



HISPANIC OUTREACH FORUM & LAW ENFORCEMENT WORKSHOP

A SUMMARY OF THE PROCEEDINGS

THIS STAFF-PREPARED DOCUMENT IS A SUMMARY OF THE WORKSHOP DISCUSSIONS
AND DOES NOT REFLECT THE OFFICIAL VIEW OF THE COMMISSION,
ANY INDIVIDUAL COMMISSIONER, OR ANY GOVERNMENT AGENCY
THAT PARTICIPATED IN THE WORKSHOP.

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Appendix A: Panelist Biographies

Appendix B: *Salsa Goes National: Demographic Aspects of the Latino Market*, Jeffrey Passel, Ph.D. Principal Research Associate of the Urban Institute

Appendix C: *By the Numbers: The FTC Consumer Fraud Survey*, J. Howard Beales, III, Director, Bureau of Consumer Protection, Federal Trade Commission

Executive Summary

On May 12th and 13th, 2004, the Federal Trade Commission (FTC) and the Department of Justice's Office for Victims of Crime (OVC) held workshops to explore strategies for effective consumer education for the Hispanic community and for effective law enforcement collaborations to deter and stop fraud targeted at Hispanics. This staff-prepared report is a summary of the Workshop discussions and does not reflect the official view of the Commission, any individual Commissioner, or any government agency that participated in the Workshop.

The Hispanic population, which makes up fourteen percent of the nation's population,¹ is an attractive and steadily growing market for advertisers. Total consumer spending by Hispanics has been estimated to be over \$580 billion. Annual measured spending on Hispanic media is estimated at \$3.4 billion for 2004.² According to the results of the *FTC Staff Report on Consumer Fraud in the United States*,³ Hispanics, whether they speak Spanish or not, are about twice as likely as non-Hispanic whites to be victims of consumer frauds,⁴ particularly in the area of credit.⁵

The workshops, held in Washington, D.C., were part of the FTC's Hispanic Law Enforcement and Outreach Initiative to address the growing problem of consumer fraud against Hispanics. The goal of the Initiative is to detect, stop, and prevent fraud against Hispanic consumers through systematic monitoring of Spanish-language media and complaints from Hispanic consumers, extensive outreach efforts, and a more efficient and effective law enforcement presence.

The Outreach Forum brought together journalists, marketers, and consumer protection officials to explore the makeup of the Hispanic market, share best practices for consumer education, and discuss effective fraud prevention messages. According to the panelists, effective consumer education strategies should:

- **Consider diversity in the Hispanic population.** There is no "one size fits all" approach to reaching Hispanics, because the population varies by geography, language, education, and time in the United States. Outreach campaigns should focus on specific market segments, when possible.
- **Know the culture.** Communicators need to understand Hispanic cultures, as well as the Spanish language. Family and religion are important in influencing consumer behavior.
- **Partner with community-based organizations.** Partnerships with local organizations that serve Hispanics can be an effective way for all organizations to reach specific segments of the market.
- **Build long-term relationships.** Educate the media and community-based organizations over time as a way to build lasting partnerships based on mutual interest.

The Law Enforcement Workshop explored the frauds that commonly affect Hispanic consumers, as well as current efforts and new approaches to stopping those frauds. Representatives of state and local consumer affairs departments, offices of attorneys general, the Better Business Bureau, and district attorneys discussed ideas for prioritizing enforcement and improving coordination. A number of themes emerged from the Law Enforcement Workshop:

- Hispanics are victims of a **wide variety of frauds**, including many that are specifically targeted to Hispanic consumers, e.g., immigration fraud, remittances, phone cards, and *notario* fraud.
- Hispanics may **under-report fraud** due to cultural issues and/or fear of reporting.
- A **bilingual and bicultural staff** is critical to getting information from Hispanic consumers.
- **Partnerships with community-based organizations and the media** are effective ways to tell consumers how to find government resources and how to avoid scams; in addition, they enable law enforcement agencies to learn what issues are hot in Hispanic communities.
- Law enforcement agencies can **improve and systematize their ability to monitor top complaints** among Spanish-speaking consumers by using Consumer Sentinel, a complaint database. Sentinel users can identify trends in consumer fraud by searching for the product and service categories that receive the most complaints.

At the conclusion of the Workshop, the participants agreed on an action plan that includes:

- **More and better communication** among law enforcement agencies, including workshops to continue sharing information and strategies.
- **Coordinated law enforcement sweeps and outreach efforts** by federal, state, and local groups, targeting particular areas of fraud and netting extensive press coverage.

I. The Hispanic Outreach Forum

On May 12 and 13, 2004, the FTC and OVC⁶ held two workshops in Washington, D.C., to explore effective education and law enforcement strategies to protect Hispanic consumers from fraud.⁷ The Hispanic Consumer Outreach Forum and Hispanic Consumer Protection Law Enforcement Workshop brought together representatives of consumer advocacy groups, the media, trade associations, government agencies, and other concerned organizations.

The Outreach Forum explored the makeup of the Hispanic market, best practices for consumer education, and effective fraud prevention messages for the Hispanic community. Panelists and moderators included journalists, marketers, and consumer protection officials.

The Law Enforcement Workshop examined the types and sources of fraudulent and deceptive practices aimed at the Hispanic community in the United States, federal, state, and local law enforcement programs addressing these illegal practices, and how enforcement officials can coordinate efforts to improve their responses to such practices. Panelists and moderators included representatives of state and local consumer affairs departments, offices of state attorneys general, the Better Business Bureau, and district attorneys.

A. Introductory Remarks

In introducing the Outreach Forum, Carolyn Shanoff, Director of the Federal Trade Commission's Office of Consumer and Business Education, noted the high growth characteristics of the Hispanic market, and its attractiveness to the media, marketers, and others with information to disseminate, as well as its appeal to scammers. She introduced Jeffrey Passel, Ph.D., Principal Research Associate of the Urban Institute, who gave the opening presentation, *Salsa Goes National: Demographic Aspects of the Latino Market*.⁸

B. Salsa Goes National: Demographic Aspects of the Latino Market

Dr. Passel offered statistical data as a basis for the panel discussions that followed. He said that in 1950, the U.S. Hispanic population was around four million, and that by 2000, that number had increased to thirty-five million.⁹ As of 2002, the last year for which Dr. Passel has data, the Hispanic population accounted for about fourteen percent of the U.S. population.¹⁰ He projects that by 2025, Hispanics will make up twenty-five percent of the U.S. population.¹¹ He also suggested that ten to fifty years from now, the Hispanic population will shift into higher income groups, because over time, more Hispanics will be second and third generation Americans and have higher education levels than their relatives, and therefore, higher incomes.¹²

Dr. Passel explained that many of his demographic projections are based on the "Hispanic" community as it is currently defined. If society redefines "Hispanic" because of intermarriage between Hispanics and non-Hispanics, the community could become significantly larger or smaller over time.¹³

Dr. Passel also believes the population will change as Hispanics move from “historic cores” (for example, California, Texas, Arizona, Colorado, and New Mexico) to new areas, and as new immigrants begin to move straight into new areas rather than starting in the historic cores.¹⁴

C. Panel 1: Perspectives on the Hispanic Market

The first panel discussed the diversity in the Hispanic population and its effect on trends in the marketplace; the best ways to communicate messages to Hispanic consumers, even on a small budget; and predictions for the next ten years for advertising and messaging to the community.

1. The Hispanic Population’s Diversity Drives Marketing Strategies

Panelists agreed that marketers must consider differences among Hispanic consumers – for example, geography, language, level of education, and length of time in the U.S. – when developing communications plans. For instance, a plan to reach out to middle-aged Hispanic men should differ from one aimed at Hispanic “soccer moms.”¹⁵ Similarly, marketers should remember that some Hispanic people prefer – or are able – to communicate in Spanish only, others prefer English, and still others use “Spanglish,” a combination of both languages.¹⁶ Further, Hispanic residents of California will have purchasing habits that differ from those in Illinois or Florida.¹⁷

2. Communicating Messages to Hispanic Consumers

The panelists offered a number of all-purpose suggestions for successful outreach to Hispanic consumers, including hiring and doing business with Hispanic people;¹⁸ considering the important role of family within the Hispanic community and in personal purchasing decisions;¹⁹ directing marketing efforts to women, who tend to make the buying decisions in Hispanic households;²⁰ offering information in Spanish; using pictures and bright colors in campaign materials;²¹ determining appropriate messages and target audiences through pre-campaign research and informal copy testing;²² and remembering that older Hispanic consumers often ask younger relatives to find information on the Internet for them.²³ George Franco, Chairman and CEO, National Financial Corporation, suggested aiming for consistency among campaign messages, but varying the way campaigns are launched in each community to address differences in the market.²⁴

Jo Muse, Chairman and CEO, Muse Cordero Chen & Partners, reported that use of the Internet in advertising is growing, and that direct mail is still viable.²⁵ Luis Vasquez-Ajmac, President, MAYA Advertising & Communications, Inc., cited a study by the Direct Marketing Association indicating that a large percentage of Hispanic consumers want more direct mail.²⁶ Mr. Vasquez-Ajmac also noted that although Spanish-language television is popular, radio can be effective for marketers, and “point of purchase” displays on countertops have proven effective, as well.²⁷ Based on feedback from focus groups who said they like to check their

understanding of the Spanish-language articles by reading the English summaries, Julia Bencomo Lobaco, Deputy Editor, *AARP Segunda Juventud*, recommended publishing full articles in Spanish, preceded by a summary in English.²⁸ Mr. Vasquez-Ajmac²⁹ also stressed the importance of hiring someone to do the campaign writing who not only speaks Spanish, but also understands the culture.

