

# CONSUMERS BEWARE: INCREASED RISKS DURING THE COVID-19 PANDEMIC

---

## VIRTUAL HEARING BEFORE THE SUBCOMMITTEE ON CONSUMER PROTECTION AND COMMERCE OF THE COMMITTEE ON ENERGY AND COMMERCE HOUSE OF REPRESENTATIVES ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

JULY 9, 2020

**Serial No. 116–119**



Printed for the use of the Committee on Energy and Commerce  
[govinfo.gov/committee/house-energy](https://govinfo.gov/committee/house-energy)  
[energycommerce.house.gov](https://energycommerce.house.gov)

U.S. GOVERNMENT PUBLISHING OFFICE

55–506 PDF

WASHINGTON : 2024

## COMMITTEE ON ENERGY AND COMMERCE

FRANK PALLONE, JR., New Jersey  
*Chairman*

BOBBY L. RUSH, Illinois	GREG WALDEN, Oregon
ANNA G. ESHOO, California	<i>Ranking Member</i>
ELIOT L. ENGEL, New York	FRED UPTON, Michigan
DIANA DeGETTE, Colorado	JOHN SHIMKUS, Illinois
MIKE DOYLE, Pennsylvania	MICHAEL C. BURGESS, Texas
JAN SCHAKOWSKY, Illinois	STEVE SCALISE, Louisiana
G. K. BUTTERFIELD, North Carolina	ROBERT E. LATTA, Ohio
DORIS O. MATSUI, California	CATHY McMORRIS RODGERS, Washington
KATHY CASTOR, Florida	BRETT GUTHRIE, Kentucky
JOHN P. SARBANES, Maryland	PETE OLSON, Texas
JERRY McNERNEY, California	DAVID B. McKINLEY, West Virginia
PETER WELCH, Vermont	ADAM KINZINGER, Illinois
BEN RAY LUJAN, New Mexico	H. MORGAN GRIFFITH, Virginia
PAUL TONKO, New York	GUS M. BILIRAKIS, Florida
YVETTE D. CLARKE, New York, <i>Vice Chair</i>	BILL JOHNSON, Ohio
DAVID LOEBSACK, Iowa	BILLY LONG, Missouri
KURT SCHRADER, Oregon	LARRY BUCSHON, Indiana
JOSEPH P. KENNEDY III, Massachusetts	BILL FLORES, Texas
TONY CARDENAS, California	SUSAN W. BROOKS, Indiana
RAUL RUIZ, California	MARKWAYNE MULLIN, Oklahoma
SCOTT H. PETERS, California	RICHARD HUDSON, North Carolina
DEBBIE DINGELL, Michigan	TIM WALBERG, Michigan
MARC A. VEASEY, Texas	EARL L. "BUDDY" CARTER, Georgia
ANN M. KUSTER, New Hampshire	JEFF DUNCAN, South Carolina
ROBIN L. KELLY, Illinois	GREG GIANFORTE, Montana
NANETTE DIAZ BARRAGÁN, California	
A. DONALD McEACHIN, Virginia	
LISA BLUNT ROCHESTER, Delaware	
DARREN SOTO, Florida	
TOM O'HALLERAN, Arizona	

---

### PROFESSIONAL STAFF

JEFFREY C. CARROLL, *Staff Director*  
TIFFANY GUARASCIO, *Deputy Staff Director*  
MIKE BLOOMQUIST, *Minority Staff Director*

SUBCOMMITTEE ON CONSUMER PROTECTION AND COMMERCE

JAN SCHAKOWSKY, Illinois  
*Chairwoman*

KATHY CASTOR, Florida  
MARC A. VEASEY, Texas  
ROBIN L. KELLY, Illinois  
TOM O'HALLERAN, Arizona  
BEN RAY LUJAN, New Mexico  
TONY CARDENAS, California, *Vice Chair*  
LISA BLUNT ROCHESTER, Delaware  
DARREN SOTO, Florida  
BOBBY L. RUSH, Illinois  
DORIS O. MATSUI, California  
JERRY MCNERNEY, California  
DEBBIE DINGELL, Michigan  
FRANK PALLONE, Jr., New Jersey (*ex officio*)

CATHY McMORRIS RODGERS, Washington  
*Ranking Member*  
FRED UPTON, Michigan  
MICHAEL C. BURGESS, Texas  
ROBERT E. LATTA, Ohio  
BRETT GUTHRIE, Kentucky  
LARRY BUCSHON, Indiana  
RICHARD HUDSON, North Carolina  
EARL L. "BUDDY" CARTER, Georgia  
GREG GIANFORTE, Montana  
GREG WALDEN, Oregon (*ex officio*)





## C O N T E N T S

	Page
Hon. Jan Schakowsky, a Representative in Congress from the State of Illinois, opening statement .....	2
Prepared statement .....	3
Hon. Cathy McMorris Rodgers, a Representative in Congress from the State of Washington, opening statement .....	4
Prepared statement .....	5
Hon. Frank Pallone, Jr., a Representative in Congress from the State of New Jersey, opening statement .....	7
Prepared statement .....	8
Hon. Earl L. Carter, a Representative in Congress from the State of Georgia, opening statement .....	9
Prepared statement .....	10
Hon. Richard Hudson, a Representative in Congress from the State of North Carolina, prepared statement .....	75
WITNESSES	
Sally Greenberg, Executive Director, National Consumers League .....	12
Prepared statement .....	15
Tom Quaadman, Executive Vice President, Chamber Technology Engagement Center .....	25
Prepared statement .....	27
Answers to submitted questions .....	107
Kevin Anderson, Senior Deputy Attorney General, Director, Consumer Protection Division, North Carolina Department of Justice .....	40
Prepared statement .....	42
Answers to submitted questions .....	110
SUBMITTED MATERIAL	
Article “IA Members Company Efforts to Ensure Fair Pricing During the Pandemic,” Internet Association, submitted by Ms. Schakowsky .....	77
Article “IA Members are Combating Counterfeit Goods, Internet Association,” submitted by Ms. Schakowsky .....	78
Letter of July 8, 2020, to Ms. Schakowsky and Ms. McMorris Rodgers, from Steve Pasierb, President and CEO, Toy Association, submitted by Ms. Schakowsky .....	79
Article “University engineers, architects design 3D-printed nasal swabs” submitted by Ms. Schakowsky .....	84
Article entitled, “Robots delivering food to college campuses this fall” submitted by Ms. Schakowsky .....	87
Article entitled, “Researchers develop new technique to print electronic sensors directly on organs” submitted by Ms. Schakowsky .....	91
Article entitled, “Researchers Are Tapping Blockchain Tools in Fight Against Coronavirus” submitted by Ms. Schakowsky .....	93
Article entitled, “How Gig Economy Companies are Stepping Up to Help Americans Amid the COVID-19 Pandemic” submitted by Ms. Schakowsky ...	97
Article entitled, “How AI protects people from online scams” submitted by Ms. Schakowsky .....	101
Statement from AAFA, submitted by Ms. Schakowsky .....	105



## CONSUMERS BEWARE: INCREASED RISKS DURING THE COVID-19 PANDEMIC

THURSDAY, JULY 9, 2020

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON CONSUMER PROTECTION AND  
COMMERCE,  
COMMITTEE ON ENERGY AND COMMERCE,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 12:00 p.m., via Webex, Hon. Jan Schakowsky (chairwoman of the subcommittee) presiding.

Members present: Representatives Schakowsky, Castor, Kelly, O'Halleran, Luján, Cárdenas, Blunt Rochester, Soto, Rush, Matsui, McNerney, Dingell, Pallone (ex officio), Rodgers (subcommittee ranking member), Upton, Burgess, Latta, Guthrie, Bucshon, Hudson, Carter, and Gianforte.

Also present: Representative Walberg.

Staff present: Billy Benjamin, Systems Administrator; Jeffrey C. Carroll, Staff Director; Sharon Davis, Chief Clerk; Lisa Goldman, Senior Counsel; Waverly Gordon, Deputy Chief Counsel; Tiffany Guarascio, Deputy Staff Director; Alex Hoehn-Saric, Chief Counsel, Communications and Consumer Protection; Joe Orlando, Staff Assistant; Kaitlyn Peel, Digital Director; Tim Robinson, Chief Counsel; Chloe Rodriguez, Policy Analyst; Sydney Terry, Policy Coordinator; Anna Yu, Professional Staff Member; Mike Bloomquist, Minority Staff Director; William Clutterbuck, Minority Staff Assistant; Theresa Gambo, Minority Human Resources/Office Administrator; Tiffany Haverly, Minority Communications Director; Peter Kielty, Minority General Counsel; Bijan Koohmaraie, Minority Deputy Chief Counsel, Consumer Protection and Commerce; Ryan Long, Minority Deputy Staff Director; and Brannon Rains, Minority Policy Analyst.

Ms. SCHAKOWSKY. The Subcommittee on Consumer Protection and Commerce will now come to order.

Today, we will be holding a hearing entitled "Consumer Beware: Increased Risk During the COVID-19 Pandemic."

Due to the COVID-19 public health emergency, today's hearing is being held remotely. All the members——

Mrs. RODGERS. Hey, Jan, we can't hear you. I don't know. Are you muted?

Ms. SCHAKOWSKY. I am unmuted.

Mrs. RODGERS. I can't hear you, at least not yet.

Ms. SCHAKOWSKY. OK. Can you hear me now?

Mrs. RODGERS. Not yet.

Ms. SCHAKOWSKY. I think it must be on your end then.

Mr. RUSH. You are coming in loud and clear here.

Ms. SCHAKOWSKY. OK. Can any Republicans hear me?

Mrs. RODGERS. Is it just me? I am not hearing anybody.

Mr. GIANFORTE. Yes, Jan. This is Greg Gianforte. I can hear you fine.

Ms. SCHAKOWSKY. OK. I am going to continue while somebody helps fix the silent person. OK.

Due to the COVID-19 public health emergency, today's hearing is being held remotely. All of the members and witnesses will be participating via videoconference.

As part of our hearing, microphones will be set on "mute" for the purpose of eliminating inadvertent background noise. Members and witnesses, you will need to unmute yourself, unmute your microphone each time that you wish to speak.

Additionally, members will need to be visible on screen in order to be recognized. I messed up with that before and got out of order for my chance to speak, so be sure that if you are on that we see you.

Documents for the record can be sent to Chloe Rodriguez at the email address that we provided to all of the staff. And all documents will be entered into the record at the conclusion.

We are going to go to members' opening statements, but if I could take a moment of personal privilege to welcome Anna Yu back from maternity leave. She gave birth to Cassia, who is I think about three months old now, who joins her sister, Sage, as part of the family.

So welcome back to the staff, Anna.

And so let me begin, then, with my opening statement for 5 minutes.

#### **OPENING STATEMENT OF HON. JAN SCHAKOWSKY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS**

Good morning, and thank you all for joining us today for a virtual hearing on consumer protection in the COVID era.

The COVID-19 pandemic has changed the lives of nearly every American consumer. In so many ways, technology has made the isolation that many Americans face far more bearable than, say, the social isolation experienced by Americans doing—far less, I should say, far less unbearable than it was in the 1918 pandemic.

Unfortunately, the Trump administration hasn't risen to the moment and has instead dithered and reflexively deterring—I am sorry—deferring to the private sector instead of leading.

Even before the pandemic, consumers reported a feeling of helplessness with respect to the digital economy. Despite the Trump administration's counting on the private sector to play a key role in the response and recovery, Big Tech has allowed fraud, fake news, fake reviews, counterfeit and stolen products to get into the marketplace.

Price gouging has continued most unfettered on platforms because of our weak and uneven Federal response. That is why I initiated and introduced the Price Gouging Prevention Act, along with Chairman Pallone. It was included in the HEROES Act, which Senator McConnell has yet to take up.

The current crisis has also laid bare our platforms' need to be doing more to protect consumers and ensuring they have the same rights online as they have when they go shopping in person.

And that is why I am proud to be introducing an updated version of the Informed Consumers Act. I would like to thank Senators Durbin and Cassidy in the Senate for being partners on that. And this commonsense legislation would ensure that consumers have information that they need when an online seller fails to deliver the goods or services that they were promised.

And I hope our colleagues on both sides of the aisle would join us in supporting this important bill and that it might be favorably reported by this subcommittee.

I am looking for the clock. Almost out. OK.

Transparency alone is simply not enough. Agencies like the Consumer Product Safety Commission must aggressively be stopping dangerous products that can actually kill or harm Americans from reaching consumers.

The administration, however, has continued to prioritize corporate interests over the safety of the public. And nowhere is this clearer than in the continued support for Nancy Beck. I will get into that more later, but Nancy Beck is the nominee for the Consumer Product Safety Commission Chair.

[The prepared statement of Ms. Schakowsky follows:]

#### PREPARED STATEMENT OF HON. JAN SCHAKOWSKY

Good morning and thank you all for joining us today for a virtual hearing on consumer protection in the COVID era. The COVID-19 pandemic has changed the lives of nearly every American consumer. And in so many ways, technology has made the isolation many Americans face far more bearable than, say, the social isolation experienced by Americans during the 1918 pandemic.

Unfortunately, the Trump Administration hasn't risen to the moment, and has instead dithered, reflexively deferring to the private sector instead of leading. Even before the pandemic, consumers reported a feeling of helplessness with respect to the digital economy. Despite the Trump Administration counting on the private sector to play a key role in the response and recovery, Big Tech has allowed fraud, fake news, fake reviews, and counterfeit and stolen products to thrive on their platforms.

Price-gouging has continued, mostly unfettered, on platforms, because of a weak and uneven Federal response. That's why I introduced the Price Gouging Prevention Act with Chairman Pallone. It was included in the HEROES Act, which Senator McConnell has sat on for months.

The current crisis has also laid bare how online platforms need to be doing more to protect consumers, and ensure they have the same rights online as they do when they're shopping in person. That's why I am proud to be introducing an updated version of the INFORM Consumers Act with my friend Richard Hudson. I would like to thank Senators Durbin and Cassidy for their partnership on this important matter. This commonsense legislation would ensure that consumers have the information they need when an online seller fails to deliver the good or service they promised. I hope our colleagues on both sides of the aisle will join us in supporting the bill, and that it might be favorably reported by this committee very soon.

But transparency alone is not enough. Agencies, like the Consumer Product Safety Commission (CPSC) must aggressively stop dangerous products that can kill or harm Americans from reaching consumers. The Administration, however, continues to prioritize corporate interests over safety and public health. Nowhere is this clearer than its continued support for Nancy Beck's nomination as Consumer Product Safety Commission Chair. Her resume tells the story of a career defined by disdain for consumers, whom she has exposed to toxic chemicals and left vulnerable to COVID-19. However, her nomination hearing featured a different narrative - that she was just middle management and was merely executing directives from the real decision-makers. Either way, she is wholly unfit to hold this prestigious title. The Administration needs to withdraw her nomination and put someone forward who will put consumers first.

The next Chair of the Consumer Product Safety Commission must be a transformative figure with a vision to bring the agency into the 21st century. She or he must implement a strategic enforcement strategy that ensures foreign manufacturers don't have a leg up on their American counterparts due to weak or non-enforcement at ports of entry and ensures that consumers are purchasing safe goods online. I look forward to hearing from our witnesses, and now recognize my friend and colleague, Ranking Member Rodgers.

Ms. SCHAKOWSKY. And, at this point, I will stop and put the rest of my opening statement in the record and recognize our ranking member, Mrs. Rodgers, for an opening statement.

**OPENING STATEMENT OF HON. CATHY RODGERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON**

Mrs. RODGERS. Good morning, Madam Chair. And I am sorry for the interruption earlier. It was on my end, I guess. I wasn't hearing. But I appreciate you bringing us together today.

I want to thank the witnesses for participating today. I look forward to the expert testimony of our panel, and I value your insights.

However, this hearing should also include the relevant agencies in our jurisdiction. That includes the FTC, the CPSC, which are essential to our mission to protect consumers. This administration has made it a priority to protect Americans during this health and economic crisis, and hearing directly from the Commissioners should have been a part of today's discussion.

In addition, while the subject matter for this hearing is broad, I believe that there is a striking omission from the background memo. Data privacy is the most fundamental consumer protection we could advance.

And we should right now be working together. We enthusiastically participated in good-faith negotiations with the majority which preceded the COVID-19 outbreak. Although the pandemic broke the rhythm of our talks, it has made the need for a strong national privacy standard more urgent.

There are plenty of proposals out there. Notably, our subcommittee has developed the only bipartisan staff draft on either side of the Hill. My hope was that this draft would serve as a foundation for a strong, bipartisan bill that we could introduce together, Chair Schakowsky and myself.

There are also targeted proposals that include protections during the pandemic, including one from Chair Schakowsky and Chair Eshoo. To protect people's privacy, I am open to a targeted proposal, but the partisan process and the product has done serious harm to our bipartisan talks on a broader bill.

Frankly, partisan proposals have no chance of being signed into law. If the majority chooses to come back to the negotiation table, I know we can still pass a comprehensive, bipartisan bill in the House.

If the point of targeted bills is that we want consumer protections during this crisis, why don't we find an agreement on a broader bill now and put a sunset date on it for us to revisit it later?

This is not my first choice to a solution, but if we don't act now and work together, I fear a few more years will slip away before

we see real action. And the result will be a bigger patchwork of laws, and it will be impossible for people to trust how their privacy is protected.

It has never been more important that we set a national standard. More Americans are spending their days online than ever before. There are many data-driven proposals for contact tracing that have raised privacy concerns. Small and medium-size businesses, who are already struggling to survive, must now worry about being crushed by CCPA enforcement and frivolous lawsuits.

Chairman Pallone tweeted that he wanted to pass a comprehensive privacy bill by the end of this Congress. Let's get it done. With our bipartisan draft, no one else is better positioned to do this. Let's see how it works for a set period and then negotiate to extend it with the added hindsight. If we succeed, Americans won't be left with uncertainty over how their data is collected during this pandemic and in the future.

Another area where certainty is needed is in liability protection. For our economy to boom again, we must address the liability uncertainty hanging over the heads of every small-business owner out there. If we strike the right balance between protecting the safety of our workers and protecting employers from frivolous lawsuits, people can get back to work safely and have the opportunity again to build a better life.

To win the future, we should also be focusing on the importance of emerging technologies that enhance consumer protection.

Generally, and in relationship to the pandemic, the Trump administration has been at the forefront of American leadership in emerging tech. For example, the Office of Science and Technology Policy is leading a public-private partnership that leverages AI and quantum computing in our fight against the virus.

Many of the problems we are talking about here today could be solved with progress in advanced materials, blockchain, and quantum computing. Not only will these technologies help us fight scams, unsafe products, and misinformation directly, they will help us ensure that we lead the world and beat China, which is the greatest source of fake and unsafe products and dangerous information.

I thank you again, and I look forward to the discussion.

[The prepared statement of Mrs. Rodgers follows:]

#### PREPARED STATEMENT OF HON. CATHY RODGERS

Thank you, Chair Schakowsky, and thank you to our witnesses for participating today.

I'm looking forward to the expert testimony of our panel and value their insights.

However, this hearing should also include the relevant agencies in our jurisdiction.

That includes the FTC and CSPC, which are essential to our mission to protect consumers.

This Administration has made it a priority to protect Americans during this health and economic crisis and hearing directly from the Commissioners should have been a part of today's discussion.

In addition while the subject matter for this hearing is broad, there is a striking omission from the Majority's background memo.

Data Privacy is the most fundamental consumer protection we could advance and should right now be working on together.

We enthusiastically participated in good faith negotiations with the Majority, which preceded the COVID-19 outbreak.

Although the pandemic broke the rhythm of our talks, it has made the need for a strong national privacy standard more urgent.

There are plenty of proposals out there. Notably, our subcommittee has developed the only bipartisan staff draft on either side of the Hill.

My hope was that this draft would serve as a foundation for a strong, bipartisan bill I could introduce with Chair Schakowsky.

There are also targeted proposals that include protections during this pandemic, including one from Chair Schakowsky and Chair Eshoo.

To protect people's privacy, I'm open to a targeted proposal but the partisan process and product from my colleagues did serious harm to our bipartisan talks on a broader bill.

Frankly, partisan proposals have no chance of being signed into law.

If the Majority chooses to come back to the negotiation table, I know we can still pass a comprehensive bipartisan bill in the House.

If the point of targeted bills is that we want consumer protections during this crisis, why don't we find agreement on a broader bill now and put a sunset date on it for us to revisit it later?

This is not my first choice for a solution, but if we don't act now and work together, I fear a few more years will slip away before we see real action.

The result will be a bigger patchwork of laws and it will be impossible for people to trust how their privacy is protected.

It has never been more important that we set a national standard.

- More Americans are spending their days online than ever before.
- There are many data driven proposals for contact tracing that have raised privacy concerns.

- Small and medium sized businesses—who are already struggling to survive—must now worry about being crushed by CCPA enforcement and frivolous lawsuits.

Chairman Pallone tweeted that he wanted to pass a comprehensive privacy bill by the end of this Congress.

Let's get it done. With our bipartisan draft, no one else is better positioned to do this.

Let's see how it works for a set period and then negotiate to extend it with the added hindsight.

If we succeed, Americans won't be left with uncertainty over how their data is collected during this pandemic and in the future.

Another area where certainty is needed is in liability protections.

For our economy to boom again, we must address the liability uncertainty hanging over the head of every small business owner out there.

If we strike the right balance between protecting the safety of workers and protecting employers from frivolous lawsuits, people can get back to work safely and have the opportunity again to build a better life.

To win the future, we should also be focusing on the importance of emerging technologies that enhance consumer protection.

Generally, and in relation to the pandemic, the Trump administration has been at the forefront of American leadership in emerging tech.

For example, the Office of Science and Technology Policy is leading a public-private partnership that leverages AI and quantum computing in our fight against the virus.

Many of the problems we are talking about here today could be solved with progress in advanced materials, blockchain and quantum computing.

Not only will these technologies help us fight scams, unsafe products, and misinformation directly, they will also help ensure we lead the world and beat China, which is the greatest global source of fake and unsafe products and dangerous misinformation.

Thank you again and I look forward to the discussion.

Ms. SCHAKOWSKY. I want to thank the ranking member.

And let me just say before I call on Mr. Pallone, our chairman of the full committee, that, absolutely, we need to work together. It is definitely my intention to continue to meet with you, to talk about both the short term, during this pandemic, privacy issues and the long term. And I thank you for raising that.

And now let me call on the chairman of the full committee for his 5 minutes for an opening statement.

Mr. Pallone?



**OPENING STATEMENT OF HON. FRANK PALLONE, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY**

Mr. PALLONE. Thank you, Chairwoman Schakowsky.

And today we are continuing your subcommittee's work of protecting consumers by examining the increased risk that consumers face from scams and unsafe products during the COVID-19 pandemic.

And while the direct loss of life is the most terrible consequence of the pandemic, its devastation extends beyond the infection. Tens of millions of people have lost their jobs. And the pandemic has also completely upended American life, forcing Americans to dramatically change how they work, how they learn, how they socialize.

In New Jersey, data shows people were spending 98 percent of their time at home during the peak of the outbreak here in April. And, now, with COVID-19 infections surging across the country, this new normal looks like it is going to last a long time.

The health experts tell us that we are safer at home, but more time at home can also result in risks to consumers' health, safety, and financial well-being. Young children, for example, are particularly at risk to household threats, as parents, struggling to juggle work and childcare, are more likely to inadvertently leave their unsupervised, you know, young person or children, and there is more potential for injury from household dangers, for example. And for older Americans and senior citizens, months on end with little interpersonal contact and support has left them particularly vulnerable to the fraudsters preying on their isolation.

So, in March, just before much of the country went on lockdown, the subcommittee had a hearing to examine the proliferation of fake and unsafe products in the online marketplace. And while e-commerce has become something of a lifeline for many Americans sheltering at home, it has also laid bare the ubiquity of unsafe and counterfeit products, as well as this truth that scammers abound, making what is already a nightmare even worse.

And Americans have purchased bogus treatments and sham testing kits from unscrupulous sellers that flood social media sites. Even hospitals have fallen victim to inadvertently purchasing counterfeit face masks that put the lives of our frontline health workers at risk.

With widespread shortages and supply chain delays on key medical equipment and household essentials, opportunistic sellers are also price gouging consumers.

And I think we have made some job gains in the last few months, but, still, nearly 18 million Americans are still unemployed. Scammers are exploiting Americans struggling financially, including by targeting their stimulus checks and unemployment benefits. Scammers have come with new versions of the old scams, posing as the government, fundraising for fake charities, among other things.

And I think that the ongoing pandemic is no excuse to stop our vigilance on these consumer-protection threats. So I am proud to have joined you, Madam Chair, in introducing the COVID-19 Price Gouging Prevention Act, which prohibits the sale of consumer

goods and services at unconscionably excessive prices. This legislation was included in the HEROES Act, which the House passed in May.

And social media platforms also need to do their part to protect American consumers. Yesterday, along with Subcommittee Chairs Schakowsky, Doyle, and DeGette, I sent a letter to Facebook, Google, and Twitter requesting regular monthly updates on their response to COVID-19 disinformation.

The troubling rise in COVID-19 disinformation is driving fear and conspiracy theories and impairing consumers' ability to make rational and informed purchasing decisions and pushing consumers into the very traps of scammers peddling unproven and unbranded or misbranded products.

So I look forward to this hearing. I have no doubt that what you are doing, Jan, is more important than ever given the COVID crisis, because, you know, I know that—I am in my district office in Long Branch today. We are still closed; we are still operating virtually. But we are getting all kinds of calls from people talking about price gouging and scams. So this is a particularly important hearing.

And I want to thank the witnesses as well.

I yield back.

[The prepared statement of Mr. Pallone follows:]

#### PREPARED STATEMENT OF HON. FRANK PALLONE, JR.

Today we will continue this Subcommittee's work of protecting consumers by examining the increased risks that consumers face from scams and unsafe products during the COVID-19 pandemic.

Each day, the pandemic seems to reach a new grim milestone with more than 130,000 people in the United States killed and cases skyrocketing all across the country.

While the direct loss of life is the most terrible consequence of the pandemic, its devastation extends beyond the infections. Tens of millions of people have lost their jobs. The pandemic has also completely upended American life, forcing Americans to dramatically change how they work, learn, and socialize.

In my home state of New Jersey, data shows people were spending 98 percent of their time at home during the peak of the outbreak there in April. And now, with COVID-19 infections surging across the country, this new normal looks like it will last a long time.

The health experts tell us we are safer at home, but more time at home can also result in risks to consumer health, safety, and financial well-being.

Young children are particularly at risk to household threats, as parents, struggling to juggle work and childcare, are more likely to inadvertently leave them unsupervised leading to more potential for injuries from household dangers. For older Americans and senior citizens, months on end with little interpersonal contact and support have left them particularly vulnerable to fraudsters preying on their isolation.

In March, just before much of the country went on lockdown, this Subcommittee held a hearing examining the proliferation of fake and unsafe products on online marketplaces. At that hearing, we saw the uphill battle that consumers face against the deceptive practices of unscrupulous sellers, especially combined with the lax enforcement of policies of online platforms.

While e-commerce has become something of a lifeline for many Americans sheltering at home, it has also laid bare the ubiquity of unsafe and counterfeit products, as well as the stark truth that scammers abound—making what's already a nightmare even worse.

Americans have purchased bogus treatments and sham testing kits from unscrupulous sellers that flood social media sites. Even hospitals have fallen victim, inadvertently purchasing counterfeit face masks that put the lives of our frontline health workers at risk. With widespread shortages and supply chain delays on key medical

equipment and household essentials, opportunistic sellers are also price gouging consumers.

And while we've made some job gains, nearly 18 million Americans are still unemployed. Scammers are exploiting Americans struggling financially, including by targeting their stimulus checks and unemployment benefits. Scammers have come up with new versions of the old scams—posing as the government and fundraising for fake charities, among others. The fear and confusion brought about by the COVID-19 pandemic has given their old schemes new potency.

The ongoing pandemic is no excuse to stop our vigilance on these consumer protection threats. I am proud to have joined Chair Schakowsky in introducing the COVID-19 Price Gouging Prevention Act, which would prohibit the sale of consumer goods and services at unconscionably excessive prices during a public health emergency. This legislation was included in the Heroes Act, which passed the House in May. This comprehensive coronavirus response is still sitting in the—it's inexcusable that nearly two months later Senate Majority Leader McConnell has yet to act.

Social media platforms also need to do their part to protect American consumers. Yesterday, along with Subcommittee Chairs Schakowsky, Doyle, and DeGette, I sent a letter to Facebook, Google and Twitter requesting regular, monthly updates on their response to COVID-19 disinformation. The troubling rise in COVID-19 disinformation is driving fear and conspiracy theories, impairing consumer ability to make rational and informed purchasing decisions and pushing consumers into the very traps of scammers peddling unproven and misbranded products.

I look forward to hearing from our expert witness panel on the scope and scale of these consumer protection issues and how we can protect ourselves from these threats.

Thank you, I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And now the Chair recognizes, as I understand it, Mr. Carter, who will be taking the place of the—right now as the ranking member of the full committee for today.

So, Mr. Carter, you are recognized for 5 minutes for your opening statement.

**OPENING STATEMENT OF HON. EARL L. CARTER REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA**

Mr. CARTER. Madam Chair, did you say it was just for the day? I thought it was permanently. Dadgum.

Madam Chair, thank you for holding today's hearing and for the committee's efforts to highlight the issues facing consumers during this pandemic.

Every day, we hear and see stories about people utilizing this time to scam, defraud, and steal money from our fellow citizens. We are living through unprecedented times and we are seeing bad actors try to take advantage of Americans during this pandemic.

I am pleased to see the Trump administration step up and fight back. Earlier this year, President Trump signed an Executive order on hoarding and price gouging, and we have seen the Federal Trade Commission ramp up its efforts to both educate consumers and pursue actions against bad actors.

