

## FTC Doubles Down on Its Promise to Stop COVID-19-Related Scams

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We've written about it before, but ostensibly it bears repeating. The Federal Trade Commission has no love lost for people who try to benefit from the COVID-19 pandemic or the related economic consequences.

In the last few weeks, the FTC visited the Senate Committee on Commerce, Science, and Transportation as well as the Subcommittee on Consumer Protection, Product Safety, and Data Security and released a staff report entitled "Protecting Consumers During the COVID-19 Pandemic: A Year in Review." Throughout both Senate presentations, the FTC discussed its continued emphasis on "unscrupulous actors that seek to exploit the pandemic and its economic fallout." The FTC plans to use funding recently received through the American Rescue Plan to intensify its efforts and use the civil penalties allowed by the newly enacted COVID-19 Consumer Protection Act to thwart bad actors. And the FTC went on the record in the staff report saying, "[M]ake no mistake: the Commission's work on its COVID-19 response is just beginning." It stated later in the report that it "anticipates that exploitation of economic distress and instability will be an ongoing and pervasive problem stemming from the pandemic that will require continuous and evolving enforcement efforts."

The COVID-19 Consumer Protection Act makes it unlawful under Section 5 of the Federal Trade Commission Act for anyone to engage in a deceptive act or practice that affects commerce and is associated with the treatment, cure, prevention, mitigation, or diagnosis of COVID-19 or a government benefit related to COVID-19. One could argue that the COVID-19 Consumer Protection Act lends itself more toward targeting marketers of healthcare/wellness products or fake stimulus checks. Perhaps that is true, but remember that a used auto marketer was among the early ones the FTC went after for COVID-19-related misdeeds.

Financing providers should continue closely monitoring business development and marketing efforts to ensure they stay well out of the FTC's line of fire. Now is not the time for a "Vaccination Celebration 0% Financing Tent Sale" or a "COVID-19 Second Round Stimulus Down Payment Extravaganza." Keep your policies and procedures close at hand, and perhaps add a slide to your marketing training deck discussing the importance of steering clear of anything COVID-19-related when marketing to consumers.

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