

Congress of the United States

Washington, DC 20510

September 1, 2023

Chair Lina M. Khan
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chair Khan,

We write to urge swift adoption and implementation of a finalized Trade Regulation Rule on Impersonation of Government and Businesses (R207000, Docket No. FTC-2022-0064). This rule is critical to protecting small businesses, especially those associated with the business events industry, from the harmful effects of impersonation fraud.

Too many businesses in Nevada and other states across the country have felt the economic and reputational damage impersonation fraud can cause. As you know, business impersonation fraud exposes unsuspecting customers and businesses at in-person events to significant financial harm far too frequently. In 2022, a report published by the Federal Trade Commission (FTC) indicated that impersonator scams were the most reported type of scam in 2022, with an estimated \$2.6 billion in losses. Business impersonators, specifically, caused \$660 million in losses in 2022—a nearly 50-percent increase over 2021.¹

The proliferation of impersonation fraud has proven especially damaging to the face-to-face business events industry, as impersonators have more and more regularly sought financial gain by advertising for fake exhibitions, tradeshow, and other business events. This targeted fraud threatens to put a damper on an industry that has long been a driving force for economic growth—for event organizers, host venues, and surrounding communities. Recent studies suggest that the global business events industry represents \$1.6 trillion in GDP,² with 1.5 billion people participating in events at destinations around the world.³ The industry is an especially important one for small business owners, with 99 percent of business events companies, and 80 percent of exhibitors, classified as small businesses.⁴

We are concerned that if left unchecked impersonation fraud will inflict significant economic damage on cities like Las Vegas, which has been the top tradeshow destination in the U.S. for over 25 consecutive years.⁵ The business event industry in Las Vegas has spurred the development of new venues and fostered small business growth across the 14 million square feet

¹ <https://consumer.ftc.gov/consumer-alerts/2023/02/top-scams-2022>

² <https://www.eventscouncil.org/Leadership/Economic-Significance-Study>

³ <https://www.forbes.com/sites/forbescommunicationscouncil/2022/02/15/great-to-see-you-again-face-to-face-events-gaining-a-renewed-importance/?sh=44d5d33c4ebf>

⁴ <https://www.regulations.gov/comment/FTC-2021-0077-0009>

⁵ <https://www.vegasmmeansbusiness.com/why-choose-vegas/business-beat/post/las-vegas-resumes-live-events-with-new-venues-and-meeting-space-options/>

of possible event space in the city.⁶ The industry has supported thousands of jobs and boosted the local economy in its recovery from the COVID-19 pandemic. Across Nevada, business events are directly responsible for over 230,000 jobs and generate over \$29 billion for the state.⁷

According to the Consumer Technology Association (CTA), which owns and produces the annual CES event in Las Vegas, their customers reported at least 70 incidents of fraud, via email solicitations alone, in 2021, 2022, and the month leading up to CES 2023.⁸ CTA identified impersonation scams ranging from the sale of false discounted badges to fraudulent websites offering hotel bookings for CES, all of which put CTA customers and others involved in the event at significant risk.⁹

CTA's account drives home impersonation fraud's far-reaching impact on business events and their participants, and this fraud not at all isolated to CES. Given the business events industry's importance to Las Vegas and other tourism-heavy cities, and in view of the threat posed by impersonation scams, you can appreciate the urgency for putting in place a serious action plan to combat the threat of this widespread, damaging fraud.

In order to protect this critical industry that's under great threat, as well as to support associated small businesses and consumers in Las Vegas and beyond, there can be no delay at the FTC in rolling out a strong rule to stem this economic damage. We encourage you to act with all due haste to adopt and implement a finalized rule and to lead the Commission in moving swiftly to combat impersonation fraud and to provide relief to small business owners nationally.

We applaud the Commission's efforts to address this serious threat and its commitment to providing relief to affected small businesses. Thank you for doing all you can to ensure that this rule is finalized and rolled out as soon as possible.

Sincerely,



Susie Lee
Member of Congress



Catherine Cortez Masto
United States Senator



Jacky Rosen
United States Senator

⁶ <https://www.vegasmmeansbusiness.com/why-choose-vegas/business-beat/post/las-vegas-resumes-live-events-with-new-venues-and-meeting-space-options/>

⁷ https://cdn.asp.events/CLIENT_Exhibiti_99AF30E7_F04A_5B33_ADE14E496EBB90DC/sites/ECA/media/libraries/strate-impact/HCJRA_NV.png

⁸ https://www.ftc.gov/system/files/ftc_gov/pdf/impersonationruleinformalhearingtranscript.pdf

⁹ <https://www.nahb.org/-/media/NAHB/advocacy/docs/coalition-letter-to-ftc-on-impersonation-fraud-033123.pdf>

A handwritten signature in black ink that reads "Steven Horsford". The signature is written in a cursive style with a large initial 'S'.

Steven Horsford

Member of Congress

A handwritten signature in black ink that reads "Dina Titus". The signature is written in a cursive style with a large initial 'D'.

Dina Titus

Member of Congress