Mr. Muse reported some data from Hispanic Market Weekly indicating that Hispanic consumers – particularly those who listen to and read Spanish-language advertising – are notably more receptive and responsive to that advertising.³⁰ Hispanic children have a significant impact on what brands their parents buy, according to Ms. Bencomo Lobaco. She also reminded attendees that friends, neighbors, and celebrities often influence Hispanic consumer purchasing decisions.³¹

Mr. Franco was among the panelists who acknowledged the need to involve more Hispanic professionals at the managerial level.³² He said this would help campaigns tap the right market more effectively, and increase the reach of a campaign, because Hispanic professionals have different contacts within the market.³³

In response to a question about marketing on a tight budget, panelists offered a number of suggestions, including writing campaign materials in Spanish first and then translating into English, if necessary.³⁴ They also urged listeners to make their story easy to cover: holding an event in a Hispanic neighborhood, for example, makes it more likely that the Spanish-language media will attend.³⁵ If the media does not cover an event immediately, the panelists recommended prompting coverage by sending materials and following up with a phone call.³⁶ Building personal relationships with media representatives also will increase the likelihood of coverage.³⁷ Mr. Vasquez-Ajmac suggested planning media events with a Hispanic cultural theme when the issues affect the Hispanic community.³⁸

Celebrities also can boost media attention, but panelists indicated that Hollywood stars are not the only ones with “star power;” they suggested that those operating on a budget use local politicians, local news anchors, or known community activists to promote an event or a message.³⁹ Panelists and some participants agreed that the media is more likely to respond to a story that highlights a real-life scenario and details a victim’s experience. If the victim is willing to talk and appear in the media, it generally makes a story more compelling.⁴⁰

These panelists agreed that the most effective way to communicate on a tight budget is to build and use strategic partnerships. In response to an attendee’s question about the potential conflict of interest that could arise from a prosecutor forming partnerships, panelists suggested using organizations like the Hispanic Bar Association, various community and civil rights groups, religious organizations, and other government agencies as strategic partners.⁴¹

3. Hispanic Culture Will Become More Mainstream

Panelists predicted that in the next fifteen years, Hispanic culture will become more mainstream. More Hispanic actors will appear on television, and the media will publish more Spanish-language ads in urban areas and throughout the U.S.⁴² While some Hispanic youth occasionally rejected their culture in the past, Ms. Bencomo Lobaco said there is a “retro acculturation” trend among these youths to embrace their culture.⁴³ Even if this is the case, Mr. Muse suggested, a preference among bilingual individuals to consume English-language media related to Hispanic culture is expected to continue.⁴⁴ He also suggested that American culture will be exported in the next fifteen years, creating a blending effect on popular culture that will, in turn, develop into an “international culture.”

D. Panel 2: Effective Communications with Hispanic Audiences

The second panel⁴⁵ focused on specific strategies for communicating messages to protect Hispanic consumers from fraud. Panelists offered some success stories, as well as lessons they have learned during their careers in marketing and outreach to the Hispanic community. A salient theme, corroborating the conclusions of the first panel, emerged: partnering is critical to increasing the reach and effectiveness of any educational campaign, particularly those with slim budgets.

1. Partner with Community-Based Organizations

Several participants on the second panel described how they leverage limited resources by training community-based organizations (CBOs) to do consumer education and complaint resolution.⁴⁶ These partnerships with local organizations also address the crucial element of trust.⁴⁷ Working with organizations and churches that are known and trusted in a Hispanic community increases an organization’s credibility and the chance a message will be heard and heeded by consumers. One panelist recommended building a Web site with CBOs in mind: If it is built to be accessible and understandable, CBOs will be able to pass its information along to consumers. A simple and easy-to-navigate Web site is an efficient way to get updated information out to constituent organizations, and it cuts printing costs. Organizations can download materials from the Web – and even put their own name on them.⁴⁸ Finally, in working with local organizations, panelists recommended involving members, staff, and community leaders active in the organization, not just the executive director.⁴⁹

2. Focus on Specific Target Audiences

Panelists detailed ways to reach niche groups like new immigrants, including using partnerships to improve a campaign’s reach. Teresa Santiago, Chairperson and Executive Director, New York State Consumer Protection Board, highlighted the importance of actively reaching out to new immigrants with information, rather than waiting for them to approach. It helps build trust, and removes language as a barrier that could keep new immigrants from approaching government agencies and other organizations for information.⁵⁰ Working with

schools to get information into the hands of children also was cited as a potentially successful way to reach new immigrants.⁵¹

Robert Bard, President and CEO, *LATINA Style Magazine*, described the merits of working with local churches to disseminate information.⁵² Ana Montes, Director, Technology and Consumer Education, Latino Issues Forum, thought it was important to have Spanish speakers of different nationalities review the same publication to ensure it makes sense for a broad Hispanic audience.⁵³ Judy Chapa, Senior Advisor for the Money Smart program at the Federal Deposit Insurance Corporation, talked about the necessity of hiring staff who are not only bilingual, but also “bicultural,” and therefore sensitive to the perspective of Hispanic consumers. She stressed the importance of hiring enough staff to handle the community’s demand for the product, and noted that choosing vendors and services from the Hispanic community demonstrates a sincere effort to connect with – and relate to – the culture.⁵⁴

3. Use the Media as a Resource

Many panelists, in particular, Fernando Orfila of Univision, stressed the importance of building relationships with the media to increase the likelihood of getting messages broadcast or published.⁵⁵ Suggestions included asking community-based organizations for their contacts at the local media,⁵⁶ and using local talk radio and public access television.⁵⁷

Just as training organizations is helpful, training the media also can raise awareness of any campaign and message. Ms. Montes advocated the benefits of briefing the media in advance: they know to call you as a resource when a particular story comes up, and they get a chance to ask questions in advance, ensuring that they will understand your message.⁵⁸

4. When Using Spanish, Use *Plain Spanish*

Because readers are from many different nationalities, Univision’s Mr. Orfila advised using basic Spanish, since one word might mean something different to a Dominican than to a Colombian.⁵⁹

E. Conclusion⁶⁰

J. Howard Beales, III, Director of the FTC’s Bureau of Consumer Protection, closed the Outreach Forum, highlighting recurring themes and emphasizing the importance of outreach in preventing consumer fraud. When someone is victimized by deceptive practices, outreach lets consumers know where to complain and empowers them to help law enforcement stop companies from continuing their scam. Dr. Beales pledged the FTC’s continued commitment to fight fraud aimed at Hispanic consumers and appealed to attendees and others to do their part, as well.

II. The Hispanic Law Enforcement Workshop

A. Introductory Remarks and Keynote Speech

Timothy J. Muris, Chairman of the FTC, and John Gillis, Director of OVC, gave introductory remarks at the Workshop. U.S. Department of Justice (DOJ) Associate Attorney General Robert D. McCallum, Jr., delivered the keynote address.⁶¹

Chairman Muris provided background information about the Hispanic market, noting that Hispanics represent over thirteen percent of the nation's population.⁶² He observed that there are more than 650 Spanish-language newspapers in the U.S., four major Spanish-language broadcasting networks, and about sixty national Spanish-language magazines. Citing the then-preliminary results of the *FTC Staff Report on Consumer Fraud in the United States*,⁶³ Chairman Muris stated that the growing Hispanic market is vulnerable to consumer fraud. He asserted that the FTC is committed to fighting scams that harm Hispanic consumers and concluded by describing the FTC's Hispanic Law Enforcement Initiative – a multi-faceted program that includes the monitoring of Spanish-language media and complaints from Hispanic consumers, extensive outreach efforts, and a vigorous law enforcement presence.

