The Federal Trade Commission has jurisdiction to enhance consumer welfare and protect competition in broad sectors of the economy. The Commission enforces the laws that prohibit business practices that are anticompetitive, deceptive, or unfair to consumers; promotes informed consumer choice and public understanding of the competitive process; and seeks to accomplish its mission without impeding legitimate business activity.

The Federal Trade Commission was established in 1914 by the Federal Trade Commission Act (15 U.S.C. 41–58). The Commission is composed of five members appointed by the President, with the advice and consent of the Senate, for a term of 7 years. Not more than three of the Commissioners may be members of the same political party. One Commissioner is designated by the President as Chairman of the Commission and is responsible for its administrative management.

Activities

The Commission’s principal functions are to:

—promote competition through the prevention of general trade restraints such as price-fixing agreements, boycotts, illegal combinations of
competitors, and other unfair methods of competition;
—stop corporate mergers, acquisitions, or joint ventures that may substantially lessen competition or tend to create a monopoly;
—prevent pricing discrimination, exclusive dealing, tying arrangements, and discrimination among competing customers by sellers;
—prevent interlocking directorates or officers’ positions that may restrain competition;
—prevent the dissemination of false or deceptive advertisements of consumer products and services as well as other unfair or deceptive practices;
—promote electronic commerce by stopping fraud on the Internet and working with other domestic and foreign agencies to develop and promote policies to safeguard online privacy of personal information;
—protect the privacy of consumers’ personal information to prevent illegal or unwanted use of financial or other data;
—stop various fraudulent telemarketing schemes and protect consumers from abusive, deceptive, or unwanted telephone tactics;
—ensure truthful labeling of textile, wool, and fur products;
—require creditors to disclose in writing certain cost information, such as the annual percentage rate, before consumers enter into credit transactions, as required by the Truth in Lending Act;
—protect consumers against circulation of inaccurate or obsolete credit reports and ensure that credit bureaus, consumer reporting agencies, credit grantors, and bill collectors exercise their responsibilities in a manner that is fair and equitable;
—educate consumers and businesses about their rights and responsibilities under FTC rules and regulations; and
—gather factual data concerning economic and business conditions and make it available to the Congress, the President, and the public.

Antitrust One of the two major missions of the Commission is to encourage competition in the American economy. The Commission seeks to prevent unfair practices that undermine competition and attempts to prevent mergers of companies if the result may be to lessen competition. Under some circumstances, companies planning to merge must first give notice to the Commission and the Department of Justice’s Antitrust Division and provide certain information concerning the operations of the companies involved.

The Commission also enforces the provisions of the Robinson-Patman Act, a part of the Clayton Act prohibiting companies from discriminating among their customers in terms of price or other services provided.

Consumer Protection Consumer protection is the second of the two main missions of the Commission. The Commission works to:
—increase the usefulness of advertising by ensuring that it is truthful and not misleading;
—reduce instances of fraudulent, deceptive, or unfair marketing practices;
—prevent creditors from using unlawful practices when granting credit, maintaining credit information, collecting debts, and operating credit systems; and
—educate the public about Commission activities.

The Commission initiates investigations in areas of concern to consumers. It has issued and enforces many trade regulation rules in areas important to consumers, including health and nutrition claims in advertising; environmental advertising and labeling; general advertising issues; health care, telemarketing and electronic commerce, business opportunity, and franchise and investment fraud; mortgage lending and discrimination; enforcement of Commission orders; and enforcement of credit statutes and trade regulation rules.

Competition and Consumer Advocacy To promote competition, consumer protection, and the efficient allocation of resources, the Commission also advocates consumer interest in a competitive marketplace by encouraging courts, legislatures, and government administrative bodies to consider efficiency and consumer welfare as important elements in their deliberations. The Commission uses these opportunities...
to support procompetitive means of
regulating the Nation's economy,
including the elimination of
anticompetitive restrictions that reduce
the welfare of consumers and the
implementation of regulatory programs
that protect the public and preserve as
much as possible the discipline of
competitive markets.

**Compliance Activities** Through
systematic and continuous review, the
Commission obtains and maintains
compliance with its cease-and-desist
orders. All respondents against whom
such orders have been issued are
required to file reports with the
Commission to substantiate their
compliance. In the event compliance is
not obtained, or if the order is
subsequently violated, civil penalty
proceedings may be instituted.

**Cooperative Procedures** In carrying out
the statutory directive to prevent unfair
methods of competition or unfair or
deceptive practices, the Commission
makes extensive use of voluntary and
cooperative procedures. Through these
procedures, business and industry may
obtain authoritative guidance and a
substantial measure of certainty as to
what they may do under the laws
administered by the Commission.

