



FEDERAL TRADE COMMISSION PROTECTING AMERICA'S CONSUMERS

Notices of Penalty Offenses

Civil penalties can help the Commission deter conduct that harms consumers. Because they can exceed what a wrongdoer earned through their misconduct, penalties send a clear message that preying on consumers will not be profitable.

One way the Commission can obtain penalties against a company that acted unfairly or deceptively is through the Penalty Offense Authority, found in Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. §45(m)(1)(B). Under this authority, the Commission can seek civil penalties if it proves that (1) the company knew the conduct was unfair or deceptive in violation of the FTC Act and (2) the FTC had already issued a written decision (see below) that such conduct is unfair or deceptive.

In order to trigger this authority, the Commission can send companies a "Notice of Penalty Offenses." This Notice is a document listing certain types of conduct that the Commission has determined, in one or more administrative orders (other than a consent order), to be unfair or deceptive in violation of the FTC Act. Companies that receive this Notice and nevertheless engage in prohibited practices can face civil penalties of up to \$43,792 per violation.

That a company is sent a Notice does not indicate that the Commission has reason to believe it is breaking the law. Rather, the Commission sends these Notices to ensure that companies understand the law – and that they are deterred from breaking it.

Copies of recently distributed Notices and the administrative determinations cited in the Notices can be found at the links below.

Recent Notices

Penalty Offenses Concerning Money-Making Opportunities

The FTC has issued a Notice that it has determined that certain acts or practices used to attract participants to money-making opportunities are unfair or deceptive, and violate the FTC Act.

Penalty Offenses Concerning Endorsements

The FTC has issued a Notice that it has determined that certain acts or practices in the use of endorsements and testimonials are deceptive or unfair and violate the FTC Act.

Penalty Offenses Concerning Education

The FTC has issued a Notice that it has determined that certain acts or practices in the education marketplace are deceptive or unfair and violate the FTC Act.



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