Whether it is price gouging on personal protective equipment or scamming money from senior citizens, there is a continued need for agencies like the FTC to work with private-sector partners to strengthen protections for Americans.

I think it is also important to look at the progress that has been made by the FTC during this pandemic. They certainly have met this challenge. Since January, there have been over 122,000 reports to the FTC regarding fraud and other unsolicited activities. Of that number, 63,000 were for fraud, for a total loss of \$79 million.

The FTC has done a good job of fighting this behavior, but they haven't done it alone. The private sector has taken a proactive approach in protecting their customers and negating these fraudulent actions. It is this continued partnership that can ensure maximum effectiveness while addressing all aspects of the problems we are seeing popping up across the country.

I have introduced bipartisan legislation, the Combating Pandemic Scams Act, which is designed to strengthen the partnership between Federal agencies overseeing these issues. They would be required to disseminate that information to the public, including how to spot and report these scams in a way that is easily accessible and digestible and in a manner that prioritizes senior citizens and people with infirmities and disabilities.

I firmly believe that more action in this space will help us, as a committee, address these actions across the country. Americans around the U.S. should be able to protect themselves, and one way to do that is by arming them with up-to-date information on the practices to avoid. If they can spot this and report it to the appropriate agencies, they can help to protect their neighbors and communities.

I look forward to today's hearings and our efforts to protect Americans against fraud, and I hope that we will be able to continue bipartisan dialogue on solutions. I believe this is an area where we can find common ground, and today's hearing is a step in the right direction.

[The prepared statement of Mr. Carter follows:]

#### PREPARED STATEMENT OF HON. EARL L. CARTER

Madame Chair, thank you for holding today's hearing and for the committee's efforts to highlight the issues facing consumers during this pandemic.

Everyday, we hear and see stories about people utilizing this time to scam, defraud, and steal money from our fellow citizens. We are living through unprecedented times and are seeing bad actors try to take advantage of Americans during this pandemic.

I am pleased to see the Trump Administration step up and fight back. Earlier this year, President Trump signed an Executive Order on hoarding and price gouging and we have seen the Federal Trade Commission ramp up its efforts to both educate consumers and pursue actions against bad actors.

Whether it's price gouging on personal protective equipment or scamming money from senior citizens, there is a continued need for agencies like the FTC to work with private sector partners to strengthen protections for Americans.

I think it's also important to look at the progress that has been made by the FTC during this pandemic—they certainly have met this challenge.

Since January, there have been over 122,000 reports to the FTC regarding fraud and other unsolicited activities.

Of that number, 63,000 were for fraud for a total loss of \$79 million.

The FTC has done a good job of fighting this behavior, but they haven't done it alone.

The private sector has taken a proactive approach in protecting their customers and negating these fraudulent actions.

It is this continued partnership that can ensure maximum effectiveness while addressing all aspects of the problems we've seen popping up across the country.

I have introduced bipartisan legislation, the Combating Pandemic Scams Act, which is designed to strengthen the partnership between federal agencies overseeing these issues.

They would be required to disseminate that information to the public, including how to spot and report these scams, in a way that is easily accessible and digestible and in a manner that prioritizes senior citizens and people with infirmities and disabilities.

I firmly believe that more action in this space will help us, as a committee, address these actions across the country.

Americans around the U.S. should be able to protect themselves and one way to do that is arming them with up-to-date information on the practices to avoid.

If they can spot this and report it to the appropriate agencies, they can help to protect their neighbors and communities.

I look forward to today's hearing and our efforts to protect Americans against fraud, and I hope that we will be able to continue bipartisan dialogue on solutions.

I believe this is an area where we can find common ground and today's hearing is a step in the right direction.

With that, I want to yield my remaining time to my colleague, Mr. Hudson of North Carolina.

Mr. HUDSON. Thank you, Mr. Carter.

And thank you, Madam Chair.

Before I begin, let me first extend a very special welcome to one of our witnesses, Kevin Anderson of the North Carolina Department of Justice.

In North Carolina, we have seen pervasive attempts to defraud consumers, especially among elderly populations. Last month, over \$310,000 was lost to COVID-related scams in our State. Additionally, NCDOJ has received 4,908 reports of illegal robocalls since the beginning of the COVID pandemic.

This is just a small slice of what is happening across the country but illustrates the importance of addressing this issue.

We appreciate you joining us today, Mr. Anderson, and we look forward to your testimony.

For the past several months, the United States, along with the rest of the world, has grappled with COVID-19 and its impact on our health, safety, and way of life. But not only has COVID-19 proven to be a daily disease, it has created an environment for nefarious actors to take advantage of people.

During our hearing on misinformation in the digital age, I discussed efforts I have taken to prevent the online sale and abuse of opioids. I believe we must take a similar approach to prevent the sale of deliberately misleading medications as it relates to COVID-19.

I am proud to join Mr. Carter as an original cosponsor of the Combating Pandemic Scams Act and am pleased to see how the use of emerging technologies has not only allowed individuals to stay connected during this historic pandemic but also enabled us to leverage new resources to combat the scams and fraudulent activity.

I am also thankful that there have been significant efforts by President Trump's administration and the private businesses taking action to eliminate deceptive behavior before they negatively impact our consumers. Together, they have shown the need for more public and private sector working together.

I look forward to working with my colleagues on both sides of the aisle to stay ahead of the changing nature of these scams.

And, with that, Madam Chair, I will yield back the remaining 20 seconds of our time. Thank you.

Ms. SCHAKOWSKY. The gentlemen yield back.

And now the Chair would like to remind members that, pursuant to committee rules, all Members' written opening statements shall be made part of the record.

[The information appears at the conclusion of the hearing.]

Ms. SCHAKOWSKY. And now I have the pleasure to introduce our witnesses for today's hearing.

Sally Greenberg is executive director of the National Consumers League, which I understand is a well-over-100-years-old organization.

Thomas Quaadman is executive vice president of the Center for Capital Markets Competitiveness, the Chamber Technology Engagement Center and the Global Innovation and Policy Center at the U.S. Chamber of Commerce.

And Kevin Anderson, senior deputy attorney general and director of the Consumer Protection Division at the North Carolina Department of Justice.

We want to thank our witnesses for joining us today. We look forward to your testimony.

And, Ms. Greenberg, you are now recognized for 5 minutes.

**STATEMENTS OF SALLY GREENBERG, EXECUTIVE DIRECTOR, NATIONAL CONSUMERS LEAGUE; THOMAS QUAADMAN, EXECUTIVE VICE PRESIDENT, CENTER FOR CAPITAL MARKETS COMPETITIVENESS, CHAMBER TECHNOLOGY ENGAGEMENT CENTER, GLOBAL INNOVATION POLICY CENTER, U.S. CHAMBER OF COMMERCE; AND KEVIN ANDERSON, SENIOR DEPUTY ATTORNEY GENERAL, DIRECTOR OF THE CONSUMER PROTECTION DIVISION, NORTH CAROLINA DEPARTMENT OF JUSTICE**

#### **STATEMENT OF SALLY GREENBERG**

Ms. GREENBERG. Thank you so much. Good morning, or good afternoon, depending on what time zone you are in, Chairwoman Schakowsky, Ranking Member McMorris Rodgers, and members of the subcommittee. And thanks to the tremendous staff work that has gone into putting this very important hearing together.

My name is Sally Greenberg. I am executive director of the National Consumers League. And, indeed, we have been around for over 120 years. I so appreciate your giving the NCL the opportunity to provide the subcommittee with our views on the increased risk of consumer fraud stemming from the COVID-19 pandemic.

The COVID-19 pandemic has created an unprecedented tsunami of scams. A combination of rampant fear and misinformation about the virus combined with an economic catastrophe has made consumers more vulnerable than ever.

Consumers are telling us about scammers stealing stimulus or unemployment checks, price gouging for in-demand items such as protective masks and gloves, sales of fake healthcare products claiming to treat or cure or vaccinate against COVID-19, and companies refusing consumer refunds for things like concerts or sporting events that have been canceled. As one headline put it about the COVID-19 pandemic, it has been pure hell for far too many consumers.

The statistics about fraud linked to COVID-19 are sobering. Since the beginning of 2020, the Federal Trade Commission has received more than 122,000 complaints about scams, identify theft, and other types of fraud linked to COVID-19. And the FTC data is likely just the tip of the iceberg.

In April alone, Google announced that it was tracking more than 18 million malware and phishing emails related to COVID-19 per day. The Secret Service recently testified over in the Senate, in the Senate Judiciary Committee, that at least \$30 billion will end up in the hands of criminals.

And the Department of Labor's inspector general has estimated that there could be at least \$26 billion in wasted unemployment insurance funds paid out, with a large portion attributable to fraud. And, in fact, in Washington State alone, criminals reportedly collected as much as \$650 million in such unemployment benefits.

Fraud linked to COVID-19 is a threat to public health as well. The pandemic has been a boon to scammers selling bogus coronavirus cures, vaccines, testing kits, and CBD-infused, immunity-boosting products. At best, those products are ineffective; at worst, they can be dangerous or even deadly, particularly if a consumer is relying on such quack medicines instead of taking steps to reduce the risk of contracting the virus or seeking treatment when symptoms appear.

Since March, the FDA has sent 80 warning letters to purveyors of fraudulent COVID-19 treatment products, and the Federal Trade Commission has warned more than 250 companies for similar conduct.

The pandemic is also exacerbating the threat posed by unsafe products in the home. As the subcommittee has noted, since the beginning of the pandemic, child drownings, calls to Poison Control, and other hazards related to in-home products have all increased as we all shelter in place.

The CPSC's website currently features a prominent notice warning consumers that remedies identified in its recall alerts may not be available due to the pandemic. The pandemic has also temporarily prevented some companies from accepting back recalled items.

And while we are encouraged by the governmental approach to fighting back against COVID-19 scams, more needs to be done, in our view, to protect the public from the torrent of fraud and unfair and deceptive marketplace practices that threaten to overwhelm millions of consumers. The scourge of the coronavirus will not be significantly reduced by enforcement and consumer education alone. In particular, policy steps to address scammers' reliance on vulnerable payment systems are needed to augment enforcement and education.

For example, we have on the books the Electronic Fund Transfer Act and the Fair Credit Billing Act, which provide consumers with important liability protections when credit cards and debit cards are involved and used fraudulently. And we believe those kinds of protections should be extended to other payment mechanisms that fraudsters use, such as wire transfers, gift cards, and bank accounts.

At the NCL Fraud Center—we have the URL [fraud.org](http://fraud.org), so we know a lot about fraud—we are also receiving a steady stream of reports of scammers using peer-to-peer payment services like PayPal's Friends and Family, Venmo, Zelle, and CashApp to defraud consumers. And we recently met with PayPal to discuss how the users of their services could be better protected.

And while these initial meetings have been encouraging, we urge members of this subcommittee to work with colleagues on Financial Services and other committees of jurisdiction to develop policies that better protect users of peer-to-peer payment services from fraud of all kinds, particularly scams linked to COVID.

Chairwoman Schakowsky, on behalf of the National Consumers League, we thank you for your continuing work to protect the public from scams and for including the consumer perspective as you consider these important issues.

Thank you.

[The prepared statement of Ms. Greenberg follows:]





**Testimony of  
Sally Greenberg  
Executive Director  
National Consumers League**

**on**

**“Consumers Beware: Increased Risks During  
the COVID-19 Pandemic”**

**Before the  
United States House of Representatives  
Committee on Energy and Commerce  
Subcommittee on Consumer Protection and Commerce**

**July 9, 2020**

### Summary

The COVID-19 pandemic has opened the door to a tsunami of scams and frauds. The National Consumers League (NCL) is seeing the results of this unprecedented wave of fraud first-hand. At our Fraud.org website, consumers share heart-breaking stories of being scammed on practically a daily basis.

Consumer are telling us about scammers stealing stimulus or unemployment checks, price gouging for in-demand items such as protective masks and gloves, sales of fake health care products claiming to treat or cure or vaccinate against COVID-19, and companies refusing consumer refunds for concerts or sporting events that have been cancelled. As one headline put it the COVID-19 pandemic has been “pure hell” for far too many consumers.<sup>1</sup>

While we are encouraged by the whole-of-government approach to fighting back against COVID-19 scams,<sup>2</sup> more needs to be done to protect the public from the torrent of fraud and unfair and deceptive marketplace practices that threaten to overwhelm millions of consumers. In particular, we believe that steps by Congress to address how scammers are abusing new payment systems could augment stepped-up enforcement and consumer education efforts.

We applaud you, Chairwoman Schakowsky and members of the subcommittee for bringing attention to this important issue.

---

<sup>1</sup> Popper, Nathaniel. “‘Pure Hell for Victims’ as Stimulus Programs Draw a Flood of Scammers,” *New York Times*. April 22, 2020. Online: <https://www.nytimes.com/2020/04/22/technology/stimulus-checks-hackers-coronavirus.html>

<sup>2</sup> National Consumers League. “NCL praises AG Barr for crackdown on COVID-19 scammers.” Press release. March 25, 2020. Online: [https://www.nclnet.org/barr\\_crackdown](https://www.nclnet.org/barr_crackdown)

## **Introduction**

The National Consumers League appreciates the opportunity to provide the subcommittee with our views on the increased risk of consumer fraud stemming from the COVID-19 pandemic.

Founded in 1899, the National Consumers League (“NCL”) is the nation’s pioneering consumer and worker advocacy organization. Our non-profit mission is to advocate on behalf of consumers and workers in the United States and abroad.<sup>3</sup> For more than twenty years, NCL has worked, via our Fraud.org campaign, to educate consumers about the warning signs of fraud and promote public policies that protect the American public from scams of all kinds.

## **The COVID-19 Pandemic Is an Unprecedented Opportunity for Criminals to Defraud American Consumers**

The COVID-19 pandemic has created extremely fertile ground for consumers to be defrauded on a scale unprecedented in living memory. A combination of rampant fear and misinformation about the virus combined with an economic catastrophe make consumers more vulnerable than ever to scams.

Since the beginning of 2020, the Federal Trade Commission (“FTC”) has received more than 120,000 complaints about scams, identity theft, and other types of fraud linked to COVID-19. Of those complaints, nearly half (48.7%) indicated a monetary loss of more than \$78 million dollars.<sup>4</sup> The FTC data is just the tip of the iceberg when it comes to the scale of fraud related to the COVID-19 pandemic.

---

<sup>3</sup> For more information, visit [www.nclnet.org](http://www.nclnet.org).

<sup>4</sup> Federal Trade Commission. “FTC COVID-19 and Stimulus Reports (January 1-July 5, 2020),” July 5, 2020. Online: [https://public.tableau.com/views/COVID-19andStimulusReports/Map?:language=en&:display\\_count=y&:origin=viz\\_share\\_link](https://public.tableau.com/views/COVID-19andStimulusReports/Map?:language=en&:display_count=y&:origin=viz_share_link)

In April alone, Google announced that it was tracking more than 18 million malware and phishing emails related to COVID-19 *per day*. Secret Service Assistant Director Michael D'Ambrosio testified last month before the Senate Judiciary Committee that that at least \$30 billion – around 1% of stimulus funds - will end up in the hands of criminals.<sup>5</sup>

Organized fraud rings, many operating from overseas, are deluging state unemployment commissions with bogus applications. These criminals aim to hide their fraudulent claims in the flood of applications that are being submitted due to COVID-related layoffs in order to collect the benefits.<sup>6</sup> Because of massive data breaches and identity theft, fraudsters often have all the information they need to make such bogus unemployment claims. As important as the CARES Act was in adding an extra \$600 a week to successful claims, it also expanded eligibility to self-employed and similar workers who may not be not subject to the same employment verifications that typically apply. This has created fertile ground for identity thieves.

The Department of Labor's Inspector General, Scott Dahl, recently estimated that there could be at least \$26 billion in wasted unemployment insurance funds paid out with a "large portion" attributable to fraud.<sup>7</sup> In Washington State alone, criminals reportedly collected as much as \$650 million in such benefits and 71,000

---

<sup>5</sup> Miller, Maggie. "Senior official estimates \$30 billion in stimulus funds will be stolen through coronavirus scams," *The Hill*. June 9, 2020. Online: <https://thehill.com/policy/cybersecurity/501936-senior-official-estimates-30-billion-in-stimulus-funds-will-be-stolen>

<sup>6</sup> Bernard, Tara Siegel. "Fraudulent Jobless Claims Slot Relief to the Truly Desperate," *New York Times*. July 2, 2020. Online: <https://www.nytimes.com/2020/07/02/your-money/coronavirus-unemployment-fraud.html>

<sup>7</sup> Dahl, Scott (Inspector General, U.S. Department of Labor). "Testimony on Unemployment Insurance during COVID-19: The CARES Act and the Role of Unemployment Insurance during the Pandemic before the U.S. Senate Committee on Finance," June 9, 2020. Online: <https://www.oig.dol.gov/public/testimony/20200609.pdf>

workers who applied for unemployment in March have still not received their payments because their applications were erroneously flagged for potential fraud.<sup>8</sup>

The COVID-19 pandemic has also been a boon to scammers seeking to sell consumers bogus coronavirus “cures,” “vaccines,” “testing kits,” and “immunity-boosting” products. At best, these products are ineffective. At worst, they can be dangerous or even deadly, particularly if consumers rely on quack medicines instead of taking steps to reduce the risk of catching the virus or seeking treatment when COVID-19 symptoms appear. Since March, the U.S. Food and Drug Administration (FDA) has sent 80 warning letters to purveyors of fraudulent COVID-19 treatment products.<sup>9</sup> The FTC has warned more than 250 companies for similar conduct.<sup>10</sup>

For example, one of the companies that received an FDA warning letter was marketing a “CBD tincture” as a “a major game changer for people who want to feel great again and build the immune system.”<sup>11</sup> Another company that received an FDA warning letter states the following on its website:

“Are you worried about viruses that are going around right now especially the Coronavirus?? . . . Why not take precautions Spray Curativa base Hypochlorous Skin Spray around your face and eyes and hands as many

---

<sup>8</sup> Bernard, Tara Siegel. “Fraudulent Jobless Claims Slot Relief to the Truly Desperate,” New York Times. July 2, 2020. Online: <https://www.nytimes.com/2020/07/02/your-money/coronavirus-unemployment-fraud.html>

<sup>9</sup> U.S. Food & Drug Administration. “Fraudulent Coronavirus Disease 2019 (COVID-19) Products,” July 6, 2020. Online: <https://www.fda.gov/consumers/health-fraud-scams/fraudulent-coronavirus-disease-2019-covid-19-products#Warning%20Letter%20Table>

<sup>10</sup> Federal Trade Commission, FTC Coronavirus Warning Letters to Companies, ([www.ftc.gov/coronavirus/enforcement/warning-letters](http://www.ftc.gov/coronavirus/enforcement/warning-letters))

<sup>11</sup> U.S. Food & Drug Administration. “Warning Letter to Project 1600 Inc.” June 19, 2020. Online: <https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/warning-letters/project-1600-inc-608349-06182020>

times as you need to during the day and this will provide a good extra line of protection against many things that we all fear today.”<sup>12</sup>

While such claims may seem patently ridiculous to you and me, the current climate of rampant misinformation about the coronavirus leaves consumers at risk of falling victims to such scams. While social media networks can and do monitor their platforms for such abuse, the sheer scale of the fraud makes it difficult to control. Researchers at the University of California San Diego analyzed a data set of 80 million tweets and Instagram posts advertising fake COVID-19 products, many asking for payment in Bitcoin or other non-traditional payment methods.<sup>13</sup>

### **Consumers’ Vulnerability to Unfair and Deceptive Practices has Been Exacerbated by COVID-19**

We are also concerned about the conduct of large companies in industries such as live event ticketing and air travel where consumers pay in advance for services to be performed at a later date. More than 17,000 consumers filed complaints with the U.S. Department of Transportation (DOT) in April alone complaining they were refused refunds for flights canceled due to COVID-19.<sup>14</sup> Instead of offering consumers refunds, as required by DOT regulations, major airlines have pushed consumers to accept vouchers for future travel.<sup>15</sup>

---

<sup>12</sup> U.S. Food and Drug Administration. “Warning letter to Curativa Bay Corporation,” June 26, 2020. Online: <https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/warning-letters/curativa-bay-corporation-608406-06252020>

<sup>13</sup> Heilweil, Rebecca. “Coronavirus scammers are flooding social media with fake cures and tests,” Vox. April 17, 2020. Online: <https://www.vox.com/recode/2020/4/17/21221692/digital-black-market-covid-19-coronavirus-instagram-twitter-ebay>

<sup>14</sup> Consumer Reports. “DOT reports huge number of consumer complaints against airlines over failure to provide refunds for canceled flights,” June 26, 2020. Online: [https://advocacy.consumerreports.org/press\\_release/dot-reports-huge-number-of-consumer-complaints-against-airlines-over-failure-to-provide-refunds-for-canceled-flights/](https://advocacy.consumerreports.org/press_release/dot-reports-huge-number-of-consumer-complaints-against-airlines-over-failure-to-provide-refunds-for-canceled-flights/)

<sup>15</sup> McCartney, Scott. “The 19 Airlines Making Refunds a Headache,” *Wall Street Journal*. April 29, 2020. Online: <https://www.wsj.com/articles/after-the-coronavirus-bailout-all-i-got-was-this-lousy-airline-voucher-11588170599>

The airlines received more than \$50 billion in government stimulus money. We would like to see that assistance premised on the industry providing refunds for cancelled flights. This is one reason NCL supports H.R. 6965, the *Cash Refunds for Coronavirus Cancellations Act of 2020*. The bill, sponsored by Congressman Cohen, which would require major airlines and third-party ticket sellers to offer full cash refunds for all cancelled tickets during the coronavirus pandemic, regardless of whether the airline cancelled an entire flight or the passenger cancelled their individual ticket.<sup>16</sup> Madame Chair, we appreciate your and Congressman Rush's co-sponsorship of this important bill.

Consumers holding tickets to concerts or sporting events have found themselves in similarly dire straits. With virtually all such events canceled, consumers who paid hundreds or even thousands of dollars for tickets are often unable to obtain refunds.<sup>17</sup> While large ticketing companies such as Ticketmaster have taken some steps to provide refunds, consumers are still often required to jump through unnecessary hoops in order to get their money back, particularly for postponed events.<sup>18</sup> While ticketing companies took some modestly pro-consumer steps to address ticket buyers' concerns, such action only occurred after thousands of consumer complaints led to significant media coverage and investigations by regulators and legislators.

Price gouging has been another large source of consumer complaints during the COVID-19 crisis. We have spoken to attorneys general in Iowa, Pennsylvania and the District of Columbia in recent weeks and each have identified this as a top consumer

---

<sup>16</sup> H.R. 6965. Online: <https://www.congress.gov/bill/116th-congress/house-bill/6965>

<sup>17</sup> Sisario, Ben and Bowley, Graham. "Angry Fans Say First the Concerts Were Canceled, Then the Refunds," *New York Times*. April 8, 2020. Online: <https://www.nytimes.com/2020/04/08/arts/music/ticketmaster-refunds-coronavirus.html>

<sup>18</sup> Sisario, Ben and Bowley, Graham. "Live Nation Closes Gap in Refunds Policy After Fan Complaints," *New York Times*. April 25, 2020. Online: <https://www.nytimes.com/2020/04/25/arts/music/live-nation-ticketmaster-refunds.html>

concern.<sup>19</sup> For example, Pennsylvania Attorney General Josh Shapiro reported that his office typically receives 27,000 consumer complaints annually across all topics. Since the start of the pandemic, his office has received more than 5,000 complaints about price gouging alone.<sup>20</sup> “To get 5,000 in basically what’s been two months on one specific topic is extraordinary,” Shapiro noted.

While e-commerce platforms such as Amazon and eBay have devoted significant resources to cracking down on gouging of in-demand products such as personal protective equipment, bleach, and hand sanitizer,<sup>21</sup> we think more could be done. For example, work-at-home supplies like webcams and summer recreation equipment like inflatable pools have been subject to gouging, often in combination with extremely high shipping fees to evade automated anti-gouging technology.<sup>22</sup>

In the early days of the pandemic, there were also serious problems with hoarding, including a now-famous example of two Tennessee brothers buying up 17,000 bottles of hand sanitizer from local stores and trying to flip them for profit on Amazon. Amid a public backlash, they donated their supplies and reached a settlement with the state attorney general to avoid prosecution and a fine.<sup>23</sup> It should not require public shaming to address such conduct in times of crisis.

---

<sup>19</sup> See, e.g. Office of the Attorney General for the District of Columbia. “AG Racine Releases COVID-19 Consumer Complaint Report.” Press Release. May 15, 2020. Online: <https://oag.dc.gov/release/ag-racine-releases-covid-19-consumer-complaint>

<sup>20</sup> Pennsylvania Attorney General. “AG Shapiro: Price Gouging Complaints Top 5,000 Tips. Press release. June 5, 2020. Online: <https://www.attorneygeneral.gov/taking-action/covid-19/ag-shapiro-price-gouging-complaints-top-5000-tips/>

<sup>21</sup> Gartenberg, Chaim. “Amazon asks Congress to pass a law against price gouging during national crisis,” *The Verge*. May 13, 2020. Online: <https://www.theverge.com/2020/5/13/21257780/amazon-open-letter-congress-pass-law-price-gouging-masks-hand-sanitizer-covid-19>

<sup>22</sup> Rubin, Ben Fox. “Three months into the pandemic, price gouging is still a real problem,” CNET. June 18, 2020. Online: <https://www.cnet.com/news/three-months-into-the-pandemic-price-gouging-is-still-a-real-problem/>

<sup>23</sup> *Ibid.*



### **Addressing Financial Choke Points Could Reduce COVID-19 Fraud Risks**

We are encouraged that the Trump Administration has devoted significant resources across many agencies to cracking down on scams related to COVID-19.<sup>24</sup> We are also pleased to see consumer protection agencies like the Federal Trade Commission working hard to educate consumers about fraud linked to the pandemic.<sup>25</sup> However, the scourge of coronavirus fraud will not be significantly reduced by enforcement and consumer education alone.

In particular, policy steps to address scammers' reliance on vulnerable payment systems are needed to augment enforcement and education efforts. For example, the Electronic Fund Transfer Act (EFTA) and Fair Credit Billing Act (FCBA) provide consumers with important liability protections when credit and debit cards are used fraudulently. We believe that protections modeled after the EFTA and FCBA should be extended to other payment mechanisms that fraudsters rely on, such as wire transfers, gift cards and bank account debit (also known as ACH fraud).

At NCL's Fraud.org website we are also receiving a steady stream of reports of scammers using so-called P2P payment services like PayPal's "friends and family" service, Venmo, Zelle and Cash App to defraud consumers. We recently met with PayPal to discuss how users of their services could be better protected. While these initial meetings have been encouraging, we would urge the members of the subcommittee to work with colleagues on the Financial Services Committee and other committees of jurisdiction to develop policies that better protect users of P2P payment services from fraud of all kinds, particularly scams linked to COVID-19.

---

<sup>24</sup> National Consumers League. "NCL praises AG Barr for crackdown on COVID-19 scammers." Press release. March 25, 2020. Online: [https://www.nclnet.org/barr\\_crackdown](https://www.nclnet.org/barr_crackdown)

<sup>25</sup> See, e.g. Federal Trade Commission. "Coronavirus (COVID-19) Pandemic: The FTC in Action." Online: <https://www.ftc.gov/coronavirus>

**Conclusion**

Chairwoman Schakowsky and the members of the subcommittee, we thank you for your continuing work to protect consumers and for holding this hearing. On behalf of the National Consumers League, thank you for including the consumer perspective as you consider these important issues.

Ms. SCHAKOWSKY. Well, thank you.  
And now Mr. Quaadman is recognized for 5 minutes.

**STATEMENT OF THOMAS QUAADMAN**

Mr. QUAADMAN. Thank you, Chairwoman Schakowsky, Ranking Member McMorris Rodgers, members of the subcommittee. I appreciate the opportunity to testify before you today.

COVID-19 has had profound impacts on our society. It has changed how people live, work, learn, and how they provide for their daily needs. It has changed how businesses operate and how they interact with their customers. It has also revealed shortcomings in the digital ecosystem and both our private and public ecosystems.

Addressing these issues will help everyday Americans get through the crisis, assist in finding vaccines and treatments, create the marketplace of the future, provide consumers with more information, choices, and opportunities, and establish new efficiencies in the private and public sectors while promoting opportunities for economic recovery and job creation.

The business community and tech industry have been rising to meet these challenges.

Splunk, TransUnion, and Salesforce have been leading a data-driven approach to track COVID-19 and help businesses reopen. HERE, SAS, SAP, and Facebook have systems helping with mapping and tracking of COVID-19. IBM, Oracle, RELEX, SAP, Google, and Microsoft are using databases, supercomputing, cloud, and AI technology to help with medical research.

TransUnion is providing consumers with free weekly credit reports as well as giving tools to help consumers to protect their identity and credit. Amazon and 3M are fighting price gouging. Amazon is removing counterfeit products from its platforms.

AT&T, Charter, Comcast, and Verizon are keeping people connected regardless of their ability to pay. Intel, AT&T, and Charter are helping low-income students with distance learning. Uber, Lyft, and Postmates are providing aid to their workers. Instacart is in the process of or has hired 550,000 shoppers to help with on-demand grocery delivery.

The Chamber, since mid-March, has convened almost 200,000 people to explore resolution of these issues, to help educate businesses on reopening, as well as to help with relief efforts.

Indeed, the Global Brands Council of our Global Innovation Policy Center has developed and published a guide for consumers on how they can identify and avoid counterfeit goods. Indeed, the Global Brands Council has been working with DHS and other government agencies to get counterfeit goods out of the marketplace.

