



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of Commissioner
of the Energy and
Commerce Committee, United States House of Representatives

Concerning BDC-06ci3a1f06(n)-[-0.-2(e30Td0Td0T70rTd06(n.15Td[(C15TdfP[T0045(de r15hsSF/ai((s)-5045(de r15ht9T7ht9T)-50-[-001

Pallone, and members of the Subcommittee: thank you for the opportunity to appear before you today. I am grateful to be here, and I welcome this hearing.

Congressional oversight is vital. The Federal Trade Commission's authority comes from Congress. Among the many critical powers vested in Congress is its authority to set the funding level for the Commission. Our Constitution forces agencies like the Federal Trade Commission to regularly come to Congress and demonstrate why their budget requests are warranted. So it is right that Congress consider the agency's stewardship of what's been entrusted to it. Your oversight helps ensure our faithful execution of the law.

I'll note at the outset that since being confirmed in March,

regional offices. These women and men enable us as Commissioners to do our jobs and ultimately staff's hard work benefits the American people.

A significant part of staff's most important work goes on behind the scenes, and takes the form of investigations. These investigative efforts lay the groundwork for public enforcement actions and enable the Commission to bring lawsuits against wrongdoers. In my opinion, the agency is at its best when it is robustly enforcing the law, and doing so consistent with the authorities Congress has given us. Since being confirmed, I have voted on a number of these enforcement matters. I would like to highlight a few examples of the Commission's activities in this area.

In April, I voted for the Commission to file a complaint against a bill payment company and two of its co-founders. The Commission alleged that the company used misleading advertising to impersonate legitimate billers, these deceptive practices misled consumers, and thousands of consumers complained about this company's deceptive practices. The Commission alleged violations of Section 5 of the FTC Act, the Gramm-Leach-Bliley Act, and the Restore Online Shoppers' Confidence Act (ROSCA).²

I also voted for filing a complaint against a payment facilitator and two of its executives. The Commission alleged that the defendants knowingly processed payments for deceptive and fraudulent merchants in violation of Section 5 of the FTC Act and the Telemarketing Sales Rule.

² Press Release, FTC Takes Action Against Bill Payment Company Doxo for Misleading Consumers, Tacking on Millions in Junk Fees (Apr. 25, 2024), available at <https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-takes-action-against-bill-payment-company-doxo-misleading-consumers-tacking-millions-junk-fees>.

The defendants agreed to settle on terms requiring the return of

delegated the agency such authority. Accordingly, since arriving at the agency, I have voted to amend or update several rules, such as the Eyeglass Rule.⁷

When engaged in rulemaking, though, the Commission should recall that Article I of the Constitution vests legislative powers in Congress, not with agencies. Congress, therefore, sets the requirements and boundaries the Commission must follow.⁸ We should never act inconsistently with the authority Congress has entrusted to us.⁹ Likewise, any rulemaking should rest on the sound economic and factual analysis that the law—and good policy development—require.

When considering the FTC’s mission and use of resources, it is worth recognizing that we live in an exciting time of industrial and technological advancements that have great promise. These new developments in various markets also present new challenges and opportunities for law enforcers. For example, artificial intelligence tools can benefit consumers and make American businesses more effective. But such tools can also enhance fraudsters’ schemes, raising new risks of misrepresentations and deceptions that violate the law. I am committed to using our existing authorities and applying the Commission staff’s expertise to understand evolving markets, and to act accordingly to enforce the law as new circumstances may require.

As we consider challenges from a law enforcement standpoint, the Commission is also recognizing that new innovations can protect consumers, too. For example, take (pp41r

recent Voice Cloning Challenge.¹⁰ Voice cloning is a technology that can aid consumers who have lost their voices. But bad actors and fraudsters can also use voice cloning to engage in deceptive practices. The Commission's Voice Cloning Challenge helped highlight innovations—from a variety of sources—that address the threats voice cloning can pose.¹¹

Finally, I'll flag one other matter that is of great importance to the Commission's work. It's the

To the extent we at the Commission can wield our existing enforcement authorities to combat