The Workshop's keynote speaker, Associate Attorney General McCallum, highlighted joint efforts by the FTC and the DOJ to combat consumer fraud.⁶⁴ These efforts include FTC lawsuits accompanied by parallel criminal prosecutions filed by DOJ, as well as the civil prosecution of hundreds of FTC cases by DOJ's Office of Consumer Litigation. The Associate Attorney General also noted that DOJ prosecutes identity theft and fraud under a variety of federal statutes, including the Identity Theft and Assumption Deterrence Act. Recounting the types of frauds that victimize Hispanic consumers, including advance-fee loan, credit repair, dietary supplement, and weight loss frauds, Mr. McCallum stressed that consumer fraud against Hispanics is a serious problem that needs to be addressed both civilly and criminally by law enforcement officials at the local, state, and federal levels.

John Gillis described OVC's functions and the resources it administers.⁶⁵ According to Mr. Gillis, OVC's mission is to provide federal leadership on crime victim issues and to enhance the nation's capacity to assist victims. OVC implements its mission by allocating substantial federal funding to state victim assistance and compensation programs through the Victims of Crime Act (VOCA) formula grant programs, and by facilitating the exchange of knowledge and information within the victim service field nationwide. Mr. Gillis emphasized that OVC's funding comes from fines and penalties paid by federal criminal offenders, not from tax dollars. He noted that although many law enforcement agencies are eligible for this funding, the number actually receiving VOCA funding is extremely low in comparison to the number of such agencies that exist nationwide. Finally, Mr. Gillis urged the Workshop participants to help raise awareness about these funds and to include victims actively in the discussion and planning of every case.

B. *The FTC Staff Report on Consumer Fraud in the United States*

J. Howard Beales, III, Director of the Bureau of Consumer Protection, presented the preliminary results of the *FTC Staff Report on Consumer Fraud in the United States*, conducted between May 20 and June 3, 2003.⁶⁶ The report is based on a national telephone survey, in which 2,500 adults were interviewed about their experiences with consumer fraud during the previous twelve months. The survey results indicate that, generally, Hispanics are twice as likely to be victims of fraud as non-Hispanic whites. Dr. Beales stated that, of the frauds asked about in the survey, the most frequently reported type were finance-related, with advance-fee loans or credit cards heading the list, followed by unauthorized charges for buyers' clubs, credit card insurance, and credit repair, including credit ID frauds.⁶⁷

Dr. Beales also discussed the survey findings with regard to fraud reporting, noting that reporting rates are low among all groups. The survey shows that less than ten percent of all fraud victims reported the incident to the Better Business Bureau or a government agency. More than fifty percent of victims, however, complained to the seller or manufacturer. Thirty percent of the victims did not complain at all. Dr. Beales also stated that the preliminary survey data suggests that Hispanics complain at lower rates than non-Hispanic whites.⁶⁸

Dr. Beales next summarized the Spanish-language services the FTC offers.⁶⁹ Since January 2002, Spanish speakers have been able to call the FTC's toll-free help line, select a Spanish-language Interactive Voice Response (IVR), and opt either to speak with a Spanish-speaking counselor or leave a request for information in Spanish. In addition, since September 2002, the FTC's Web site has included a Spanish-language online complaint form. In mid-2003, the FTC made its Do Not Call registration and complaint submission forms available in Spanish via phone and the Do Not Call Web site. Finally, in December 2003, the FTC made a Spanish-language identity theft form available on the FTC's Identity Theft Web site.

According to Dr. Beales, however, the FTC's Spanish-language services are significantly underutilized, and Hispanic consumers under-report their fraud experiences. He emphasized the importance of outreach to increase fraud reporting by Hispanic consumers. For example, after the Hispanic Law Enforcement Initiative was announced in April 2004, the FTC saw a 400-500 percent spike in the use of its Spanish-language services via the Consumer Response Center. Accordingly, Dr. Beales stressed that outreach and education are key goals of the Initiative, along with a systematic program of media monitoring and stepped-up law enforcement against companies preying on Hispanic consumers.

C. **Panel 1: Defining the Nature and Extent of Consumer Fraud in the Spanish-Speaking Community**

The first panel⁷⁰ addressed questions regarding the vulnerability of the target audience, the most common types of fraud, whether frauds directed at Hispanics differ significantly from those targeted to non-Hispanic whites, and whether any types of media are used more frequently than others to perpetuate unlawful practices directed at Hispanics. This discussion was followed

by a dialogue about information-gathering practices, whether current practices are adequate to capture the extent of the problems, and if not, how they should be changed. The session concluded with panelists addressing whether affinity fraud (*i.e.*, fraud practiced by members of a community upon others in that same community) is taking place and whether and how extensively telemarketing fraud is conducted in Spanish.

1. Population Characteristics and Vulnerabilities

The panelists indicated that Hispanics who speak only Spanish are isolated linguistically.⁷¹ Although some households may have English-speaking children or others to translate, serve as a bridge to the community, and help in purchasing goods and services, others do not and accordingly are more susceptible to frauds. In terms of age, both younger and older consumers are viewed as particularly vulnerable.⁷² Additionally, as a group, Hispanics are noted for their trusting nature, which means they may be easier prey for scam artists.⁷³ In addition, they might feel shame in being victimized and therefore be unwilling to report their problems to authorities.⁷⁴ New immigrants and those who lack proper “documentation” also may be especially vulnerable and unlikely to report problems.⁷⁵

2. Common Frauds and Deceptive Practices

The panelists identified the following product categories and practices as key problem areas:

- **Predatory lending practices.** Lower income levels and other factors can make obtaining access to credit difficult. Moreover, Hispanics unfairly may be charged higher interest rates.⁷⁶
- **Immigration fraud.** Perpetrated by so-called “immigration consultants,” such schemes tend to increase when immigration legislation (for example, for an “amnesty”) is being proposed or considered. The “consultants” take advantage of general awareness of possible new programs and their victims’ lack of sophistication about the legislative process.⁷⁷
- **Used cars.** Some sellers fail to comply with applicable state and federal laws, such as the FTC’s Used Car Rule (if a transaction is conducted in Spanish, the mandated “Buyers Guide,” disclosing whether the vehicle comes with a warranty or “as is,” must be provided in Spanish) or California’s law that if negotiations are conducted in Spanish, the written contract also must be in Spanish.⁷⁸
- **Health insurance fraud.** Because minimum wage earners often do not obtain health insurance from their employers, they are attracted to offers for low-cost health insurance, which may not provide the advertised benefits, if any.⁷⁹
- **Buying clubs** (offering discounts on products and services). For Hispanics who seek discounts and best prices, offers for buying clubs are extremely attractive. Panelists at the Outreach Forum described a Hispanic cultural affinity for “free” or discounted goods and services, and an economic need for them driven by lower income levels as a group. Buying clubs often are offered for free for thirty days,

requiring the consumer to cancel before the end of thirty days to avoid being charged for the club.⁸⁰

- **Work-at-home schemes.** The panelists considered this a growing problem area that particularly takes advantage of undocumented immigrants seeking an income without having a traditional employer. Tackling this fraud also poses challenges because these schemes are advertised not just in classified ads and other media, but often by signs tacked onto telephone poles.⁸¹
- **Notario fraud.** In most Latin American countries, the term “*notario*” implies that the person described is a licensed attorney. Panelists reported a common scam involving individuals who represent themselves as “*notario*” and offer help with the immigration process; in fact, these individuals are not attorneys.⁸²
- **Remittances.** The panelists noted that many Hispanics wire money to relatives in their home countries and that there are many problems with undisclosed fees or fees that vary from what was disclosed.⁸³
- **Prepaid phone cards.** Panelists agreed that problems with undisclosed fees are commonplace with these cards.⁸⁴
- **Employment agency fraud.** This fraud preys upon undocumented immigrants looking for work and tends to increase when the economy is in a downturn.⁸⁵
- **Miracle cures.** Panelists observed that purported cures for many ailments appear in numerous Spanish newspapers and other Spanish-language media.⁸⁶

Many of the identified problem areas are not unique to the Hispanic community, but tend to be targeted to consumers with lower income and educational levels. For example, according to one panelist, in Miami-Dade County, thirty-seven percent of the Hispanic population has no health insurance;⁸⁷ therefore, Hispanics are likely to be susceptible to health insurance frauds. Other fraudulent practices, such as those involving immigration assistance, remittances, phone cards, and *notarios*, are likely to be targeted to immigrant populations. Consequently, they are experienced by Hispanics more than by non-Hispanic whites.

3. Where Deception Occurs

The panelists identified virtually all types of media, except direct mail, as sources of deceptive claims aimed at Hispanics.⁸⁸ These include Hispanic cable channels, local television and radio stations, and local Spanish-language newspapers. Door-to-door marketing also was identified as a problem, as were in-home sales conducted by appointment.⁸⁹ These appointments are scheduled when the seller calls and offers the consumer a free gift.