Other actions must be taken to assist consumers and spur economic recovery and job creation. America needs a national data privacy bill. Our counterparts have a unitary regulatory system, whereas we have a patchwork of State and Federal regulations. We need one system of regulation to provide uniformity for consumers and businesses throughout the United States. We also need to address the cost of implementation. The California CCPA regulations will cost small businesses \$50,000 each with implementation. We need to ensure that consumers have the privacy protections that

they need and that we can make sure that the U.S. is competitive in a global economy.

Americans need connectivity to provide for families and to be productive. Broadband deployment, including 5G, and the resolution of remote learning issues are important steps forward. The Chamber, in the last 10 days, has issued principles on broadband deployment and closing the homework gap. We must also develop strategies to ensure U.S. global tech leadership, such as rational policies for AI, automated vehicles, and UAS. These will all be important drivers of economic growth.

While promoting technology leadership, industry and Congress must work together to prevent scams amongst our most vulnerable, ensuring consumers are getting the products they were purchasing, and establishing safe work environments. Businesses also need temporary, targeted, and timely liability provisions in order to re-open and operate during the COVID emergency.

Let me be clear: Bad actors must be held accountable and prosecuted to the full extent of the law, but Congress must set a floor to help create a uniform safe harbor in a federalist system. This has been done in other COVID legislation. If businesses are following the law or State guidelines, they shouldn't be sued.

We look forward to working with the subcommittee on these issues, and I am happy to take any questions you may have.

[The prepared statement of Mr. Quaadman follows:]

**BEFORE THE U.S. HOUSE ENERGY AND COMMERCE COMMITTEE,  
SUBCOMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
Hearing on “Consumers Beware: Increased Risks During the COVID-19 Pandemic”  
Testimony of Tom Quaadman  
Executive Vice President, Chamber Technology Engagement Center**

**July 9, 2020**

Good afternoon, Chairwoman Schakowsky, Ranking Member McMorris Rodgers, and distinguished members of the House Subcommittee on Consumer Protection and Commerce. My name is Tom Quaadman and I am the Executive Vice President of the Chamber Technology Engagement Center (or C\_TEC), the Chamber Global Innovation Policy Center, and Center for Capital Markets Competitiveness. C\_TEC was created to promote the role of technology in our economy and to advocate for rational policies that drive economic growth, spur innovation, and create jobs. C\_TEC understands that the COVID-19 Pandemic in addition to the human toll of infections has also fundamentally changed how Americans are going about their daily lives, whether it be through parents acting as part-time teachers, office employees having to telecommute, or patients making visits to the doctor online.

COVID-19 represents one of the greatest challenges to the nation in the twenty-first century and affects nearly every facet of our everyday lives. At the same time, the private sector is leading efforts to mitigate the pandemic while planning for economic recovery. The response to COVID-19 also implicates many privacy issues for consumers, and for that reason, the Chamber calls on Congress to pass national privacy legislation that protects all Americans equally. Finally, in order to spur economic recovery, Congress should grant companies targeted, timely, and temporary liability protections to ensure that companies can safely and quickly open and bring back jobs.

**I. THE PRIVATE SECTOR IS LEADING THE COVID-19 RESPONSE**

The private sector is leading America’s COVID-19 response by, among other things, funding pandemic mitigation, embracing technology to track and monitor the virus, reconfiguring legacy systems to tackle present challenges, and keep Americans connected to the Internet.<sup>1</sup> Technology companies in particular are acting as a force for good and were even doing so in the lead up to the COVID-19 pandemic. C\_TEC launched a multistate tour in 2019, TecNation, to showcase how companies were embracing technology through a data-driven society, a smart and connected infrastructure ecosystem, and an upskilled workforce. In May 2020, C\_TEC released a report detailing the tour’s findings.<sup>2</sup>

**A. Data and Technology for Good**

<sup>1</sup> See Corporate Aid Tracker: COVID-19 Business in Action (2020) available at <https://www.uschamberfoundation.org/aid-event/corporate-aid-tracker-covid-19-business-action>.

<sup>2</sup> Chamber Technology Engagement Center, “TecNation: How the American Economy is Benefiting from Innovations in Technology,” (May 2020) available at [https://americaninnovators.com/wp-content/uploads/2020/05/C\\_TEC-TecNation-Report-2020.pdf](https://americaninnovators.com/wp-content/uploads/2020/05/C_TEC-TecNation-Report-2020.pdf).

Companies are leveraging data to track the spread of COVID-19, analyze social distancing, and ensure the adequate deployment of resources. For example, researchers and leaders from the Allen Institute for AI, Chan Zuckerberg Initiative (CZI), Georgetown University's Center for Security and Emerging Technology (CSET), Microsoft, and the National Library of Medicine (NLM) at the National Institutes of Health released the *COVID-19 Open Research Dataset (CORD-19)* of scholarly literature about COVID-19, SARS-CoV-2, and the coronavirus group.<sup>3</sup>

The dataset represents the most extensive machine-readable coronavirus literature collection available for data and text mining and responds to a call to action by the White House Office of Science and Technology Office. The COVID-19 Open Research Dataset (CORD-19) is a free resource of over 181,000 scholarly articles about COVID-19 and the coronavirus family of viruses for the use by the global research community. The dataset was created by the Allen Institute for AI in partnership with the Chan Zuckerberg Initiative, Georgetown University's Center for Security and Emerging Technology, Microsoft Research, IBM, and the National Library of Medicine - National Institutes of Health, in coordination with The White House Office of Science and Technology Policy. The goal of the project is to save researchers the trouble of sifting through a crush of studies, and to give them some clarity on things like how long the virus stays on different surfaces, the number of days it incubates in humans, and whether smoking is a risk factor.

Other companies are also helping in the following ways:

- Splunk created an interactive COVID-19 Dashboard to provide a data-driven approach to track COVID-19. An individual or organization can download a Splunk app, populate it with their own data, and use it to help get a better understanding of the data behind the pandemic. The Dashboard will help leaders bring data to every potential response to best ensure public safety.<sup>4</sup>
- HERE used data to create an interactive mapping and tracking tool displaying the spread of COVID-19 over time. The map provides an overview of the latest situation, including the total number of confirmed cases, as well as deaths and recoveries.<sup>5</sup>

The company also introduced HERE WeGo Deliver, a delivery service that allows businesses to plan delivery routes and manage drivers directly, for no cost until the end of 2020.<sup>6</sup>

<sup>3</sup> Semantics Scholar, "CORD-19: COVID-19 Open Research Dataset," (July 2020) available at <https://www.semanticscholar.org/cord19>

<sup>4</sup> Doug Merrit, Splunk, "Bringing Data to COVID-19," (March 14, 2020) available at [https://www.splunk.com/en\\_us/blog/leadership/bringing-data-to-covid-19.html](https://www.splunk.com/en_us/blog/leadership/bringing-data-to-covid-19.html)

<sup>5</sup> HERE, "Tracking Coronavirus COVID-19," (July 5, 2020) available at <https://app.developer.here.com/coronavirus/>

<sup>6</sup> HERE, "WeGo Deliver," (July 6, 2020) available at <https://www.here.com/wegodeliver>

- Researchers at the Energy Department are using IBM's supercomputer to identify drug compounds to disable the coronavirus. IBM Research has also been actively developing new cloud and AI-powered technologies to help researchers, doctors, and scientists accelerate COVID-19 drug discovery.<sup>7</sup>
- Oracle has set up a cloud system that would help the U.S. government find a cure for COVID-19 faster. The company also set up and donated to the U.S. government a "therapeutic learning system," which would allow doctors and patients to record responses to promising COVID-19 drug therapies.<sup>8</sup>
- In India, Infosys Foundation, the philanthropic and CSR arm of Infosys, has committed Rs 100 crore (roughly \$13 million USD). The fund, a company statement said, will be utilized to expand hospital capacity and enable hospital stay for COVID-19 patients, with the focus on economically weaker sections.<sup>9</sup>

Infosys BPM, in association with NASSCOM, is working with the Government of Karnataka, to facilitate outreach to people in the State, returning from overseas travel, about self-quarantining practices and testing facilities. Infosys Foundation is partnering with the state government in Karnataka to help set up a medical facility to address the healthcare needs of citizens affected by the coronavirus. And, Infosys Foundation in the U.S. is opening up its learning platform for teachers so that they can continue to teach their students from home.

- Intel announced a \$50 million coronavirus relief program designed to support more research, technology for patient care, and help for lower income students' distance-learning needs. Ten million dollars of the pledge will be set aside to help fund employee-led and community efforts.<sup>10</sup>
- RELX is opening its Elsevier database with research and health information to the public. This includes peer-reviewed research and journals for researchers, care plans and skills guides for clinicians, and video resources for patients.<sup>11</sup>

<sup>7</sup> Dave Turek, IBM, "US Dept of Energy Brings the World's Most Powerful Supercomputer, the IBM POWER9-based Summit, Into the Fight Against COVID-19," (July 2, 2020) available at <https://newsroom.ibm.com/US-Dept-of-Energy-Brings-the-Worlds-Most-Powerful-Supercomputer-the-IBM-POWER9-based-Summit-Into-the-Fight-Against-COVID-19>

<sup>8</sup> Benjamin Pimentel and Rob Price, *Business Insider*, "Oracle tells employees it donated a COVID-19 'therapeutic learning system' that can help speed up the development of a treatment to the US government," (March 31, 2020) available at <https://www.businessinsider.com/oracle-cloud-therapeutic-learning-system-tools-covid-19-cure-2020-3>

<sup>9</sup> PTI, "Infosys Foundation Commits Rs 100 Crore In Fight Against Covid-19 In India," (March 31, 2020) available at <https://www.bloomberquint.com/business/infosys-foundation-commits-rs-100-crore-in-fight-against-covid-19-in-india>

<sup>10</sup> Ina Fried, *Axios*, "Intel pledges \$50 million to coronavirus relief," (April 7, 2020) available at <https://www.axios.com/intel-50-million-coronavirus-relief-pledge-a2a82401-c1d5-4a75-9ccf-405087a9cbfd.html>

<sup>11</sup> Elsevier, "Elsevier gives full access to its content on its COVID-19 Information Center for PubMed Central and other public health databases to accelerate fight against coronavirus," (March 13, 2020) available at

- SAS launched an interactive coronavirus dashboard that depicts status, location, and spread of the virus, including trend and location analytics.<sup>12</sup> Users can analyze data at the state and country level and see the latest on case status over time (confirmed, recovered, active, deaths), mortality and recovery rates, visualizations of the spread over time, and country-to-country comparisons. The dashboard has prompted collaborations with state health departments to create custom dashboards to help state leaders make better decisions as they manage an unprecedented crisis.
- SAP is opening access to its technology in the effort to help address global challenges caused by the COVID-19 outbreak.<sup>13</sup> SAP technology platforms – Ariba, TripIt, Litmos, and Qualtrics – are engaged in responding to the COVID-19 outbreak by providing free access to their services. Services include: access to business networks to help maintain supply chains; automated feedback solutions for remote workforce preparedness; travel updates on itinerary updates and flight monitoring; and video-based courses to train teams, leaders, and employees to work effectively.

GENYOUth and SAP have partnered to provide SAP4Kids, which are two free, easy-to-use web applications for organizations, communities, governments, and schools to connect those in need with local resources.<sup>14</sup>

- TransUnion has partnered with several US-based healthcare technology companies to build a framework for how America can safely reopen. The solution centers on the combination of a national COVID-19 database that can track valid testing results with a consumer-facing application (called TruPass) to fast-track health screening procedures in large public settings, like office building, airports, concerts, sporting events, etc.<sup>15</sup>
- Salesforce announced to its customers that it would offer free services to emergency response teams through its Health Cloud program.<sup>16</sup> Tableau, owned by Salesforce, is also offering a ‘free data resource hub’ to help organizations understand coronavirus

---

<https://www.elsevier.com/about/press-releases/corporate/elsevier-gives-full-access-to-its-content-on-its-covid-19-information-center-for-pubmed-central-and-other-public-health-databases-to-accelerate-fight-against-coronavirus>

<sup>12</sup> SAS, “2019 Novel Coronavirus,” (July 6, 2020) available at <https://tbub.sas.com/COVID19/>

<sup>13</sup> SAP Users, “SAP Solution Offerings,” (March 23, 2020) available at <https://www.sapusers.org/news/687/sap-solution-offerings-for-covid-19>

<sup>14</sup> SAP, “SAP4Kids Ensuring Students and Families in Need Can Access Critical Resources,” (July 6, 2020) available at <https://www.sap.com/cmp/oth/crm-ps20-psl-hecsynd/index.html>

<sup>15</sup> TransUnion Solutions, “TransUnion: Healthy America,” (July 6, 2020) available at <https://solutions.transunion.com/healthy-america/?=undefined>

<sup>16</sup> Salesforce, “Salesforce Care for Health: No Cost COVID-19 Care Response Solution,” (March 16, 2020) available at <https://www.salesforce.com/blog/2020/03/covid-19-care-response-solution-healthcare.html>



data quickly using data from Johns Hopkins University as well as the World Health Organization (WHO) and the Centers for Disease Control and Prevention (CDC).<sup>17</sup>

- Google's DeepMind has also released predictions to help scientists better understand the protein structure of the coronavirus.<sup>18</sup> In addition, Verily is developing a small, body-worn temperature patch that transmits data to a phone application to provide timely notification of fever and support earlier diagnosis and treatment of a viral infection like the flu or coronavirus. This could be especially useful in elderly populations, where viral infections have higher rates of morbidity and mortality.<sup>19</sup>
- Facebook has begun publishing daily maps that show where its users have reported early symptoms of the coronavirus, drawn from a new partnership with universities aimed at helping public health officials determine where the next big outbreaks may occur. The maps come from a survey conducted by researchers at Carnegie Mellon University in Pittsburgh. The researchers say the results correlate with confirmed cases of the coronavirus, and that the findings could yield earlier insights into which U.S. counties are most at risk.<sup>20</sup>
- Amazon, to triage needs, is temporarily prioritizing household staples, medical supplies, and other high demand products.

To protect consumers, Amazon is working to ensure that no sellers are artificially raising prices on basic need products during the pandemic and have blocked or removed tens of thousands of items.<sup>21</sup>

- Blackberry, to provide the highest level of security for employee devices, is offering free for 60 days cybersecurity software solutions, including secure remote access for desktops and laptops, secure messaging and phone calls, and employee safety and advanced endpoint protection.<sup>22</sup>

<sup>17</sup> Tableau, "COVID-19 Data Hub," (July 6, 2020) available at <https://www.tableau.com/covid-19-coronavirus-data-resources>

<sup>18</sup> Deepmind, "Computation predictions of protein structures associated with COVID-19," (April 8, 2020) available at <https://deepmind.com/research/open-source/computational-predictions-of-protein-structures-associated-with-COVID-19>

<sup>19</sup> Google Blog, "Coronavirus: How we're helping," (March 6, 2020) available at <https://www.blog.google/inside-google/company-announcements/coronavirus-covid19-response/>

<sup>20</sup> Data for Good, Facebook, "COVID-19 Interactive Map & Dashboard," (July 6, 2020) available at [https://covid-survey.dataforgood.fb.com/?date=2020-07-03&dates=2020-04-24\\_2020-07-03&region=WORLD](https://covid-survey.dataforgood.fb.com/?date=2020-07-03&dates=2020-04-24_2020-07-03&region=WORLD)

<sup>21</sup> Day One, Amazon, "Amazon's COVID-19 blog: daily updates on how we're responding to the crisis," (July 1, 2020) available at <https://blog.aboutamazon.com/company-news/amazons-actions-to-help-employees-communities-and-customers-affected-by-covid-19>

<sup>22</sup> BlackBerry, "BlackBerry to Help Enable Remote Working Initiatives, Announces Free Availability of Secure Communication Solutions," (March 23, 2020) available at <https://www.blackberry.com/us/en/company/newsroom/press-releases/2020/blackberry-enables-remote-working-announces-free-availability-of-secure-communication-solutions>

## B. Keeping Americans Connected

American broadband providers have been able to meet shifting connectivity demands while also voluntarily keeping households connected during the pandemic. Fortunately, due in part to the current administration's internet governance policies, U.S. broadband carriers have been able to meet the shifting demand<sup>23</sup> while voluntarily keeping households<sup>24</sup> that are unable to make payments connected. Despite its global leadership in quality of connectivity, the COVID-19 pandemic and its associated shutdown of businesses and schools have exacerbated the Digital Divide. In particular, rural connectivity lags and many lower income families lack the necessary digital tools to connect. Additionally, as people are unable to visit their doctors, they need to use new tools to stay healthy. The U.S. Chamber of Commerce recently released principles to achieve the goal of providing digital opportunity to all calling for smart and targeted funding and permitting reform.<sup>25</sup>

It is important to note how America's broadband providers are meeting the challenges of COVID-19 for their consumers:

- Along with other connectivity companies, including Comcast and Charter, AT&T is removing barriers like data caps and fees, to provide relief for those caught up in the pandemic. These come as part of a pledge led by FCC Chairman Ajit Pai that also asks companies to open public Wi-Fi hotspots and waive late fees.<sup>26</sup>

AT&T also announced that it will support nurses and physicians with three months of free service.<sup>27</sup>

AT&T is also creating a \$10 Million Distance Learning and Family Connections Fund to give parents, students, and teachers tools they need for at-home learning.<sup>28</sup>

<sup>23</sup> Bret Swanson, AEI, "The internet vs. COVID-19," (April 9, 2020) available at <https://www.aei.org/technology-and-innovation/the-internet-vs-covid-19/>

<sup>24</sup> Federal Communications Commission, "Companies Have Gone Above and Beyond the Call to Keep Americans Connected During Pandemic," (July 6, 2020) available at <https://www.fcc.gov/companies-have-gone-above-and-beyond-call-keep-americans-connected-during-pandemic>

<sup>25</sup> See Jordan Crenshaw "COVID-19 Illustrates Why Congress Must Act Now on Broadband," (June 23, 2020) available at <https://www.uschamber.com/series/above-the-fold/covid-19-illustrates-why-congress-must-act-now-broadband>.

<sup>26</sup> AT&T, "COVID-19: Our Response," (July 2, 2020) available at <https://about.att.com/pages/COVID-19.html>

<sup>27</sup> AT&T, "AT&T Delivers "Some Good News" to Nurses and Physicians," (April 12, 2020) available at [https://about.att.com/story/2020/fn\\_free\\_service.html](https://about.att.com/story/2020/fn_free_service.html)

<sup>28</sup> AT&T, "AT&T Supports Families & Educators During COVID-19 School Closures," (March 20, 2020) available at [https://about.att.com/story/2020/distance\\_learning\\_family\\_connections.html](https://about.att.com/story/2020/distance_learning_family_connections.html)

- Comcast Business launched a webinar series to help businesses of all sizes navigate the current environment, including strategies on how to rethink their short- and long-term goals and leverage technology to remain productive and nimble with their operations.<sup>29</sup>

Comcast has also announced several new policies the company will be implementing. They will be offering Xfinity WiFi for everyone, including non-Xfinity internet subscribers.<sup>30</sup> Xfinity Wifi hotspots will be available across the country for free. When at a hotspot, people can connect to the internet by selecting “xfinitywifi” as the network name in the list of available hotspots and launch a browser.

As many people will be working from home, Comcast has also announced it will be pausing its data plans. Customers will receive unlimited data for no extra charge.

- In addition to signing on to the Keep Americans Connected Pledge, Charter is offering free Spectrum broadband and Wi-Fi access for 60 days to households with K-12 and/or college students who do not already have a Spectrum broadband subscription and at any service level up to 100 Mbps.<sup>31</sup> To help some exceptional students who want to pursue their dreams but have limited financial means, Charter recently launched Spectrum Scholars—a two-year educational program for eligible rising juniors with financial need.<sup>32</sup>

Charter will also partner with school districts to ensure local communities are aware of these tools to help students learn remotely. Charter will continue to offer Spectrum Internet Assist, high-speed broadband program to eligible low-income households delivering speeds of 30 Mbps.

To help small businesses navigate the economic challenges, Charter has rolled out new online tools and resources on the Spectrum Business website, including links to the federal Small Business Administration’s (SBA) various pandemic-related financial assistance programs.<sup>33</sup>

---

<sup>29</sup> Comcast Business, “Comcast Business Launches Webinar Series to Support Businesses of All Sizes,” (April 13, 2020) available at <https://business.comcast.com/about-us/press-releases/2020/comcast-business-launches-webinar-series-to-support-business-of-all-sizes>

<sup>30</sup> Xfinity, “Xfinity WiFi Hotspot Access Opens Nationwide in Response to Coronavirus,” (July 2020) available at <https://www.xfinity.com/support/articles/open-xfinity-wifi-hotspots>

<sup>31</sup> Charter Communications, “Charter to Offer Free Access to Spectrum Broadband and Wi-Fi For 60 Days For New K-12 and College Student Households and More,” (March 13, 2020) available at <https://corporate.charter.com/newsroom/charter-to-offer-free-access-to-spectrum-broadband-and-wifi-for-60-days-for-new-k12-and-college-student-households-and-more>

<sup>32</sup> Charter Communications, “Charter Launches Spectrum Scholars, Awarding \$400,000 In Scholarships to Eligible College Students,” (May 5, 2020) available at <https://corporate.charter.com/newsroom/charter-launches-spectrum-scholars-awarding-400000-in-scholarships-to-eligible-college-students>

<sup>33</sup> Charter Communications, “Charter Helps Small Businesses Navigate Economic Challenges,” (April 28, 2020)

- Verizon has also signed on to the Keep Americans Connected pledge, waiving overage charges and late fees for customers. The company is adding 15GB of data for no charge to the plans of wireless and small business customers.<sup>34</sup>

To help ensure consumers have access to trusted and reliable news and content, Verizon has also created a coronavirus hub page across the Yahoo ecosystem.<sup>35</sup>

Over the weekend of March 28-29, Verizon worked with the U.S. Navy to deliver connectivity for the Navy hospital ship USNS Comfort, a Navy medical treatment facility that includes 1,000 hospital beds, 12 operating rooms, radiology capabilities, and a pharmacy.<sup>36</sup>

### C. Delivery and Gig Economy

Businesses in the gig and delivery economy are playing a fundamental role in meeting consumer needs, as Americans enact social distancing. In some locations, restaurants, bars, and cafes are now restricted to takeout and delivery orders only. Delivery-based businesses are taking steps to protect consumers and support restaurants and workers.

- Uber is giving away over 300,000 free meals to health workers and first responders who are helping combat the coronavirus. The company is providing financial assistance of up to 14 days for drivers and delivery people who have been diagnosed with the virus or asked to self-isolate.<sup>37</sup>

UberEats is waiving delivery fees for more than 100,000 independent restaurants across the U.S. and Canada. To protect customers and drivers, it is urging customers to use the “delivery notes” feature to have drivers leave orders at the doorstep to limit contact.

The platform is coordinating with the Federal Motor Carrier Safety Administration to prioritize moving loads of relief goods, including cleaning supplies, food, and toilet paper.

- To support and protect drivers, Lyft is providing funds should they be diagnosed with the coronavirus or put under individual quarantine by a public health agency, and has

---

available at <https://corporate.charter.com/newsroom/charter-helps-small-businesses-navigate-economic-challenges>

<sup>34</sup> Verizon, “We’re here. And we’re ready,” (July 6, 2020) available at <https://www.verizon.com/about/news/our-response-coronavirus>

<sup>35</sup> Yahoo! News, “Coronavirus: Latest news on the global spread and response,” (July 6, 2020) available at <https://news.yahoo.com/coronavirus/>

<sup>36</sup> Verizon, “4/16 Update: Verizon teams on the frontlines with COVID-19 first responders,” (April 16, 2020) available at <https://www.verizon.com/about/news/325-update-verizon-teams-frontlines-covid-19-first-responders>

<sup>37</sup> Uber Newsroom, “Supporting the restaurant industry through an uncertain season,” (March 16, 2020) available at <https://www.uber.com/newsroom/food-not-finances/>

partnered with EO Products to distribute more than 200,000 bottles of hand sanitizer and other cleaning supplies to drivers, at no cost to them.<sup>38</sup>

- Postmates is offering reduced delivery fees, making on-demand delivery more accessible. To protect and support customers and drivers, Postmates launched non-contact deliveries and established the Postmates Fleet Relief Fund, which aids in covering the cost of co-pays, medical expenses, and sick leave related to COVID-19. The company is also working with Congress to expand a paid sick leave tax credit to all eligible contractors who are on the Postmates platform.<sup>39</sup>

Postmates is also expanding an aid program for its delivery workers affected by COVID-19 to include relief for some parents and caregivers left without childcare or who are caring for sick family members.<sup>40</sup>

- Instacart brought on an additional 300,000 full-service shoppers – more than doubling its shopper community – across North America to meet the increasing customer demand for online grocery delivery and pickup in the U.S. and Canada.<sup>41</sup>

After meeting this goal, the company is now planning to bring on an additional 250,000 full-service shoppers in an effort to get back to same-day delivery.<sup>42</sup>

- Cruise repurposed a small portion of its fleet to help during the crisis, providing over 1,200 contactless deliveries to low-income, senior citizens in partnership with the SF-Marin Food Bank.<sup>43</sup> The company is also supporting the SF New Deal,<sup>44</sup> and has already delivered over 2,500 meals connecting local small businesses to communities impacted by COVID-19.

<sup>38</sup> Lyft, “Lyft’s latest on COVID-19,” (July 6, 2020) available at <https://www.lyft.com/safety/coronavirus>

<sup>39</sup> Postmates, “Postmates Coronavirus (COVID-19) Response,” (March 13, 2020) available at <https://blog.postmates.com/postmates-coronavirus-covid-19-response-94ecf5b1bbc2>

<sup>40</sup> Candy Cheng, *Bloomberg*, “Postmates Adds Childcare Stipend for Struggling Delivery Workers,” (April 20, 2020) available at <https://www.bloomberg.com/news/articles/2020-04-20/postmates-adds-childcare-stipend-for-struggling-delivery-workers>

<sup>41</sup> Instacart, “Expanding Our Community of Household Heroes: A Thank You from Apoorva Mehta, Instacart Founder & CEO,” (March 23, 2020) available at <https://news.instacart.com/expanding-our-community-of-household-heroes-a-thank-you-from-apoorva-mehta-instacart-ceo-3e596b5d05a9>

<sup>42</sup> Instacart, “Continued Support for the Shopper Community,” (April 23, 2020) available at <https://medium.com/shopper-news/continued-support-for-the-shopper-community-22249eb59ce>

<sup>43</sup> Andrew J. Hawkins, *The Verge*, “Cruise redploys some of its self-driving cars to make food deliveries in San Francisco,” (April 29, 2020) available at <https://www.theverge.com/2020/4/29/21241122/cruise-self-driving-car-deliveries-food-banks-sf>

<sup>44</sup> SF New Deal, “Partnering with small businesses and community organization to provide income for workers and meals for neighbors in need,” (July 6, 2020) available at <https://sfnewdeal.org/>

## II. AMERICA NEEDS A NATIONAL DATA PRIVACY LAW

As referenced above, data will be critical to combatting the coronavirus and the nation's economic recovery. Congress should enact a national privacy law that protects all Americans equally. Fundamental to any data protection regime is the question of which entities have jurisdiction to make rules. The Chamber strongly asserts that data privacy is inherently a national and interstate commerce issue that requires a single, unified national privacy law, which protects all Americans equally. The European Union adopted the General Data Protection Regulation ("GDPR") with a goal of creating a unified regulatory regime. The California Consumer Privacy Act ("CCPA"), the law that contributed significantly to the call for national privacy legislation, recognizes the importance of a unified privacy framework. The California Assembly specifically stated that the CCPA "is a matter of statewide concern and supersedes and preempts all rules, regulations, codes, ordinances, and other laws adopted by a city, county municipality, or local agency regarding the collection and sale of consumers' personal information by a business."<sup>45</sup> If Congress wants to follow California's lead, it should do so in recognizing the need for a unified, national privacy standard.

A national privacy standard is good for both consumers and businesses, because it eliminates confusion over which privacy rights consumers have and how they can exercise them. A national privacy standard is also necessary for small businesses to compete in the marketplace. For example, according to estimates commissioned by the Attorney General of California in its Regulatory Impact Analysis ("RIA"), CCPA is expected to impose up to \$55 billion in compliance costs on up to approximately 570,066 California businesses.<sup>46</sup> The RIA also estimates that small businesses with fewer than 25 employees will bear up to \$50,000 in compliance costs, which instead could have been used to hire new employees or provide benefits.

Unfortunately, the California RIA's estimates do not take into consideration lost revenue or increased compliance costs associated with potentially conflicting privacy laws in other states. The California RIA also fails to account for the costs to businesses located outside California that do business in California and are still required to comply with CCPA's regulations. Under CCPA, the new law considers companies doing business in California that share, for a business purpose, the personal information of 50,000 or more California consumers, households, or devices to be a covered business, which could easily subject a small business to CCPA

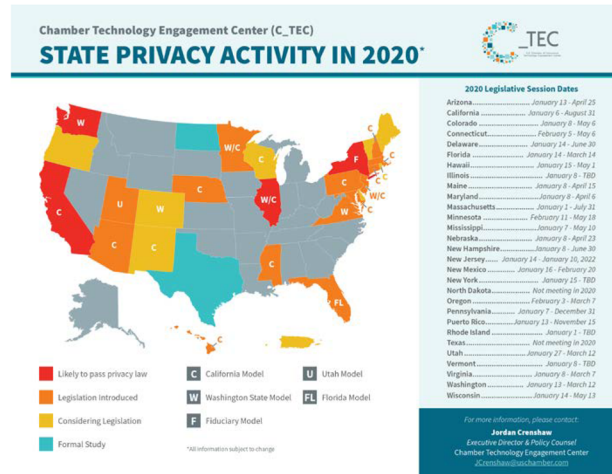
---

<sup>45</sup> CAL. CIV. CODE § 1798.180.

