	Western District of Texas	8/26/2024	ROSCA	Alleged the defendant deceived caregivers who were looking for jobs while failing to give families seeking care a simple way to cancel their paid memberships.	Full Settlement
United States of America v. Verkada Inc.	3:24-cv-06153	Northern District of California	8/30/2024	Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (“CAN-SPAM Act”)	Alleged the defendant failed to use appropriate information security practices to protect customers’ and consumers’ personal information collected through the company’s security cameras.	Full Settlement
Federal Trade Commission v. Ascend Capventures Inc., <i>et al.</i>	2:24-cv-07660-SPG-JPR	Central District of California	9/7/2024	Business Opportunity Rule/ CRFA	Alleged the defendants charged consumers tens of thousands of dollars to start online stores on ecommerce platforms such as Amazon, Walmart, Etsy, and TikTok, while also requiring them to spend tens of thousands more on inventory.	Litigation Ongoing



<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
Federal Trade Commission v. Empire Holdings Group LLC, <i>et al.</i>	2:24-cv-04949	Eastern District of Pennsylvania	9/18/2024	Business Opportunity Rule/CRFA	Alleged the defendants falsely claimed to help consumers build an “AI-powered Ecommerce Empire” by participating in its training programs that can cost almost \$2,000 or by buying a “done for you” online storefront for tens of thousands of dollars.	Litigation Ongoing
Federal Trade Commission v. Invitation Homes Inc.	1:24-cv-04280-SEG	Northern District of Georgia	9/24/2024	GLB Act	Alleged the defendant deceived renters about lease costs, charged undisclosed junk fees, failed to inspect homes before residents moved in, and unfairly withheld tenants’ security deposits when they moved out.	Full Settlement

<b>Case Name</b>	<b>Case Number</b>	<b>Court Name</b>	<b>Date of Complaint</b>	<b>Case Type</b>	<b>Description</b>	<b>Outcome</b>
In the Matter of Rytr LLC	232-3052	FTC Administrative Matter	9/25/2024	Deceptive Conduct	Alleged the respondent marketed and sold an AI tool that generated detailed reviews containing specific, often material details that had no relation to the user's input, and these reviews almost certainly would be false for the users who copied them and published them online.	Consent Order
In the Matter of DoNotPay, Inc.	232-3042	FTC Administrative Matter	9/25/2024	Deceptive Advertising	Alleged the defendant claimed to offer an AI service that was "the world's first robot lawyer," but the product failed to live up to its lofty claims	Full Settlement

## **Appendix B: Scams Against Older Adults**

### **Consumer Education Committee Actions**

#### **Illustrative Examples of New or Ongoing Outreach Efforts by Committee Members:**

- The **American Bankers Association Foundation** partnered with hundreds of banks to promote its Safe Banking for Seniors campaign. ABA provided banks with turnkey materials to lead educational workshops, post information on social media, provide handouts, and share videos about identifying and avoiding scams.
- In Cleveland, the Scam Squad, led by **Cuyahoga County Consumer Affairs**, pushed scam alerts to residents using the county’s Ready Notify emergency alert system. People were able to sign up to get real-time warnings about ongoing scams, how to spot them, and where to report them.
- **Availa Bank** launched an Education Outreach Platform to assist its branches in delivering quarterly fraud presentations — and other forms of financial education — at elderly facilities, and elsewhere, in their communities.
- The **Securities and Exchange Commission** launched a public service campaign encouraging older investors to “never stop learning” when it comes to investing. The campaign included TV spots, informational videos, and new landing pages in English and Spanish.
- **AmeriCorps Seniors** drew lessons from an ongoing Seniors vs. Crime Project connecting local RSVPs with training on scams and fraud. Volunteers helped to raise awareness in their communities through presentations on scams and were also trained as Senior Sleuths who helped to investigate complaints from older adults — and get their money back, when possible.
- The **Vermont Attorney General’s Office’s** “Stopping Scams Together” initiative delivered training presentations and other scam prevention materials to better enable community partners to identify — and help older Vermonters avoid and report — scams.
- The **Consumer Financial Protection Bureau** engaged in a webinar series to promote its Elder Fraud Prevention and Response Network program. Webinars reached more than 12,000 people, covering topics like forming and growing networks, financial caregiving, housing, and more.
- The **Federal Deposit Insurance Corporation** redesigned its Money Smart for Older Adults curriculum so instructors were better able to navigate to topics like romance scams, and cross-linked the resource on its other articles and publications geared toward older adults.
- **NorthWest Senior and Disability Services** worked with partners to contract a call center to attempt contact with thousands of people receiving Medicaid and Nutrition Services across five counties in Oregon. The call center staff used a script developed by AARP and the Department of Justice shown to reduce participation in telemarketing fraud.

