

You will be hearing from Eileen Harrington this morning.
Would you turn up anything that is not a network television camera.
Here is Eileen.

>> Eileen Harrington.

Thank you.

Good morning and thank you all for coming.

President, the stimulus bill into law a few weeks ago called The Reinvestment act of 2009, the stimulus is an unprecedented effort to jump-start our economy to create or save millions of jobs and to put a down payment on addressing challenges so that our country can thrive.

Unfortunately, it has taken scam artists no time at all to exploit headlines about the President's plan and to stimulate their own fraudulent businesses to unsuspecting consumers.

We are here this morning for two reasons.

First to warn consumers about two stimulus sites they should avoid and, second, to ask online media companies to monitor their sites for these scam ads and get rid of them.

There are two kind of scams that we are warning about.

First, there are websites, some showing photographs of President Obama and Vice President Biden claiming the stimulus package provides easy to obtain grants for anyone who applies.

They announced free money and offer compelling testimonials describing people who use grant money to pay off their mortgages, buy or fix their homes or pay off their debt.

The second kind of scams are the messages.

They say you are-- and only need to send a response e-mail or fill out an online form giving the Personal Information.

Let's talk, first, about the website.

Ads for these websites are everywhere and it show up on the streaming video sites, search engines, and more productive commercial websites you are seeing with the pictures of the president or names that imply a relationship to the president or government are not government websites.

It is as simple as that.

URLs for government websites end in .gov.

Please do not.

They do not offer personal financial assistance.

Sites that tell you that you have to pay money to get free money are a scam, even if they tell you that you only have to pay \$1.99, do not do it.

Let me show you typical examples of these websites.

I will refer you to the screen over here.

These first slides are from the website, at presidentobamagrants.com.

The first page, Jessica's Money Blog, is all over.

When you click on the link to get your Free Grant Kit, you land on the second page where we have backed off, at CNN, CNBC and CBS News letting you know that you can get \$25,000 in grant money to pay off of your debt.

You enter your personal information and send it in to get your grant kit.

When you do that, you might not even see the kicker, which is slide three. If you do not read these lengthy terms and conditions before sending your payment for \$1.99, a seemingly at minimal amount of money, you might not realize that this website charges dollar \$0.88 to begin your membership.

You were on board for that.

Okay.

Then, if you do not cancel within 14 days, and there is not very detailed and complicated cancellation procedure, you will be built a one time fee of \$99 per boat there is more. On top of the \$99 fee, you will be charged an extra \$49.95 every month for access to an on-line resource center.

If that was not costly enough already, the website will enroll you in a second program a 21-day trial of a date-related side and you will be billed an additional \$29.99 per month ago after a year, if you do not cancel you'll be charged more than \$1,000.

This is a second, similar side, officialstimulusgrants.com.

Here, the charges that you can see it easily are \$1.99 for shipping.

If you did not cancel within seven days, at 94--\$94.98 per month the details are all of these websites is the fact that they will charge you an a lot of money either for numbing list of government grants or the opportunity to apply for your free money.

If you give your credit card information to these sites, you can count on seeing all sorts of unexpected charges show up on your credit card statement in the coming months.

Here is what you can bank on part of the government does not charge people to apply for a Grand.

You should not pay any money to apply for a government grant.

Three, you should not take money for a list of government grants.

In fact, a list of government grants that you can apply for is at grants.gov.

That is an official government website.

The list is completely free.

We are reaching out to the industry to help us.

Some are already responding.

With freezing let money, some of them are on Facebook and on its own and after conversation from the FTC, Facebook pulled these ads.

We have represented some Facebook here this morning.

They are available to talk to you after the press conference about the steps that they are taking.

We absolutely salute Facebook for being so protective in this regard.

We have seen a lot of ads on the Google for these stimulus scams and ask them to help.

This morning, Google has committed to investigate these ads for the anti-this is policy and to identify these sites.

As we are talking, we are following up on that offer and expect swift results.

Consumers can help us police the internet for these ads, too.

If you see the kind of ads that we are talking about today and if you see them on Facebook or Google, for example, let Facebook and Google no.

They count on their users to give them feedback, just like we at the FTC count on the public to let us know by going to www.ftc.gov by filing of a complete form.

Now, if any consumers listening have already signed up for one of these programs, has sent out their payment for \$1.99 or whatever amount, the need to check their credit card statement carefully.

If they come and this dispute charges with their credit card if they get charged for the use the scams described.

Let's look at the second kind of scam, the spam or fishing e-mails are riding that their E-mail box is.

The need to be aware that they are sending an e-mails offering them free grant money from the stimulus and encouraging consumer plaintiffs to click on one sides to ask for their personal information or to fill out the attached forms and send them back.

Clicking the link or opening the attached forms can result in damaging and software, harmful software being downloaded on consumer's computers and might result not been having their personal information stolen and winding up at the hands of identity the.

Delete these e-mails.

Do not open them.

Do not open the links.

If people want to find out more about the stimulus plan, but marked recovery.gov.

