

January 9, 2025

Honorable Jay L. Himes  
Administrative Law Judge, Federal Trade Commission  
Office of the Secretary  
600 Pennsylvania Avenue NW  
Washington, DC 20580

Via Email: [electronicfilings@ftc.gov](mailto:electronicfilings@ftc.gov), with a copy to [OALJ@ftc.gov](mailto:OALJ@ftc.gov)

**Re: Impersonation SNPRM, R207000 - Consumer Advocates' Jan. 9, 2025  
Written Testimony in Preparation for Jan. 17, 2025 Informal Hearing on the  
Federal Trade Commission's Trade Rule on Impersonation of Government,  
Businesses, and Individuals**

Judge Himes:

Thank you for the opportunity to submit written testimony in support of the Federal Trade Commission (FTC or Commission)'s Rule on Impersonation of Government, Businesses, and Individuals.<sup>1</sup> The undersigned privacy and consumer advocacy organizations ("Consumer Advocates")<sup>2</sup> commend the Commission's attentiveness to the risks to consumers posed not merely by impersonations of government agencies and businesses but also those posed by impersonations of individuals, such as impersonated potential romantic partners or impersonated grandchildren. We write not only to reiterate our general support for the FTC's Rule update but also to supplement the record with updated statistics and citations that further underscore the need for this Rule.

On December 16, 2022, the Electronic Privacy Information Center (EPIC), National Consumer Law Center (NCLC) (on behalf of its low-income clients), the National Consumers League (NCL), Consumer Action, Consumer Federation of America (CFA), the National Association of Consumer Advocates (NACA), and U.S. PIRG filed comments to the FTC on its Notice of Proposed Rulemaking (NRPM) regarding the Rule on Impersonation of Government and Businesses, supporting the FTC's proposed rule, but also urging the Commission to include romance and other scams perpetrated by impersonation of individuals.<sup>3</sup> In these NPRM

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<sup>1</sup> Federal Trade Comm'n, Trade Rule on Impersonation of Government and Businesses, Initial notice of informal hearing; final notice of informal hearing; list of Hearing Participants; requests for submissions from Hearing Participants, 89 Fed. Reg. 104,905 (Dec. 26, 2024), *available at* <https://www.federalregister.gov/documents/2024/12/26/2024-30718/trade-regulation-rule-on-impersonation-of-government-and-businesses>.

<sup>2</sup> Electronic Privacy Information Center (EPIC), National Consumer Law Center (NCLC) (on behalf of its low-income clients), the National Association of Consumer Advocates (NACA), Consumer Action, Consumer Federation of America (CFA), U.S. PIRG, and the National Consumers League (NCL).

<sup>3</sup> Comments submitted by EPIC, NCLC, National Consumers League (NCL) on Trade Regulation Rule on Impersonation of Government and Businesses (received Dec. 16, 2022), <https://www.regulations.gov/comment/FTC-2022-0064-0070>; *also available at* <https://epic.org/documents/epic-ncl-ncl-and-partner-organizations-comments-on-ftc-imposter-scam-nprm/>.

comments, we provided statistics regarding confidence fraud and romance scams, including that nearly half of victims who reported complaints to the FBI were aged 50 or more.<sup>4</sup>

On April 30, 2024, EPIC, NCLC, NCL, Consumer Action, CFA, and NACA filed comments to the FTC on its Supplemental Notice of Proposed Rulemaking (SNPRM) addressing the prohibition on the impersonation of individuals and extending liability for Rule violations to parties who provide goods and services with reason to know those goods or services will be used in impersonations that are themselves unlawful under the Rule.<sup>5</sup> In these SNPRM Comments, we provided additional examples of impersonation scams (many of them created using generative AI products),<sup>6</sup> we noted that complicit platforms (such as dating websites in the context of romance scams) look the other way,<sup>7</sup> and we provided context for the explosive growth in these types of scams over the past decade and half.<sup>8</sup>

In this testimony, Consumer Advocates write to provide updated and supplemental citations to our previous two comments, in support of the need for the FTC's Rule to better protect consumers.

- Just this month, the Southern District of Florida sentenced one individual to forfeit nearly \$204,000 in personal proceeds received from laundering more than \$2.7 million in romance scams in a case brought by the U.S. Department of Justice Consumer Protection Branch.<sup>9</sup>
- In December 2024, the FBI released an alert emphasizing the use of AI in text-, image-, and voice-based scams, including romance scams and personal relations-based confidence schemes.<sup>10</sup>
- Also in December 2024, the BBC shared a story featuring a retired lecturer who was initially skeptical but ultimately duped and defrauded out of £17,000 (over \$21,000) by a scammer employing a deepfake: "I am not a stupid person but she was able to convince me that she was a real person and we were going to spend our lives together."<sup>11</sup>

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<sup>4</sup> See *id.* at fns 18-22.