<sup>46</sup> See Standardized Regulatory Impact Assessment: California Consumer Privacy Act of 2019 at 11, 22 (August 2019) available at [http://www.dof.ca.gov/Forecasting/Economics/Major\\_Regulations/Major\\_Regulations\\_Table/documents/CCPA\\_Regulations-SRIA-DOF.pdf](http://www.dof.ca.gov/Forecasting/Economics/Major_Regulations/Major_Regulations_Table/documents/CCPA_Regulations-SRIA-DOF.pdf).

requirements.<sup>47</sup> The New York model imposes a fiduciary duty upon data controllers and requires opt-in consent for data processing.<sup>48</sup>

The Chamber has identified approximately 25 states that are considering some version of privacy legislation. These proposals vary in form from models based on CCPA to GDPR-like models in states like Washington and Virginia to fiduciary duty concepts in New York.<sup>49</sup> The California model of privacy bills grants consumers the right to opt out of data sales, have data deleted, and access personal information. The Washington model would grant consumers correction rights and has a different threshold for protecting small businesses.<sup>50</sup> Small business would be covered in some states but not others and companies operating in good faith following the strict letter of the law in states like California and Washington could still be penalized in states like New York if they are found liable under a very “best interests of the consumer” standard. Congress should follow the lead of proposals like those coming out of Arizona calling for a national privacy standard.



At the same time, the California Attorney General just finalized regulations for CCPA and a new ballot initiative is proposed that could fundamentally change California’s privacy law,

<sup>47</sup> CAL. CIV. CODE §1798.140(C)(1).

<sup>48</sup> See S 5642 (NY 2019) available at <https://legislation.nysenate.gov/pdf/bills/2019/S5642>.

<sup>49</sup> See U.S. Chamber State Data Privacy Heat Map available at <https://americaninnovators.com/data-privacy/>.

<sup>50</sup> See SB 6281 (WA 2020) available at <https://app.leg.wa.gov/committeeschedules/Home/Documents/26273?//ENET/////year>.

by adding new substantive requirements. Small businesses will have great difficulty competing in such an environment. For example, even independent florists and wineries in California are finding it difficult to comply with just the CCPA.<sup>51</sup> Requiring small businesses to comply with a regime of potentially conflicting state laws would harm the ability of start-ups and independent businesses to compete, especially when they are coping disproportionately with shutdowns as a result of COVID-19.

The Chamber calls for the Committee to incorporate language into a privacy bill that provides clarity that privacy rules should only be promulgated on a national level—and not through a state patchwork—in order to encourage certainty and eliminate consumer confusion. Additionally, any coronavirus-specific privacy legislation should be examined in light of the ability of companies, particularly small businesses, to safely reopen.

### III. TEMPORARY, TARGETED, AND TIMELY LIABILITY PROTECTIONS

Businesses of all types and sizes are working around the clock to get our nation through the COVID-19 pandemic, and employers are trying hard to protect their employees and customers in an environment filled with incomplete and inconsistent information. The growing risk of opportunistic lawsuits against businesses poses a significant barrier in their ability to bounce back from the COVID-related economic crisis.

As the economy starts to restart, employers reopening their operations (as well as businesses who remained open due to being deemed “essential”) need to know that if they have taken reasonable steps to follow public health guidelines, they will be protected against inappropriate litigation. Without temporary and targeted liability protections, many companies face a daunting choice: stay closed and risk bankruptcy or reopen and risk a business-crippling lawsuit. We must be laser-focused getting the American economy back on track safely and sustainably and absent a targeted safe harbor for those that work to follow applicable guidelines, the fear and uncertainty from boundless liability will work to impede our country’s social and economic recovery. In the wake of prior crises, Congress came together to pass timely and targeted liability protections with strong bipartisan support because lawmakers understood the acute economic threat of lawsuits at moments of maximum economic vulnerability. And while Congress has acted to provide some limited COVID-19-related liability protections for volunteer healthcare providers and some manufacturers of PPE in the CARES Act, the business, non-profit, and educational communities believe that much more must be done.<sup>52</sup>

<sup>51</sup> Jim Relles, *Sacramento Business Journal*, “Another Voice: The new California privacy law will hurt Sacramento small businesses,” (February 28, 2020), available at <https://www.bizjournals.com/sacramento/news/2019/02/28/another-voice-the-new-california-privacy-law-will.html>; John Kautz, *The Modesto Bee*, “New privacy law puts California wineries at a competitive disadvantage,” (June 4, 2020) available at <https://www.modbee.com/opinion/opn-columns-blogs/community-columns/article231186233.html>.

<sup>52</sup> Alex Gangitano, *the Hill*, “Restaurant, travel, retail industries call for liability shield for businesses,” (May 11, 2020) available at <https://thehill.com/business-a-lobbying/business-a-lobbying/497161-restaurant-travel-and-retail-industry-call-for>; U.S. Chamber of Commerce, “Coalition Letter on Liability Relief Legislation,” (May 20, 2020)



We ask that Congress enact temporary liability protections that are limited in scope and preserve recourse for those harmed by truly bad actors who engage in egregious misconduct. These protections should focus on:

- Businesses, non-profit organizations, and educational institutions that work to follow applicable public health guidelines against COVID-19 exposure claims;
- Healthcare workers and facilities providing critical COVID-19-related care and services;
- Manufacturers, donors, distributors, and users of vaccines, therapeutics, medical devices, as well as PPE and other supplies (such as hand sanitizer and cleaning supplies) that are critical to the COVID-19 response; and
- Public companies targeted by unfair and opportunistic COVID-19-related securities lawsuits.

While the focus of the American public has rightly been on mitigating the health consequences of the COVID-19 pandemic, some plaintiffs' lawyers have made clear that they have different plans: burdening American businesses with meritless and abusive civil litigation. Unless Congress enacts appropriate protections, the impact of the approaching litigation storm could very easily swamp our nation's economic recovery.

#### IV. Conclusion

The Chamber stands ready to work with Congress and the Subcommittee to enact policies that help mitigate the detrimental effects of the COVID-19 pandemic to public health and the economy. Consumers should feel comfortable that they are protected against scams, companies are doing their best to provide solutions, and industry is protecting their privacy. A national privacy law coupled with timely, targeted, and temporary liability protections would help America quickly and safely return to work.

---

available at <https://www.uschamber.com/letters-congress/coalition-letter-liability-relief-legislation>; U.S. Chamber of Commerce, "Coalition Letter on Liability Relief Legislation In Response to the Pandemic," (May 27, 2020) available at <https://www.uschamber.com/letters-congress/coalition-letter-liability-relief-legislation-response-the-pandemic>; American Council on Education, "Re: COVID-19 Limited Liability Protections," (May 28, 2020) available at <https://www.acenet.edu/Documents/Letter-Congress-pandemic-liability-052820.pdf>.

Ms. SCHAKOWSKY. Thank you.

And now, Mr. Anderson, you are recognized for 5 minutes.

#### STATEMENT OF KEVIN ANDERSON

Mr. ANDERSON. Thank you. Good afternoon. It is good to be here today.

I would like to thank the Chair and the ranking member and the members of the subcommittee for the opportunity to appear today and for the attention the subcommittee is paying to this important issue.

I would like to thank Representative Hudson for the nice words earlier. Good to see someone else from North Carolina, Representative Hudson, and hope you are doing well.

Again, I am Kevin Anderson. I have been doing consumer-protection work in our office in the North Carolina Department of Justice for over 21 years. I have worked under three different attorneys general, including the current attorney general, Josh Stein, who is also the co-chair of the National Association of Attorneys General's Consumer Protection Committee. And thank you again for the opportunity to provide our perspective today, or my perspective today.

COVID-19 scams are very damaging to the public and are causing enormous harm during these difficult and challenging times. Consumer-protection authorities know from experience that, when a crisis hits, scammers emerge to deceive the public, and this crisis has been no different. Of course, this crisis has been of unusual and unprecedented impact and duration, so the scams have been even more damaging here.

State attorneys general and consumer-protection divisions are on the ground and on the front lines protecting consumers. And there has been a tremendous amount of work going on all across the country in efforts to educate consumers about scams and stop scams and protect consumers from scams.

Each State is hearing different types of things from its consumers. Some scams are nationwide in scope; others are more localized. And I have provided a long list of examples in my testimony about the types of things States are hearing about from consumers. I won't repeat all of them in detail here in my summary, but some of the ones that may be particularly noteworthy are the stimulus check scams, the scams involving COVID-19 testing and miracle cures, and some recent scams that have emerged regarding contact tracing.

And then, of course, States, as others have mentioned, are seeing price gouging and price gouging in connection with items that we don't normally see in another type of state-of-emergency situation, such as a hurricane. So some of the price-gouging matters we are seeing are new to us here.

And there are different matters being investigated by States all over the country. I have included some examples in my testimony of some of the things that we have done in North Carolina. We have a price-gouging case that is pending that we have brought against a towing company that was charging thousands and thousands of dollars, booting trucks that were delivering needed supplies and goods in an early stage of the crisis to stores, and charg-

ing amounts that were way out of line with market rates for those tows. So we sued that company in a price-gouging case.

There are a number of matters involving scams that we have managed to stop and nip in the bud by acting quickly and sending some letters out.

And one thing I want to note here is the, to use a technical term, whack-a-mole nature of some of these scams, where the true scammers don't want to be found, and they try to hide themselves. They make it difficult to be located. And then, once the scam has been enacted and they have struck, they like to disappear quickly so that they can't be tracked down. And that is just the reality of some of these outright criminal-type scams that are going on.

One of the things I think that points out is the importance of educating consumers here or trying to make consumers informed, make them less likely to fall for the scams. If you can prevent the scams from the outset and prevent the consumers from sending their money away, especially via a form of payment, such as a wire transfer or a bank transfer or a gift-card exchange, where the money becomes very difficult to track back once it has been sent out, it is really best to prevent scams before they occur.

And one of the important things I think the subcommittee is doing today is, by having hearings like this today, it is a good way of shedding light on the scams and bringing them into public eye. So I think that is very valuable.

States play an important role in fighting these matters. It is a matter that really requires attention on all sorts of fronts, State and Federal. I appreciate the opportunity to provide the perspective of the States here, because the States do play a very important role in consumer protection. And, again, we are right on the ground; we hear directly from our consumers almost every day. It is a never-ending battle, fighting all of these scams.

I am happy to answer any questions you have, happy to be of help in any way that I can to the subcommittee. And thank you again for the opportunity to be here today.

[The prepared statement of Mr. Anderson follows:]

**STATEMENT OF KEVIN ANDERSON**

**Senior Deputy Attorney General and Director, Consumer Protection Division**

**North Carolina Department of Justice**

**BEFORE THE U.S. HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON CONSUMER PROTECTION  
AND COMMERCE OF THE COMMITTEE ON ENERGY AND COMMERCE**

**Hearing entitled: "Consumers Beware: Increased Risks during the COVID-19 Pandemic"**

**Thursday, July 9, 2020**

Members of the Subcommittee, my name is Kevin Anderson. I am the Director of the Consumer Protection Division in the North Carolina Department of Justice. I have worked on consumer protection matters in our office for over 21 years. I have worked under three different Attorneys General, and currently work for North Carolina Attorney General Josh Stein, the co-chair of the National Association of Attorneys General (NAAG) Consumer Protection Committee. I appreciate the opportunity to appear before the Subcommittee and to provide my perspective on COVID-19 related scams targeting consumers and increased risks faced by consumers during the pandemic.

Consumer protection enforcers know from experience that when a crisis hits, scammers emerge to try to take advantage of the public. Scammers will promote phony miracle cures to consumers wanting to protect their health. They will impersonate government agencies and try to trick consumers to pay fees or provide financial information by claiming that consumers must immediately provide the information or face a dire consequence. And scammers will sometimes engage in price gouging and charge grossly excessive amounts of money for desperately needed goods and services.

It is a simple, but sad, fact of life that a crisis will bring out both the best and the worst in people. At a time when many people will try to band together and help each other, a few will, unfortunately, try to make a bad situation even worse by using the situation as an opportunity to scam and trick people out of their money. Many of these scams will target some of our most vulnerable populations, such as elderly consumers, low income consumers, and immigrant populations. During the COVID-19 crisis, we have seen our share of scams, with some of them having things in common with scams we have seen in the past, and others having new and different wrinkles.

Consumer protection divisions in state attorney general offices all across the country have devoted a tremendous amount of time and resources in efforts to identify COVID-19 related scams, educate the public about them, and to stop them. States are close to the ground and regularly hear directly from our consumers, first hand, about what they are experiencing.

Many consumers are more likely to file complaints or otherwise communicate with a state office like ours, as opposed to a larger federal agency.

We place great emphasis in the North Carolina Department of Justice on handling those complaints and communicating with consumers, and we try to make it as simple and easy as possible for consumers to lodge complaints with us. We encourage consumers to file complaints with us on-line. But we also recognize that not all consumers may have access to the Internet, especially during this pandemic, so we also try to make it easy for consumers to call us and lodge a complaint with us over the phone. We provide a toll-free number and consumers are able to speak one-on-one with a complaint handler. We have a significant Spanish-speaking population in North Carolina, so we also publish our on-line complaint form and consumer information in Spanish and have Spanish-speaking complaint handlers on staff.

State attorney general offices cooperate and work with each other and have mechanisms in place to share information about different types of scams we are seeing in each of our states. Scams can vary in scope and nature. Some are of nationwide scope, but some focus on a region, a state, or even a specific area within a state. It is useful for us to learn about what other states are seeing so that we can be prepared for those scams if they come our way and so that we can educate consumers about them. We also communicate and share information about scams with federal partners, such as the Federal Trade Commission and the U.S. Department of Justice, and consumer advocacy groups.

What follows is a sampling of some of the COVID-19 scams that states have seen or heard about to date:

- Miracle COVID-19 cures
- Supplements or herbal remedies that claim to cure or prevent COVID-19
- Suspect “pop-up” COVID-19 testing sites
- COVID-19 antibody tests falsely claiming to be “FDA approved”
- Charging a bogus fee to expeditiously process a consumer’s stimulus check
- Nursing homes trying to confiscate a consumer’s stimulus check by wrongly claiming that they are entitled to the check for Medicaid reasons
- Telemarketers falsely claiming they are from the IRS and trying to trick the consumer into paying a fee or providing personal financial information for stimulus check purposes
- Telemarketers falsely claiming they are from the Federal Trade Commission offering money from a “Global Empowerment Fund” or from the Federal Communications Commission offering COVID-19 relief money
- Robocall scams where the telemarketer falsely claims to be from your insurance company or Medicaid offering free COVID-19 tests
- Door-to-door scams where the scammer falsely claims to be selling cleaning supplies and testing kits as a pretense to enter the consumer’s house and rob them

- Scams that attempt to take advantage of the fact that people are spending more time playing video games during the pandemic and try to steal consumer's passwords by utilizing pop up questions that trick consumers into providing answers to questions that are commonly used as passwords by other services the consumer uses
- False websites advertising jobs for people to become contact tracers, which try to trick consumers into providing personal or financial info
- Telemarketers impersonating state or local health departments and falsely claiming that the consumer has been in contact with someone that has COVID-19 and that the consumer must pay a fee in connection with the contact tracing process
- Phony phishing emails from the World Health Organization that try to trick consumers into providing personal or financial information
- Email phishing scams where scammers make unfounded promises about ways in which small business owners can quickly get approvals for Emergency Injury Disaster Loan funding from the Small Business Administration (SBA)
- Unemployment scams where overseas scammers use personal information stolen in data breaches and hacks to file for unemployment benefits in someone else's name
- Puppy scams where scammers trick consumers wanting a new pet during the pandemic into paying upfront money for a non-existent pet
- Individuals hoarding over 17,000 bottles of hand sanitizers and planning to charge high prices for them
- Towing companies that wrongly towed and booted trucks delivering needed goods and services to stores and then charging thousands of dollars above market rates for the trucks to be released

In North Carolina, for example, we sent a cease and desist letter to a self-proclaimed "witch doctor" promoting a miracle cure for COVID-19 via a billboard, resulting in an end to the billboard advertisement. We also sent such a letter to a chiropractor who briefly claimed via the Internet that a number of studies showed chiropractic treatment could cure COVID-19, and helped stop that activity. We sued a towing company engaging in the type of activity described above, alleged a violation of North Carolina's price gouging law and obtained a temporary restraining order and preliminary injunction against it. And we have a number of COVID-19 scam and price gouging investigations still under way. Other states are engaging in similar efforts, although we each have to rely on the particular evidence and facts that come to light in our respective states.

Many of the scams we have seen during the pandemic are, to a certain extent, particular to COVID-19 circumstances and, in that sense, are different from scams we have seen in the past. But in another sense, many of these matters are, at their heart, very similar to core types of scams that we have seen many times in the past but with new, contemporary wrinkles.

One core scam we have seen many times is the scam where a telemarketer impersonates a legitimate entity, whether a business or a government agency, and tries to

create a sense of urgency, demanding that the consumer make a wire transfer or some other form of immediate payment. For example, in the past, we've frequently seen telemarketers impersonate tax authorities and claim that the consumer needs to make an immediate payment over the phone in order to avoid going to jail. Likewise, another variation on this scam is where the telemarketer falsely tells a small business, such as a restaurant in the middle of the lunch rush, that they are from the utility company and that if the business does not make an immediate payment that they will promptly lose power. One modern, COVID-19-related, variation on this core impersonation scam is the scam where the telemarketer impersonates a health department and says that the consumer has been in contact with someone who has COVID-19 and must pay an immediate fee in order to start the contact tracing process.

On the price gouging front, the reports we are hearing are different in many ways from what we typically see during other states of emergency. In North Carolina, we have a great deal of experience enforcing our price gouging law due to the number of hurricanes we have experienced in recent years. After Hurricanes Michael and Florence devastated North Carolina in 2018, we brought 7 price gouging lawsuits against 22 defendants, ultimately obtaining more than \$725,000 in judgments, including \$245,000 in consumer restitution, \$392,500 in money that companies were barred from collecting from consumers; and \$94,500 in penalties and fees. In the hurricane price gouging situation, we often receive reports from consumers about excessive amounts being charged for tree removal services, gas, lodging, and rental cars. During the COVID-19 pandemic, though, we are examining issues involving prices charged for hand sanitizer, masks, and other personal protective equipment (PPE) items that are often not typically reported as being an issue during the aftermath of a hurricane. So, in many ways, we are seeing new things and breaking new ground when it comes to price gouging as applied to the COVID-19 situation.

One major defense for protecting the public and minimizing the risk of harm is to try to prevent the scams at the outset by educating consumers about them so that they are not as likely to fall for them. It is helpful for consumers to have tips and tools to inform and protect themselves. There are a number of COVID-19 resources on the National Association of Attorneys General's webpage: <https://www.naag.org/naag/covid.php>. Many state attorney general offices have state-specific COVID-19 scam resources on their own webpages. For example, in North Carolina we have a page devoted to COVID-19 resources - <https://ncdoj.gov/covid19/> - and have issued a one page guide for consumers on how to avoid COVID-19 related scams - [https://ncdoj.gov/wp-content/uploads/2020/03/AttorneyGeneralStein\\_CoronavirusScamsGuide.pdf](https://ncdoj.gov/wp-content/uploads/2020/03/AttorneyGeneralStein_CoronavirusScamsGuide.pdf).

We have also engaged in numerous other outreach efforts in order to provide the public with information and tips on scams, including a live, virtual event held yesterday, open to the public, where North Carolina Attorney General Josh Stein discussed our office's work to stop

scams and robocalls and shared information about how North Carolinians can protect themselves and their personal information during the pandemic.

It makes sense to try to prevent scams from the outset because once a consumer gives a scammer money it can be difficult, as a practical matter, to recover the funds. In many instances, a major obstacle is simply locating the scammer. In particular, scammers that telemarket or use the Internet and email can be difficult to locate and pursue because many of them are operating overseas. This is an instance where increased technology can be a double-edged sword. On the one hand, technology makes it easier for consumer protection advocates to effectively inform consumers about scams. On the other hand, scammers use technology in furtherance of scams, to operate remotely, and to make it more difficult to track them down.

States also play an important role in fighting scams by investigating and enforcing state laws dealing with unfair and deceptive trade practices and price gouging. States bring enforcement actions when the evidence warrants it and a good case can be made that the law has been violated. It can be challenging to pursue litigation in a situation like this, due to the fast moving nature of the crisis and the tendency of many scammers to quickly disappear (described by some as the “whack-a-mole” problem). States, though, have already brought a number of law enforcement actions in connection with the COVID-19 pandemic and continue to pursue investigations and build cases.

In sum, COVID-19 scams are very damaging to the public and cause enormous harm during these difficult, unprecedented times. State attorney general offices play a crucial role in protecting the public by educating consumers on scams and price gouging, investigating suspect activity, and bringing enforcement actions on their behalf. It takes a devoted effort on all fronts, state and federal, to effectively protect consumers.

Thank you again for your interest in this important issue. Holding public hearings, like the one taking place today, is an important way of shedding light on these scams and providing the public with necessary information about them. I’ll be glad to answer any questions you have and to provide the Subcommittee with any additional information that would be helpful.



Ms. SCHAKOWSKY. Well, thank you very much.

So we have now concluded witnesses' opening statements. At this time, we will move to member questions. Each member will have 5 minutes to ask a question of the witnesses. And I want to remind you, please, to unmute when it is your turn.

And I am going to begin with my questions.

So the Federal Trade Commission has received a record number of online shopping complaints in April and May. Some of them are really important things for face masks and hand sanitizers and toilet paper and found that they never received those products. A surge of bogus treatments and substandard masks, et cetera, have been delivered.

So, Mr. Anderson, as you said, you have been doing this for more than two decades. How has e-commerce, including the new pandemic-induced reliance on online shopping made it easier than ever for scammers to get involved?

Mr. ANDERSON. Well, this is one of these things, I think, where technology and when items are sold online, in some ways it does make it easier for the scammers. If they are operating remotely, if they are selling from overseas, if they are making it difficult, you know, for consumers to really even figure out who is actually making the sale, that can pose some obstacles and challenges, no question. In some ways, it does increase the opportunity for some of these scams.

We often try to encourage consumers, when they are buying online, to do as much research as they can regarding the companies that they are buying from to see if there is any track record of problems there or if it is a reputable seller.

But there is no question that, when sales are occurring online and, in particular, if it is difficult to determine and track down who is actually making the sales and if they are coming from overseas and from a seller that is new and maybe not reputable, it can increase some of the opportunities for fraud. It is one of those things where technology has many benefits for consumers and all of us, but there can be dangers as well.

And I would say, generally, scammers are always looking to hide. I mean, back many years ago, scammers would pop up door-to-door and try to sell things to people and just disappear. And the more modern version of that is using technology and disappearing via the internet.

So it is a good question, and I think that is what I would say.

Ms. SCHAKOWSKY. Thank you.

You know, it seems like a major obstacle to bringing successful actions is simply locating the scammer. And you refer to that. I am working on legislation that would require online marketplaces to verify and to disclose to consumers the seller's name, business address, email address, and phone number.

So let me ask Ms. Greenberg, how would such legislation deter bad actors?

Ms. GREENBERG. Well, first of all, we support your legislative efforts in this whole area, because a fundamental pillar of consumer protection is to know who you are buying from and, if you have a problem with a product, to be able to get in touch with the seller of that product.

So what you just described, to verify the name of the business, where the business is located, how you reach out to them if you have a problem—either you didn't get the product or the product was defective when it came—those are absolutely fundamental protections, and we support them for consumers.

Consumers are very trusting, you know. If they buy something online at a platform like Amazon, they will believe that that product came from a legitimate source, that they will get the product that they are paying for. But they need to have information so they can take action when the product they buy online turns out to be counterfeit or defective.

So, yes, we support that, and we think it is a basic consumer protection.

Ms. SCHAKOWSKY. Let me just conclude with this. I am very concerned about the nomination of Dr. Beck to head up the Consumer Product Safety Commission. And it seems to me this is a critical time when we need somebody with the right credentials.

And I wanted to ask you, Ms. Greenberg, what you think, given her record at the EPA and her role at the CDC, if she is the appropriate person.

Ms. GREENBERG. Right. Well, we have joined 120 other groups, consumer organizations and other advocacy organizations, that believe that the CPSC needs a leader who has a track record of pursuing stronger consumer-protection regulations. And, unfortunately, Dr. Beck has spent much of her career seeking to weaken such regulations, particularly as they pertain to dangerous chemicals. We think that the CPSC needs a leader who will strengthen consumer protections, not roll them back.

And, as you know, your colleagues on the Senate side, including Senator Capito and Senator Collins, have come out opposing Dr. Beck's nomination as the wrong person to run a consumer-protection agency.

Ms. SCHAKOWSKY. I thank you for that.

And now I recognize the ranking member for her 5 minutes of questions.

Mrs. RODGERS. All right. Thank you, Madam Chair.

Before I begin my questions, I would like to ask unanimous consent to offer an article for the record highlighting the current use of AI to combat schemes.

Ms. SCHAKOWSKY. Yes. All documents will be put in the record at the end of this hearing.

Mrs. RODGERS. Thank you.

Trial lawyers and special interest groups have stopped a number of commonsense policies before this committee. In the past year alone, we have seen the trial bar obstruct bills that would have protected people from asbestos, prevented frivolous medical malpractice lawsuits, ensured the U.S. lead in autonomous vehicles, and give Americans strong privacy protections across the country. I believe that we cannot afford to allow them to stand in the way of America reopening and getting workers back to work.

Mr. Quaadman, how important is it for Congress to address liability uncertainty during this unprecedented time? And how will that help America get back to full strength?

Mr. QUAADMAN. Thank you for that question, Ranking Member.

It is very critical, in order for the U.S. to reopen, that we have liability relief. It needs to be temporary, targeted, and timely. If companies are following State laws and guidelines in reopening, they shouldn't be sued.

And this isn't only the business community that is being impacted. It is educational facilities. It is not-for-profits. There are actually State agencies that are having similar problems.

I would also say, too, Congress has also recognized this issue as well with COVID-19 legislation that has already passed. There has been liability relief for medical volunteers as well as those who are manufacturing ventilators.

So this is a very critical step in order for businesses and America to reopen.

Mrs. RODGERS. Thank you.

We are living in unprecedented times that have forced millions of Americans, at no fault of their own, to stay home and rely on the internet to seek medical advice, connect with loved ones, and educate their children. As more people turn to online services, we need that national privacy framework, and that need only increases.

Mr. Quaadman, I would like to ask if you agree that it is critical that we pass a Federal privacy law that sets one national standard to ensure consumer protections are the same across the country.

Mr. QUAADMAN. We believe that is a very important step that we need to take, as well as an important consumer-protection step.

We currently have a State-based and federalist system, and we have five different forms of privacy regimes that are currently being developed within the States. Obviously, the CCPA out in California is the best known. But if you take a look at our international counterpart, they have only one system of regulation.

So we are currently going down a path where neither consumers nor businesses actually have the certainty that they need to operate digitally. So we believe it is very important for such legislation to pass.

And I would also say, too, there is a cost involved as well. When you take a look at the CCPA regulations, those will cost small businesses \$50,000 to implement. So that is a very tremendous cost, and we need to have one system to deal with this.

Mrs. RODGERS. Thank you.

During this crisis, I think we have all heard so many different stories of American ingenuity and American creativity solving problems, and I think American innovation is so important as we move forward. We must ensure that we do not fall behind other countries as we emerge from this unprecedented crisis.

We know China is moving full speed ahead. To beat China, we must prioritize our industries and ensure that the U.S. remains the global innovation leader around emerging technology.

We recently unveiled an emerging technology package that includes important priorities brought forward by members of this subcommittee to advance U.S. leadership on critical technologies.

Mr. Quaadman, can you please speak to how vital it is for America to emerge from this pandemic in a strong global position on critical technologies?

Mr. QUAADMAN. To be clear, the nation that is going to lead in technology is going to lead the global economy. So, first off, I would like to thank you and your colleagues for their work in coming up with an emerging technology agenda. We think that is very important.

And America is still the leader in innovation. We see that with artificial intelligence, we see that with automated vehicles, with UAS. However, we are seeing where the European Union is the leader in developing regulations around artificial intelligence; we see the U.K. is the leader in terms of developing regulations around financial technology. And that is where the technology is going to migrate to.

So we are actually in danger of developing technologies that others might take over, and that is going to impact our economy and the ability of the United States to lead the global economy in the future.

Mrs. RODGERS. Thank you.

I yield back.

Ms. SCHAKOWSKY. I was trying to get back to the ranking member.

You had 30 seconds extra, because there was some problem with the clock. Would you like to take that time?

Mrs. RODGERS. Oh. Well, I appreciate that. I will just let it go right now. Thank you very much, though.

Ms. SCHAKOWSKY. OK.

The gentle lady yields back.

And now let me recognize Chairman Pallone of the full committee for 5 minutes to ask his questions.

The CHAIRMAN. Thank you, Madam Chairwoman Schakowsky.

I wanted to follow up on what you said, that, you know, in New Jersey, we are still seeing—and, even in my office, I still hear a lot of people calling, complaining about price gouging.

And, you know, this is, of course, many months after the pandemic began, but it still seems to be that there are more cases of businesses illegally hiking prices on things like cleaning supplies and personal protective equipment and now, you know, a lot of targeting of work-at-home supplies and summer products—we are here at the Jersey shore—like inflatable pools, because, you know, a lot of Americans are looking for products that can allow them to stay home and not have to go out.

So I just wanted to ask Mr. Anderson again, I know you talked about price gouging increasing, and you mentioned online, but just to drill down a little bit about what kind of increases you have seen in price gouging online and what challenges you see in pursuing bad actors who sell online. I just want to focus online, if you would.