The Commission issues administrative
interpretations in plain language of laws
enforced by the Commission. Guides
provide the basis for voluntary
abandonment of unlawful practices by
members of a particular industry or by
an industry in general. Failure to comply
with the guides may result in corrective
action by the Commission under
applicable statutory provisions.

**Enforcement** The Commission’s law
enforcement work falls into two general
categories: actions to foster voluntary
compliance with the law, and formal
administrative or Federal court litigation
leading to mandatory orders against
offenders.

Compliance with the law may be
obtained through voluntary and
cooperative action by private companies
in response to nonbinding staff advice,
formal advisory opinions by the
Commission, and guides and policy
statements delineating legal requirements
as to particular business practices.

Formal litigation is instituted either by
issuing an administrative complaint or by
filing a Federal district court complaint
charging a person, partnership, or
corporation with violating one or more
of the statutes administered by the
Commission. If the charges in an
administrative matter are not contested
or if the charges are found to be true
after an administrative hearing in a
contested case, an order may be issued
requiring discontinuance of the unlawful
practices.

**Investigations** Investigations by the
Commission may originate through
complaint by a consumer or a
competitor, the Congress, or from
Federal, State, or municipal agencies.
Also, the Commission itself may initiate
an investigation into possible violations
of the laws it administers. No formality is
required in submitting a complaint. A
letter giving the facts in detail,
accompanied by all supporting evidence
in possession of the complaining party,
is sufficient. The Commission also
maintains an electronic complaint
system accessible through its Web site. It
is the general policy of the Commission
not to disclose the identity of any
complainant, except as required by law
or Commission rules.

Upon receipt of a complaint, various
criteria are applied in determining
whether the particular matter should be
investigated.

An order issued after an administrative
proceeding that requires the respondent
to cease and desist or take other
corrective action may be appealed.
Appeals processes may go as far as the
Supreme Court.

In addition to or in lieu of the
administrative proceeding initiated by a
formal complaint, the Commission may
request that a U.S. district court issue a
preliminary or permanent injunction to
halt the use of allegedly unfair or
deceptive practices, to prevent an
anticompetitive merger or unfair
methods of competition from taking
place, or to prevent violations of any
statute enforced by the Commission.
Reports  The Commission prepares studies of conditions and problems affecting the marketplace. Such reports may be used to inform legislative proposals in response to requests of the Congress and statutory directions, or for the information and guidance of the Commission, the executive branch of the Government, and the public. Such reports have provided the basis for significant legislation and have also led to voluntary changes in the conduct of business, with resulting benefits to the public.

Regional Offices—Federal Trade Commission

<table>
<thead>
<tr>
<th>Region</th>
<th>Address</th>
<th>Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Central (DC, DE, MD, MI, OH, PA, VA, WV)</td>
<td>Suite 200, 111 Superior Ave., Cleveland, OH 44114</td>
<td>John Mendenhall</td>
</tr>
<tr>
<td>Midwest (IA, IL, IN, KS, KY, MN, MO, ND, NE, SD, WI)</td>
<td>Suite 1860, 55 Monroe St., Chicago, IL 60603–5701</td>
<td>C. Steven Baker</td>
</tr>
<tr>
<td>Northeast (CT, MA, ME, NH, NJ, NY, RI, VT)</td>
<td>Suite 318, One Bowling Green, New York, NY 10004</td>
<td>Barbara Anthony</td>
</tr>
<tr>
<td>Northwest (AK, ID, MT, OR, WA, WY)</td>
<td>Suite 2896, 915 2d Ave., Seattle, WA 98174</td>
<td>Charles A. Harwood</td>
</tr>
<tr>
<td>Southeast (AL, FL, GA, MS, NC, SC, TN)</td>
<td>Suite 1500, 225 Peachtree St., NE., Atlanta, GA 30303</td>
<td>Andrea Foster</td>
</tr>
<tr>
<td>Southwest (AR, LA, NM, OK, TX)</td>
<td>Suite 2150, 1999 Bryan St., Dallas, TX 75201–0101</td>
<td>Bradley Elbein</td>
</tr>
<tr>
<td>Western (AZ, CA, CO, HI, NV, UT)</td>
<td>Suite 700, 10877 Wilshire Blvd., Los Angeles, CA 90024</td>
<td>Jeffrey A. Klurfeld</td>
</tr>
<tr>
<td></td>
<td>Suite 570, 901 Market St., San Francisco, CA 94103</td>
<td></td>
</tr>
</tbody>
</table>

Sources of Information


GENERAL SERVICES ADMINISTRATION

1800 F Street NW., Washington, DC 20405

Administrator of General Services  Stephen A. Perry