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March 10, 2020

The Honorable Joseph J. Simons
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Simons:

I write to urge the Federal Trade Commission (FTC) to develop a comprehensive plan for protecting consumers in light of the novel coronavirus and the infection it causes, COVID-19. As of today, COVID-19 has taken hold in three dozen states, with over 500 reported cases and close to 20 deaths; officials warn that “anything is possible” as the disease continues to spread and public anxiety is understandably on the rise.¹ Unfortunately, this atmosphere will likely render consumers vulnerable to scams and predatory business practices, ranging from fake donation drives to price gouging by unethical sellers.² The FTC is broadly authorized to stop “unfair or deceptive acts or practices in or affecting commerce.”³ The FTC should utilize this authority to take immediate, proactive steps to protect consumers during this public health emergency.

As a result of the novel coronavirus, consumers are being exposed to unfair or deceptive practices across many different industries. For example, consumers who want to change their travel plans to avoid the disease may be subject to inconsistent policies across hotel chains and booking sites that only permit certain travelers to cancel their reservations without penalty.⁴ Even travelers who purchase trip insurance may find themselves unable to cancel as insurers begin to categorize COVID-19 as a “foreseeable event” to deny claims.⁵ Additionally, Americans attempting to buy supplies such as hand sanitizer, medical masks, and disinfecting wipes may be

¹ Denise Grady, *U.S. Health Experts Say Stricter Measures Are Required to Limit Coronavirus's Spread*, N.Y. Times (Mar. 9, 2020), <https://www.nytimes.com/2020/03/08/health/coronavirus-spread-united-states.html>.

² Jason Glassberg, *Coronavirus: 6 scams to watch out for*, Yahoo Finance (Mar. 8, 2020), <https://finance.yahoo.com/news/coronavirus-scams-to-watch-out-for-182236936.html>.

³ 15 U.S.C. § 45.

⁴ Raj Aditya Chaudhuri, *Coronavirus: These hotels, airlines and booking websites are offering free cancellations and rebookings*, Condé Nast Traveller (Mar. 4, 2020), <https://www.cntraveller.in/story/coronavirus-update-hotels-airlines-booking-websites-offering-free-cancellations-rebookings-europe-italy-spain-list-marriott-hilton-covid-19-outbreak-march-2020/>.

⁵ Terry Nguyen, *Why your travel insurance might not cover the coronavirus*, Vox (Mar. 4, 2020), <https://www.vox.com/the-goods/2020/3/4/21163320/travel-flight-insurance-coronavirus-coverage-cancellation>.

vulnerable to possible price-gouging by unethical sellers,⁶ whether brick-and-mortar⁷ or online.⁸ Scammers are also exploiting the crisis and posing as government agencies to fraudulently solicit donations for a coronavirus vaccine.⁹ The public needs consumer protection across many forms of commerce during this emergency, and the FTC is uniquely positioned to provide that broad protection.

The FTC is authorized to take enforcement actions and issue rules to address “unfair or deceptive acts or practices” across much of the nation’s commerce.¹⁰ While I am glad that the FTC has acted to warn the public about particular scams¹¹ and monitor companies that are allegedly marketing unapproved coronavirus treatments,¹² I remain worried that piecemeal efforts are insufficient in light of the magnitude of this crisis. The FTC should not allow any consumer to suffer from a scam or predatory business practice during this public health emergency. That’s why I urge the FTC to immediately develop and deploy a comprehensive plan for protecting consumers during the coronavirus outbreak.

Thank you for your attention to this urgent matter. I request that you respond to this letter outlining your efforts to date on this issue no later than March 24, 2020.

Sincerely,



Edward J. Markey
United States Senator

⁶ NBC10 Responds, *Beware of Price Gouging and Scams Amid Coronavirus Outbreak, State Officials Warn*, NBC Philadelphia (Mar. 6, 2020), <https://www.nbcphiladelphia.com/investigators/consumer/beware-of-price-gouging-and-scams-amid-coronavirus-outbreak-state-officials-warn/2317759/>.

⁷ Jacob Henry, Sam Raskin, and Ruth Weissmann, *Manhattan hardware store hit with fine for coronavirus price hikes*, NY Post (Mar. 7, 2020), <https://nypost.com/2020/03/07/manhattan-hardware-store-hit-with-fine-for-coronavirus-price-hikes/>.

⁸ William Baldwin, *Coronavirus Price Gouging On Amazon*, Forbes (Mar. 8, 2020), <https://www.forbes.com/sites/baldwin/2020/03/08/coronavirus-price-gouging-on-amazon/#3cfe2be617a0>.

⁹ Mark Emem, *Don't Fall Prey to These 5 Cruel Coronavirus Scams*, CCN (Feb. 16, 2020), <https://www.ccn.com/dont-fall-prey-to-these-5-cruel-coronavirus-scams/>.

¹⁰ 15 U.S.C. § 45.

¹¹ Colleen Tressler, *Coronavirus: Scammers follow the headlines*, Federal Trade Commission Consumer Information (Feb. 10, 2020), <https://www.consumer.ftc.gov/blog/2020/02/coronavirus-scammers-follow-headlines>.

¹² Press Release, FTC, *FTC, FDA Send Warning Letters to Seven Companies about Unsupported Claims that Products Can Treat or Prevent Coronavirus* (Mar. 9, 2020), <https://www.ftc.gov/news-events/press-releases/2020/03/ftc-fda-send-warning-letters-seven-companies-about-unsupported>.