Mr. ANDERSON. Sure. And many of the items that we are seeing being sold online where consumers have reported price gouging involve personal-protective-type equipment, hand sanitizer, masks. Things of those items are being sold online, and we have heard some reports about those.

And, again, you know, the challenges sometimes are—and it just really depend on who the seller is. It might depend on what platform they are using, whether they are using a more obscure type of online platform as opposed to one that consumers are familiar

with. But there can be a lot of challenges just locating the seller, sometimes, when they are selling online.

But those are the types of items that are being sold online and some of the reports that we are hearing about. And we have some investigations currently pending regarding some of those items, types of items, that have been sold online.

The CHAIRMAN. Well, Chairwoman Schakowsky and I, she mentioned that we introduced this COVID-19 Price Gouging Prevention Act. I just would like you to comment on that. You know, is that the type of legislation on price gouging that would make it easier for State attorney generals to go after bad actors and protect consumers, again, particularly online?

Mr. ANDERSON. Sure. And let me give a very quick caveat before I answer that question, which I should have given earlier, is that, even though I am here in my role as consumer protection director of the North Carolina Department of Justice, some of the views here I might express today are my own. But I say that in an effort to be able to provide some helpful answers to your questions.

So I have looked at that bill. I will make a couple of just general observations here without taking an official position on it or anything.

One, I think States are typically looking and at least I am typically looking at a bill like that in terms of, does it preempt States from acting? And that bill does not. So I would say generally that is a positive thing, in that it doesn't preempt States.

Another observation is that it gives States the ability to enforce the law, which, again, I think, from a State perspective, or my perspective, is a positive thing, because it gives us another tool in our toolbox to use. And I think having the ability to enforce a Federal law like that, even if a State has its own price-gouging law, there is potential benefit in that it might fill some gaps that the State law doesn't cover.

And, certainly, for a State that doesn't have a price-gouging law at all—and you might want to talk directly to some of those States to get their input on it. But, just intuitively, if a State doesn't have a price-gouging law at all and there is a new Federal law enacted that they can enforce, that would certainly seem to provide that State with a new tool that they don't currently have, and I would think that would be a benefit to a State like that.

So those are just some general observations. RPTR PANGBURNEDTR ZAMORA[12:57 p.m.]

The CHAIRMAN. Well, thank you, Chairwoman. Thank you, Jan. I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And I now recognize Mr. Latta for his questions for 5 minutes.

Mr. LATTA. Thank you, Madam Chair, for having today's hearing. Very important. And I want to also thank our witnesses for being with us today. Really appreciate your time and—because, again, it is an issue that we are all concerned with. But, again, thank you, again, for holding today's important hearing in protecting consumers from the risks that have been amplified by the COVID-19 pandemic. I would also like to thank our witnesses for reparticipate.

For the past five months, our Nation has been devastated by the outbreak of COVID-19. Because of our evolving understanding of the virus, Americans have been inundated with conflicting information on how best to protect themselves and their families, both physically and financially. Unfortunately, the uncertainty generated by this crisis is providing new opportunities for bad actors to try to take advantage of our concerned citizens. That is why we need to redouble our efforts to combat these scammers.

The pandemic has also inspired businesses and individuals to innovate in order to meet the new challenges we are experiencing. For example, during a visit to the campus of Bowling Green State University in May, I saw how unmanned delivery services, robots, are already being used to deliver food and beverages in our community.

This kind of remarkable innovation is why I introduce H.R. 6943, the Advancing Unmanned Delivery Services Act, which will work to evaluate the many benefits contactless delivery has for various segments and sectors of our country.

And, again, Madam Chair, before I begin my questions, I also have an article I would like to introduce for the record from gearbrain.com that highlights how autonomous robots will be used to deliver food on campus in the fall, including on the campus of Bowling Green State University.

Mr. Quaadman, if I can start my questions with you. In your written testimony, you state that companies are working to provide solutions to consumers that are targeted by scams. Would you state a few of these solutions and how is the business community working to keep up with the scammers?

Mr. QUAADMAN. Thank you for that question, Mr. Latta. First off, companies are using different tools such as artificial intelligence and machine learning to try and stay a step ahead of scammers. Unfortunately, we have seen fraudulent—online fraudulent activity increase by about ten percent since COVID-19 has taken place.

There have also been—the business community has been trying to work with other agencies to try and deal with these issues as well. And we hope, as I said, in trying to develop that counterfeit guide that I talked about, that we can also inform consumers. Because an informed consumer is a protected consumer. So we think some of the legislation that has also been discussed here, but also I know has been introduced by Mr. Carter and Ms. Rochester, are going to help provide consumers with more information as well, which we think is helpful also.

Mr. LATTA. OK. Thank you. You know, on the innovation front, you stated that delivery industry is evolving to meet consumer needs. And how have businesses that rely on delivery services been impacted by COVID-19? And do current regulations or lack thereof impede the expansion of unmanned autonomous technologies?

Mr. QUAADMAN. So first off, Mr. Latta, I would like to thank you for your leadership with unmanned delivery services as well as with automated vehicles. Just give you a couple of stories, one is we have seen an automated vehicle startup called Beep in Jacksonville, Florida, where they have been working with the Jacksonville Transportation Authority to deliver medical goods to the Mayo Clinic there.

And we are seeing how UPS and CVS are using drones to actually deliver prescription drugs to consumers. So that is, I think, a glimpse into the future. We do think it is very important, one, for Congress to pass legislation and to help put pressure to ensure that we are going to have regulations around automated vehicles.

We think it is very important for the National Highway Traffic Safety Administration to accelerate its efforts here. We also think with drones it is very important for the FAA to finish up its rulemakings as well, because this will, again, allow for the guard-rails for how these important transportation facilities are going to be able to operate and are going to make actually the lives of consumers much easier.

Mr. LATTA. Well, I appreciate that because, again, when you are thinking about, especially with autonomous vehicles, you know, it came out of our committee unanimously, passed the House by a voice vote in the last Congress, but just what we can be doing with autonomous vehicles right now. So many people that don't want to be out right now or have somebody else pick them up that, you know, they would have the ability to be in a vehicle that they feel a lot more safe.

Madam Chair, I see my time has expired, and I thank you very much for today's hearing. I yield back.

Ms. SCHAKOWSKY. Thank you.

And next, I recognize Congresswoman Castor for 5 minutes.

Ms. CASTOR. Well, thank you very much, Chair Schakowsky. And thanks to our witnesses for being here today.

I have to tell you, I just got some very disturbing news here in Florida related to COVID that was just announced, that Florida just set an unfortunate record. We have had 120 deaths in just a 24-hour period. That far exceeds any number we had seen before. The positivity rate for testing is well over 18 percent.

And I will tell you, I was checking around with hospital leaders here in the Tampa Bay area yesterday, and I am completely dismayed to hear there are still significant shortages in testing materials, the reagents, the personal protective equipment, staffing. We have an extreme shortage of Remdesivir.

Of a little bit of good news, the Coronavirus Task Force last night, CDC and Dr. Birx, said that they are going to send an emergency supply here to Florida on Friday. But I am completely frustrated with the Trump administration, after we have provided bipartisan direction and funds to get a handle on supplies and PPE and to boost the supply chains. It is just not there.

And I want to ask our witnesses, what is your sense about the absence of the national testing strategy and a strategy on supply chains for critical equipment? Has that helped fuel these scam artists? My hospitals tell me they can't count on the Feds right now. Can you believe that? And that they have to go and still work other lines.

But maybe I will start with Mr. Anderson. What is your sense of the lack of leadership there and the lack of a national strategy and what that has done to fuel scam artists and price gouging?

Mr. ANDERSON. Well, I will just say, generally, that scam artists are usually looking to fill some sort of need that consumers have or desperately want. And so in this time, you know, obviously con-

sumers would really love to have a cure for COVID-19. So scam artists are going to move in and try to fill that desire and need by promoting scam cures. And I think it is the same with testing, that if there aren't tests out there or if consumers are confused about tests. I mean, scammers will try to make whatever they can out of any confusing situation, any situation where consumers, you know, feel like their needs aren't being met.

So I would just kind of make that general comment, and we should never underestimate how clever and sophisticated some of these scams are. The scam artists are looking for every opportunity to get in and rip people off. And so that is part of what is happening here. So that is just what I would say generally.

Ms. CASTOR. Mr. Quaadman, what do you say?

Mr. QUAADMAN. Thank you for that question. I am sorry to hear of the pain that is going on in Florida.

First off, we have worked with various different agencies, as I have talked about, to ensure that those bad actors are going to be prosecuted. We have also been working with Congress and with others to ensure that medical supplies are—and that companies that are delivering them and developing them are going to be able to get them out there as quickly as possible.

And lastly, some of the activities I was talking about before in terms of supercomputing and things that are going on, those things are actually shaving off months, if not years, in terms of research in trying to develop—

Ms. CASTOR. But where is the national strategy on this? It is entirely frustrating. This has been bipartisan direction from the Congress to this administration to get a handle on this, and yet—and yet they still, our hospitals and health systems are still scraping for supplies.

Ms. Greenberg, can you shed any light on this for us?

Ms. GREENBERG. Sure, yes. I think there has been a void in national leadership, national direction. And as a result, States are forced to compete with one another and have raised this issue over and over again.

We have to do much better. We have failed, I think, on a national level dramatically to get a handle on this pandemic and create a national strategy which has States working together which delivers products which are high quality.

And we know that some States bought lots of equipment that turned out to be defective, and spent millions of dollars. This could never happen again. We need a much stronger national program, bipartisan.

And we, you know, are so sad to hear about events in Florida, and we are committed to doing much better when it comes to testing, personal PPE equipment to provide to your hospitals. We despair as well.

Ms. CASTOR. Thank you very much.

Ms. SCHAKOWSKY. The gentlewoman yields back.

And now I recognize Congressman Guthrie for his 5 minutes of questions.

Mr. GUTHRIE. Thanks, Madam Chair. And before I begin my questions, I would like to offer an article for the record highlighting how blockchain can be used in our fight against the coronavirus.



I think it has been distributed prior, so I would like to offer that for the record.

Ms. SCHAKOWSKY. That will be added to the record at the end of the hearing.

Mr. GUTHRIE. Thank you. Thank you.

I believe that emerging technology has the potential to be a useful tool in putting a stop to the bad actors that take advantage of COVID-19 pandemic. That is why I recently introduced two bills, the Advancing Blockchain Act, working with my good friend Doris Matsui, and the Countering Online Harms Act.

The Advancing Blockchain Act would direct the Department of Commerce and FTC to study potential applications of blockchain technology. The Countering Online Harms Act would direct the Federal Trade Commission to study how artificial intelligence may be used to identify and remove deceptive and fraudulent content that is intended to scam or do harm.

So I would like to get to questions now. For Mr. Quaadman, you talk about emerging technologies being used to help combat the COVID-19 crisis on multiple fronts, including in therapy development and tracking the spread of the virus. My question is, how important would you say AI, blockchain, and other emerging technologies have been in our fight against COVID-19, and do you see any obstacles in further deploying these technologies?

Mr. QUAADMAN. These emerging technologies have been critical in the fight against COVID. So as I mentioned, you are seeing how IBM, Google, Microsoft, and others are using open databases that, let's say, relics opened up where they are actually able to look now using artificial intelligence through tens of thousands of articles and research studies to start to pinpoint possible treatments and vaccines.

So as an example, BenevolentAI, which is an AI firm in the U.K., used AI, and they were able to discover that a rheumatoid arthritis drug from Eli Lilly is a potential candidate. That is now going through clinical treatments.

So we think it is important—and this is just from, you know, taking it from a larger point of view. We do think it is very important for NIST to come up with standards for AI. We also think it is critical for OMB to finish up its guidance regarding AI, because that will allow AI to be deployed more fully, but it will also set the United States up to have the certainty needed to be the continued leader in this space.

Mr. GUTHRIE. OK. Thank you.

And I would like to go to Mr. Anderson for a question. During this public health crisis, the Federal Trade Commission has continued its work protecting consumers, providing guidance to businesses, and protecting competition in the marketplace throughout the pandemic, in addition to the work that States are doing to protect consumers from scams.

Mr. Anderson, in addition to protecting Americans' privacy, are there any recommendations you believe that we need to consider as we prepare for a possible second wave of COVID-19?

Mr. ANDERSON. Well, I do think we need to give serious thought to bringing all tools that we can bear to protect consumers here. I mean, I was interested in some of your comments you made ear-

lier about using technology in whatever way possible to protect consumers, and there may be a place for looking at algorithms that detect patterns of fraud. So I think those types of things, using technology as a means of protection, are worth exploring.

Just to give an example in the robocall area, which I know is an area that you all probably hear about all the time. It is a huge source of complaints for us. The world changed there a while back where all the calls started coming from overseas. Scammers were using technology to spoof the calls. And part of the solution going forward, I think, has to be a technological solution, at least in part, which is why our office was not satisfied with some of the progress being made on that front.

We spearheaded an effort with other States to work with telecom companies to come up with better tools to block and identify robocalls, give consumers some tools. So I think this idea of looking at technology is a good one. I think looking at ways in which information and education best reaches the public and is most easily understood by the public to help them prevent some scams—I am just sort of brainstorming here in response to your question—is a good thing to look at. So I think looking at all sorts of possibilities and taking a very broad-minded approach to it is a good way to go.

Mr. GUTHRIE. OK. OK. Thank you very much. I only have 15 seconds left, so it is hard to ask another question. So I will yield back, and thank you for your answers today. I appreciate it. And thank you for being here.

Ms. SCHAKOWSKY. And now—the gentleman yields back.

And now, Representative and my friend from Illinois, Congresswoman Robin Kelly.

Ms. KELLY. Thank you, Madam Chair, and thank you for putting this hearing together.

Until a vaccine or effective treatment is available for COVID-19, successful management of the pandemic will rely on tried and true public health measures like contact tracing to keep our communities safe. Effective contact tracing will allow health officials to not only document the spread of the virus, but also alert those who may have been exposed to the virus.

Unfortunately, scammers pretending to be contact tracers from public health departments have been targeting seniors and those less tech savvy, duping them into turning over sensitive, personal, and financial information or tricking them into downloading a malicious software.

Mr. Anderson, what effect do these scams have on the public health efforts to do legitimate contact tracing to combat COVID-19, and how can consumers tell if the tech call or email is even legitimate? And who can the consumers call if they feel like they have been duped? Who should they contact?

Mr. ANDERSON. So I think that is a great and timely question, because we are just starting to see a number of different contact tracing type scams emerge. And one example, which I think you alluded to, is a situation where a consumer will receive a call from a—it is a scammer, but they are saying that the consumer has come in contact with someone who had COVID-19, and to begin the start of the contact tracing process the consumer needs to immediately provide some sort of payment to the caller, and that is just

a scam. And a big red flag there is that—my understanding, is that no one from a legitimate health department or anyone operating a legitimate contact tracing operation will ask for payment like that and directly call the consumer and ask for a payment.

And that is a standard type of scam that we see in many different forms where a sense of urgency is created in response to something of the moment and there is a demand for an immediate payment, and especially if they are asking for a payment via a wire transfer or a gift card, all those things are big red flags. So, you know, we have been trying to warn consumers about those types of scams.

Another scam we have seen is a job-related contact tracing scam where there are jobs out there for people to be employed and help with the contact tracing process, but we have, unfortunately, seen some phony job postings that we have checked with our public health authorities that aren't legitimate and we are trying to stop those, put an end to those, and we warn the public about those as well. So that is a very timely topic and worth warning people about.

Ms. KELLY. And what more do you think the FTC could be doing to assist in your efforts in North Carolina in helping consumers? And if you could be brief, because I wanted to ask Ms. Greenberg if she had anything else to add. So, Mr. Anderson.

Mr. ANDERSON. Sure. And we share information, work with the FTC. We welcome sharing information with them, welcome them as a partner. I always think, just in my personal view, we could bring more joint enforcement actions together with the Federal Trade Commission in addition to just sharing information.

So I know you wanted me to be brief, so I will stop there, but I am happy to talk further with you offline about that if you want.

Ms. KELLY. Sounds good.

Ms. Greenberg, do you have anything else to add that the Federal Government can be doing to help stop these scams and help consumers?

Ms. GREENBERG. Yes. Well, we need to ramp up this whole area of contact tracing. And consumers are already having—or health officials are already having trouble reaching consumers about contact tracing. This is an unprecedented situation. You don't usually have people calling you and say we need to get your information, we need to track this down. And, of course, the scammers go in, they fill these voids always in time of national crisis. They are going to come in in tornadoes and floods and this pandemic has just unleashed a torrent of scams.

So what Mr. Anderson said about money upfront, that is a red flag always. There are also just phishing scams where they are just trying to get your information. And so what I would say is, get the caller's phone number, address, who they are attached to, what their email address is. We always advise consumers, trust but verify, and this is an unprecedented situation with contact tracing. But there are ways to verify this information.

So especially for seniors, if they are home alone, they need to have another adult who is taking care of them, a family member to verify all this information so they are not giving their Social Se-

curity away, their bank account information away. That is really the threat that we are seeing out there.

Ms. KELLY. Thank you so much. Time is up.

I yield back.

Ms. SCHAKOWSKY. I just want to remind people, if anybody is there that is not actually on the screen, you will not be called on to speak, and, of course, to unmute yourselves.

Next is Representative Gianforte.

Mr. GIANFORTE. Thank you, Chair Schakowsky and Republican leader McMorris Rogers, for the opportunity to speak on the important issues preventing COVID scams.

COVID-19 has put our communities into uncertain times. At the height of the pandemic, 100,000 Montanans were out of work. Unfortunately, where normal human beings see hardship and react with compassion, scammers seek to further destroy the livelihoods of hardworking Montanans. One of the scammers' favorite tools is still the robocall. Now it is easier than ever for scammers to impersonate medical professionals or government representatives from Medicare or Medicaid to push misleading information or to swindle vulnerable Montanans out of their savings. While the committee has worked hard to address the scourge of robocalls, there is still work to be done.

In April, I sent a letter to FCC Chairman, Ajit Pai, and Attorney General Barr, expressing the need to begin implementation of the TRACED Act and aggressively pursue illegal robocallers. Not 2 days later, the FCC took new enforcement measures against telecom companies that facilitate robocalls from overseas.

It is important that this committee continue to work in a bipartisan manner to provide law enforcement the tools they need to crack down on scammers and protect hardworking Montanans.

In this pandemic, however, it is also important that we provide businesses with the tools they need to get our economy going and get Montanans back to work. There is an opportunity to foster growth in emerging technologies to strengthen our economy. I introduced the Advancing Gig Economy Act to conduct a study on the impact of the gig economy on U.S. businesses conducting interstate commerce. The study will provide States with greater clarity around the gig economy and better inform future legislation to grow the gig economy.

It is important that America remains a global leader in fostering and growing emerging technology. As a tech, entrepreneur, and executive, I know how important American leadership is in emerging tech. It is critical for the Federal Government to promote innovation and growth by securing supply chains, safeguarding consumers, and using a light-touch regulatory environment.

Now, Mr. Quaadman, in your testimony, you identified how delivery services in the gig economy has stepped up to provide important assistance to local restaurants, health workers, and food banks. Moving forward, what role do you see the gig economy playing as our Nation recovers from the economic shock of COVID-19?

Mr. QUAADMAN. Thank you very much for that question, Congressman. And you are right, I mean, the gig economy has been an important lifeline not only for consumers, but for some very hard-

hit industries such as the restaurant industry, as we have discussed.

We recently had an event at the Chamber where the CEO of Emphasis actually was talking about this issue. And as he was discussing it, he said that 5 percent of the current workforce could be characterized as being gig workers. This is probably going to go up to somewhere to 20 to 25 percent over the next, you know, 10 years or so. That means we are—those workers are going to have to go through career long learning because they are going to be doing many different jobs, sometimes simultaneously, and it is going to create some challenges.

Now, there is some advantages that gig workers will have too, right, in terms of being able to control their schedules and all, but, you know, we are seeing a work business relationship that is going to be different than what it has been in the past, and it is going to create some policies that are going to have to be addressed such as with their education.

Mr. GIANFORTE. OK. Thank you, Mr. Quaadman. Just to get that correct, you said the percentage of gig workers will go from 5 percent to 25 percent, of what universe is that?

Mr. QUAADMAN. Of the workforce.

Mr. GIANFORTE. Of the entire workforce?

Mr. QUAADMAN. Yes.

Mr. GIANFORTE. So you are predicting a 5X increase in the number of workers that are actually in the gig economy?

Mr. QUAADMAN. Yes.

Mr. GIANFORTE. OK. Thank you very much for those insights.

And, Madam Chair, before I yield back, I would like to offer this article from the U.S. Chamber of Commerce on how gig economy companies are helping Americans during this pandemic for the record.

Ms. SCHAKOWSKY. It will be entered into the record at the end of the hearing.

Mr. GIANFORTE. OK. I would like to thank you, Madam Chair, and the Republican leader for this important hearing. And I yield back the remainder of my time.

Ms. SCHAKOWSKY. The gentleman yields back.

And now, I recognize Representative Ben Ray Luján for 5 minutes.

Mr. LUJÁN. Thank you, Madam Chair and ranking members, for organizing this important hearing on how we can protect our constituents from COVID-19 scams.

This is a difficult moment for our country. We have lost more than 130,000 Americans due to COVID-19. We are now at 3 million cases. The national unemployment rate is at 11.1 percent.

Ms. Greenberg, I was struck by some of the numbers you shared in your testimony. Since the start of 2020, the Federal Trade Commission reports it has received more than 120,000 consumer complaints related to COVID-19, and we know that these numbers dramatically understate the problem, as most people across the country don't know how to report or if to report to the FTC.

Google is tracking 18 million COVID-19 malware and phishing emails every day, and an estimated 30 billion of stimulus funds may end up in criminal hands because of fraud. These numbers

represent real suffering and loss. That is why I plan to introduce the Stopping COVID Scams Act of 2020, which would allow the FTC to levy civil penalties on COVID-19 scammers.

Ms. Greenberg, do you believe that consumers would benefit if Congress gave the FTC, the Federal Trade Commission, stronger enforcement tools to hold COVID-19 scammers accountable?

Ms. GREENBERG. Yes, Congressman. We do believe that the FTC needs stronger civil enforcement power. We would support legislation. The stopping COVID scams bill that you are talking about, I think, would be a very effective tool. As Mr. Anderson has said, we need to expand the tools that law enforcement has during this terrible crisis.

So a stronger FTC with civil penalty authority would provide stronger consumer protections, even if we weren't currently facing this tsunami of COVID-19 scams. And at the very least, we think the FTC should have the tools it needs to go after scammers who are taking advantage of the moment to defraud millions of consumers.

So we would be proud to support your bill once it gets introduced, Congressman Luján. And we thank you for your leadership in helping to protect consumers.

Mr. LUJÁN. And, Mr. Anderson, the legislation would also allow attorney generals to impose civil penalties on scammers. As you mentioned in your testimony, State attorneys general often work with the Federal Trade Commission. Can you briefly describe how State attorney general partner with the FTC to protect consumers?

Mr. ANDERSON. Sure. It happens in several different ways. One is the sharing of information I alluded to earlier where we have calls or other mechanisms for sharing information with each other. Many States, such as North Carolina, are plugged in to the FTC's consumer sentinel database and we are able to see the complaints that the FTC receives in North Carolina and elsewhere. And we also put our own North Carolina State complaints in that database. I believe we were the first State to do that, because we believe mutual sharing of information like that is valuable, both for our office and for Federal authorities like the FTC.

So their information sharing mechanisms like that, which I think are very helpful. And we have brought some joint enforcement cases with the FTC, which I think are—and U.S. DOJ and other Federal authorities, and I think it is useful for Federal authorities to partner with the States, as I alluded to earlier.

I would like to see more of that in some ways. I think that a lot of times there are people high up in Federal agencies that want to see the agency partner with States, but it doesn't always work its way down to the staff attorneys at some of those agencies building the cases. So I would really like to see us bring some more joint enforcement efforts together. And we have done that and been successful, and I think they are good things for us to do. I think we just need to do more of it.

Mr. LUJÁN. I appreciate that very much.

Since the beginning of this crisis, e-commerce spending has significantly increased. Earlier this week, I was proud to have FTC Commissioner Chopra join me with my weekly Congress from My

Casa Facebook live townhall to discuss how New Mexicans can protect themselves during this crisis.

He shared with me that he had significant concerns that online platforms are not doing enough to stop fake counterfeit goods, including PPE and disinfecting products from being sold on their platforms. In addition, he is worried that these platforms allow goods and products to falsely claim that they are made in the USA.

Ms. GREENBERG, yes or no, are honest country of origin disclosures important to consumer shopping online?

Ms. GREENBERG. Yes. We are strong supporters of consumers having information about where the product is made, and there is a lot of fraud around made in American claims. Some of our—

Mr. LUJÁN. Thank you, Ms. Greenberg.

Ms. GREENBERG. Yes.

Mr. LUJÁN. And, Mr. Anderson, same question, yes or no?

Mr. ANDERSON. Briefly, it is a concern, I think, and it is important to look at misrepresentations being made along those lines about where products are made, yes.

Mr. LUJÁN. I appreciate that.

Madam Chair, we have some other questions we will be submitting for the record, but we thank you, all of our colleagues, for this important hearing. And I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And now, I recognize Mr. Carter for 5 minutes.

Mr. CARTER. Thank you, Madam Chair. And thank all the witnesses for being here. This is a very important subject, particularly for our senior citizens. We all need to work diligently on this.

Mr. Quaadman, I want to thank you for—also for testifying and for your representation of the Chamber. It is important that we utilize the private sector. I mean, we can—obviously, we need to pressure and to make sure that the agencies are doing their part, but we need the assistance of the private sector in this as well. And I wanted to ask you, have any of your member companies, how are they utilizing their technology to protect especially older citizens, older American citizens? Have you got any examples of how they have used technology this way?

Mr. QUAADMAN. Yes. Thank you, Mr. Carter. So companies are using machine learning AI algorithms to be able to understand transaction histories and the like and to be able to try and spot fraud early on. You know, and this is true not only for older Americans, but for all customers.

So they are trying to deploy all those tools that were actually fairly successful before COVID in bringing down some of the incidents in terms of identity theft and the like. And also, additionally, as I mentioned, we have, as I mentioned, TransUnion offering free tools, and there are others that doing this as well, to try and give tools to consumers to protect themselves.

And finally, I would just say, we have been working with other agencies, such as, let's say, with the Consumer Financial Protection Bureau, to ensure that firms can stay in close touch with their consumers to be able to spot fraud, and if they do spot something, to address it with the consumer and make sure that they can resolve an issue quickly.

Mr. CARTER. Have you had any specific incidents that you can remember that this worked?

Mr. QUAADMAN. Yes. So we have actually been working, as I mentioned, pretty closely with the Department of Homeland Security regarding counterfeit goods. Believe it or not, there are such things as counterfeit toilet paper and things like that. So we have actually been fairly successful trying to get those products out of the marketplace for many of the reasons that we have all been talking about today as well. So enforcement is also very important here.

Mr. CARTER. OK. I wanted to tell all the panelists that on the onset of this pandemic, I introduced bipartisan legislation called Combating Pandemic Scams Act, and this legislation was actually to help all Americans, but particularly older Americans, to help them with the government response. And it really called for all the agencies, multiple agencies, to come together with the FTC as the lead so that we could get the information. We had examples of scams so they could submit those examples and have a website where they could actually go and look at examples of where people had tried to pull off scams like this.

And I wanted to ask you, Mr. Quaadman, have any of your—you mentioned that some of your companies have been working with some of the agencies. Any of them working with FTC as well?

Mr. QUAADMAN. Yes. I believe those discussions are ongoing. And, in fact, we are reviewing your legislation. We are also reviewing Ms. Rochester's legislation, because providing information to consumers is important for them to protect themselves. And I will just say as well, some of the examples that Ms. Greenberg and Mr. Anderson have raised as to what consumers should be looking for are very important. And public education is a very key component for consumer protection here.

Mr. CARTER. Good.

Mr. Anderson, I would imagine that in North Carolina, this is a particular problem, and I appreciate all of your work that you are doing in this. And, again, I want to mention my bill, the Combating Pandemic Scams Act, that requires the FTC and the other partners to make publicly available information on how to spot and report scams, along with making sure that it is accessible and user friendly.

I wanted to ask you, would this help you in your position and to help the citizens in North Carolina?

Mr. ANDERSON. I do think, generally, that looking, taking a very serious look at what can be done to help seniors is very important. As you point out, they are particular targets of scams. And I think looking at the best way to get information out to that population and try to help them avoid scams is a good thing to really be giving serious thought to. And I think having experts and people at agencies that are involved in consumer protection and sharing information, really looking at the best way to help give seniors the tools to not fall for these scams is, in general, a good thing to be looking at.

Mr. CARTER. Good. Well, again, thank all of you. This is very important work.

And thank you, Madam Chair. And I yield back.



Ms. SCHAKOWSKY. The gentleman yields back.

And now, I recognize the vice chair of the committee, Representative Tony Cárdenas.

Mr. CÁRDENAS. Thank you, Madam Chairwoman. Can you hear me?

Ms. SCHAKOWSKY. Yes.

Mr. CÁRDENAS. OK. Thank you so much. Appreciate it to the ranking member of the full committee and the subcommittee and all the support that we have to come together like this before the public and to dialogue about how important it is that their hard-earned dollars are protected and their livelihoods, especially when it comes to seniors and the most vulnerable.

The Federal Trade Commission is the Nation's premier agency for economywide civil endorsement of laws that protect the American people. From July 2018 to today, the FTC has helped return a little more than \$10 billion back to families' pockets. It is critical, therefore, that the FTC have the power to defend consumer interests, including the power to ensure that ripped-off consumers can get their money back.

