

[Antitrust Law Daily Wrap Up, CONSUMER PROTECTION NEWS: House commerce committee approves bill that would require FTC to report on pandemic scams, \(Sept. 11, 2020\)](#)

Antitrust Law Daily Wrap Up

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Approved a bill calling on the FTC and Secretary of Commerce to report on the impact of artificial intelligence in business, among others, to receive floor consideration.

The House Energy and Commerce Committee, during a lengthy markup session on September 9, and involving 38 bills, approved four measures impacting the FTC. Among them, the "[Combating Pandemic Scams Act of 2020](#)" (H.R. 6435) would require the FTC, in conjunction with others, to develop and disseminate information to the public about scams related to the novel coronavirus (COVID-19). The committee also approved a bill requiring the FTC to report on business use of artificial intelligence. In addition, the committee reported to the House substitute versions of bills that would enlist the help of the FTC in preventing scams that target seniors, and require the Consumer Product Safety Commission (CPSC) to establish a pilot to study artificial intelligence and blockchain technology.

The "[Combating Pandemic Scams Act of 2020](#)" (H.R. 6435) would require the FTC, in conjunction with the Attorney General, the Secretary of Health and Human Services, the Postmaster General, the Chief Postal Inspector, and the Internet Crime Complaint Center, to develop and disseminate information to the public about scams related to the COVID-19 pandemic. The information should include details regarding mail, telemarketing, and Internet fraud and illegal robocalls related to COVID-19 that identifies the most common scams, and where and how to report instances of scams related to COVID-19, including instructions on how to file a complaint with the appropriate law enforcement agency. In addition, the FTC shall, in consultation with state law enforcement agencies, the Director of the Bureau of Consumer Financial Protection, the Attorney General, the Secretary of Health and Human Services, and other relevant Federal officials, establish a comprehensive national database, either within or separate from the Consumer Sentinel Network, that tracks instances of scams related to COVID-19.

Also considered in the session, the committee reported by substitute the "[Stop Senior Scams Act](#)" (H.R. 2610) that would create the Senior Scams Prevention Advisory Council (SSPAC). The SSPAC, including the Chair of the FTC, is charged with bringing together relevant government officials, industry representatives, advocates, and consumer representatives to collect and develop model educational materials for retailers, financial institutions, and wire transfer companies to use in stopping scams on seniors.

Specifically, the SSPAC would:

- collect and develop model educational materials for retailers, financial institutions and wire transfer companies to share with their employees;
- examine ways that these businesses can use their platform to educate the public on scams;
- provide additional helpful information to retailers, financial institutions, and wire transfer companies as they work to prevent fraud affecting older adults; and
- publicly report information about the newly created model materials as well as recommendations, dissenting views, and findings of the advisory council.

Added to the bill, the reported measure also would require the FTC to create an office within its Bureau of Consumer Protection for the purpose of advising the agency on the prevention of scams targeting seniors and to assist it with consumer education and the handling of complaints. Also added was a provision requiring the

FTC, within 30 days from the bill's enactment, to report to Congress on the number and types of scams targeting seniors, along with policy recommendations to prevent such scams. It must also update the FTC website to include the latest information on such scams.

Other provisions added to the bill during markup include requiring the FTC to report on unfair or deceptive acts or practices targeted at Indian tribes or members of Indian Tribes. Finally, another new provision requires the FTC to study way to refine its efforts with state attorneys general to prevent, publicize, and penalize frauds and scams being perpetrated on individuals in the United States.

The committee also reported by substitute the "Consumer Safety Technology Act" ([H.R. 8128](#)), which would direct the Consumer Product Safety Commission to establish a pilot program to explore the use of artificial intelligence in support of the consumer product safety mission of the Commission. The measure would also require the Secretary of Commerce, in conjunction with the FTC, to study current and potential use of blockchain technology in commerce and the potential benefits of blockchain technology for limiting fraud. Finally, the marked up bill would require the FTC to report to Congress and on its website any actions it has taken relating to unfair or deceptive acts in transactions relating to digital tokens, along with recommendations for protecting consumers, promoting competition, and promoting innovation in the digital token marketplace.

The "[American Competitiveness Of a More Productive Emerging Tech Economy Act](#)" or the "American COMPETE Act" (H.R. 81312) was also approved by the committee. It would require the FTC and the Secretary of Commerce to conduct studies and submit reports on the impact of artificial intelligence and other technologies on United States businesses conducting interstate commerce. Besides artificial intelligence, the technologies to be studied include the Internet of Things in manufacturing, quantum computing, blockchain technology, unmanned delivery services, and three-dimensional printing.

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