- The **Social Security Administration** delivered scam-related resources through a variety of channels including blog posts, publications, social media, a “Dear Colleague Letter” to government agencies and other partners, its newsletter, and a “Slam the Scam 2023” coordinated campaign.
- **RSVP of Greater Hartford/Central Connecticut**’s Senior Advocacy Program worked with the Connecticut Attorney General’s Office to produce a semi-annual Senior Fraud brochure to distribute in places like senior centers, libraries, and virtually on town webpages.

### **Illustrative Examples of Retrospective Activities by Committee Members:**

- The **International Association of Better Business Bureaus** surveyed its regional offices to collect lessons learned from their past outreach to older adults, including in-person presentations at places like senior centers, clubs, and senior resource fairs.
- The **Benjamin Rose Institute** shared findings from an ongoing train-the-trainer pilot, where staff travel throughout the state to deliver in-person training to Senior Companion volunteers. After volunteers increasingly spoke about their personal and professional experiences with elder fraud and scams, the training was revised to include scam-related information.
- **R.O.S.E. Resources** has delivered ongoing, in-person presentations on common scams — and distributed related resources — to older adults in Arizona.
- **Bank of America** described ongoing educational efforts delivered to clients through email, statements, social media, bank-owned digital channels, at bank-owned ATMs, and in the financial centers.

## Appendix C: Scams Against Older Adults Industry Training Committee

### Additional Illustrative Examples of Industry Training Principles

**Corporate Support:** Establish a corporate culture and governance that values and rewards scam prevention efforts such as through employee training. This requires strong support from the corporate and executive levels demonstrated by: 1) dedicating funds and employee time to training on scam prevention, 2) rewarding, recognizing, and celebrating employee efforts to protect consumers from fraud, 3) establishing metrics to measure and track scam prevention efforts, and 4) incorporating proactive fraud intervention into an organization's brand.

- **AARP** described how to obtain corporate support by focusing on the benefits to businesses including, among others: reputational risk, preventing loss, creating stronger customer relationships and trust, improving employee morale and performance, and increasing brand distinction.
- **US Bank** described how its organization has obtained support from all levels of leadership to implement its core training programs, including fraud prevention, that are provided at every stage of an employee's life cycle (e.g., from onboarding new employees to exiting employees). It also discussed the need for accountability, metrics to track success, and to review the training programs for potential improvement.
- **JP Morgan Chase** described how they obtain support from leadership by highlighting the scope of the harm and sharing anecdotal stories that illustrate the impact of the harm.

**Impact:** Make education and training content, methods, and frequency adaptable and responsive for employees. Invest in the type of training that creates an impact by making it memorable (e.g., interactive and gamified), uses plain language, and is flexible so it meets different learning styles or works for employees with different job skills. Provide bite-sized training elements throughout the year to keep scam prevention fresh and top of mind.

- **Fidelity Investments** explained how they use bite-sized trainings under 10 minutes long to train employees four times a year. They reinforce their trainings by sending out screensavers, quick tips, or customer testimonials or stories of successful interventions that have happened within the organization.
- **Retail Gift Card Association** described the challenges of training in a retail environment and the need to keep sessions short (e.g., less than 15 minutes), animated, and entertaining. It also described the need to use technology when feasible.
- **FTC** provided examples of how to communicate using plain language and shared the importance of designing communications for a particular audience (e.g., tips to keep in mind if you are communicating with a specific demographic such as older adults, ESL communities, and others).