We gave the FTC the authority in Section 13(b) of the FTC Act, as courts have recognized for the past three decades, but, unfortunately, lately, that authority has been undercut by some judicial assaults.

Last year, a couple of Federal appeals court decisions limited the FTC's ability to get money back for our consumers, for American consumers, who have been harmed by scams and other frauds.

Ms. GREENBERG, do you agree that Congress should do what is necessary to ensure the FTC can continue to return money to victims?

Ms. GREENBERG. Yes. We think it is a very important function of the Federal Trade Commission to get money back for victims who have been defrauded by companies who have stolen their hard-earned dollars. And yes, we do support that.

Mr. CÁRDENAS. OK. Thank you. Do you have a rough estimate of how much money in dollar amounts has been lost or taken away from consumers since the start of this pandemic?

Ms. GREENBERG. I think the estimate is in the \$180 million that has been lost through scams from the pandemic—from the start of the pandemic.

Mr. CÁRDENAS. OK. And that is from the start of the pandemic, but at the same time, is that an uptick or is that just a par for the course?

Ms. GREENBERG. It is certainly an uptick, according both to State law enforcement and Federal law enforcement agencies.

Mr. CÁRDENAS. OK. What are your thoughts on the consequences of this authority being fully eliminated?

Ms. GREENBERG. Being fully eliminated?

Mr. CÁRDENAS. Yes.

Ms. GREENBERG. That would be devastating, I think, to the effort to protect consumers and to restore funds that were—ill-gotten gains entitled to get that back and we need law enforcement agencies to have the power to get that money back to consumers.

Mr. CÁRDENAS. So if this were fully eliminated, that means that crime would very likely pay with these bad actors, correct?

Ms. GREENBERG. Most certainly, if bad actors know that they will not be held accountable for taking consumers' money, they will double down on those efforts.

Mr. CÁRDENAS. Mr. Anderson, when it comes to your work, do you value—or are you able to do your work over at the attorney general's office better because you have partners like the FTC or could you do it on your own?

Mr. ANDERSON. We certainly like having partners like the FTC and other partners. I mean, I think there is so much work to be done in the consumer protection area that we certainly devote all of the time and resources that we have to bear to protect North Carolina consumers, but there is a lot going on out there, and I think the more civil enforcement cops on the beat, if you will, that are protecting consumers, the better. So it really does take, I think, an effort on all fronts to try to bring maximum protection for consumers.

Mr. CÁRDENAS. Thank you. I have taken the opportunity to personally discuss 13(b) with the chair of the FTC, and he is definitely in favor of making sure that we, Congress, enhances that clarity of their authority; that we believe, Congress believes, I think overall, that that authority has been given, unfortunately, had some, in my personal opinion, some rogue judges that have grossly misinterpreted the intent and the 13(b) set by Congress.

So I am going to give the last 30 seconds I have a softball question to the Republican witness, Mr. Quaadman. Mr. Quaadman, do you agree that about 99 percent of American businesses are good actors?

Mr. QUAADMAN. Yes, sir.

Mr. CÁRDENAS. OK. Thank you for your brief answer, because I do agree, as a former business owner myself, when you are out there in the field trying to do business, it really breaks your heart to see bad actors out there, and they make everybody look bad and they hurt the public, they hurt industries, and they just hurt everybody.

And one last thing I would like to say is I am very proud of the American businesses and the kind of overall 99.9 percent of following the rules and following the laws and respecting business. But, unfortunately, we do need enforcement for those few bad actors in an economy and the trillions of dollars that really, really hurt too many people, to the tune of millions and millions of families, and devastate them in some cases. So thank you so much.

I apologize for going over my time. Madam Chairwoman, I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And now I recognize Mr. Burgess for 5 minutes.

Mr. BURGESS. Did I unmute?

Ms. SCHAKOWSKY. I can hear you now.

Mr. BURGESS. All right. Good deal.

Mr. Quaadman—well, thanks to all of our witnesses for being here today.

Mr. Quaadman, I particularly was enthusiastic about in your testimony where you talked about the collaboration of the private sector with the government and the creation of that national data set

and the incorporation of the artificial intelligence to be able to sift through large volumes of information. I will tell you—I am sorry?

Ms. SCHAKOWSKY. I apologize. I was not muted. Sorry.

Mr. BURGESS. Are we good?

Mr. CÁRDENAS. It is a little blurry, but we can hear you.

Mr. BURGESS. Everything is sharp here. I don't know what is the matter on your end, Tony.

Mr. CÁRDENAS. But we can hear you. We can see you and hear you; it is a little bit blurry.

Mr. BURGESS. All right.

Again, Mr. Quaadman, your testimony about how the private sector has stepped up in this and the creation of that open research data set, I think, just can't emphasize how important that is in allowing our researchers, both public and private, to sift through just vast amounts of information, and now to be able to actually incorporate some artificial intelligence and machine learning, to be able to really hone in on some things.

Are you able to share with us any areas where that has produced a significant deliverable?

Mr. QUAADMAN. Well, I raised one example before, but just to re-emphasize it. Through the use of AI and that open data set, BenevolentAI was able to go through thousands and tens of thousands of studies and the like and were able to identify a rheumatoid arthritis drug that Eli Lilly had developed years ago and that that was a possible drug treatment for COVID-19. Similarly, there have been some other—there have been some other treatments as well that have been targeted in a very similar way and are going through the clinical process as well.

So as I was mentioning, this has actually shaved off months, if not years, in development and treatments of vaccines, and that is something that has never happened before and it is only because of where we are technologically today.

Mr. BURGESS. And, you know, I agree. American innovation is what is going to get us out of this crisis, and to the extent that you facilitated innovation with that open data set, that is incredibly important. And I actually have wondered, the amount of data that is now collected on the vast numbers of patients who have been treated, yes, it does seem like we should be able to come to some conclusions, recognizing randomized clinical trials take time, but observational studies are useful. And some of those look-back studies, I think, can help us identify therapies or things we shouldn't be doing, things that therapeutically are not useful. And this is just such a significant part of what they are contributing.

I did want to highlight that, and it is different. I was here when we had Ebola, I was here when we had Zika. I was here when we had swine flu. I don't recall the collaboration between the public and private sectors like we are seeing right now, warp speed. We are going to have a hearing on some of the vaccine developers later on in the month; that is a good thing. But this is, in my experience, this is unprecedented. And, again, it is going to produce a deliverable far quicker than anyone thought possible.

Mr. QUAADMAN. Agreed. Agreed. And this is something that, you know, we expect to continue, and we hope to see things come to market hopefully relatively soon.

Mr. BURGESS. Yes. It can't be soon enough.

Now, just another issue—I can't see the clock from where I sit, so, Chairwoman, you will just have to interrupt me if I go over—but I did want to ask you about the liability issue that you brought up, Mr. Quaadman. My Senator over on the Senate side, Senator Cornyn, of course, is working on pretty broad legislation dealing with some of the liability questions that you brought up.

You point out in your testimony timely, temporary, and targeted. So we have had some experience with other national crises where this type of timely, targeted, and temporary liability protection has been useful. Is that something that you have explored at the U.S. Chamber?

Mr. QUAADMAN. Yes. I mean, this is something that has happened before and it has been successful before. One of the points I want to mention as well is just how broad-based the coalition is here that is looking for liability relief. It is the business community, it is not-for-profits, it is education, it is government agencies that are looking for this. And we have actually seen some States implement this, as well as Congress, in other areas.

So we think this is very important where businesses are looking for uniformity across the line in order to be able to comply, particularly if they are operating over State lines, and that is why congressional action is so important here.

Mr. BURGESS. They are looking forward for certainty as well.

Mr. QUAADMAN. Yes.

Mr. BURGESS. When we come to the question of opening the schools up in the fall and the CDC guidelines, I agree with you that if someone is following those guidelines, there should be a measure of liability protection. Some of the difficulty occurs in that sometimes the guidelines change, and that change may happen relatively suddenly, which is another reason that that liability protection is just so critical to being able to provide those services.

Mr. QUAADMAN. Agree.

Mr. BURGESS. In whatever time I have left, Mr. Anderson, I so appreciated your testimony on the payment mechanisms, and certainly, that should be a red flag to some, that certain types of mechanisms are not—they are so far outside the mainstream, so far outside the norm that red flags—

Ms. SCHAKOWSKY. We are way—

Mr. BURGESS. So I just so appreciate you bringing that to our attention today. I think that is an important part.

And I will yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And now, I recognize Congressman Bobby Rush, my colleague from Illinois.

You there, Bob?

Mr. RUSH. All right. Thank you, Madam Chair.

Ms. SCHAKOWSKY. There you go.

Mr. RUSH. All right.

Ms. Greenberg, in your testimony, you discuss how consumers' vulnerability to unfair and deceptive practices has been exacerbated by COVID-19. One of the potential vulnerabilities resides in the FTC's Funeral Rule. That was updated in 1994. The Funeral Rule does not account for the way our economy focuses today, espe-

cially knowing the COVID pandemic. That is why last month I, along with nine of my colleagues on the committee, sent a letter to the FTC asking them, among other things, to require funeral homes to post their prices online and to provide them in a standardized format.

In your opinion, is this something you believe the FTC should require, and if so why? And if not, why not?

Ms. GREENBERG. Thank you for the question, Congressman Rush. Yes, this has been a long-standing consumer position. Certainly, our organizations and sister organizations, we do believe that there should be a requirement that funeral homes post their prices online. We know that that information would certainly benefit consumers. The funeral industry has, over the years, had a reputation for inflating prices, for changing the rules with families who are encountering and are in the middle of very vulnerable situations where they have lost a loved one.

So at a time when consumers should be focused on grieving, they should not have to deal with getting the runaround from unscrupulous funeral directors. So clear information up front we think will help families. We couldn't agree more with the position you took in the letter. Let's post that information. Give it to consumers so they can compare prices.

Mr. RUSH. Ms. Greenberg, COVID-19 has revealed for all Americans to see the deep fault lines that exist in our society as it relates to healthcare, law enforcement, unemployment, and various other issues. Are there any similar fault lines that exist in the consumer protection area of our society?

Ms. GREENBERG. Well, I think you are absolutely right that COVID has revealed the disparities. Communities of color are paying a higher price than any other, particularly the African American community, during this COVID crisis. So one of the things that we noted is that The New York Times was trying to publish some of this information about disparities and they actually had to sue the CDC to obtain data on the disparities affecting communities of color.

So it is really a—revealed this chasm of treatment. We have got issues of access to healthcare. We have got States that—13 States that have failed to expand Medicaid. We have Cobra that is in the—Cobra coverage that is in the HEROES Act that the Senate has not taken up and needs to, in our opinion.

So we think it is really an insult to communities of color who have faced the brunt of losses from this pandemic.

Mr. RUSH. Now, on the landscape of consumer protection organization, would you be supportive of a consumer protection organization and that really speaks directly and speaks directly for minorities and communities of color?

Ms. GREENBERG. Yes, we certainly would. And we think that there needs to be much more focus on the disparities that this pandemic has created. So the answer is, yes, we will work with you on that.

Mr. RUSH. All right.

Mr. Anderson, thank you for highlighting the plight of our Nation's seniors. In my district and across the country, too many seniors have been subject to unscrupulous assisted living facilities try-

ing to steal residents' stimulus checks under the guise of payments the facility is entitled to. That is why I was glad to see the FTC highlight this problem in May and why I sent a letter to CMS to see what they were doing to stop this practice. Unfortunately, CMS has limited jurisdiction in these situations.

My question is, other than increasing awareness, what can be done to prevent this malfeasance?

Mr. ANDERSON. Well, certainly, if consumers and seniors have that practice happen to them, I would encourage them to report it to, you know—in North Carolina, they can report it to our office, we will get it in the right hands. And if we hear of something inappropriate happening, we will follow up on it and take appropriate action on it or we will refer it to the right entity. It might be a Medicaid fraud-type entity. But it is something. If it happens to consumers, they should report it to the authorities for possible enforcement action, you know. We certainly don't want that type of activity to be occurring.

Mr. RUSH. Thank you.

I yield back, Madam Chair.

Ms. SCHAKOWSKY. OK. The gentleman yields back.

And I am going with, next, with everyone that is on the committee before we get to people who have waived on. And I call—I now ask my friend, Doris Matsui, to do her 5 minutes.

Ms. MATSUI. Thank you very much, Madam Chair, for this very, very important hearing. It is really something that is really necessary today. And I thank the witnesses for being here with us also.

I want to follow up more on older Americans. According to AARP, before the coronavirus, one in four older adults were socially isolated. Now we know that number is much higher today because they are doing their part to limit their risk to the exposure to the virus by staying at home. At the same time, they are spending more time online, at an increased risk of being targeted by COVID-19 scam activity. Now, not all older adults are emailing or texting, but I suspect most are receiving robocalls from COVID fraudsters.

Ms. Greenberg and Mr. Anderson, what is the best way to reach older adults offline about the scams we are discussing here today?

Ms. GREENBERG. Yes. Older adults are besieged by robocalls and even calls on their mobile or their landlines, and it has been exacerbated terribly by the pandemic. Education for family members, ensuring that your family member, your older family member is not by themselves or doesn't make any financial decisions without checking with another family member.

Also, we talked about, I think Mr. Anderson and others asked about, how about letting us know what the scams are. A lot of people don't understand how a scam works. We have got grandparent scams, we have got romance scams, and the scammers are very clever. So we need to expose people to how a scam looks, what the anatomy is of a scam. And there is lots of education to do, but yes.

Ms. MATSUI. OK.

What role can nonprofits and NGOs play in spreading information about common COVID frauds and scams?

Ms. GREENBERG. We have a fraud.org site. We have a fraud newsletter that goes out very broadly. We work with State attor-

neys general. We work with the FTC and a lot of companies. The kinds of companies Mr. Quaadman mentioned can play a very important role in spreading this information, what are the red flags of scams.

Ms. MATSUI. All right. Thank you very much.

During this crisis, it is imperative that everyone feels comfortable reaching out for help when they need it. For this to happen, we need our government at all levels to accommodate as many languages as possible.

In California, we have a significant Spanish-speaking population, and I believe it is important that they have options available to them to discuss testing, healthcare, and product-safety complaints in Spanish.

Mr. Anderson, can you describe your efforts in North Carolina to ensure Spanish speakers have options to lodge complaints? And are there other steps you have taken to expand options for consumers when filing complaints?

Mr. ANDERSON. Yes, we agree that that is important, and we try to make it as easy as possible for Spanish-speaking populations to lodge complaints with us.

We have employees on staff that speak Spanish so that, when calls come in, they can speak in Spanish to those consumers over the phone. We have our consumer complaint form in Spanish on our website. When we put out alerts and other consumer information, we often try to put that information out in Spanish. We reach out to some of the news media publications that Spanish-speaking populations subscribe to and pay attention to to try to help the get word out.

You know, I think there are lots of things that can be done there, and I agree it is important. In the consumer-protection world, you want everyone possible to know about these things, and sometimes that means communicating in the language that people are going to understand.

Ms. MATSUI. And I also believe that it is important to reach out to other groups that work with the Spanish-speaking population, whether it be churches or other groups. I know there are many available, and I think that they would be very, very willing to help out also.

Now, you know, while the FTC, DOJ, and FTR have roles to play in cracking down on fraudulent or ineffective products, markets, and consumers, we also need enforcement efforts in web platforms and social media companies.

Ms. Greenberg, do you believe these companies are devoting sufficient resources to adequately protect consumers from seeing fraudulent acts?

Ms. GREENBERG. We think there is a lot more room for improvement. Some of them have done very good work in reaching out, but, as we know, Facebook published ads that Consumer Reports, the magazine, offered them with false information, and they did not check the ads, and they published those advertisements with, you know, deceptive advertising at consumers.

So that exposed a gap. So we are asking these companies, you have got to step up, you have got to do much better. And some are

better than others, but I think there is a role for Congress to play here, and we would love to work with you on this.

Ms. MATSUI. All right. Well, thank you very much.

And I see my time is gone. I yield back. Thank you.

Ms. SCHAKOWSKY. The gentlewoman yields back.

And now I recognize for his questions for 5 minutes Congressman McNerney.

Mr. MCNERNEY. Well, I thank the Chair and the ranking member.

And I thank the witnesses. This is an important hearing, and it has a lot of impact on my district and my communities.

But before I start with questions, I would like to make a comment.

Mr. Quaadman, in your testimony, you mentioned the importance of broadband connectivity. In my district, 34 percent of my constituents don't have broadband service at home. And that is why I am proud that the House passed H.R. 2, which would ensure that all Americans are able to have broadband.

This legislation included the Digital Equity Act that I authored, along with Representatives Clarke and Luján, which would provide Federal funding to address gaps in broadband adoption and to promote digital literacy. If we want to fully unleash economic opportunities in our Nation, we need significant investments in our communities' infrastructure. And deregulation alone will not bridge the digital divide in districts like mine.

Ms. Greenberg, in your written testimony, you noted that, since the beginning of 2020—and this quote has been followed up by myself and Mr. Luján, and you gave it during your testimony—the FTC has received more than 120,000 complaints about scams, identity theft, and other types of fraud linked to COVID-19. Of those complaints, nearly half indicated a monetary loss of \$78 million.

How much do you think the number of the FTC complaints and monetary losses compares to the actual number of monetary losses and cases that have gone unreported?

Ms. GREENBERG. What we know is that most people will not report a loss and will not reach out to Federal agencies. They either don't know that there is a Federal agency or a State agency, they don't know how to reach those or they even exist to provide remedies. And people are embarrassed because maybe they got scammed, so they are not going to report them.

Mr. MCNERNEY. Sure.

Ms. GREENBERG. So I would say that the number is probably tenfold higher, from our experience, and maybe even worse than that. You know, we are just estimating. But very underreported.

Mr. MCNERNEY. Sure. That makes sense.

Mr. Anderson, is there any additional insight on unreported losses that you might have?

Mr. ANDERSON. Not in terms of numbers, but I would generally say that it has always been our feeling that, even though we receive a lot of complaints from the public, it is typically just the tip of the iceberg.

In North Carolina, we typically receive each year between 10,000 and 20,000 complaints, consumer-related, from North Carolina con-



sumers. But, again, we believe that is just the tip of the iceberg, that people don't report for various reasons.

You know, one message that I think it is important to get out there to consumers that Ms. Greenberg brought up is that consumers shouldn't be embarrassed to report things when they have been victimized by scams.

Mr. MCNERNEY. Right.

Mr. ANDERSON. I mean, everyone in our society—I mean, I am not going to mention names, but I have seen Ph.D.s be, you know, subjected to scams. I have seen high-ranking government officials—these scams are very ingenious. And we want people to report them. We need the information in order to get the information and protect other people.

So people shouldn't be embarrassed about reporting them. And I hope we can kind of continue to try to get that message out and encourage consumers to report these things and try to help out their fellow citizens from falling prey to them.

Mr. MCNERNEY. OK. Thank you for that.

Ms. Greenberg, in 2016, the FTC—and, you know, we always feel the FTC is underresourced. But they found that Black and Latino communities tend to be subject to fraud at higher rates and tend to underreport cases to the FTC.

So, while the consumer education alone is not enough, do you think that it would be helpful for the FTC to increase outreach to these communities about how to protect themselves against scams and steps they should be taking?

Ms. GREENBERG. We would like to see the FTC to have the resources to reach out—go to townhalls, work with your office, do meetings in the various congressional districts, talk to people in churches, in community gathering places, community centers. The more people know about fraud, the better they are at recognizing it. And it is a very effective tool, but you have to know what a fraud looks like.

Like Mr. Anderson said, I have had very sophisticated friends and family members fall for frauds, because the fraudsters are very good at what they do. They read people well, and they know what a scam looks like. And so no one should be embarrassed about coming forward.

But knowing what they look like and how to recognize them is important. So, yes, I do support the FTC being much more pervasive in communities across the country.

Mr. MCNERNEY. OK.

And I am almost out of time, so I don't expect an answer, but I would like to understand a little bit better about peer-to-peer scams, peer-to-peer financing scams. So maybe we can have a question for the record on that.

And I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And now I recognize for 5 minutes Congresswoman Lisa Blunt Rochester.

Ms. BLUNT ROCHESTER. Thank you, Madam Chairwoman.

And thank you also to the witnesses.

Amid a global pandemic that is creating unprecedented social, economic upheaval, the last thing anybody needs, the last thing any American needs is to have to worry about scammers.

And I am hearing reports, really awful reports, of practices where people are acting as imposters, as hospitals or doctors, demanding of my constituents payment for the medical debts that they or their loved ones may have incurred due to being treated for COVID-19.

And with staggering unemployment, people are struggling to find a job, and that is making them susceptible to work-at-home scams that offer a way out of economic woes but only after they provide a downpayment, often via a wire transfer.

But I think the most egregious, to me, some of the worst examples, are scammers that target seniors in nursing homes, preying on their isolation borne from this public health emergency. And we have heard a lot of members on this call talk about the impacts on seniors.

I have a bipartisan bill with Mr. Walberg and also our subcommittee's own Mr. Hudson, the Stop Senior Scams Act, that would bring stakeholders together to proactively stop senior scams. In fact, the Senate companion just passed the Senate in June, and we have 13 endorsing organizations, including the National Consumers League and AARP.

And I urge my colleagues on the committee, if you are not already a sponsor or a cosponsor, please join us and please support this bipartisan bill.

To the panel, can you tell the committee why you support this bill and, you know, what specifically you are seeing that are happening to seniors right now?

And I know, Mr. Quaadman, I actually heard you reference our bill a couple of times as well.

So I am going to start with Ms. Greenberg, and then if I could ask Mr. Anderson and Mr. Quaadman.

Ms. GREENBERG. Yes. Thank you, Congresswoman.

And, yes, this is an opportunity to support and protect our seniors. They are extremely vulnerable during this pandemic, and we think your bill is so needed right now, the Stop Senior Scams.

It is great that it is a bipartisan bill. Delighted that it passed in the Senate. And my fellow consumer advocates and I are so pleased that you introduced it, and we want to work with you on getting it into law.

Ms. BLUNT ROCHESTER. Great. Thank you so much.

Mr. Anderson?

Mr. ANDERSON. Yes. I think it is important. I have looked at the bill, and, without taking an official position on it or anything, I had a positive reaction to what the bill is trying to do. I think, again, these scams that are targeting seniors are very important to go after and look at.

I think taking a very close look, which I understand is part of the intent of the bill, at how seniors are navigating marketing and scams in the digital world and how the world has changed with technology and different things that can be done to share information and make educating seniors better for consumers, I think that

what the bill is trying to do is all very positive, I think. I think it looks like it is doing good things, to me.

Ms. BLUNT ROCHESTER. Thank you, Mr. Anderson.

And, Mr. Quaadman, if you have any comments?

Mr. QUAADMAN. Sure. Ms. Rochester, first off, I agree, as well, that increased information is important for customers to protect themselves. Public education is obviously a very important step in doing so as well.

In looking at your bill, in terms of the hearing, obviously, that is what your bill is trying to do. We are currently reviewing it, and we will be happy to have further discussions with you on it.

Ms. BLUNT ROCHESTER. Thank you so much.

And for any of you, if you could just share what else you think we need to do in Congress to protect seniors.

We can start with Ms. Greenberg again.

Ms. GREENBERG. When you do your townhalls, we need to reinforce with our federal agencies and our state agencies, don't allow seniors to be isolated and make financial decisions that could cost them or their families a lot of money. So it is really important that they stay connected, that they have somebody that they can call.

There are some things you can do to protect the finances of seniors. You know, they are alone, they are socially isolated, and they may make some decisions that are not in their best financial interest. So Congress can, I think, do a lot to shine a light on how we use our Federal agencies to inform seniors and their family members about better and stronger protections and to make sure they are not socially isolated.

Ms. BLUNT ROCHESTER. Thank you.

I have run out of time. And thank you, Madam Chairwoman. I yield back.

Ms. SCHAKOWSKY. Thank you.

Mr. Walberg, you have been very patient, waiting, and I am very happy to now recognize you for 5 minutes.

Mr. WALBERG. Thank you. Can you hear me?

Ms. SCHAKOWSKY. Yes.

Mr. WALBERG. Can you hear me?

Ms. SCHAKOWSKY. Yes.

Mr. WALBERG. We just dropped three of our Chicago grandkids off. And I now realize I am a senior. So this is a perfect hearing for today. I guess I don't realize it. It was just reconfirmed.

But thank you for this hearing. Thanks for allowing me to wave on.

And I guess Lisa Blunt Rochester asked some of my questions. I think that is why we have cosponsored the legislation together, because of our concerns that are going on. We know that, in the digital age, scammers are out there. Seniors are there with their hard-earned money, the savings, et cetera, and so we know that they are going after them.

Let me ask one question that I don't believe has been asked yet today, and that I would like to ask Mr. Anderson and Mr. Quaadman.

If you could expand upon, talk about what companies can do to prevent frauds, scams against seniors, some specifics more towards seniors than anyone else? Because that really is a population that

is challenged right now. I know how many phone calls I get every day, some of which I know are scams.

So talk to us, Mr. Anderson and Mr. Quaadman, about specifics that you have seen or could expect companies to do to help out.

Mr. ANDERSON. So one thing I will say that I think is worth exploring is, are there more things that financial institutions or banks could do to stop seniors from sending out large transfers of money when they have been subjected to one of these telemarketing scams.

And there are some things that they are already doing, but I think part of the intent of the bill is to look at what can be done there—training that can occur at the banks and education that banks can do before a senior wires, you know, hundreds of thousands of dollars of their life savings off to a scammer. So I think that is one thing worth exploring.

I think maybe exploring some things involving the payment processing, whether it is wire transfers, gift cards, and if there are ways to, you know, prevent seniors from sending out large sums of money via scams and those payment processing mechanisms is something worth exploring and thinking about.

We could spend a lot of time talking about these things, but those are some things that come to mind. And I will turn it over to the other panelist.

Mr. WALBERG. OK. Thank you.

Mr. Quaadman?

Mr. QUAADMAN. Sure. Thank you, Mr. Walberg.

As I mentioned before, there is a lot of work that goes on behind the scenes with companies in terms of algorithms and AI to look at transactions and to try and spot them and get in touch with consumers quickly.

There are also a number of different tools that I mentioned, as well, that companies do make available for consumers to protect themselves and to be more aware of what we should be doing. There is probably a better public education that can happen to make seniors aware of what those tools are and how they can use them.

So, again, I think there is a bit of a partnership that we can have between the industry as well as with government that can help educate on that and to help the further deployment of tools.

Mr. WALBERG. Well, I appreciate that.

And I would also encourage my colleagues on Energy and Commerce, specifically on this committee, if you haven't signed on as a cosponsor of our bill, the Stop Senior Scams Act, we certainly would appreciate it. We want to see it move forward and help seniors, myself included.

Thanks, Madam Chairwoman, and I will yield back.

Ms. SCHAKOWSKY. Thank you. Yes, I think there is a few of us on the committee who could benefit from that, at least according to age.

And I thank all of the witnesses for your participation today. I think this was a very, very useful hearing for us. I am sure we will be taking measures and keep that in mind as we move forward.

I understand there are some documents for the record, and, subsequent to that, we will adjourn the hearing, but, you know, any-

one who doesn't want to hear the documents—or does want to, that is next.

We have a document from the Internet Association on fair pricing; a document from the Internet Association on counterfeit goods; a letter from the Toy Association; an article entitled “University Engineers, Architects Design 3D-Printed Nasal Swabs”; an article entitled “Robots Delivering Food to College Campuses this Fall”; an article entitled “Researchers Develop New Technique to Print Electronic Sensors Directly on Organs”; and an article entitled “Researchers Are Tapping Blockchain Tools in Fight Against Coronavirus.”

There is more: an article entitled “How Gig Economy Companies are Stepping Up to Help Americans Amid the COVID-19 Pandemic”; an article entitled “How AI Protects People from Online Scams”; and a statement from the AAFA.

Is that it?

OK. And that is that. And, without objection, those will be entered into the record.

[The information appears at the conclusion of the hearing.]

Ms. SCHAKOWSKY. And I remind Members that, pursuant to committee rules, they have ten business days to submit additional questions for the record to be answered by the witnesses who have appeared.

I am asking the witnesses, if you are still there, to respond promptly to any questions that you may have.

Ms. SCHAKOWSKY. And, at this time, with my homemade gavel, the subcommittee is adjourned. Thank you so much, everybody.

[Whereupon, at 2:18 p.m., the subcommittee was adjourned.]

#### PREPARED STATEMENT OF HON. RICHARD HUDSON

Thank you, Mr. Carter and thank you Madame Chair. Before I begin, let me first extend a special welcome to one of our witnesses, Kevin Anderson of the North Carolina Department of Justice. In North Carolina, we have seen pervasive attempts to defraud consumers especially among elderly populations. Last month over \$310,000 was lost to COVID related scams in our state. Additionally, NCDOJ has received 4,908 reports of illegal robocalls since the beginning of the COVID-19 pandemic. This is just a small slice of what's happening across the country but illustrates the importance of addressing this issue. We appreciate you joining us today and look forward to your testimony.

For the past several months, the United States along with the rest of the world has grappled with COVID-19 and its impact on our health, safety, and way of life. Not only has COVID-19 proven to be a deadly disease, but it has also created an environment where nefarious actors seek to take advantage of people's fears and the unknown for their own personal profit.

To date we have seen a variety of fraudulent activity ranging from identity theft and financial scams to false claims about small business loans and medical treatments.

During our hearing on misinformation in the digital age, I discussed efforts I have taken to prevent the online sale and abuse of opioids. I believe we must take a similar approach to prevent the sale of deliberately misleading medications as it relates to COVID-19.