Panelists noted an increase in telemarketing fraud, with Spanish-speaking telemarketers targeting Hispanics and calling individuals with Spanish surnames.⁹⁰ In some areas, heavily dominated by Hispanic consumers, it is especially easy to target Hispanics. Because the callers speak Spanish, the call recipients are likely to be trusting. Panelists also identified Spanish-language infomercials that portray themes or backgrounds attractive to Hispanics (featuring families or celebrations, for example) as a form of affinity fraud.⁹¹

4. Improving Information Gathering Practices

The panelists generally believed that consumer problems in the Hispanic community are greatly under-reported. Panelists observed that no matter what complaint reporting options are available, cultural forces inhibit Hispanics from reporting problems.⁹² First, the concept of the government protecting consumers may be foreign to many Hispanics, who may fear the governments in their native countries. Second, shame and fear of reporting a problem (and perhaps turning attention to oneself) silence many Hispanic consumers.

Panelists agreed, however, that having bilingual and bicultural staff members available to handle complaints is key to obtaining information from Hispanics.⁹³ Having a dedicated Spanish-language hotline may be an excellent way of making an agency's resources known. Hispanics, according to some panelists, may dislike doing business by computer or phone and instead prefer face-to-face contact.⁹⁴ Consequently, the staff going into the community to solicit input from Hispanics also can be critical.⁹⁵ Because agencies handling complaints and/or bringing law enforcement actions have limited resources, the panelists highly recommend partnerships with community-based organizations and public adult schools. Such organizations can help to spread messages about available government resources and ways to avoid scams; in turn, government agencies can learn what is going on in Hispanic communities. Panelists also recommend working with Spanish-language media as a way of informing Hispanic consumers about problems and where to present their complaints.⁹⁶

D. Panel 2: Current Law Enforcement Responses to Fraudulent and Deceptive Practices in the Spanish-Speaking Community

The second panel⁹⁷ addressed issues regarding current law enforcement responses to fraudulent and deceptive practices in the Spanish-speaking community. Panelists discussed resources, case selection priorities, obstacles in bringing cases, and examples of current law enforcement actions.

1. Case Selection

The panelists agreed that an agency must first identify the problems affecting Hispanic consumers to prioritize enforcement and educational resources.⁹⁸ This is frequently a challenge, however, due to limited consumer accessibility and a lack of complaint reporting to law enforcement offices. The panelists observed that many Hispanics are reluctant to contact a government agency when they have been victimized, possibly due to cultural mistrust of the government or fear of being reported to the Immigration and Naturalization Service (INS).⁹⁹ Moreover, panelists noted that some offices are not equipped to deal with Spanish-speaking consumers because they lack bilingual employees to take their calls.¹⁰⁰ Accordingly, some panelists stated that frequently they have only anecdotal evidence, rather than actual complaints, about the prevalence of certain kinds of fraud; thus, they may lack solid evidence to proceed with an investigation. In other cases, agencies learn about fraud against Hispanics through sources such as local courts or community groups. For instance, a New Mexico small claims

court informed the New Mexico Attorney General's Office that 200 cases filed in that court involved a car dealer selling damaged cars from other states to Hispanic consumers.¹⁰¹ The Attorney General's Office, however, never had received any complaints about this scheme. Similarly, at times, the Nevada Attorney General's Office has learned about scams only when community activists brought potential victims directly into the office.¹⁰² In other cases, panelists got leads about certain fraudulent practices from the media.¹⁰³

2. Outreach to Community Groups and Private Bar

The panelists recommended reaching out to community groups, consulates, churches, Catholic Charities, the INS, Legal Aid offices, and media representatives for assistance in case selection and in encouraging the Hispanic community to file complaints with law enforcement offices.¹⁰⁴ The panelists asserted that these relationships could build trust with members of the Hispanic community, who would be reassured by these groups that law enforcement officials want to hear their complaints, regardless of their immigrant status or language barriers. In addition to these partnerships, one panelist suggested enlisting the private bar to help fight fraud against Hispanic consumers. For example, the Colorado Attorney General's Office has reached out to the Hispanic Bar Association and the plaintiffs' bar to encourage attorneys to act as private attorneys general by utilizing a private right of action provision in the Colorado Consumer Protection Act.¹⁰⁵ The statute provides remedies that include mandatory attorneys' fees for the prevailing party.

3. Current Law Enforcement Responses

Despite the challenges, each panelist's office has been active in bringing actions to protect Hispanic consumers. As part of its Hispanic Law Enforcement and Outreach Initiative, for example, on April 27, 2004, the FTC announced seven federal court actions against companies that targeted Spanish speakers, frequently by ads placed in high-circulation Spanish-language magazines and newspapers, on Spanish-language television channels, and on Spanish-language Web sites. The actions targeted companies selling ineffective weight loss products; dietary supplements that purportedly could cure numerous serious diseases, such as cancer and AIDS, and help one stop smoking and eliminate the damage caused by smoking; junk computers; bogus work-at-home schemes; and fraudulent international driving permits.¹⁰⁶

Prior to the April announcement, the FTC filed several other cases to protect the Hispanic community. These included a weight loss case involving false claims made in Spanish radio ads, an advance-fee loan credit card case with advertising placed on Spanish-language television, additional international driving permit cases, and a debt collection case.¹⁰⁷ The FTC brought these cases as a result of systematic monitoring of complaints in the Consumer Sentinel database and extensive media monitoring.

Other law enforcement actions brought by the panelists included cases involving:

- bogus discount medical cards;¹⁰⁸
- predatory lending;¹⁰⁹
- fraudulent “one-stop shopping” real estate operators targeting primarily black and Hispanic consumers;¹¹⁰
- pay-per-call operators advertising no-fee apartments, guaranteed credit, and jobs without disclosing that the advertised numbers are toll-calls;¹¹¹
- criminal prosecutions of individuals selling highly toxic pesticides to the Hispanic community;¹¹²
- immigration fraud;¹¹³
- *notario* fraud;¹¹⁴
- scams in which Hispanic consumers are persuaded to sell their consumer credit and to buy homes for other individuals using their own credit, leaving them with mortgages on homes they do not own;¹¹⁵ and
- automobile companies and direct dish television services that advertise in Spanish but provide the contracts and back-up materials, such as warranties and return information, in English.¹¹⁶

E. Available Resources: OVC and Consumer Sentinel Programs

The afternoon presentations were made by Leon Geter and Dr. Vicki Hancock from the OVC, and Jay Miller from the FTC Division of Planning and Information.¹¹⁷ These presentations focused on resources available to law enforcers.

Mr. Geter, project manager for the OVC and the Bureau of Justice Statistics, provided information about the OVC Resource Center. Mr. Geter discussed how every year, millions of dollars are contributed to the Crime Victim’s Fund from criminal fines, forfeited bail bonds, penalty fees, and other assessments collected by U.S. Attorneys’ Offices, U.S. courts, and the Bureau of Prisons. All fifty states receive money from this fund to assist crime victims.

Mr. Geter further described the OVC Resource Center as a clearinghouse with numerous educational materials on victim resources available online and at the Center itself. The Center also recently created the Directory of Crime Victim Services, an online searchable database to locate crime victim service programs throughout the country.¹¹⁸ In addition, information specialists and analysts at the Center are available to conduct research and find information in response to search requests.¹¹⁹ The Center also houses the largest criminal justice reference library in the world. Currently, the library has 180,000 abstracts on criminal justice topics and at least 450 documents relating to consumer fraud and Hispanics.¹²⁰

Dr. Vicki Hancock, the Division Director for Education and Outreach, presented information on the OVC Training and Technical Assistance Center (TTAC). Dr. Hancock described TTAC as a center that serves victim service providers, volunteers, advocates, and allied professionals, including many of the conference attendees.¹²¹ TTAC defines technical

assistance as on-site work customized to particular needs. It provides speakers and trainers on a multitude of topics.¹²²

In addition, TTAC maintains a database of experts to help conduct needs assessments for professional development and training.¹²³ TTAC's expert consultants can help with on-site mentoring and facilitation skills, capacity building, and information on victim-related topics, such as identity theft and consumer fraud. Training resources allow TTAC to provide clients with action-oriented workshops for which curricula have been developed. It also conducts workshops throughout the country on topics such as leadership, professional development, becoming an effective trainer, and providing support for state victim assistance academies.¹²⁴

Jay Miller, Program Manager for the FTC Consumer Sentinel Program, explained how law enforcers can use Consumer Sentinel, which is available for free through a restricted Web site, as a resource to submit and search for consumer fraud and identity theft complaints.¹²⁵ Sentinel receives complaints from individuals, government agencies, private organizations, and international consumers through a Web site and a call center.¹²⁶ There are 4,000 active users on Sentinel, including 1,000 law enforcement agencies from the U.S., Canada, and Australia.¹²⁷ Users range from small police departments to large enforcement agencies, all of which have the same access to Sentinel complaints.