<sup>5</sup> Comments from EPIC, Consumer Action, CFA, NACA, NCLC, and NCL on Trade Regulation Rule on Impersonation of Government and Businesses (received Apr. 30, 2024), <https://www.regulations.gov/comment/FTC-2023-0030-0074>; also available at <https://epic.org/documents/epic-and-partner-organizations-comments-on-ftc-rule-on-impersonation-of-government-businesses-and-individuals-snprrm/>.

<sup>6</sup> See *id.* at fn 4

<sup>7</sup> See *id.* at fn 5.

<sup>8</sup> See *id.* at fn 8 (noting increase from 2 reports in 2008 to more than 90,000 reports annually in 2023).

<sup>9</sup> See Press Release, *Florida Woman Sentenced for Laundering Millions of Dollars from Romance Scams*, U.S. Department of Justice (Jan. 7, 2025), <https://www.justice.gov/opa/pr/florida-woman-sentenced-laundering-millions-dollars-romance-scams>.

<sup>10</sup> See Public Service Announcement, *Criminals Use Generative Artificial Intelligence to Facilitate Financial Fraud*, Alert Number: I-120324-PSA, Federal Bureau of Investigation (Dec. 3, 2024), <https://www.ic3.gov/PSA/2024/PSA241203>.

<sup>11</sup> Laura Goodwin, *Romance scammer duped £17k from me with deepfakes*, BBC (Dec. 20, 2024), <https://www.bbc.com/news/articles/cdr0gl52go>.

- As the FTC itself noted in October, losses by consumers aged 60 and over from romance scams increased more than 15% from 2022 to 2023, to \$277 million dollars.<sup>12</sup> This is more than twice the losses suffered by older adults from tech support scams and nearly 25% greater than the losses suffered from government imposter scams.<sup>13</sup>
- In September, Malwarebytes Labs sent out a survey that indicated that more than 66% of its 850 survey respondents reported having been targeted by a romance scam, with 10% of victims losing \$10,000 or more, and 3% losing \$100,000 or more.<sup>14</sup> Malwarebytes also cited to a Barclays survey that found that one third of Brits avoided online dating and dating apps due to romance scam fears.<sup>15</sup> 40% of surveyed romance scam victims indicated they never told another person about what happened, with an additional 30% only sharing it with their closest confidantes.<sup>16</sup>
- Also in September, CNN Business reported that a UK bank warned that millions of people could be defrauded by AI tools that need a mere three seconds of audio to replicate a specific person’s voice.<sup>17</sup> CNN also reported that more than a quarter of 3,000 adults surveyed reported having been targeted by an AI voice-cloning scam in the past 12 months, and that 8% would send over as much money as requested by a friend or by family members even if they thought the call seemed strange.<sup>18</sup>
- In June, the Attorney General for the State of New York issued a consumer alert warning about increasingly common romance scammers.<sup>19</sup>

We thank the Commission again for its important work and are happy to be a resource to the FTC on these and related issues.

Respectfully submitted,

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<sup>12</sup> See Federal Trade Comm’n, *Protecting Older Consumers 2023-24* at Figure 4, p 24 (27/65) (Oct. 18, 2024), [https://www.ftc.gov/system/files/ftc\\_gov/pdf/federal-trade-commission-protecting-older-adults-report\\_102024.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/federal-trade-commission-protecting-older-adults-report_102024.pdf).

<sup>13</sup> See *id.*

<sup>14</sup> See Wendy Zamora, *Romance scams costlier than ever: 10 percent of victims lose \$10,000 or more*, Malwarebytes Labs (Sept. 25, 2024), <https://www.malwarebytes.com/blog/news/2024/09/romance-scams-costlier-than-ever-10-percent-of-victims-lose-10000-or-more>.

<sup>15</sup> See *id.*

<sup>16</sup> See *id.*

<sup>17</sup> See Anna Cooban, *This bank says ‘millions’ of people could be targeted by AI voice-cloning scams*, CNN Business (Sept. 18, 2024), <https://www.cnn.com/2024/09/18/tech/ai-voice-cloning-scam-warning/index.html>.

<sup>18</sup> See *id.*

<sup>19</sup> See Office of the New York State Attorney General, *Consumer Alert: Attorney General James Warns New Yorkers of Online Romance Scams* (June 6, 2024), <https://ag.ny.gov/press-release/2024/attorney-general-james-warns-new-yorkers-online-romance-scams>.

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