Thankfully, there have also been significant efforts to address these issues ranging from FTC enforcement to businesses taking actions to find and eliminate deceptive behavior before they negatively impact consumers. Together they have shown the need for both the public and private sectors to work together on these important issues.

I am proud to have joined Mr. Carter as an original cosponsor of the Combating Pandemic Scams Act and am pleased to see how the use of emerging technology has

not only allowed individuals to stay connected during this historic pandemic but also enabled us to leverage new resources to combat scams and fraudulent activity.

I look forward to working with my colleagues on both sides of the aisle to stay ahead of the changing nature of these scams and yield back the remainder of my time.



## IA Member Company Efforts To Ensure Fair Pricing During The Pandemic

Internet Association (IA) member companies work every day to ensure fair pricing and to combat price gouging on their platforms. Companies take a variety of proactive actions and are closely working with law enforcement to tackle this problem.



### Proactive Efforts

IA member companies are constantly working to prevent price gouging by sellers on their platforms. Efforts include:

- Policies that prohibit unfair pricing or exploitation of the crisis
- Increased automated review of posts and listings, with many banned before they are seen by others on the platforms
- Increased human review of listings, including dedicated teams focused on reviewing COVID-19-related listings
- Restricting sale of certain items critical to health care providers and prioritizing their shipment
- Banning policy violators from making future postings or sales



### Partnerships With Law Enforcement & Policymakers

IA member companies are working with law enforcement and policymakers at all levels of government to prevent unfair pricing and to ensure bad actors are brought to justice. Efforts include:

- Proactively reporting potential violators to state and federal law enforcement
- Developing dedicated channels for state and local law enforcement to share suspected listings and elevate concerns
- Working to strengthen anti-price gouging laws at the state and federal level

#### About Internet Association

Internet Association represents over 40 of the world's leading internet companies. IA's mission is to foster innovation, promote economic growth, and empower people through the free and open internet. For more information, visit [www.internetassociation.org](http://www.internetassociation.org)



## IA Members Are Combating Counterfeit Goods

Internet Association (IA) member companies take the lead in combating the sale of counterfeits on their platforms by creating transparent and innovative counterfeit reporting tools, proactively partnering with rightsholders and enforcement entities, implementing clear anti-counterfeit policies, and working with law enforcement.



### Notice-And-Takedown Services

- IA member companies** have robust systems in place to remove infringing content, including:
- Clear Terms of Service and policies prohibiting IP infringement (including counterfeits)
  - Publicly accessible and easy-to-use reporting forms
  - Global notice-and-takedown teams
  - Prompt removal of reported listings
  - Robust repeat infringer policies



### Partnerships With Rightsholders

- IA member companies** work with rightsholders to stop infringement through:
- Mechanisms available to rightsholders to flag and remove problematic sellers and listings
  - Specialized tools or dashboards for rightsholders to more effectively identify and remove infringing content
  - Dedicated channels for rightsholders to report infringement
  - Sharing trends and insights to help inform anti-counterfeiting measures



### Proactive Efforts

- IA member companies** work every day to keep counterfeit items off their platforms through:
- Machine review of listings before they're posted
  - Blocking suspected infringing listings from being published
  - Banning sellers with multiple violations
  - Shutting down related sellers and preventing banned users or sellers from returning to the platform
  - Tools for users and customers to flag problematic sellers and listings
  - Removing suspected fake reviews



### Partnerships With Law Enforcement

- IA member companies** regularly work with federal, state and local law enforcement, including U.S. Customs and Border Protection and the National Intellectual Property Rights Center, to:
- Create training programs to ensure officials understand how platforms work and the most effective evolving investigation techniques
  - Assist in ongoing investigations
  - Encourage users to report illegal activity to appropriate authorities

#### About Internet Association

Internet Association represents over 40 of the world's leading internet companies. IA's mission is to foster innovation, promote economic growth, and empower people through the free and open internet. For more information, visit [www.internetassociation.org](http://www.internetassociation.org)





1200 G Street NW • Suite 200 • Washington, DC 20005  
 t. 202.459.0354 • e. info@toyassociation.org

July 8, 2020

The Honorable Jan Schakowsky  
 Chairwoman, Consumer Protection and Commerce Subcommittee  
 2367 Rayburn House Office Building  
 Washington D.C., 20515

The Honorable Cathy McMorris Rodgers  
 Ranking Member, Consumer Protection and Commerce Subcommittee  
 1035 Longworth House Office Building  
 Washington, D.C. 20515

Chairwoman Schakowsky and Ranking Member McMorris Rodgers:

On behalf of The Toy Association, thank you for holding the hearing, “Consumers Beware: Increased Risks During the COVID-19 Pandemic.” We appreciate your attention to this important matter and continued focus on counterfeit and unsafe products particularly given the changing landscape of consumer online shopping.

As background, The Toy Association represents more than 1,000 businesses – toy manufacturers, importers and retailers, as well as toy inventors, designers, licensors and studios – all involved in bringing safe, fun and educational toys and games for children to market. With an annual positive U.S. economic impact of \$97.2 billion, the U.S. toy industry supports 623,067 U.S. jobs and generates \$13.1 billion in state and federal tax revenue each year. Approximately 3 billion toys are sold in the U.S. each year, totaling \$27 billion at retail, and our members account for approximately 90% of this market. Importantly, over 95% of toy manufacturers, wholesalers, distributors in the United States are small businesses.

In the first quarter of 2020, when we saw schools around the country closing their doors to help combat the COVID-19 outbreak, toy sales increased 7.6% year-over-year.<sup>1</sup> In addition consumers were buying more toys online due to the health concerns with in-person shopping. Toys are an essential part of keeping kids learning through play. Toys are the tools of play and play activities foster kids’ learning and teaches them valuable cognitive, creative, physical, emotional, social and communications skills. Toys ignite kids’ imaginations, curiosity, critical thinking and are the building blocks for a healthy childhood. During this time, toys are playing an increasingly invaluable role in providing kids and parents with the tools to enhance learning opportunities and develop fundamental skills outside the classroom.

<sup>1</sup> The Toy Book, “COVID-19 The Problem Persists” <https://toybook.com/covid-19-the-battle-persists/>



1200 G Street NW • Suite 200 • Washington, DC 20005  
 t. 202.459.0354 • e. info@toyassociation.org

While access to play is important, it is equally important for children to have access to safe play and curbing the flow of counterfeit and noncompliant goods in ecommerce is an issue of critical importance to the U.S. toy industry. Unfortunately, the third-party marketplace structure has given equal footing to illicit sellers competing with toy brands consumers have come to know and trust.

By law, all toys sold in the U.S. must be compliant with mandatory product safety requirements, must be tested by an accredited, independent testing facility and must have a children's product certification. Legitimate toy companies spend significant resources to bring new, fun, educational and safe toys to the U.S. market. Suffice to say, counterfeit toys do not submit to any of these safety and testing regulations and there is no assurance that they comply with these safety requirements. For these sellers, bypassing U.S. safety and testing regulations is a competitive advantage to provide toys cheaper and quicker. This problem is global with The Toy Industries of Europe reporting in a recent study that, of the nearly 200 non-branded toys purchased from four major marketplaces, 97% did not comply with EU safety standards.<sup>2</sup>

Consumers have come to rely on ecommerce platforms to provide discounted pricing and wide selection of name-brand quality toys also found at brick-and-mortar retail. Under the current third-party marketplace system, illicit sellers with little or no accountability take advantage of this consumer faith by offering inferior and unsafe counterfeit toys that put our children at risk. Meanwhile, intermediaries are making substantial profit from these sales with minimal risk. Any business selling toys in the U.S must be held to the same high safety standards and it is time for marketplaces to take greater responsibility in implementing proactive measures to keep these noncompliant products off their sites.

Unfortunately, enforcement efforts and platform initiatives have thus far been insufficient to stop the flow of IP infringing goods sold in the U.S. In fact, the problem has gotten worse, not better. According to a March 2019 report from the Organization for Economic Co-Operation and Development (OECD) and the European Union's Intellectual Property Office (EUIPO), trade in counterfeit and pirated goods continue to rise steadily year over year with 2016 worldwide customs seizures valued at \$509 billion in 2016 up from 461 billion in 2013. Toys were the eighth top seized counterfeited category of goods accounting for 3% of the total dollar amount.<sup>3</sup>

Put simply, the counterfeit business on ecommerce is flourishing and without significant changes to the existing framework, brands will continue to lose the war on fake toys putting our children at risk.

#### **Proposed Solutions**

The Toy Association's IP Committee has been working with ecommerce platforms and members to improve communication and discuss our concerns. Toy Association members Amazon and Walmart and non-member Alibaba have been directly engaged with our members to learn more about what we are seeing in an effort to reduce the number of unsafe counterfeit toys on their marketplaces.

<sup>2</sup> TIE's EU Toy Safety report: The problem of un reputable sellers on online marketplaces

<https://www.toyindustries.eu/ties-eu-toy-safety-the-problem-of-unreputable-sellers-on-online-marketplaces/>

<sup>3</sup> OECD "Trade in fake goods is now 3.3% of world trade and rising" <https://www.oecd.org/newsroom/trade-in-fake-goods-is-now-33-of-world-trade-and-rising.htm>



1200 G Street NW • Suite 200 • Washington, DC 20005  
 t. 202.459.0354 • e. info@toyassociation.org

In January of 2019, The Toy Association released a paper, [The Real Threat of Fake Toys](#), submitted for the record as part of our statement, exploring the factors contributing to the rise in counterfeit goods sold through ecommerce platforms and some possible solutions. Specifically, the white paper explored the following:

- Ecommerce creates a low hurdle to sellers giving illicit sellers near unfettered access to U.S. consumers. More must be done to ensure the legitimacy of the sellers and to provide transparency into who is selling on marketplaces. And more must be done to prevent identified illicit sellers that have been taken down from reappearing on marketplaces selling the same products. Increased and improved vetting of sellers prior to joining marketplaces, consistent data requirements across platforms and information sharing among platforms, brand owners and enforcement agencies would all be possible solutions to reduce the number of infringing goods sold online.
- The burden of enforcement is disproportionately placed on the rightsholder who must register with each ecommerce platform to do takedowns – a costly and time intensive process. As I mentioned, 95% of the toy industry is made up of small businesses and they are at a significant disadvantage when it comes to tackling counterfeits. While platforms have established programs to help brands remove counterfeit listings, many of these programs are reactive and require the constant vigilance and engagement of the brand owner to identify counterfeit listings. Moreover, some platforms offer more protection to “more important brands” than they offer to others putting small businesses at a further disadvantage. We encourage Congress to explore whether marketplaces should have greater liability to ensure the authenticity and the safety of the products they sell. Without liability, the incentive for platforms to police their own marketplace is weak as they are profiting from the sales of counterfeit goods with little to no risk.
- Finally, consumer awareness is a critical component to reducing the prevalence of counterfeits as consumers are largely unaware of the scope of the problem and they are often unable to distinguish between known sellers and illicit sellers on marketplaces. Some suggestions to solve this problem include increasing transparency into the identity of the seller and educating consumers on smart online shopping.

We appreciate that platforms have been willing to engage with us on these concerns and have taken some meaningful steps in a positive direction. However, as it stands today, legitimate toy brands selling through local toy stores are playing by one set of rules and foreign sellers that exploit marketplaces do not have to follow. And without significant changes to level the playing field, we will continue to fight a losing battle.

#### Legislative Solutions

We are strongly supportive of three bills recently introduced in the House and Senate that would help level the playing field and reduce the number of unsafe products sold online. These bills, summarized below, would provide greater transparency to consumers in making decisions on what toys to buy and who to buy from and would impose contributory liability on marketplaces that sell counterfeit products that impact health and safety.



1200 G Street NW • Suite 200 • Washington, DC 20005  
 t. 202.459.0354 • e. info@toyassociation.org

#### **H.R. 6058 – SHOP SAFE Act**

The Stopping Harmful Offers on Platforms by Screening Against Fakes in E-Commerce (“SHOP SAFE”) Act was introduced by Rep. Jerry Nadler (D-NY), on March 3, 2020, to the House Judiciary Committee. The bill is cosponsored by Rep. Doug Collins (R-GA), Rep. Henry “Hank” Johnson (D-GA), and Rep. Martha Roby (R-AL), Rep. Theodore Deutch (D-FL) and Rep. Ben Cline (R-VA). The bill would amend the Trademark Act of 1946 to provide for contributory liability for certain e-commerce platforms for use of a counterfeit mark by a third party on such platforms, and for other purposes.

This bill seeks to combat the proliferation unsafe counterfeit goods for sale on e-commerce websites by incentivizing platforms to engage in a set of best practices for vetting sellers and goods, punishing repeat offenders, and ensuring that consumers have the best, most accurate information available to them when making purchases online. SHOP SAFE applies to goods with a health and/or safety impact, as counterfeit goods in this category pose the most serious consequences for consumers. Online retail platforms that follow SHOP SAFE’s best practices may be immunized from contributory liability for trademark infringement.

#### **S. 3073 – SANTA Act**

Senator Bill Cassidy (R-LA), together with cosponsors Senator Thom Tillis (R-NC), Senator Robert Menendez (D-NJ), and Senator Dick Durbin (D-IL) introduced the Stopping All Nefarious Toys in America (“SANTA”) Act on December 17, 2019. This bipartisan bill requires online marketplaces to verify and disclose the identity of a seller of children’s products to consumers. An online marketplace must obtain a seller’s bank account information, a government-issued photo identification, and business contact information. Online marketplaces must then disclose each seller’s name, business address, phone number, and email address to consumers. Marketplaces must also disclose if they are shipping from a seller that is different from whom the consumer purchased.

#### **S. 3431 – INFORM Consumers Act**

The INFORM Consumers Act requires online marketplaces to disclose certain verified information regarding high-volume third-party sellers of consumer products. The bill was introduced by Senators Cassidy (R-LA), Durbin (D-IL), Perdue (R-GA), and Hirono (D-HI) on March 10, 2020. The bill will require certain disclosures from high-volume third-party sellers on e-commerce platforms. In addition to providing increased transparency for online consumers, the INFORM Consumers Act will allow law enforcement to better identify high-frequency sellers suspected of trafficking stolen and counterfeit goods. Consumers will be also provided information regarding whether a given seller is a manufacturer, retailer, importer, or reseller of consumer products. With greater volume of available information on online sellers provided under this scheme, informed consumers can avoid purchasing goods from unscrupulous and criminal actors in the online marketplace and combat Organized Retail Crime (ORC).



1200 G Street NW • Suite 200 • Washington, DC 20005  
t. 202.459.0354 • e. [info@toyassociation.org](mailto:info@toyassociation.org)

**Conclusion**

We welcome the opportunity to explore these concerns and potential solutions with the Subcommittee and others. Thank you again for holding this hearing. We look forward to continuing to work with you on this important issue. If you have any questions, please feel free to contact Rebecca Mond, Vice President of Federal Government Affairs at The Toy Association at [rmond@toyassociation.org](mailto:rmond@toyassociation.org).

Sincerely,

Steve Pasierb  
President & CEO  
The Toy Association





## University engineers, architects design 3D-printed nasal swabs

University of Miami engineers and architects are 3D printing nasopharyngeal swabs used in coronavirus testing.

By Robert C. Jones Jr.

**07-06-2020**



7/8/2020

University engineers, architects design 3D-printed nasal swabs

A University of Miami team awaits FDA approval to mass-produce nasopharyngeal swabs used in coronavirus testing.

Long before a ventilator or therapies such as remdesivir and steroids are deployed, a 6-inch-long, skinny, flexible plastic stick is often the first line of defense in the fight against COVID-19.

The nasopharyngeal swab, which is inserted deep into the nasal cavity, remains the primary diagnostic tool used to test for the virus. But as screenings ramp up amid a massive spike in coronavirus cases in dozens of states, frontline health care workers are concerned that supplies of the highly specialized swabs will again run dangerously low.

Now, a University of Miami initiative that uses additive manufacturing is helping to allay those fears.

Biomedical engineers and architects at the University are in the homestretch of an ambitious project to 3D-print 1,000 nasopharyngeal swabs a day, doing their part to help maintain the stockpile of these crucial tools that are being used by the tens of thousands at hospitals, community health clinics, and drive-through test sites each week.

"As the virus started to gain a foothold locally and around the country, we knew that nasopharyngeal swabs would be in high demand and that the supply would start to run low," said Ramon Montero, an assistant professor of professional practice in the biomedical engineering department at the [College of Engineering \(https://www.coe.miami.edu/\)](https://www.coe.miami.edu/). "We also knew we had the 3D-printing technology to produce them. It was just a matter of working with our doctors to make sure we designed what they needed."

Montero, who is part of the University's COVID-19 Preparedness Task Force, an endeavor aimed at 3D-printing and fabricating devices and personal protective equipment (PPE) for medical personnel on the front lines of the war against the coronavirus, started working on a nasopharyngeal swab design in late March.

University of Miami Health System pathologists Merce Jorda and Oleksandr Kryvenko were pleased with the initial design, but there was just one problem: The swabs were too flexible. While they had to be somewhat bendy, they still needed to be rigid enough to reach the back of the nasal passageway, where it meets the throat, to collect a sample.



Ramon Montero and Max Jarosz

"We had watched a video of how the swab testing is done and made the incorrect assumption that they had to bend a lot. But that just wasn't the case at all," Montero explained.

7/8/2020

University engineers, architects design 3D-printed nasal swabs

So his team went back to the drawing board, designing a swab that was stiffer and included small holes at the tip to facilitate specimen collection. "We finally came up with something that was just right," Montero said.

They are using an autoclaving process—superheating the swabs at 121 Celsius for 30 minutes—to sterilize the instruments.

Plastics generally cannot withstand such an intense sterilization process, so Montero found a substance that could —a type of guidewire polymer used in surgical procedures like catheter placements.

Now the swabs are at the trial phase. They have already been tested on manikin and cadaver heads. Testing on human subjects comes next. But for that, Montero and his team will need FDA approval. They have applied for emergency use authorization from the FDA for the swabs, which accelerates access to critical medical products that may help during crises like the current pandemic.

"Our goal is to produce 1,000 swabs a day using as many as three 3D printers," said Maxwell Jarosz, architect and manager of the fabrication lab and model shop at the School of Architecture (<https://www.arc.miami.edu/index.html>), where many of the prototype swabs have been printed.

Others have been produced at the College of Engineering-Johnson & Johnson 3D Printing Center of Excellence Collaborative Laboratory.

If FDA approval is secured, swabs used for actual patient testing will be 3D-printed at UHealth Tower. "Our plan is to help the hospital install its own printer for production once the design is ready," Jarosz said.

As the swabs begin to be mass-produced, Montero and Jarosz will work with second-year Miller School of Medicine (<https://med.miami.edu/>) student Alison Ohringer, who could play a role in expanding distribution to other frontline health care workers.

Ohringer founded and serves as the president of Miami Med COVID Helo (<https://www.miamimedcovidhelo.com/>), a nonprofit organization with about 150 Miller School student volunteers that coordinates donations of PPE and other supplies to area hospitals.

She, along with Jarosz, sits on the COVID-19 Preparedness Task Force. Face shields, surgical helmets, filter caps for N95 masks, and intubation boxes that protect health care workers from aerosolized particles produced during endotracheal intubation are among the items the University-wide task force has helped produce.



7/8/2020

Starship Technologies

### **Robots that will deliver food to college campuses this fall**

These miniature coolers on wheels can roll that snack right to your door, for those schools that will open. College students are hardly strangers to midnight snacking, and will often go to pick up pizza, frozen yogurt and more. But not every college campus is opening its doors this fall, and those that do are making accommodations for social distancing due to making heavy inroads on college sites.

Here are where robots have already started delivering food at universities, or college towns, prior to the impact of the coronavirus. If schools in these locations do open, these robots could be able to serve up study hall snacks this coming fall too.

### **Bowling Green State University**

Near this Bowling Green, Ohio campus? You can have Starbucks coffee, donuts, Panda Express and even a few groceries delivered to your door, courtesy of Starship Technologies robots. The service takes anywhere from seven to 49 minutes to get to you -- depending on what you order. Bowling Green State University also plans to re-open for the fall of 2020.

### **George Mason University**

The Fairfax, Virginia school has had robots up and running to deliver food since January 2019. Orders are placed through Starship Technologies app, and include options for salads, burgers, doughnuts and even sushi from different restaurants and food chains. Right now, the app says the service is closed for this summer. But the robots are expected to be running again this fall, when the school is expected to resume with a hybrid of in-person and remote classes. Robots are available to deliver pizza, burgers, coffee and more from a number of vendors across this university in Flagstaff, Arizona. The university plans to open early, on August 12, for its fall semester.

### **University of Mississippi**

Famously known as Ole Miss, robots (yes, through Starship Technologies) roam around the campus delivering food from the Ole Miss Dining Services. People can get salads, sandwiches, Starbucks coffee, bagels and more. The Oxford, Mississippi university is planning to re-open with a modified academic schedule for the fall of 2020.

### **University of Pittsburgh**

This Pittsburgh, Pennsylvania school has robots that can bring food from chains including Taco Bell and Einstein Bros Bagel to smaller shops that serve salads, sandwiches and snacks. The University of Pittsburgh — and its robots — are expected to resume for the fall 2020.

### **Purdue University**

From dumplings to pizza, robots from Starship Technologies can deliver meals to students across this West Lafayette, Indiana campus. The robots are turned off for the summer, but Purdue University is planning for students to return to campus for the fall 2020, along with the autonomous delivery service.

### **University of Houston**

Robots delivering food at the University of Houston in Texas aren't currently working. The University also hasn't issued firm guidance on whether it will open its doors or not for the Fall 2020. If its doors do open, students will be able to make use of the robots to deliver everything from burgers to BBQ, and even breakfast. when they'll be able to order pizza, stir fries, coffee and more right to their door.

### **University of Texas at Dallas**

Starship Technologies robots showed up in January 2020 at the University of Texas at Dallas, delivering food from 10 different food court locations including smoothies, burgers, gyros and pizza. While they're on break for the summer, the robots are expected to be up and running come fall, as the university does plan to open for the fall 2020 semester.

### **Unsure of status**

#### **University of the Pacific**

In 2019, PepsiCo teamed up with Robby Technologies to bring robots to this Stockton, California campus delivering tea, potato chips and Starbucks coffee. Orders were placed through the Snackbot app, which does not appear to be available in the App Store at this time.

### **Arizona State University**

**University of California at Berkeley**

Kiwibot is a robot service that made deliveries in Berkeley, California, and near the University of California at Berkeley, where it's based. Kiwi robots are actually rentable, at \$20 a robot, plus a licensing fee per order. Berkeley plans to have a hybrid solution this fall, with some classes in-person and some remote. We reached out to Kiwi to see if the robots would be contenting to work in the area, and will update this story when they respond.

**James Madison University**

This Harrisburg, Virginia university has a page in Starship Technologies app — but every food offering is grayed out, making it impossible to see what could be order by its robots. The school itself is planning to open in the fall of 2020, and perhaps the food delivery service will be live by then as well.

## Researchers develop new technique to print electronic sensors directly on organs

Reviewed by James Ives, M.Psych. (Editor)

Jun 22 2020

In groundbreaking new research, mechanical engineers and computer scientists at the University of Minnesota have developed a 3D printing technique that uses motion capture technology, similar to that used in Hollywood movies, to print electronic sensors directly on organs that are expanding and contracting.

The new 3D printing technique could have future applications in diagnosing and monitoring the lungs of patients with COVID-19.

The research is published in *Science Advances*, a peer-reviewed scientific journal published by the American Association for the Advancement of Science (AAAS).

The new research is the next generation of a 3D printing technique discovered two years ago by members of the team that allowed for the printing of electronics directly on the skin of a hand that moved left to right or rotated.

The new technique allows for even more sophisticated tracking to 3D print sensors on organs like the lungs or heart that change shape or distort due to expanding and contracting.

"We are pushing the boundaries of 3D printing in new ways we never even imagined years ago," said Michael McAlpine, a University of Minnesota mechanical engineering professor and senior researcher on the study.

"3D printing on a moving object is difficult enough, but it was quite a challenge to find a way to print on a surface that was deforming as it expanded and contracted."

The researchers started in the lab with a balloon-like surface and a specialized 3D printer. They used motion capture tracking markers, much like those used in movies to create special effects, to help the 3D printer adapt its printing path to the expansion and contraction movements on the surface.

The researchers then moved on to an animal lung in the lab that was artificially inflated. They were able to successfully print a soft hydrogel-based sensor directly on the surface. McAlpine said the technique could also possibly be used in the future to 3D print sensors on a pumping heart.

"The broader idea behind this research, is that this is a big step forward to the goal of combining 3D printing technology with surgical robots," said McAlpine, who holds the Kuhrmeyer Family Chair Professorship in the University of Minnesota Department of Mechanical Engineering.

**“** *In the future, 3D printing will not be just about printing but instead be part of a larger autonomous robotic system. This could be important for diseases like COVID-19 where health care providers are at risk when treating patients.”*

*McAlpine, Kuhrmeyer Family Chair Professorship, Department of Mechanical Engineering, University of Minnesota*

---

**Source:**

University of Minnesota College of Science and Engineering

**Journal reference:**

Zhu, Z., et al. (2020) 3D printed deformable sensors. *Science Advances*. doi.org/10.1126/sciadv.aba5575.

---

7/8/2020

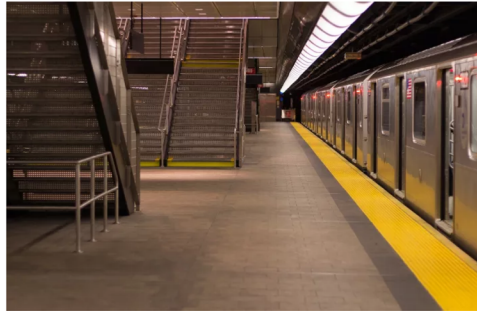
Researchers Are Tapping Blockchain Tools in Fight Against Coronavirus - CoinDesk

Story from News →

## Researchers Are Tapping Blockchain Tools in Fight Against Coronavirus

Apr 9, 2020 at 09:00 UTC

Updated Apr 9, 2020 at 14:45 UTC



*Researchers are increasingly turning to blockchain tools to mitigate the COVID-19 impact, which saw lockdowns and stay-at-home orders in numerous countries. (Credit: Shutterstock)*

**Danny Nelson**

**A series of ongoing efforts across universities, medical academia, the private sector and even private citizens are harnessing distributed systems in the fight against COVID-19.**

The projects are attempting to buttress governmental stay-at-home orders that have

<https://www.coindesk.com/covid-researchers-are-tapping-blockchain-tools-in-fight-against-coronavirus>

7/8/2020

Researchers Are Tapping Blockchain Tools in Fight Against Coronavirus - CoinDesk

frozen billions of people in a global effort to flatten the curve. There's no known cure for COVID-19 and there will be no vaccine against the coronavirus that causes it for at least a year, leaving medical practitioners, researchers and innovators to try and find ways of mitigating its impact – and blockchain boosters are finding new fronts to pitch in.

One such avenue is in contact tracing. Hasshi Sudler, an adjunct professor with Villanova University's Department of Electrical and Computer Engineering, is leading development of a permissioned blockchain for doctors to trace positive COVID-19 cases, possibly getting ahead of future outbreaks.

"Medical institutions, whether they know each other or not, whether they trust each other or not, can exchange information about who they know that is infected and maintain contact with who is infected," over the blockchain, Sudler told CoinDesk.

The need is clear: A number of countries instituted lockdowns to prevent the virus's spread, leading to massive unemployment numbers and a likely recession.

The Villanova project is still in its early stages, but around the world other initiatives are racing ahead, or already deployed.

In Berlin, startup Spherity has developed a decentralized identity system to help patients keep their social distance while getting medication. Honduran authorities have deployed a blockchain-backed app to track and manage stay-at-home orders.

Six thousand ethereum miners are now contributing to Stanford University's Folding@home distributed computing project, which pools GPU power to search for a COVID-19 cure.

Academia, too, has begun prodding for novel blockchain pandemic applications. An April 5 submission to the journal *Diagnostics*



7/8/2020

Researchers Are Tapping Blockchain Tools in Fight Against Coronavirus - CoinDesk

proposed a combined blockchain and AI system for self testing.

## Long way to go

The cross-industry efforts remain a small part of the fight against the pandemic.

The Centers for Disease Control and Prevention (CDC) – a critical institution in the U.S. fight against COVID-19 – highlighted the potential for digital technologies to help combat pandemics in a Monday blog post.

CDC's post cited two March 27 articles in the journal Nature Medicine that discussed technology in the context of COVID-19. The first commentary mashed up “four inter-related technologies” – internet-of-things, artificial intelligence, big-data analytics and blockchain – and dove into each tech's surveillance and mitigation capacity. The second weighed responsible technology use against public health imperatives.

Authors of the CDC post implicitly endorsed many of the first article's stated digital technologies by giving examples for each one's use. AI could help detect COVID-19 cases or develop vaccines; big data could help model viral outbreaks; IoT could be a powerful avenue for public health data collection, but, as the second article noted, would force thorny questions about privacy and ethics.

“Control of pandemics can require unusual steps that must be measured and limited to the scope of the outbreak to prevent overreach,” CDC authors wrote.

Blockchain's likely impact was detailed in the first cited Nature Medicine commentary. There, authors predicted that blockchain would have a low likely impact in vaccine manufacture and insurance processes, and a moderate likely impact in the distribution of medication, which researchers said was already happening in Chinese hospitals.

<https://www.coindesk.com/covid-researchers-are-tapping-blockchain-tools-in-fight-against-coronavirus>

7/8/2020

Researchers Are Tapping Blockchain Tools in Fight Against Coronavirus - CoinDesk

"Through the use of blockchain, hospitals could ensure timely delivery of medications with accurate tracking," the Nature Medicine authors wrote.