Sentinel aids law enforcers in finding a pattern of complaints about a certain suspect. For example, a law enforcer with only one complaint about a certain individual or company can submit the complaint to the Sentinel program and search for additional complaints about that same individual or company. Law enforcers also can search by specific categories, such as state, city, topic, and language.

Sentinel also acts as a communication tool among law enforcers. For instance, agencies can learn whether other agencies have submitted complaints about the same individual or company. Law enforcers also can communicate through a Sentinel "alert," a flag that users can place in the database with information about a suspect.¹²⁸ This helps make other law enforcers aware of information and investigations on a particular entity. In addition, users can establish an "auto query," which automatically will gather information specific to their needs on an ongoing basis.¹²⁹ Consumer Sentinel also provides users the ability to locate top violators in a particular state or region. Finally, Sentinel provides reference materials on various investigative topics.

For Spanish-speaking consumers and law enforcers, there is an online Sentinel form in Spanish, and there are Spanish speakers at the Sentinel call center to take complaints, which may be submitted anonymously if the caller prefers.¹³⁰ Sentinel also takes Spanish-language complaints from other organizations. Spanish-language educational materials are available for law enforcers to distribute.

F. Group Discussions

Following the panel discussions, Workshop attendees divided into groups to explore ways to mobilize existing law enforcement resources and develop new strategies to address fraudulent and deceptive practices in the Spanish-speaking community.¹³¹ Each group was asked to discuss ways to improve and systematize law enforcers' ability to monitor top complaints among Spanish-speaking consumers; means to improve consumer access to law enforcement agencies; and ways law enforcers nationwide can better communicate and coordinate activities regarding fraud and deception practiced against Spanish-speaking consumers. Each group then reported its consensus response to all attendees. The following themes emerged from these groups:

1. Group Suggestions

a. Improve Complaint Monitoring

The groups uniformly agreed that law enforcers should improve and systematize their ability to monitor top complaints among Spanish-speaking consumers. Groups indicated that many enforcement offices are not currently using the Consumer Sentinel complaint database as a resource. These offices should be encouraged to enter complaints into Sentinel and to refer to Sentinel when selecting enforcement targets. Participants also suggested designating a point person at the FTC for community members and law enforcement officials to contact to discuss trends in consumer frauds. Groups also expressed frustration with a lack of resources for taking complaints. For example, many offices lack bilingual staff to help process complaints and information from Hispanics.

In addition, several groups echoed the panelists' statements that Hispanic consumers may not report fraud to a government office for various reasons, including cultural resistance to dealing with the government and, in the case of undocumented consumers, fear of being reported to the INS. Participants discussed developing partnerships with private, community-based organizations that deliver services to, or advocate for, the Hispanic community as a way to learn about current frauds affecting the community and to encourage the reporting of complaints.

b. Improve Media Monitoring

Many participants stated that they currently were not systematically monitoring Spanish-language media. They reiterated that encouraging community-based groups to monitor media and report facially fraudulent advertising would be an efficient and low-cost way to conduct such monitoring. In addition, participants proposed forming partnerships with the Hispanic media to provide education about facially fraudulent advertising and to encourage rejection of this advertising.

c. Address Resources Issues

Participants expressed concern that they lacked money and staff to develop and maintain relationships with community groups and media adequately. Moreover, participants stated that, in addition to needing bilingual staff to capture complaints from Hispanic consumers, they would require Spanish-speaking staff to do “field work,” such as interviewing witnesses and drafting declarations.¹³² Participants further noted that additional resources would be required for certified translation services for court filings. These participants suggested that creating a regional task force on Hispanic consumer fraud issues and partnering with states that have greater resources, including more Spanish speakers, might alleviate some of their resource constraints.

d. Improve Consumer Access to Law Enforcement Offices

All of the groups agreed that consumer outreach is an indispensable component of any strategy to protect the Hispanic community from consumer fraud. The groups stressed that agencies need to “go to where the consumers are,” rather than expect that Hispanic consumers will come to their offices to voice complaints. According to the participants, providing consumer education to community groups, such as churches, may afford an element of trust that could be missing if the information comes directly from an unfamiliar government agency. Attendees also suggested reaching out to Hispanic bar associations, high schools,¹³³ INS offices, embassies, consulates, local unions, community centers and events, neighborhood festivals,¹³⁴ food distribution events, and town hall meetings. Other ideas for outreach included holding conferences to train teachers on consumer fraud issues, reaching out to police and other local law enforcement officials, and establishing connections with universities. Participants also suggested that radio programs are a cost-efficient method for getting information to consumers.

e. Share Information Among Offices

The groups also were asked to consider whether more formalized communication and coordination is a reasonable option in tackling fraud and deception against Spanish-speaking consumers. Each of the groups reached a consensus that the nationwide sharing of information is both feasible and desirable. Participants suggested that law enforcement agencies should refer to Consumer Sentinel to find information on potential targets and to post Sentinel “alerts.” Participants also believed that the Workshop was an important first step in focusing the attention of federal, state, and local authorities on consumer fraud affecting Hispanics. Many suggested holding similar workshops in different regions around the country to continue sharing information and strategizing on how to address this kind of fraud.

f. Priorities - Enforcement Sweeps

The participants agreed that coordinating law enforcement “sweeps” – groups of cases filed in cooperation by federal, state, and local agencies – would have a high impact in fighting consumer fraud against Hispanics. The goal of sweeps would be to bring multiple law

enforcement actions targeting a certain type of fraud, such as violations of the FTC Used Car Rule, dietary supplement cases (especially weight loss), other health-related claims targeted at Hispanics (*e.g.*, water filters, pots and pans¹³⁵), and financial frauds (credit repair, pre-paid phone cards, advance-fee loans), and to announce the cases on the same date. The groups agreed that sweeps, accompanied by extensive press coverage, were more effective in reducing fraud than isolated actions by individual enforcement agencies.

2. The Action Plan

At the conclusion of the group sessions, FTC representatives¹³⁶ developed an action plan based on group reports. The action plan includes: (1) conducting sweeps focused on particular practices targeting Hispanics across the nation; and (2) enhanced and regular communication between interested workshop participants.

a. Sweeps

The FTC agreed to take the lead in partnering with state and local agencies to conduct sweeps in particular areas, such as immigration fraud and financial and “upward mobility” scams. The latter category includes fraudulent schemes involving computers, education and scholarships, and work-at-home opportunities. A coordinated sweep, for example, could be announced during Hispanic Heritage Month, celebrated from September 15 through October 15.

b. Communication

Given the participants’ consensus that more and better communication between the different agencies is highly desirable, the second prong of the action plan is to create a task force of interested workshop participants. The FTC agreed to initiate periodic calls on particular issues, including sweeps and other events, such as developments in the FTC’s Spanish-language outreach campaigns. In addition, participants agreed to greater use of Consumer Sentinel, including entering complaints into Sentinel, referring to Sentinel when selecting enforcement targets, and using the consumer alert function.¹³⁷

III. Conclusion

The Hispanic Outreach Forum and Law Enforcement Workshop produced a rich factual record about the nature of the Hispanic market, effective methods for reaching Hispanic consumers, the specific kinds of frauds used to prey on Hispanic consumers, and the law enforcement programs currently in place to protect the Hispanic community. All of the attendees had an opportunity to share valuable information on enforcement and outreach strategies. The discussions reflected broad areas of agreement on the importance of consumer education, partnering with community-based groups, sharing information among agencies, and pooling resources. The informal format of the discussion groups allowed all participants and the Commission staff to continue a dialogue that was both educational and helpful. The Commission looks forward to developing and nurturing these partnerships in order to implement strategies to combat deceptive and fraudulent practices targeting Hispanic consumers.