That is the website where you will find information about where the money from the stimulus plan is going and bookmark recovery.gov, but Mark www.ftc.gov.

That is where you can find information about how to recognize a whole variety of scams that you can run into online or filed a complained about anything that you see.

We are happy to take questions from Reporters in the room Procopius' for you ask your question, please give us your name and indicate the news outlet that you work for.

Are we going to take questions from the phone as well, Claudia?

Let's go.

>> Andrew.

[Audio/Speaker not clear] have you heard from them proactively about the issues and concerns raised with them?

Also, does this lead into any larger scale legislation that you would advocate?

>> Eileen Harrington.

We have regular contact with both our Senate and House oversight subcommittee plaintiffs and committees.

We had a hearing before the Senate Commerce Committee on Consumer issues and the economic downturn last week ago we have a hearing tomorrow before our House oversight subcommittee on car finance issues.

I know that our new chairman has had regular contact with our oversight committee chairs.

We do with the staff almost on a daily basis about a whole host of issues.

You are getting a pat on your shoulder from the chairman.

You can talk to him later.

In terms of on mine safety, we have a very aggressive program on guard, on line, already that place.

We are also working to implement some legislation passed that the last Congress to Patras on mine safety offerings.

I do not think that we have any requests for any additional congressional action in the on-line safety area.

We appreciate you being here.

There is always a Hill connection.

I can assure you.

Other questions?

Is all of that clear?

Let's go to the town.

Items are not pro right hear.

>> Female Speaker.

Do you have a sense of how many consumers so far have been taken by this?

>> Eileen Harrington.

We do not know.

These have gone up almost overnight.

We are hoping that you can help us warn the public so that people do not fall to these scams.

We will be watching our incoming complaints very closely for any consumer complaints that indicate that consumers have fallen victim.

Yes?

A follow-up?

>> Male Speaker.

Any legal proceedings From your and already under way?

>> Eileen Harrington.

We do not comment on nonpublic investigations that we take to enforce until we bring them in court and they become public.

>> Female Speaker.

You mentioned Facebook and Google being cooperative.

Are there other Web sites out there that might not have been so amenable to your request?

>> Eileen Harrington.

They will be hearing from us.

I will not name them now.

I would hope that this would be a showcase opportunity for online media company plans to do meaningful ad screening.

We spend number lot of time at the Federal Trade Commission to screen for and remove problematic ads.

This should be a no-brainer for them.

>> Female Speaker.

How easy or difficult is it to catch [Audio/Speaker not clear].

>> Eileen Harrington.

We have really good investigators at the FTC.

I think, saying that, and it can be challenging.

It really depends.

These are very fact specific comment case specific investigations.

Sometimes, wrongdoer plans are located outside of the United States or might be using servers that are outside of the United States.

They might mask their locations.

We have some good legal tools that the Congress gave us a few years ago to help us with those offshore investigations.

We have brought-I want to say close to a thousand cases that involve various kinds of fraud and deception in the online environment and have located wrongdoer plans under very difficult circumstances.

Even if it is difficult, we are really up to the task here.

To the phones?

Operator, are there questions on the line?

>> Female Speaker.

In order to ask a question, please press star and the number of one on the telephone keypad.

This is from felt from the L.A. Times.

>> David.

I am looking at that date and Jessica's Money Blog.

There is no mention of any kind of stimulus money.

Anyone can get it.

Do you have any information about them taking this down?

>> Eileen Harrington.

I think the Lord is the stimulus money to get you to pay money to whatever they are already hawking.

>> David.

And in the form of an e-mail or pop up?

>> Eileen Harrington.

It would be in the form of a URL.

You are looking at presidentobamagrants.com?

>> David.

Presidentobamagrants.com.

>> Eileen Harrington.

What we are seeing is that these grants scams are using the stimulus.

>> David.

There is no mention of stimulus on either one of these sites.

>> .

There is a reason why his name is used in the URL and his picture is on the site per but that is to imply that, somehow, that the stimulus package, there is money available.

It is a lure.

>> David.

There is no picture of President Obama on the side that I am looking at now.

>> Eileen Harrington.

Not every site has not made picture of the President.

>> David.

Neither has a picture of President Obama.

>> Eileen Harrington.

The first one that I mentioned has a picture of President Obama.

I was clicking on the slides.

When you click to get your free grant information, you land on a page that has made big picture of President Obama.

>> David.

I guess I am not seeing that the good to have the URL address on that, please?

>> Eileen Harrington.

I am sure that we can send you, afterwards, the slides.

Claudia will give you a call and we will send you the slides we are looking.

>> Data.

Okay.

That would be great.

>> Eileen Harrington.

Thank you for your interest.

>> Operator.

The next line is from Kevin.

Your line is now open.

>> Kevin.

The two types of things that are going on, the second with the fishing and identity thief is illegal.

The other where you are playing off of the stimulus, is it illegal or just something that is it deceptive?

All of the conditions are in that small print, if you really take the time, which very few people do, to read all of the conditions?

>> Eileen Harrington.

