July 19, 2021

U.S. House of Representatives
Washington, D.C. 20515

RE: SUPPORT H.R. 2668, THE CONSUMER PROTECTION AND RECOVERY ACT

Dear Representative:

The undersigned consumer, labor and privacy organizations, representing millions of Americans, write in strong support of H.R. 2668, the Consumer Protection and Recovery Act. The bill would restore the Federal Trade Commission’s authority to provide refunds and equitable relief to victims of consumer fraud and deception, and to stop ongoing misconduct in the marketplace.

For decades, the FTC relied on Section 13(b) of the Federal Trade Commission Act to hold bad actors accountable when they violate the law. Under 13(b), the FTC has returned their ill-gotten gains to harmed consumers and small businesses. Since July 2018, it has returned $11.5 billion to nearly 10 million people across the country. However, the Supreme Court’s recent decision in AMG Capital Management, LLC, et al. v. Federal Trade Commission has seriously compromised this valuable law enforcement tool. The Court held that the FTC Act does not give the Commission the authority to get monetary relief in Section 13(b) enforcement actions, and that it is now up to Congress to restore FTC’s ability to refund harmed consumers. The decision has already affected ongoing FTC cases and will likely impact millions of consumers if Congress does not act quickly.

The FTC is a small, underfunded agency tasked with monitoring a trillion-dollar marketplace, and its enforcement arm is necessary to safeguard that marketplace and protect consumers and businesses alike. As it has done over the past four decades, the FTC must be able to stop perpetrators of anticompetitive, or unfair, fraudulent and deceptive acts or practices from profiting off of their misconduct. Specifically, it must have the authority to obtain monetary and other equitable remedies for harmed seniors, veterans, small businesses, and others to help make them whole. It must also be able to seek injunctions to stop rip-offs as they are occurring; stop bad actors from reviving their scams; and seek the return of ill-gotten gains for past wrongdoing.

Thus, we strongly support H.R. 2668. It would amend section 13(b) of the FTC Act to clarify the FTC’s longstanding ability to pursue restitution and money refunds, as well as the return of property and other relief for victims. It would authorize the FTC to seek court orders requiring bad actors to repay the ill-gotten gains they obtained from violating the law.

In October 2020, the bipartisan group of all five FTC commissioners wrote to Congress sounding the alarm that the FTC’s authority was being threatened, and urged leaders to clarify the agency’s ability to get redress and recover stolen funds. Now that the Supreme Court has issued its decision, swift congressional action is critical.

By passing H.R. 2668, Congress will do a great service for the American people and honest businesses. It will discourage scammers, preying on our parents and grandparents and our men and women in uniform, from thumbing their noses at the law. Thank you for acting to protect the public.

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1 Recent FTC Cases Resulting in Refunds, https://www.ftc.gov/enforcement/cases-proceedings/refunds.
Sincerely,

Americans for Financial Reform
California Low-Income Consumer Coalition
California Reinvestment Coalition
Center for Digital Democracy
Center for Economic Integrity
Center for Justice & Democracy
Center for Responsible Lending
Common Sense
Consumer Action
Consumer Federation of America
Consumer Reports
Earthjustice
Empire Justice Center
Impact Fund
Jacksonville Area Legal Aid
Media Alliance
National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low income clients)
Open Markets Institute
People’s Parity Project
Privacy Rights Clearinghouse
Public Citizen
Public Good Law Center
Public Justice
Public Knowledge
Strategic Organizing Center
Texas Appleseed
Texas Watch
Truthinadvertising.org
UC Berkeley Center on Consumer Law & Economic Justice
United Food and Commercial Workers International Union
Woodstock Institute
U.S. PIRG