Endnotes

1. Transcript, May 12, 2004: Passel, *Urban Institute*, at 15. Unless noted otherwise, footnote citations are to the transcript of the Workshop, which is available online at http://www.ftc.gov/bcp/workshops/hispanic/transcript_0512.pdf. Footnotes that cite to specific panelists identify the panelist's last name, the organization that the panelist represented at the workshop, and the page number where the statement is located in the transcript. The complete list of Workshop participants can be found in Appendix A.
2. *Hispanic Fact Pack*, ADVERTISING AGE (2004).
3. *FTC Staff Report on Consumer Fraud in the United States* (Aug. 2004) ("Staff Report on Consumer Fraud"). The report is available at <http://www.ftc.gov/reports/consumerfraud/040805confraudrpt.pdf>.
4. *Id.* at ES-5.
5. *Id.* at 75.
6. The U.S. Department of Justice's Office for Victims of Crime (OVC) provided funding for travel expenses of several panelists; arranged for the participation of panelists; made presentations on resources available to law enforcers through the OVC Resource Center and the OVC Training and Technical Assistance Center (TTAC); and exhibited materials on crime victim services.
7. Several organizations exhibited materials at the event, including the FTC; OVC; Office of the Attorney General, State of New Jersey; Call for Action; U.S. Department of Housing and Urban Development; FirstGov en Español; and Federal Communications Commission.
8. Passel, at 6-19. Dr. Passel's presentation is attached as Appendix B and does not reflect the official view of the Commission, any individual Commissioner, or any government agency that participated in the Workshop.
9. *Id.* at 8-9.
10. *Id.* at 15.
11. *Id.* at 9.
12. *Id.* at 13-16.
13. *Id.* at 9.
14. *Id.* at 10-12.
15. Vasquez-Ajmac, *MAYA Advertising & Communications*, at 26.

16. *Id.*
17. Bencomo Lobaco, *AARP*, at 27.
18. Vasquez-Ajmac, *MAYA Advertising & Communications*, at 60.
19. Bencomo Lobaco, *AARP*, at 33.
20. Vasquez-Ajmac, *MAYA Advertising & Communications*, at 43.
21. *Id.* at 34.
22. *Id.* at 40
23. Bencomo Lobaco, *AARP*, at 38.
24. Franco, *National Financial Corporation*, at 81.
25. Muse, *Muse Cordero Chen & Partners*, at 42-43.
26. Vasquez-Ajmac, *MAYA Advertising & Communications*, at 43.
27. *Id.* at 31.
28. Bencomo Lobaco, *AARP*, at 37.
29. Vasquez-Ajmac, *MAYA Advertising & Communications*, at 44.
30. Muse, *Muse Cordero Chen & Partners*, at 36.
31. Bencomo Lobaco, *AARP*, at 45.
32. Franco, *National Financial Corporation*, at 46-47.
33. Vasquez-Ajmac, *MAYA Advertising & Communications*, at 48.
34. *Id.* at 60.
35. *Id.* at 61.
36. *Id.* at 62.
37. *Id.*
38. *Id.* at 62-63.
39. Bencomo Lobaco, *AARP*, at 63-64.

40. *Id.* at 75-76.
41. *See* 90-91.
42. Vasquez-Ajmac, *MAYA Advertising & Communications*, at 53-54.
43. Bencomo Lobaco, *AARP*, at 54-55.
44. Muse, *Muse Cordero Chen & Partners*, at 56.
45. Moderator: Maria Rodriguez, *President, Vanguard Communications*; Robert E. Bard, *President and CEO, Latino Style Magazine*; Judy J. Chapa, *Senior Advisor for Money Smart, FDIC*; Ana M. Montes, *Director, Technology and Consumer Education, Latino Issues Forum*; Fernando Orfila, *Personal Finances Reporter and Analyst, Univisión*; Teresa A. Santiago, *Chairperson and Executive Director, New York State Consumer Protection Board*. The biographies of these and other panelists at the workshop are attached as Appendix A.
46. Montes, *Latino Issues Forum*, at 100, and Chapa, *FDIC*, at 104.
47. Chapa, *FDIC*, at 105, and Santiago, *New York State Consumer Protection Board*, at 108.
48. Montes, *Latino Issues Forum*, at 128-129.
49. *Id.* at 139.
50. Santiago, *New York State Consumer Protection Board*, at 109.
51. Bard, *Latino Style Magazine*, at 112-114.
52. *Id.* at 112.
53. Montes, *Latino Issues Forum*, at 131.
54. Chapa, *FDIC*, at 135.
55. Orfila, *Univision*, at 124-125.
56. Montes, *Latino Issues Forum*, at 127-128.
57. Herrera, *Los Angeles County Department of Consumer Affairs*, at 157.
58. Montes, *Latino Issues Forum*, at 86-87, 126-127
59. Orfila, *Univision*, at 115.
60. Beales, *FTC*, at 160-2.

61. Transcript, May 13, 2004, at 5-16. Unless noted otherwise, footnote citations are to the transcript of the Workshop, which is available online at http://www.ftc.gov/bcp/workshops/hispanic/transcript_0513.pdf. Footnotes that cite to specific panelists identify the panelist's last name, the organization that the panelist represented at the workshop, and the page number where the statement is located in the transcript. The complete list of Workshop participants can be found in Appendix A.

62. *Id.* at 5-7.

63. Staff Report on Consumer Fraud (cited in note 3).

64. Tr. at 7-13.

65. *Id.* at 13-16.

66. *Id.* at 17-19. Dr. Beales' presentation is attached as Appendix C. The slides set forth are based on a preliminary review of data. The references in Dr. Beales' slide presentation to "Top Ranking Frauds" refer to those frauds that were specifically asked about in the survey. Although the slides state that "generally, minorities [are] much more likely to be victims of fraud," the final Staff Report on Consumer Fraud (cited in note 3) found that the percentage of those who identified themselves as Asian, Hawaiian, or Other Pacific Islander, or as belonging to more than one racial group, were not more likely to be victims of fraud than non-Hispanic whites.

67. The survey also asked about six additional frauds: Internet services, Internet or pay-per-call information services; pyramid schemes; business opportunities; federal or postal job fraud; and prize promotions and sweepstakes. There were no statistically significant differences in these categories between Hispanic and non-Hispanic whites. *See* Staff Report on Consumer Fraud (cited in note 3).

68. Although the preliminary results were generally consistent with the final analysis of the survey data, the final Staff Report did not indicate a lower incidence of complaint reporting by Hispanics, as shown in Dr. Beales' slides. *See* Staff Report on Consumer Fraud (cited in note 3).

69. Tr. at 19-21.

70. *Id.* at 26-60. Moderator: Elaine D. Kolish, *Associate Director for Enforcement, Bureau of Consumer Protection, FTC*. Panelists: Esther Chavez, *Assistant Attorney General, Consumer Protection Division, Office of the AG, Austin, Texas*; Maryanne Dailey, *Better Business Bureau, Charlotte, North Carolina*; Mario Goderich, *Deputy Director, Consumer Services Dept., Miami-Dade County, Florida*; Pastor Herrera, *Director, Los Angeles County Department, Consumer Affairs, California*; Anthony Rodriguez, *National Consumer Law Center, Victim Advocate on behalf of Office for Victims of Crimes, Department of Justice*; Teresa Santiago, *Director and Chairperson of the New York State Consumer Protection Board*. The biographies of these and other panelists at the workshop are attached at Appendix A.

71. *Id.* at 27-28.
72. *Id.* at 29.
73. *Id.* at 29-30, 33.
74. *Id.* at 31-32.
75. *Id.* at 28-29, 31, 37, 44.
76. *Id.* at 33, 37.
77. *Id.* at 28, 30, 34-36, 38, 40, 42, 51, 57.
78. *Id.* at 34.
79. *Id.* at 35, 43.
80. *Id.* at 35.
81. *Id.* at 37.
82. *Id.* at 30, 38-39, 41, 42-43, 57.
83. *Id.* at 39-40, 44-45.
84. *Id.* at 45, 59.
85. *Id.* at 40, 44.
86. *Id.* at 30, 36-37, 49.
87. *Id.* at 43.
88. *Id.* at 46-49.
89. *Id.* at 46-48.
90. *Id.* at 53-55.
91. *Id.* at 55-56.
92. *Id.* at 32, 45-46.
93. *Id.* at 49-50.
94. *Id.* at 60.

95. *Id.* at 49-53.

96. *Id.* at 52-52.

97. *Id.* at 61-92. Moderators: Marcos Jimenez, *U.S. Attorney for the Southern District of Florida*, and Brad Elbein, *Regional Director of the FTC's Southwest Office*. Panelists: Joel Cruz - Esparza, *Assistant Attorney General, Director of Consumer Protection Division, New Mexico*; Robert Griffy, *Deputy Attorney General, Nevada*; Laura Koss, *Senior Attorney, FTC*; Garth Lucero, *Deputy Attorney General, Colorado*; Jose Perez, *Deputy Bureau Chief, Consumer Frauds and Protection, Office of the Attorney General, New York, New York*; and Lisa Raleigh, *Bureau Chief, Economic Crimes Division, Office of Attorney General, Tallahassee, Florida*.

98. *Id.* at 70-71, 78.

99. *Id.* at 86, 87.

100. *Id.* at 85, 92.

101. *Id.* at 79-80.

102. *Id.* at 84.

103. *Id.* at 86.

104. *Id.* at 66, 70, 81, 87-88.

105. *Id.* at 89.

