

**Prepared Statement of
The Federal Trade Commission**

**Before the
United States Senate
Special Committee on Aging**

on

Combatting Technical Support Scams

**Washington, DC
October 21, 2015**

Chairman Collins, Ranking Member McCaskill, and members of the Committee, I am Lois Greisman, Associate Director of the Division of Marketing Practices, Bureau of Consumer Protection at the Federal Trade Commission (“Commission” or “FTC”).¹ I appreciate the opportunity to appear before you today to discuss the Commission’s initiatives to fight tech support scams.

“There is a problem with your computer. I will help you fix it.” This is a typical opening line from a script scammers use to deceive consumers into purchasing unnecessary, worthless, or even harmful services. These tech support scams then charge hundreds of dollars to “fix” non-existent problems, leading consumers to believe that the tech support worked when, in fact, their exise(.)TJ ()

I. Tech Support Scams

Tech support scams use various methods to convince consumers they have a problem with their computers. Some scammers call consumers and falsely claim they are calling on behalf of a well-known company like Microsoft, Facebook, McAfee, or Symantec, and that they have detected a problem on consumers' computers. Others use deceptive computer pop-up messages that claim consumers' computers have a problem, or offer free system "scans" that mark innocuous computer files as "errors," and then direct consumers to call a specified phone number to fix the purported problem. The following screenshot shows the results of such a system scan, which claimed an uninfected FTC computer had "8056 problems requir[ing] attention":

Still other scammers place advertisements with search engines that appear when consumers search for their computer company's tech support telephone number.

Once scammers have consumers on the phone, telemarketers try to convince consumers that their computers have been infected with malicious software

this [sic] errors and warnings that it's getting downloaded without your knowledge and it is destroying your computer day-by-day.⁴

II. Law Enforcement

The FTC has responded to the burgeoning problem of tech support scams with aggressive law enforcement.⁶ In October 2012, the FTC launched a major international crackdown, halting six tech support scams primarily based in India that targeted consumers in the United States and other English-speaking countries.⁷ The FTC coordinated this crackdown with the assistance of authorities in Australia, Canada, Ireland, New Zealand, and the United Kingdom.

The FTC obtained final judgments and orders against all of the defendants in these cases. Among other things, the orders prohibited all of the defendants from advertising, marketing, or selling any computer-related tech support services and from making misrepresentations. The Court also imposed more than \$6 million in monetary judgments.⁸

⁶ The FTC pursues deceptive tech support scams using its authority under Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45 and, where appropriate, the Telemarketing Sales Rule, 16 C.F.R. Part 310.

⁷ See Press Release, FTC Halts Massive Tech Support Scams (October 3, 2012), available at

III. FTC Outreach

A. Foreign Law Enforcement

As noted above,

more than half a million times in the last year, and consumers have submitted hundreds of blog comments about these scams. Moreover, the agency is in the process of creating a new video on tech support scams.

In addition to its outreach specifically concerning tech support scams, the FTC created Pass It On last year, an innovative education effort aimed at active, older adults. Pass It On encourages seniors who learn about various scams to pass the information on to family and friends who might need it.¹³ The Commission also entered into an innovative program with the AARP Foundation in 2012. As part of the program, the FTC refers for individual peer counseling consumers over age 60 who have called the FTC's Consumer Response Center to complain about fraud, including impostor fraud such as tech support scams.¹⁴ The counseling provides older Americans with important support to help overcome the non-monetary impacts of being targeted by fraudsters. In the last six months, the FTC has referred over 1,000 consumers to AARP. In 2014, the AARP Foundation peer counselors successfully communicated with more than 1,400 people referred by the FTC, providing one-on-one advice and guidance to consumers to help them avoid future fraud.¹⁵

X www.ftc.gov/news-events/blogs/business-blog/2012/10/boiling-point-about-tech-support-boiler-rooms

X www.consumer.ftc.gov/blog/tech-support-scams-part-2

X www.consumer.ftc.gov/blog/ftc-combats-tech-support-scams

A recording and transcript of part of a scam call are available at: www.ftc.gov/news-events/audio-video/video/tech-support-scam-undercover-investigation.

¹³ www.ftc.gov/PassItOn.

¹⁴ The FTC only refers consumers who have consented to being contacted by the AARP.

¹⁵ The consumers contacted by the Foundation counselors reported having lost nearly \$19.5 million.

The Commission also regularly communicates and cooperates with legitimate companies in the computer industry and receives investigative assistance from industry partners. In one collaborative initiative, for example, the FTC held a workshop on how “Fraud Affects Every Community.” The workshop brought together consumer advocates, state and federal regulators, fraud prevention experts, industry members, and academics to explore frauds – including tech support scams – that affect vulnerable groups, including older adults.¹⁶

IV. Conclusion

The FTC will continue its multifaceted approach of: (1) bringing