

ONE HUNDRED SIXTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

April 3, 2020

The Honorable Joseph J. Simons
Chairman
Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580

Dear Chairman Simons:

As the United States faces the novel coronavirus (COVID-19) pandemic, reports of scams and frauds are rampant. Hoax text message campaigns and scam robocalls are offering free home testing kits, promoting bogus cures, and selling health insurance.¹ Price gouging is happening all over the country,² and some scammers are selling in-demand products that they do not have to sell.³ We applaud the ongoing efforts by the Federal Trade Commission (FTC) to notify consumers of such scams during this unprecedented time.⁴

Last week, Congress passed, and the President signed, the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act provides essential assistance to health care workers, hospitals, small businesses, and struggling Americans. Notably, the CARES Act provides for direct payments to individuals and families.

¹ Federal Communications Commission, *COVID-19 Consumer Warnings and Safety Tips* (Mar. 27, 2020) (www.fcc.gov/covid-scams).

² *Price Gouging Complaints Surge Amid Coronavirus Pandemic*, New York Times (Mar. 27, 2020) (www.nytimes.com/2020/03/27/us/coronavirus-price-gouging-hand-sanitizer-masks-wipes.html).

³ Federal Trade Commission, *Coronavirus Scams: What the FTC is Doing* (www.consumer.ftc.gov/features/coronavirus-scams-what-ftc-doing) (accessed Mar. 29, 2020).

⁴ *Id.*

As you know, recovery packages spur fraud and scams targeting consumers.⁵ The CARES Act is no different. Even before checks have been issued to eligible Americans, reports of attempts to steal that money are piling up.⁶ Government imposters are calling Americans supposedly to verify the personal information necessary to qualify for COVID-19 funds.⁷ Other scammers suggest people can get more money or get it faster by sharing their personal information and paying a processing fee.⁸

While government agencies at the federal, state, and local levels are circulating and distributing consumer warnings about these scams, the FTC, as the nation's foremost consumer protection agency, must maintain its law enforcement mission during this crisis.

Right now, Americans are fearful of both the spread of the deadly virus and the financial instability that has come with the pandemic. We passed the CARES Act to help Americans in these hard times. We urge you to ensure that the FTC uses all its tools, including its law enforcement tools and coordination with State attorneys general, to take action against scammers and fraudsters that are trying to steal from vulnerable Americans. For the next six months, we request that you provide us a summary of your enforcement activities on a biweekly basis so that we can see the actions that you are taking in response to these illegal actions.

⁵ Federal Trade Commission, *FTC Warns Consumers About Economic Stimulus Scams* (Mar. 4, 2009) (press release).

⁶ *Beware Stimulus Check Scams*, CNN Politics (Mar. 28, 2020) (www.cnn.com/2020/03/28/politics/stimulus-check-scams/index.html).

⁷ *Beware of Stimulus Check Scams and Related Hoaxes*, Forbes (Mar. 28, 2020) (www.forbes.com/sites/kellyphillipsrb/2020/03/28/beware-of-stimulus-check-scams-and-related-hoaxes/#8bc70fb4730c).

⁸ *Id.*

The Honorable Joseph J. Simons

April 3, 2020

Page 3

Thank you for your prompt attention to this matter.

Sincerely,



Frank Pallone, Jr.
Chairman



Greg Walden
Ranking Member



Jan Schakowsky
Chair
Subcommittee on Consumer
Protection and Commerce



Cathy McMorris Rodgers
Ranking Member
Subcommittee on Consumer
Protection and Commerce