106. *Id.* at 67-68.

107. *Id.* at 68-69.

108. *Id.* at 73.

109. *Id.* at 75.

110. *Id.*

111. *Id.* at 74.

112. *Id.* at 74-75.

113. *Id.* at 73,

114. *Id.* at 73.

115. *Id.* at 65.

116. *Id.* at 76-77, 79.

117. *Id.* at 92-114.

118. *Id.*

119. *Id.* at 97. The Resource Center produces some information in Spanish. According to Mr. Geter, five of the seven most popular OVC materials are available in Spanish.

120. *Id.*

121. *Id.* at 99-104.

122. *Id.* at 100.

123. *Id.* at 101.

124. TTAC welcomes interest in requesting its various services, becoming a consultant, or registering for a training event. More information is available on TTAC's Web site: <http://www.ovcttac.org/ta.cfm>.

125. Tr. at 104-114.

126. In 2003, Sentinel received more than half a million complaints.

127. Tr. at 107-108.

128. *Id.* at 110.

129. *Id.* Sentinel also will be adding a bulletin board feature to help enforcers discuss their investigations and/or certain suspects in real time.

130. *Id.* at 112-113.

131. This portion of the Workshop was not transcribed. The following people served as moderators for the breakout groups: Ken Abbe, *Attorney, Western Region, FTC*; Steve Baker, *Director, Midwest Region, FTC*; Jennifer Brennan, *Attorney, Western Region, FTC*; Betsy Broder, *Assistant Director, Division of Planning and Information, FTC*; Tom Cohn, *Assistant Director, Northeast Region, FTC*; Cindy Davis, *Head Deputy City Attorney, Consumer and Environmental Protection Unit, Office of the City Attorney, San Diego, California*; Herschel Elkins, *Special Assistant Attorney General for Consumer Policy, Coordination, and Development, California*; Mona Fandel, *Director of Consumer Affairs for Broward County, Florida*; Andrea Foster, *Director, Southeast Region, FTC*; J.R. Kelly, *Director of Division, Consumer Services Department of Agriculture and Consumer Services, Florida*; Fred Kerstein, *Chief, Dade County Economic Crime Unit, Office of the State Attorney, Florida*; Sophia Lopez, *Supervisor, Consumer Fraud Division, Cook County State Attorney's Office*; Joni Lupovitz,

Assistant Director, Division of Enforcement, FTC; Ricardo Madrigal, Assistant Attorney General, Consumer Protection, McAllen, Texas; Gabriel Sandoval, Directing Deputy City Attorney for the Office of Los Angeles; Rick Quaresima, Chief of Criminal Liaison Unit, FTC.

132. A representative from the Hispanic Association of Colleges & Universities suggested that the Association's Web site, <<http://www.hacu.net>>, provides a list of universities at which to recruit bilingual employees. Another suggested recruiting idea was to attend Hispanic organization conferences, such as the conference held by the National Council of La Raza.

133. Participants observed that high school students frequently act as conduits of information and translators for their parents who may not speak English as well, if at all.

134. One participant cautioned, however, that, in his experience, consumer education campaigns at entertainment-based events have not been successful because those attending are not receptive to the educational messages.

135. According to some participants, some companies marketing water filtering systems claim that consumers need filter systems because they are allegedly drinking contaminated water. Some sellers of cookware claim that their pots and pans are safer to use than other pots and pans because they are free of contaminants. Both sets of marketers seek to take advantage of their customers' experiences with contaminated water and cookware in their original countries.

136. Lydia Parnes, *Deputy Director, Bureau of Consumer Protection, FTC* and Elaine Kolish, *Associate Director, Division of Enforcement, FTC*.

137. Consumer Sentinel functions are available only to law enforcers.

APPENDIX A

TERESA A. SANTIAGO

Teresa A. Santiago is Chair and Executive Director of the New York State Consumer Protection Board. Ms. Santiago is a founding member, Chair, and the driving force behind Comité Noviembre, Puerto Rican Heritage Month, a nonprofit organization that promotes and commemorates Puerto Rican culture and heritage nationwide. Under her leadership, Comité Noviembre established an annual fundraising benefit, created the Comité Noviembre Day of Community Service and Social Responsibility, and established the Comité Noviembre Scholarship Awards Program. Ms. Santiago also has worked as Director of Marketing and Public Relations for a dry cleaning business, and as Director of Hispanic Experti, a division of a minority-owned public relations and advertising firm that specializes in the black and Hispanic consumer markets. She served as Deputy Director of Community and Legislative Affairs in the New York State Governor's Office for Hispanic Affairs from 1993 to 1995; Director of Communications for the Association of Puerto Rican Executive Directors, a nonprofit advocacy organization; and as Director of Amigos de Pataki, the Hispanic component of Governor Pataki's 2002 re-election campaign. In addition, she has served as board chair of the Institute for the Puerto Rican/Hispanic Elderly; on the board of Regional Aid for Interim Needs Inc. (RAIN Inc.), which serves the elderly population of the Bronx; and on the St. Pius V. High School Advisory Board. Ms. Santiago has received numerous awards, including El Diario/La Prensa's Influential Latinas Recognition.

LUIS VASQUEZ-AJMAC

Luis Vasquez-Ajmac, President and Founder of MAYA Advertising & Communications, a Latino marketing firm, has more than 20 years of experience in Hispanic marketing and minority outreach. Under Mr. Vasquez-Ajmac's leadership, MAYA has catapulted client issues, products, and services into prominence. Mr. Vasquez-Ajmac created "Nuestra Gente," a U.S. Latino awareness conference (1997 to 1999), and public affairs television show (2000) featuring both local and national celebrities and leaders. Mr. Vasquez-Ajmac also produced the highly publicized television program "VIVA TV," featuring current issues and trends relevant to the rapidly growing U.S. Hispanic youth market. The lead publicist for the program, he received media attention from the *Washington Post*, *WUSA-TV (CBS)*, Comcast Cable Communications Inc., *Univision*, and numerous other Hispanic media. In 1997, he coordinated the first-ever U.S. Latino Fire Safety Summit and Fire Safety Concert for children in Los Angeles, and secured widespread national publicity for both events, including coverage by *U.S. News and World Report*, the *Los Angeles Times*, and the *Washington Post*. Since 1993, he has directed Pepco on branding through the production of culturally sensitive and quality-driven Spanish-language print, radio, and television advertising.

PABLO M. ZYLBERGLAIT

Pablo M. Zylberglait joined the FTC's Bureau of Consumer Protection as an attorney in January 1997. His projects at the Bureau's International Division include work on technical aid, bilateral cooperation agreements, information sharing efforts, and multilateral enforcement cooperation. Mr. Zylberglait participates in various international forums on issues such as Internet law, privacy, and alternative dispute resolution. He also coordinates *econsumer.gov*, an international database for cross-border e-commerce complaints. Mr. Zylberglait has worked with the Bureau's Division of Enforcement, enforcing FTC orders and federal district court litigation related to deceptive advertising and marketing practices. He also was involved in industry and community outreach to promote the FTC's *Guides for the Use of Environmental Marketing Claims*. Before joining the Commission, Mr. Zylberglait was an associate at the Los Angeles law firm of Barger & Wolen L.L.P., where he litigated in the areas of disability insurance, bankruptcy, and personal injury.

HISPANIC & LAW
OUTREACH FORUM & ENFORCEMENT WORKSHOP

May 12, 2004

HISPANIC & LAW OUTREACH FORUM & ENFORCEMENT WORKSHOP

THE HISPANIC CONSUMER:
PROMOTING OUTREACH, PREVENTING FRAUD:
BEST PRACTICES IN THE HISPANIC COMMUNITY

MAY 12, 2004

PANELISTS AND MODERATORS

ROBERT E. BARD

Robert E. Bard has been the President and CEO of *LATINA Style Magazine* since October 2001. He has expanded the magazine's influence by creating the Anna Maria Arias Memorial Business Fund, a grant fund for Latina entrepreneurs, and establishing a number of scholarships in Ms. Arias' name. He also has developed the two signature programs of the magazine: the *LATINA Style Business Series*, a development program for Latina business owners in the nation, and the *LATINA Style 50*, a report on the top 50 U.S. companies for working Latinas. Mr. Bard founded The Bard Company (TBC), a consulting, public affairs, public relations, marketing, and advertising firm specializing in the U.S. Hispanic professional market. Among its many projects, TBC helped corporations create multilevel, integrated Hispanic programs involving educational issues, scholarship programs, supplier diversity, corporate board development, and congressional interface.