#### DISCLOSURE

The leader in blockchain news, CoinDesk is a media outlet that strives for the highest journalistic standards and abides by a strict set of editorial policies. CoinDesk is an independent member of the Digital Currency Group, which also owns the Digital Currency Group, cryptocurrencies and blockchain

#### Follow us



Sign up for our newsletter

- ✓ Money Reimagined
- ✓ First Mover
- ✓ Crypto Long & Short
- ✓ Blockchain Bites

*By signing up, you will receive emails about CoinDesk products and you agree to our [terms & conditions](#) and [privacy policy](#).*

Enter your mail

<https://www.uschamber.com/series/above-the-fold/how-gig-economy-companies-are-stepping-help-americans-amid-the-covid-19>



**U.S. Chamber of Commerce**

## How Gig Economy Companies are Stepping Up to Help Americans Amid the COVID-19 Pandemic

**LINDSAY CATES**

*Associate Manager, Communications and Strategy*



Amid the coronavirus pandemic and the resulting stay-at-home orders and national economic downturn, our nation's gig economy companies have become a fundamentally essential part of many Americans' daily lives – and an economic lifeline for many others. Not only are companies like Instacart, Postmates, and Uber delivering food and groceries to those in isolation, they're

7/8/2020

How Gig Economy Companies are Stepping Up to Help Americans Amid the COVID-19 Pandemic | U.S. Chamber of Commerce  
also stepping up to donate meals and rides to workers on the frontlines and granting funds to those in need.

Perhaps most importantly, these companies are also providing vital earnings opportunities to Americans who have lost hours or jobs amid the economic slowdown.

Here's a look at how six gig economy companies are going far beyond rides and deliveries to support Americans during the pandemic.

### Uber

While Uber's ridership is down, that hasn't stopped the company from stepping up in other ways to assist in stopping the spread of COVID-19. The rideshare company pledged \$10 million in free rides and food to healthcare workers, seniors, and people in need. Uber Eats waived the delivery fee for more than 100,000 restaurants across U.S. and Canada, is encouraging non-contact delivery, and its customers can now donate to their favorite restaurants through the app when they order food.

This week Uber launched Work Hub to connect drivers to other positions while rides are down. Drivers can start working for Uber Eats to deliver to deliver food, Uber Freight to drive trucks, or take an opportunity through Uber Works, which connects people to shift work like food production, warehouse, and customer service. Work Hub will also include opportunities at other companies in need of workers like Domino's, Shipt, and CareGuide.

To further help all workers, Uber partnered with the National Restaurant Association to create the Restaurant Employee Relief Fund, which will give grants to restaurant industry employees who have been impacted by COVID-19.

### Lyft

Although they've faced a similar drop in ridership, Lyft is focusing on activating several programs to serve communities. LyftUp, an initiative which typically brings transportation access to people in need, will work with public health entities and community organizations to donate free rides to those with essential transportation needs during the coronavirus pandemic—especially families and children, low-income seniors, and doctors and nurses.

Lyft partnered with EO Products to distribute more than 200,000 bottles of hand sanitizer and other cleaning supplies to their drivers, and will provide funds to any driver diagnosed with COVID-19 or put under quarantine.

Last week the LyftUp Scooter Critical Workforce Program was launched to provide first responders, healthcare, and transit workers with free scooter trips as they serve the public on the frontlines. Free 30-minute scooter rides are available for critical workers in Austin, Denver, Los Angeles, Metro DC, San Diego, and Santa Monica.

7/8/2020

How Gig Economy Companies are Stepping Up to Help Americans Amid the COVID-19 Pandemic | U.S. Chamber of Commerce

To further serve as a vital link in communities, Lyft started a pilot program in the San Francisco Bay Area where drivers pick up meals from distribution centers and deliver them to individuals in need. Plus, Lyft is giving rides to caregivers within the National Council on Aging's network to deliver food and supplies to homebound loved ones.

#### Instacart

To keep pace with surging demand from customers, grocery delivery company Instacart plans to bring on an additional 300,000 shoppers over the next three months, doubling their current number. The move comes as volume order has increased by more than 150% year-over-year, and customers are seeking 15% more food per order amid "stay home" efforts.

"Instacart is serving as a critical lifeline for millions of people and hundreds of businesses during these uncertain times. They're not only connecting people from all 50 states to the groceries and goods they so desperately need, but they're also stepping in to support the economy by unlocking much-needed earnings opportunities for hundreds of thousands of people who can no longer rely on their previous incomes," says Suzanne Clark, President of the U.S. Chamber of Commerce.

Instacart has taken additional steps to help their workforce and customers by sending health kits to shoppers, providing sick pay and bonuses, and encouraging leave-at-door delivery.

#### DoorDash

DoorDash has taken steps in the last several weeks to ensure that folks who can't eat out at their favorite restaurant can still enjoy their favorite dishes. Existing restaurant partners now pay zero commission fees for pick-up orders, and newly registered restaurants will pay zero commission for 30 days. Plus, DoorDash made their default delivery option "no contact," and created a "priority access" program for restaurant workers to become delivery drivers.

DoorDash reported last week that Dasher earnings have increased by \$5 per active hour as compared to this time last year, and Dashers are averaging over \$22 per active hour over the past week nationally.

In March the company spearheaded the #OpenforDelivery campaign to promote that restaurants are open—and are safe for ordering delivery and take-out. The food delivery company is also partnering with community organizations to deliver one million pounds of groceries to food-insecure households, seniors, low-income families, and mobility-impaired individuals across the U.S.

#### Grubhub

Grubhub announced in March that it will temporarily suspend collection of up to \$100 million in commission payments from independent partner restaurants nationwide, providing cash flow relief to the restaurants that drive more than 80% of the company's orders. "Independent restaurants are the lifeblood of our cities and feed our communities. They have been amazing

7/8/2020

How Gig Economy Companies are Stepping Up to Help Americans Amid the COVID-19 Pandemic | U.S. Chamber of Commerce  
 long-term partners for us, and we wanted to help them in their time of need," said Matt Maloney, Founder and CEO of Grubhub.

In addition to working with government officials to ensure restaurants can keep their kitchens open for take-out and delivery through the crisis, Grubhub is giving proceeds from its Donate the Change program (diners can round up the change from their order to go toward charitable organizations) to support restaurants and drivers impacted by the COVID-19.

#### Postmates

Postmates, a company known for delivering snacks, food and essentials, launched the Postmates Fleet Relief Fund in March to help its fleet of couriers cover medical expenses related to COVID-19. Non-contact deliveries have also been implemented allowing for social distancing between our customers and Postmates. Postmates is also piloting a program in the San Francisco Bay Area for small businesses to more easily use their platform by temporarily waiving commission fees.

The company has also been posting some big acts of kindness on social media: Postmates teamed up with Jimmy Kimmel and Jennifer Aniston to surprise a COVID-19 positive nurse with a \$10,000 Postmates gift card, and partnered with Steve Aoki's Pizzaaoki to deliver pizza to nurses on the frontlines in California.

#### About the Author



#### Lindsay Cates

*Associate Manager, Communications and Strategy*

Lindsay is a native of the Philadelphia suburbs and graduated from Washington and Lee University. She previously worked as a writer and editor at U.S. News and World Report.

© The U.S. Chamber of Commerce

7/8/2020

How AI protects people from online scams – TechTalks

## How AI protects people from online scams

By **Kayla Matthews** · June 26, 2019

4 min read



The internet enables people to connect with friends and colleagues, perform research, enjoy streaming content and more. It has also become a playground for scammers on the lookout for people who will believe their tempting but false offers.

Take the real-life example of a man who fell for the same airline ticket scam twice and **lost \$1,350 in a week**. Frustrated by his American life, the victim decided to take a two-month vacation to Italy and fly business class to get there.

But, not content to pay full price for the tickets, he headed to Craigslist in search of people willing to sell him their frequent flyer miles that he could redeem for his trip. In short, he found two separate scammers who convinced him to pay for their miles — through Western Union and a Green Dot gift card, respectively. One of the scammers even sent the man a contract, presumably to increase his authenticity.

Both parties stopped responding to the buyer once they received his payment, and the victim ended up wasting over \$1,000 with no business-class tickets to show for it.

No solution can absolutely prevent future scams like these, although **artificial intelligence (AI)** has proven its potential so far. AI offers fascinating applications in industries ranging from healthcare to marketing.

7/8/2020

How AI protects people from online scams – TechTalks

Because it spots patterns and trends that humans may miss, and can deal with gigantic amounts of data at once, the technology helps stifle the efforts of online scammers by alerting humans to unusual activity they can investigate further.

### AI finds suspicious-looking domains related to tax sites

It's impossible to put all online scams into neatly defined categories, but many of them capitalize on fear or target people who are under pressure. That's why it's no surprise that some cybercriminals create realistic-looking tax sites, such as those with branded elements that claim to offer tech support. In those cases, the websites have a phone number for people to call for assistance.

The people posing as tech support workers then ask for remote access to callers' computers. Instead of fixing anything, though, they steal information or entice a person to install something that will hurt their machine.

Many of the websites that scam people have elements that make them seem official to an unsuspecting individual's eyes.

Sometimes, seeing the brand name in a URL is enough to make a person believe the trick, particularly if they're panicked due to the usual stress of filing taxes. A cybersecurity company called Lookout used an AI tool built in 2017 to look for suspicious domains that could have connections to phishing sites.

When it finds some — related to tax sites or otherwise — Lookout notifies the companies that phishing perpetrators impersonate. Then, those bogus sites get shut down sooner than later, making it less likely that people believe they're legitimate.

### AI protects people who are looking for love

The internet gives easily accessible options for people seeking romantic relationships. Although it's certainly not true for all users, some romance-seekers on those sites are desperate, lonely or otherwise feeling emotions that may make them overly eager to jump into partnerships with people they've just met.

Online dating scammers find people to bilk by setting up fake profiles, engaging with users and grooming them for maximum receptiveness. The scammers eventually ask their victims for "loans" of money that they never return.

Researchers in the United Kingdom developed an AI algorithm that spots these fake dating profiles and users and only has a 1% false positive rate. People still need to exercise good judgment when talking to people online, but thanks to AI, such scams could become less worthwhile for scammers to try. This is especially true if their profiles quickly get shut down by dating site operators after alerts come through.



## AI stops dangerous emails from reaching their destination

Many internet security companies keep hackers at bay with their in-house AI tools. For example, Trend Micro has a solution that detected more than 66 billion threats in 2017, more than 85% of which were emails with malicious content. Similarly, Google's AI tool for Gmail users is so efficient that it blocks 100 million spam messages each day.

People can generally still see the blocked messages by going into their spam folders. However, since they never get into the email folders that people see most often, there's less of a chance that people fall for tricks. As such, AI could thwart attempts from lottery scammers that urge victims to give details so they can claim "prizes."

These scammers use a false sense of urgency to get people to act. For example, they might say that a person needs to provide their details — which typically include bank account specifics — within 24 hours to avoid having the winnings go to someone else. The scammer might give the impression that they already have the person's details but need the individual to confirm them.

AI tools that filter out scam messages are crucially necessary, especially considering how frequently some people use email to communicate. Additionally, many people — especially the computer illiterate ones — don't know the signs of scam emails, making these filters even more important.

## AI safeguards retailers and credit card companies from fraud

Retailers and credit card companies need fraud detection tools in place to make it easier to spot instances of suspected financial fraud — especially those originating from online shoppers. AI helped those entities move beyond manual checks to a more automated system. Most use machine learning, a subset of AI, to learn the differences between normal card transactions and the outliers that could be problematic.

Machine learning systems analyze vast collections of data points that go far beyond what manual methods achieve. They look at historical data and find patterns associated with fraud, then use that knowledge to improve current methods of fighting it.

A 2017 study by LexisNexis found that every dollar of fraud costs U.S. retailers \$2.66. Plus, the amount is even higher (\$3.46) for retailers that primarily conduct business through digital or remote channels. Curbing fraudulent buying behavior on the internet or elsewhere aids a business's bottom line.

However, some fraud detection methods are overly sensitive. They make legitimate purchasers feel frustrated when they make a large transaction or buy something in an unusual location, and the sales are declined as they try to finalize the purchases.

MIT researchers developed an AI algorithm that could reduce the likelihood of that happening while still keeping retailers safe. It reportedly cuts down on false positives by 54%. Even better, it found some instances of genuine fraud better than existing algorithms.

### AI can detect fake restaurant reviews

The internet makes it easy for people to go online and get reviews of restaurants in minutes. They assume that the feedback comes from people who dined at those places. However, some reviewers get paid to publish fake content about places they've never been to. Experts say it won't be long before there's a widespread trend of AI algorithms that can do the same.

A team at Aalto University wanted to deploy AI to help find the fake reviews. Other researchers have attempted the same, but run into some challenges. This attempt involved a technique called neural machine translation that helped give the AI a sense of context.

First, the researchers asked humans to differentiate between real and machine-generated reviews. It found that people interpreted the fake reviews as the actual ones up to 60% of the time. After that, the team developed a classifier tool to detect the fakes. They concluded that it performed exceptionally well in cases where humans could not tell the false from the real.

Being scammed by an unauthentic review arguably is not as severe as some of the other problems mentioned here. However, it could leave people feeling disappointed and misled.

### AI keeps online scams at bay

This overview shows that AI has abundant potential for keeping people safe from internet-based scams.

The methods used to combat the problems will inevitably evolve and get more advanced as time goes by.



740 6th Street, NW • Washington, DC 20001 | P: 202-853-9080 | [www.aafaglobal.org](http://www.aafaglobal.org)

*Advocacy that fits.*

**American Apparel & Footwear Association Statement for the Record: “Consumers Beware: Increased Risks During the COVID-19 Pandemic”**

**House Committee on Energy and Commerce; Subcommittee on Consumer Protection and Commerce**

July 9, 2020

On behalf of the member companies of the American Apparel & Footwear Association (AAFA), we appreciate this opportunity to submit a statement for the record for the Subcommittee on Consumer Protection and Commerce’s hearing on “Consumers Beware: Increased Risks During the COVID-19 Pandemic.”

AAFA is the national trade association representing apparel, footwear, travel goods, and other sewn products companies, and their suppliers, which compete in the global market. Representing more than 1,000 world famous name brands, AAFA is the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its nearly four million U.S. workers, and its contribution of more than \$400 billion in annual U.S. retail sales.

As Americans have been spending more time at home during the last few months, there has been an uptick in activity on omnichannel outlets, most notably e-commerce. Now more than ever, it is important for American consumers to be aware of the products they are bringing into their homes. The proliferation of fake and unsafe products on e-commerce platforms and third-party marketplaces during the COVID-19 pandemic has highlighted that bad actors will take advantage of unsuspecting consumers, even amid a global health crisis.

AAFA’s Brand Protection Council vigorously pursues brand protection efforts, with a focus on the global war against counterfeit apparel, footwear, accessories, and other supplier products. AAFA has been particularly focused on drawing attention to the counterfeits that too often plague foreign and domestic online marketplaces. Unfortunately, consumers are learning the hard way that counterfeits affect more than lost sales for famous brands. They also expose purchasers of everyday basics and essentials to a range of quality concerns and product safety risks; this risk was highlighted in a March 2020 report by EUROPOL, which noted that “[t]he number of offers of counterfeit and sub-standard good[s] will continue to increase, particularly online”, a trend even more alarming when coupled with the fact that many of these counterfeit goods constitute healthcare, sanitary, and personal protective equipment products highly desired during the current global COVID-19 pandemic.

During the last six months, many of AAFA’s member companies have reported an increase in online counterfeiting on third-party marketplaces and social media platforms. Some members report that this increase is attributed to China-based sellers and listings. Alarming, many member companies note that there has been an increase in counterfeit masks branded with their company logos and trademarks.

It is essential that online marketplaces implement effective and proactive measures to prevent the sale of these illegal and unsafe goods to protect consumers, workers, and their families. The current legal framework—where online intermediaries are generally not liable for the products sold on their marketplaces or platforms by third parties—creates a disincentive for intermediaries to proactively stop the sale of counterfeit and other harmful products. Under the current status-quo, online marketplaces have a huge financial incentive to allow these sales without the risk of legal liability – they make money off of each sale, and they benefit from the “network effect” of scale that discourages robust seller vetting. It cannot be stressed enough that the new role of marketplaces in many cases is not simply as a retailer, but as facilitator of sales by handling the financial transaction between buyer and seller, and by referencing, sorting, optimizing and promoting offers for the sale of goods. Voluntary measures are ineffective because most players will not adopt them, and certainly will not invest in them at a level commensurate with the harms to IP rights holders. We believe that binding provisions are the only way to effectively encourage intermediaries to implement proactive measures.

Marketplaces must have some accountability in order to create pressure to effectively address the issue. AAFA recommends binding and horizontal legal obligations to proactively prevent the online sale of counterfeits. There is room to establish the standards and factors that would lead to liability, and to find the right compromise between the interests of the marketplaces and brand owners.

Thank you for your immediate attention to this important issue. AAFA looks forward to continuing the dialogue with the Subcommittee on consumer protection issues during the COVID-19 pandemic, and beyond.

Mr. Thomas Quaadman  
Page 3

**Additional Questions for the Record**

**Subcommittee on Consumer Protection and Commerce  
Hearing on  
“Consumers Beware: Increased Risks During the COVID-19 Pandemic”  
July 9, 2020**

**Mr. Thomas Quaadman, Executive Vice President for the Center for Capital Markets  
Competitiveness,  
Chamber Technology Engagement Center, Global Innovation Policy Center,  
U.S. Chamber of Commerce**

**The Honorable Michael C. Burgess (R-TX)**

1. Mr. Quaadman, your testimony also calls for one national privacy standard. This subcommittee has engaged in discussions to reach agreement on a privacy law. Since those discussions began, new areas of concern have emerged due to the Coronavirus. For example, how personal data for contact tracing is treated, how secure are online shopping transactions, how safe is student data and information required for online education, and how do we combat scams promoting cures or financial assistance.

- a. Are there aspects of the changing patterns of consumer behavior due to Coronavirus that should be addressed in a privacy bill?

*A national privacy law should protect all Americans equally and give both businesses and consumers certainty. The U.S. Chamber of Commerce released model privacy legislation in 2019 that would give consumers the right to know how personal information is used, collected, and shared as well as the right to delete and opt out of data sharing.<sup>1</sup> Since then, leaders of both the House and Senate commerce committees and others have introduced robust legislation on data privacy.<sup>2</sup>*

*COVID-19 is changing how Americans go the doctor, school, and work. Lockdowns and quarantines have required that many of these activities be done online as opposed to in person. Digital contact tracing and artificial intelligence are being used to mitigate and solve the crisis.*

*The Chamber's and the other proposals introduced in Congress would address these issues.*

---

<sup>1</sup> [https://www.uschamber.com/sites/default/files/uscc\\_dataprivacymodellegislation.pdf](https://www.uschamber.com/sites/default/files/uscc_dataprivacymodellegislation.pdf).

<sup>2</sup> [https://americaninnovators.com/wp-content/uploads/2020/01/CTEC\\_FedPrivacyProposals\\_v3.pdf](https://americaninnovators.com/wp-content/uploads/2020/01/CTEC_FedPrivacyProposals_v3.pdf)

Mr. Thomas Quaadman  
Page 4

- b. Should Congress enact a Coronavirus-focused privacy bill separate from a national standard?

*The Chamber asserts that general national privacy legislation should be enacted to protect all Americans equally. General privacy legislation that provides adequate privacy protections should be done in a way that sufficiently protects personal information in the context of the COVID-19 pandemic.*

*With regard to COVID-19, the Chamber supports legislation that would provide temporary, targeted, and timely liability protections for companies that are trying to reopen.<sup>3</sup> Privacy legislation should not conflict with these liability protections. Companies, particularly small businesses, that responsibly process data to mitigate COVID-19 in the workplace should not be subject to frivolous lawsuits for privacy. California's Consumer Privacy Act recognizes the importance of allowing companies to retain data about employees and any national legislation should provide a workplace exception.*

*Additionally, privacy legislation should be national, and not on a state-to-state basis to provide certainty to consumer and business.*

**The Honorable Richard Hudson (R-NC)**

1. Mr. Quaadman, in your testimony you mention how the private sector is making great strides and leading in the response to COVID-19. You also highlight how connectivity in both the business world and our personal lives has been so beneficial in these difficult times.
  - a. At the beginning of the pandemic, we saw a great shift in society as people went online for everything from work and school to family gatherings and doctor appointments. As our nation begins to recover and emerges from this pandemic, what are some lessons learned that we should take forward with us?

*It should be noted that America's broadband and communications providers have gone above and beyond to keep Americans connected despite the ability of some to pay during the pandemic.<sup>4</sup>*

*According to US Telecom<sup>5</sup>, internet traffic jumped 27 percent at the height of the COVID-19 crisis—yet, download speeds in the U.S. stayed steady and even increased in some areas. American broadband providers are leading the world in maintaining network capacity. This is due in large part to the investments made by the nation's broadband providers encouraged by the current's Federal Communications Commission's ("FCC") regulatory approach to broadband.*

<sup>3</sup> <https://www.uschamber.com/report/why-temporary-coronavirus-liability-relief-needed-american-businesses>

<sup>4</sup> <http://americaninnovators.com/coronavirus/>

<sup>5</sup> <https://www.ustelecom.org/research/network-performance-data/>

Mr. Thomas Quaadman  
Page 5

*Unfortunately, according to the FCC, at least 18 million people nationwide, particularly in rural areas, lack access to high-speed broadband. When government-issued lockdowns are requiring people to work from home and students to learn virtually, it is imperative that Congress foster equity by expanding access. The Chamber recently released principles regarding how to bridge the Digital Divide.<sup>6</sup>*

*To address the Homework Gap exacerbated by COVID-19, Congress should appropriate in a technologically neutral manner funding that is targeted, temporary, and timely for students to acquire the connectivity and equipment necessary to learn online.*

*In the long-term, Congress should fully fund the Broadband DATA Act mandate to the FCC to accurately assess which Americans lack access to broadband. Congress should use this information to appropriate funding to areas of the country that are unserved.*

*Congress can take revenue-neutral steps now that would accelerate broadband deployment by providing permit streamlining that would ensure that federal, state, and local governments give timely responses to siting applications. S. 1699, "The STREAMLINE Broadband Deployment Act" introduced by Senators Thune and Schatz would help the wireless industry deploy 5G. The Chamber has also recommended permit streamlining such as shot clocks and cable franchising reform for wireline broadband.<sup>7</sup>*

- b. As more people rely on online services to meet their daily needs, this brings up the ever-present question of data privacy, something that we are very concerned with on this Committee. How has the COVID-19 pandemic exacerbated the need for Congress to act in this area?

*Now more than ever, Americans are reliant on the digital economy, telehealth, and virtual learning as a result of COVID-19. C\_TEC released a report before the pandemic, "Data for Good: Promoting, Safety, Health & Inclusion,"<sup>8</sup> showing how data analysis is improving health outcomes, especially in at-risk communities.*

*As society relies more on data it is vital that Congress pass national privacy legislation that protects all Americans equally yet encourages beneficial uses of data to bolster public health. Individuals should feel confident they have control over personal information yet benefit from what data can offer to society.*

<sup>6</sup> <https://www.uschamber.com/series/above-the-fold/covid-19-illustrates-why-congress-must-act-now-broadband>

<sup>7</sup> [https://americaninnovators.com/wp-content/uploads/2020/06/CTEC\\_onepager\\_Cable\\_v3.pdf](https://americaninnovators.com/wp-content/uploads/2020/06/CTEC_onepager_Cable_v3.pdf)

<sup>8</sup> [https://americaninnovators.com/wp-content/uploads/2020/01/CTEC\\_DataForGood\\_v4-DIGITAL.pdf](https://americaninnovators.com/wp-content/uploads/2020/01/CTEC_DataForGood_v4-DIGITAL.pdf)

Mr. Kevin Anderson  
Page 3

**Additional Questions for the Record**

**Subcommittee on Consumer Protection and Commerce  
Hearing on  
“Consumers Beware: Increased Risks During the COVID-19 Pandemic”  
July 9, 2020**

**Mr. Kevin Anderson, Senior Deputy Attorney General and Director,  
Consumer Protection Division, North Carolina Department of Justice**

**The Honorable Richard Hudson (R-NC)**

1. Mr. Anderson, I can tell you when the State AGs work in a bipartisan manner, it not only is a blessing for our constituents, but it also creates an important synergy with us in Congress on our bipartisan work. We saw it in our mutual efforts to establish strong efforts to fight illegal robocalls and spoofing with RAY BAUM’S Act last Congress and TRACED Act this Congress.

I’m a believer that partisan approaches to addressing price gouging will not work and we can find a path forward like we did on robocalls. First and foremost, we need to figure out how these unprecedented supply chain challenges and pricing pressures for our businesses may necessitate some price flexibility.

- a. I worry if our message to someone like a local grocer is “beware of passing along a price increase if a supplier is now charging more”, the fear of breaking the law may result in essential products not being available to our constituents. Can you touch upon your experience distinguishing the good from the bad in examples like this?
- b. NCDOJ has also recently joined forces with Amazon to crack down on price gougers. Can you expand on your efforts to partner with business to enforce the statute?

Representative Hudson: Thank you for your questions. It is constructive on many levels for state Attorney General (AG) offices to work in a bipartisan manner. Over the years, our office has worked together with other AG offices in a bipartisan manner in a variety of contexts, on a number of different consumer issues. Sometimes these efforts involve joint investigations or lawsuits. Other times, they involve joint efforts on policy or legislative issues in attempts to bring about more consumer-friendly practices. Sometimes, these efforts simply involving sharing information with each other so that states can spot trends and be on the lookout for new and emerging scams and practices. As you point out, one good example of how State AGs have worked in a bipartisan



Mr. Kevin Anderson  
Page 4

manner involves the efforts by AGs, with our office in a lead role, to fight illegal robocalls.

In terms of bringing a bipartisan approach to price gouging, it is my experience that most states have price gouging laws and devote attention to price gouging issues in times of emergency. State AG offices work with each other and share information with each other about price gouging related issues they are seeing, matters they are investigating, and enforcement actions they are taking. Enforcement of price gouging laws generally tends to be state-specific because price gouging often seems to involve discrete activity that occurs on a more localized level as opposed to on a national level. Having said that, it would not be out of the question for there to be an opportunity for a joint, bipartisan investigation or lawsuit involving price gouging to take place, under appropriate circumstances. We would welcome the opportunity to work in a bipartisan manner with other AG offices on price gouging issues or matters should appropriate opportunities arise.

With respect to your **question 1(a)** above, and the issue of situations where a business, like a local grocer, may be passing on a price increase if the supplier is charging more, North Carolina's price gouging law, N.C. Gen. Stat. 75-38, has a specific provision that addresses this. North Carolina's price gouging law attempts to strike a balance between prohibiting unreasonably excessive prices during a state of emergency, while also recognizing that there may be some situations where it needs to be taken into consideration whether a business is just passing on some increases that are attributable to additional costs imposed by the business' supplier. N.C. Gen. Stat. 75-38 generally makes it illegal for a business to charge, during a state of emergency, a price that is "unreasonably excessive under the circumstances." At the same time, N.C. Gen. Stat. 75-38(a) says that in determining whether a price is unreasonably excessive, "it shall be considered" as a factor whether the price charged by the seller was attributable to additional costs imposed by the seller's supplier. As our office considers what matters to bring for enforcement, we take into account this aspect of the price gouging law. Ultimately, due to the broad prohibition on charging prices that are unreasonably excessive under the circumstances, these matters are generally very case specific and dependent on the particular facts at hand. In terms of your question about distinguishing good from the bad actors, it ultimately involves, to a large extent, whether the particular facts and the prices being charged by the seller show a level of misconduct that will convince a court that the price being charged was excessive and unreasonable under the circumstances and amounted to illegal price gouging under the law. In the end, our authority is to investigate matters that look questionable under the framework of our price gouging law and to bring cases if we believe the evidence supports an allegation of illegal price gouging; ultimately, the court is the decision maker.

**Question 1(b)** asks about our efforts to partner with Amazon and other businesses to enforce the price gouging law. As you point out, we have worked with Amazon and obtained information from it that has been useful in our examination of potential price gouging issues. Amazon has, among other things, provided our office with information about sellers using its platform and identified some potentially suspicious activity that we

Mr. Kevin Anderson  
Page 5

investigated. In addition, once we investigated and obtained further details on our own about some of this activity, we engaged in additional discussions with Amazon in order to obtain more detailed information about some of the sales that took place during the relevant time period.

In addition, a large manufacturer of public protective equipment (PPE) has worked with us and had discussions with us where we obtained general information regarding, among other things, how the supply chain and distribution channels for PPE operate and some of the market conditions applicable to PPE products. This information has helped provide useful background and context, in a number of respects, for some of our price gouging investigations involving PPE.

We also worked with a legitimate towing company in the Charlotte area in one of our price gouging cases that involves allegations by our office that another towing company imposed improperly excessive charges when it booted and towed trucks that were attempting to deliver needed goods and services during the pandemic. The legitimate towing company provided us with a useful affidavit that we used in court which set forth the normal and customary charges for booting and towing in the area, as compared to the excessive prices being charged by the towing company that we sued.

Moreover, we engaged in several discussions with North Carolina trade groups, such as the retail merchants trade group, so that, among other things, they could contact their members and make sure they knew the Governor had declared a state of emergency and that our price gouging law was in effect. In many ways, it is best, both for consumers and the business community, to try to head off price gouging off at the outset, as much as possible, and have a situation where businesses are aware that the price gouging law is in effect and will be enforced, so that they are abiding by the law and consumers are not being subjected to unreasonably excessive prices during a time of emergency.

These are some examples of the ways in which we have worked with the business community on these matters. We welcome opportunities to work with businesses in order to prevent and combat illegal price gouging.

Thank you again for your questions and your interest in these important issues.