

**Committee on Energy and Commerce**  
**Opening Statement as Prepared for Delivery**  
**of**  
**Subcommittee on Consumer Protection and Commerce Chair Janice D. Schakowsky**

***Markup of H.R. 2668***

**May 27, 2021**

Today, this subcommittee meets to markup Vice Chair Cárdenas' bill, the Consumer Protection and Recovery Act. This legislation is urgently needed to ensure the Federal Trade Commission can do what Congress intended and the American people need: protect consumers by putting money back in the pockets of victims of fraud, scams, and other illegal activity. This authority under section 13(b) of the Federal Trade Commission Act has been the FTC's most effective law enforcement tool for over 40 years. It was successfully used by the FTC to get back almost \$62 million for delivery drivers in its remarkable settlement with Amazon over the systematic stealing of drivers' tips. That settlement would not have been possible without the threat of the FTC using its 13(b) authority.

Unfortunately, this authority was stripped from the FTC last month by a decision of the United States Supreme Court. Only criminals and scammers benefit from this decision, while consumers lose. We are here today to right this wrong.

For decades, the FTC used section 13(b) to recover billions of dollars for millions of consumers in a wide variety of cases, including telemarketing fraud, data security and privacy, anticompetitive pharmaceutical practices, scams that target seniors and veterans, and deceptive business practices. Under section 13(b), companies that committed violations of the FTC Act could not only be forced to stop their bad acts, but also to pay back ill-gotten gains.

In my home state of Illinois, the FTC recovered \$9.6 million for more than 10 thousand residents who were defrauded by the company Herbalife. Since 2018, the Commission has put more than \$49 million back in the pockets of over 255 thousand Illinois residents. None of this relief would have happened without the use of section 13(b).

While some will argue that the FTC has other tools, like section 19, those are no replacement. Section 19 requires years of process. And by the time the cases are concluded, the money is often long gone, leaving consumers out in the cold. We must provide the FTC the means to quickly make consumers whole when they've been victimized. That is why we are moving forward today with this legislation to give the FTC back its 13(b) authority.

H.R. 2668, the Consumer Protection and Recovery Act, was introduced with the support of every Democratic Member of this subcommittee. But this is not a partisan issue. We have asked for Republican support and input before and hope that we can work together moving forward. And let me be clear, this is not the only reform that I would like to make with regards to the FTC's authority. I think that the agency should have civil penalty authority, rulemaking

May 27, 2021

Page 2

authority that works, as well as other tools to better protect consumers. But I understand what the loss of section 13(b) authority means for consumers and am willing to work with my colleagues to move quickly to address this critical need.

Vice Chair Cardenas' legislation is an urgently needed step that Congress must take to protect American consumers. Lawbreakers must pay, literally, what they owe. I hope my colleagues will work with us to put consumers first.