

Opening Statement of Republican Leader Gus M. Bilirakis
Consumer Protection and Commerce Subcommittee Hearing on
*“The Consumer Protection and Recovery Act: Returning Money to
Defrauded Consumers”*

As prepared for delivery

Good afternoon and welcome to today’s subcommittee legislative hearing.

I want to thank the witnesses for being here today. Acting Chair Slaughter, I appreciate you and the entire Commission’s tireless efforts fighting against scams and fraud during the COVID-19 pandemic – especially those targeting our most vulnerable constituents. As you know, this committee worked with bipartisan success last year to provide your agency first offense penalty authorities on COVID-19 scams and fraud, so I can assure you we all take a hard line when it comes to bad actors.

Despite this, Madam Chair Schakowsky, I know your side is aware of several irregularities on how this hearing has been approached, and how the minority rights have been disregarded. This contrasts with a unanimous Supreme Court decision last week where we saw all nine justices across the philosophical spectrum unambiguously communicate that this is not about siding with fraudsters, but actually about respecting the law. If we are to find a balanced solution to addressing FTC authorities, we must work in good faith and in a bipartisan manner to do so.

In the Court’s decision, the nine justices all agreed the FTC clearly exceeded its 13(b) authority to seek monetary relief. The Court also detailed the other avenues apart from 13(b) the FTC can currently use for restitution and disgorgement. In light of this, it is important to engage in a thoughtful conversation about additional authorities that may be required to act quickly against fraudsters. We also have a responsibility to consider how powers are targeted, transparent, and focused on getting redress for victims.

However, we won't get to hear all those options today. The other FTC Commissioners can review and approve the written testimony prepared for the hearing, but the oral statement by the acting chair and answers to our questions will reflect her own opinions. While I certainly value her insight, we will not have the benefit of counterpoints or how we focus this legislation. We all understand the urgency, but we need to get this right and excluding the views of experts in this field is a disservice to the consumers we are trying to protect.

In addition, I and several of my colleagues introduced legislation to factor into this review, such as H.R. 2672, the FTC REPORTS Act that I introduced last week. This commonsense legislation would require FTC to submit a report to Congress that includes all FTC enforcement actions involving allegations of fraud against our senior citizens. My bill moved through the Committee unanimously previously, and I am disappointed it and the other reform bills are not included on the docket today.

Republicans all agree seeking financial restitution for victims is essential, but there is a history of regulatory overreach we must consider, and how that impacts all business sectors as we rebound from the COVID-19 pandemic. I am pleased that we can hear from Professor Howard Beales on how to avoid the FTC's abuses of power we saw in previous decades. If this legislation moves forward, I am hopeful my Democratic friends work with us to establish guardrails to ensure due process remains a foundational principal for the protection of Americans' legal rights.

Today is also an opportunity to highlight the need to act on a national privacy standard. Acting Chair Slaughter, I understand you announced a centralized rulemaking process and you and other Commissioners expressed support to establish privacy rulemakings through this process. While I appreciate the nudge to get us to act, I do worry that a privacy rulemaking will still conflict with State laws that may lead to even more confusion on this topic. This committee must work together to establish a preemptive national privacy standard that protects all Americans.

Madam Chair, I am hopeful you and the majority will engage with us on FTC updates and work in a bipartisan fashion to pass FTC reform language, including 13(b) clarity and a national privacy standard, that allows for greater transparency, economic analysis, due process, and equitable restitution for victims. Thank you, I yield back.