- **Securities and Industry Financial Markets Association** described how they keep content fresh and engaging with new activities and information (e.g., events, partnerships, new trainings) as well as using different delivery formats (e.g., screensavers, new studies or analysis, toolkits).
- **American Portfolios Financial Services, Inc.** shared how they provide tips on spotting scams through podcasts, a new fraud prevention page on the company’s internal website, and in email communications with a “tip of the week.” The organization has also created a tip sheet with the top 10 tips on how to avoid a scam.

**Empowerment:** Make employee training personal and encourage empathy, connection, and ownership. Focus on training elements that empower employees from both an empathetic standpoint and a sense of personal responsibility and ownership. Illustrate the impact of stopping fraud with videos or stories of people who have encountered scams, testimonials of employee interventions and the impact on customers, or the consequences of inaction or failed responses.

- **Best Buy** related that they invite consumers impacted by fraud to share their stories with store managers and employees.
- **JP Morgan Chase** described how they share success stories of bankers and fraud specialists identifying financial abuse on the company homepage.
- **AARP** stated they use actors to illustrate real-life scenarios in their BankSafe training to help employees emulate correct behavior. They also provide videos and testimonials that discuss emerging scams, such as those that are A.I. based, or describe a person’s experience with a scam to help employees empathize with the customer.
- **Cape Cod 5 Bank** recognizes employees who have proactively interceded when fraud is suspected in their town halls and newsletters. They also give spot bonuses to recognize employees who have protected clients from fraudulent attempts.
- **Republic Bank** recognizes employees who share quick tips and success stories of fraud intervention through a fraud newsletter and other outlets.
- **Retail Gift Card Association Members such as Walmart and Blackhawk** describe how they or other RGCA members use testimonial videos of employees who have stopped fraud or of customers who have experienced fraud to help employees empathize with customers.
- **Western Union** shared that they give examples of successful fraud prevention in their trainings to showcase the benefit to customers of employee action, and to celebrate and encourage that behavior in their employees.

**Delivery:** Establish effective escalation, intervention, report, and hold processes for employees. Effective training needs to be coupled with organizational processes that support employees in slowing and stopping suspicious transactions. Organizations can support employees by implementing policies, procedures, and tools that ensure their employees know they *can*

intercede if they suspect fraud and *how* they can do so. Organizations should also ensure employees have the ability to escalate suspected fraud to supervisors or other organization leadership.

- **Cape Cod 5 Bank** described how they support frontline employees with a separate team of fraud specialists who work closely with local law enforcement and Adult Protective Services to protect clients from fraud and are available to assist frontline employees. They also provide frontline employees with tools to assist when that employee is engaging with a client (e.g., scripts embedded in the wire transfer and cash withdrawal forms to determine if the client is potentially being defrauded).
- **Eversafe** explained how they provide their customers with a centralized reporting portal that financial institutions, Adult Protective Services, and regulators can use to streamline ways to report fraud. They also stressed the need for centralized and robust reporting mechanisms.
- **Securities and Industry Financial Markets Association** explained their trusted contact model for broker dealers and how their members are adopting this critical tool that enables a company to contact that trusted contact—a designated family member or friend—in case fraud is suspected.
- **Western Union** explained how employees are blocked from completing customer transactions unless they have completed their mandatory trainings.
- **Fidelity** described how their frontline employees can escalate suspected fraud cases to a designated group of employees trained to engage on these issues and provide assistance to customers.
- **Federal Deposit Insurance Corporation** described their Money Smart Program that was developed in conjunction with the Consumer Financial Protection Bureau to provide organizations with tools to train their employees on elder financial exploitation.
- **Solidus, a member of the Chamber of Digital Commerce**, described how they provide their customers with analytics and other tools to identify potential cases of fraud impacting their older adult customers.
- **National Retail Federation** described how their members impose limits on the number or value of gift cards that customers can purchase.
- **PayPal** discussed how they spend significant time training their frontline customer service employees on the signs of suspected fraud and how to hold difficult conversations with customers when they need to place transaction holds or close accounts when the customer does not realize they are interacting with a scammer. Frontline employees are also able to escalate these cases to a different team that specializes in fraud investigations.
- **North American Securities Administrators Association** explained how it, along with the **Securities and Exchange Commission** and the **Financial Industry Regulatory**

**Authority**, developed training templates that organizations can use to train their employees on how to identify and report cases of elder financial exploitation in order to qualify for immunity under the [Senior Safe Act](#).





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