It really depends on whether it is likely that you send off the intermission without ever even seen the terms and conditions.

We look at these on a case by case basis.

I will tell you that this example that we have provided fits the profile of a deceptive, negative option marketing campaign.

The type of which the FTC has challenged and not many, many law enforcement actions.

We would comment you know, develop our evidence and presented to the court.

It would be up to the court to determine its illegality.

This meets the rules of a deceptive, negative option offered in our book.

>> Kevin.

Very Good.

>> Operator.

This is Kate.

Your line is now open.

>> Eight.

We cover on-line advertising.

My question is that regard to ad Networks.

I am sure you realize that ad networks are the ones feeding these sites on to that's not necessarily to, obviously but Facebook and random sites all over the Web we see the is sites.

Sometimes, when you do complain or ask publishers why these ads are showing up on their sites, they say that is very difficult to filter out ads that are coming through ad networks.

A lot of times ad Networks are buying inventory-there are so many different kind of steps that the ad network process where ads might be coming and from some other place into an a ad network because of arbitrage that takes place next terms of the ad selling.

I imagine you are thinking about that much more complicated process and is not simply an a process of going to them and telling them not to use that ad.

It is throughout a much more elaborate network relationship that those ads are there.

I am wondering if you are talking ad Networks or how you are dealing with that?

>> Eileen Harrington.

We are reaching out broadly and asking for help on this.

Also, at the same time that the ad Networks play a well, we are aware of that.

The buck stops with the publisher.

>> Female Speaker.

In terms of Google, they have not, specifically, it said yet that they will-And did you come to them and point out specific advertisers that you wanted them to band?

>> Eileen Harrington.

We are working with them right now to follow up on their promise to investigate ads, to work with us, to identify problematic ads.

This is according to their published policy.

They have an anti-scam policy for advertising on Google.

>> Female Speaker.

Okay.

Thank you.

>> Eileen Harrington.

Thank you.

>> Operator.

This is Susan.

Your line is now open.

>> Susan.

It is Susan Grant from Consumer Federation of America.

>> Eileen Harrington.

Your such a good friend that this is for reporters only.

>> Susan.

I was going to send our consumers Information about this.

Can I ask a question?

>> Eileen Harrington.

Yes.

>> Susan.

Presidentobamagrants.com, what action is the date for taking to have that website shutdown.

>> Eileen Harrington.

As I said before, we never talk publicly about non-public investigations are law enforcement action until it becomes public.

>> Susan.

Okay.

Thank.

>> Eileen Harrington.

Sure.

>> Operator.

This is Andrew Berger your line is now open.

>> Andrew.

Two quick questions.

One, if you did go after these website companies, what could you charge them with?

Also, we have been watching these and monitoring these websites for the last few weeks.

We are noticing, as of today and the last few days, they are beginning to change the text on their website to say that they received grant money and now to start ads on Google in.

>> Eileen Harrington.

We have seen those ads.

Your first question is what action can we take?

The Federal Trade Commission has broad authority to challenge deceptive and unfair practices.

We can do that that federal court proceeding plait and also an administrative proceedings add the FTC.

The results of those challenges can include orders prohibiting activity and can include orders of disgorging ill-gotten profits, up returning money to consumers who are deceived.

It really depends on the specific facts that are uncovered that an investigation and challenged in a lawsuit and the court or decision makers assessment of those facts, conclusions about the illegality and determinations about the right remedies, they can range from orders that tell them to do not do this or do not do this and a whole bunch of other things that can say to shut down the website that can say to pay people their money back for "it depends on the facts.

>> Male Speaker.

Are you seeing that they are changing the language on their websites?

>> Eileen Harrington.

I really could not say.

>> Male Speaker.

Okay.

Thank you.

>> Eileen Harrington: When I will have a view on that is later today and tomorrow after we have more.

We have some really responsible members of the online media community.

The Facebook people are here.

How businesses can be proactive to keep these scams off their sites.

It does not benefit anyone.

It does not benefit anyone to go to a the.net website and get pitched by scams.

>> Male Speaker.

Okay.

Thank you.

>> Operator.

Your next question comes from Lesley of Washington Internet.

Your line is now open.

>> Leslie.

I did have a question for the Facebook people.

Between their efforts and communication from you, they became aware of these ads.

>> Eileen Harrington.

They were aware before we got in touch.

They have been very responsive since we were in touch.

I wonder how they became aware whether through their screening program or customer complaints, if you could talk about that.

>> Eileen Harrington.

My understanding is they have a screening program.

They have what they call a self service window that people can go to it to place ads, basically.

The monitor and have a security department to keep an eye on that.

That is one way that they learned of this up through their own screening and monitoring per but secondly, Facebook invites their users, as do, probably, all social networking and sides and Google and other sites, invite users to get feedback.

They count on that.

I do not know whether they had feedback.

Underneath each advertising you see a thumbs up or thumbs down.

Our users can click on the palms down.

A dialog box will pop up and they can select four different reasons.

>> Are there any other questions?

Okay.

Thank you, very much.