J. HOWARD BEALES III

Howard Beales is the Director of the Federal Trade Commission's Bureau of Consumer Protection. Appointed by FTC Chairman Tim Muris in June 2001, Mr. Beales has experience in both academia and government. His major areas of expertise and interest include law and economics, the economic and legal aspects of marketing and advertising, and other aspects of government regulation of the economy. Mr. Beales began his career at the FTC in 1977 as an economist specializing in consumer protection issues. After serving in a number of management positions in the Bureau of Consumer Protection, he was named a Branch Chief in the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs. Mr. Beales left government in 1988 to become an Associate Professor of Strategic Management and Public Policy at George Washington University. He has published numerous scholarly articles on advertising and other aspects of consumer protection regulation.

JULIA BENCOMO LOBACO

Julia Bencomo Lobaco is Deputy Editor of *AARP Segunda Juventud*, AARP's bilingual publication for Hispanics who are 50+. She has more than 20 years of experience as a bilingual editor, reporter, and columnist. An award-winning Mexican American journalist, she was *The Arizona Republic* newspaper's first bilingual columnist. She also reported on city and county government and on education issues. For eight years she served as Editor of Florida-based *VISTA Magazine*, the nation's oldest and largest dual-language publication for Hispanics. Ms. Bencomo Lobaco also served as Editor-at-Large for *CATALINA Magazine*. She has been a member and an alliance manager for the AIDS: *ACT Now!* Partnership, a project of the Centers for Disease Control and Prevention to stop the spread of HIV and AIDS. She has a strong interest in health issues and is the recipient of a Kaiser Family Foundation/National Press Foundation Mini-Grant in Health.

JUDY J. CHAPA

Judy J. Chapa is the Senior Advisor for Outreach to Hispanic Populations in the United States for Money Smart, the Federal Deposit Insurance Corporation's (FDIC) financial education program. Through this program, she works to develop and execute major innovative marketing and public affairs programs with Hispanic business and community leaders nationwide. Before joining the FDIC, Ms. Chapa was appointed by President George W. Bush as the First Deputy Assistant Secretary for the U.S. Treasury's Office of Financial Education. There, she was responsible for establishing the office, developing the department's financial education policy, and ensuring coordination on financial education issues within the department and its bureaus. Previously, Ms. Chapa managed external affairs for Miller Brewing Company in Milwaukee, where her work included developing and implementing national strategies to promote the company's responsibility initiatives on alcohol-related issues, and overseeing public relations efforts within the national Hispanic community. Ms. Chapa has served on the boards for the National Hispanic Corporate Council (NHCC) and the National League of United Latin American Corporate Alliance (LULAC).

GEORGE FRANCO

George Franco is Chairman and CEO of National Financial Corporation (NFC), a national information technology firm specializing in the development of banking products and services that help financial institutions reach emerging markets. NFC engineers technology to effectively process transaction activity within the high-volume environment of low-income consumer markets. In addition, he is the CEO of AvanteResearch, an economic research and analysis group with a focus on private sector economic development. A member of the Federal Reserve Bank of Chicago Advisory Council, he is an expert on strategic business planning. The work of his companies includes financial service delivery, television production, and institutional asset management. He serves as Chairman of the Washington, D.C.-based National Council on Financial Access, an organization that emerged out of the work of Metropolitan Leadership Network, a national CEO leadership group.

ANA M. MONTES

Ana M. Montes is the Director of Technology and Consumer Education at the Latino Issues Forum (LIF), a nonprofit public policy and advocacy institute based in San Francisco and dedicated to advancing new and innovative public policy solutions for a better, more equitable, and prosperous society. Ms. Montes has testified at digital divide hearings in Sacramento, Calif., and Washington, D.C., and has spoken at numerous technology conferences and forums. In her role as Director of Technology, Ms. Montes has helped bring technology to rural and urban low-income and minority communities. She also supervises a community civic engagement project, as well as the Communities for Telecom Rights Project, a California-wide consumer education project geared toward people with limited English proficiency in the Latino and Asian communities.

J. MELVIN MUSE

Jo Muse has led Muse Cordero Chen & Partners (MCC&P) to national prominence by specializing in reaching multicultural consumers and producing award-winning work for Qwest Communications, American Honda, NIKE Inc., and the President's Anti-Drug Media Campaign. Under his leadership, clients have provided significant financial support and empowerment for youth via involvement with historical black colleges and universities, and with the Tobacco Education public service campaign in California and Florida. As MCC&P's Executive Creative Director, Mr. Muse oversees the creative development of advertising. He is active in various professional associations and community organizations, including the American Association of Advertising Agencies, Art Center College of Design, and the Center Theatre Group. He also is the author of "The Shaman Chronicles: The Seven Senses of Multicultural Marketing."

FERNANDO ORFILA

Fernando Orfila was born in Argentina, and worked there as a reporter before joining *Negocios*, a magazine specializing in national business. Mr. Orfila expanded his role by becoming the producer for "Negocios TV," a daily business newscast based on the magazine. He also worked as a freelance reporter for *The Buenos Aires Herald*, which specializes in news about the world trade sector. Mr. Orfila came to the United States to work with "CBS Telenoticias" as an assignment editor and field producer. He has done financial reporting with *Consejero.com*, the Spanish-language division of *Bankrate.com*; served as a business and economy reporter for the news department of *Univision.com*; and developed "Negocios Hispanos," a section of *Univision.com* specializing in news for small businesses from the Hispanic point of view. Most recently, Mr. Orfila started the first TV news segment dedicated to business and personal finances for Miami's local *Univision* station, now broadcast through *Univision*'s many local affiliate stations. He also appears twice a month on "Despierta América" to discuss personal finances and economic issues affecting the Hispanic community.

JEFFREY S. PASSEL, Ph.D.

Jeffrey S. Passel, Ph.D., is Principal Research Associate at the Urban Institute, where his research has focused on immigration policy, the demography and adaptation of immigrants, and the measurement of immigration, particularly the measurement of illegal immigration. His interests also include measuring and defining racial/ethnic groups in the United States, overall demographic trends, and census coverage. Prior to joining the Urban Institute, Dr. Passel directed the Census Bureau's program of population estimates and projections and its research on demographic methods for measuring census undercount. He has served on advisory and technical panels for a number of associations and government agencies, including the Population Association of America's Professional Advisory Committee to the Census Bureau and its Committee on Population Statistics, the National Academy of Sciences' Panel on Estimates of Poverty for Small Geographic Areas, the Central Intelligence Agency, the 2000 Census Monitoring Board, and the National Institutes of Health.

MARIA RODRIGUEZ

Maria Rodriguez is the President and Owner of Vanguard Communications, a full-service public relations firm committed exclusively to the marketing and promotion of social issues. At Vanguard, Ms. Rodriguez leads a team of more than 35 public relations and communications professionals who work to advance change in areas such as health, sustainable agriculture, environmental protection, education, and consumer protection. In March 2003, Vanguard became the first Hispanic woman-owned firm to earn the highly coveted *PR Week* PR Agency of the Year Award. Currently, Ms. Rodriguez is leading Vanguard staff in the development of an educational outreach campaign about epilepsy targeted to the Hispanic community, as well as a community-based outreach effort to increase the number of Hispanic/Latino students earning high school and college degrees. In addition, she manages a national social marketing program on children's mental health with particular emphasis on outreach to culturally diverse populations. Previously, Ms. Rodriguez served as Media Director of a boutique public relations firm where she managed and implemented consumer education initiatives on behalf of the National Institutes of Health's high blood pressure control and cancer prevention programs, promoted education issues for national trade associations, conducted media outreach campaigns, and distributed public service advertising campaigns.

HISPANIC & LAW OUTREACH FORUM ENFORCEMENT WORKSHOP

PROTECTING HISPANIC CONSUMERS FROM FRAUD THROUGH LAW ENFORCEMENT

MAY 13, 2004

PANELISTS & MODERATORS

KENNETH H. ABBE

Kenneth H. Abbe is a Staff Attorney in the FTC's Western Region Branch Office in Los Angeles. Since joining the Commission in 1999, Mr. Abbe has focused primarily on consumer protection matters. He has brought several cases in federal court alleging false and deceptive trade practices by telemarketers. Mr. Abbe has also been actively involved in antitrust merger review, investigating online retailers' business practices, the Commission's child protection efforts, and community outreach. Mr. Abbe started his career in private practice, specializing in antitrust and commercial litigation in California and the District of Columbia.

C. STEVEN BAKER

C. Steven Baker directs the FTC's Midwest Regional Office in Chicago, which does both consumer protection and antitrust work for the Commission. Mr. Baker joined the FTC in Washington, D.C., in September 1982 as a Staff Attorney in the Bureau of Consumer Protection, where he was engaged in federal court cases involving investment fraud. He later served as an Attorney Advisor to Chairman James C. Miller III and Chairman Daniel Oliver. Prior to joining the FTC, Mr. Baker served as a Law Clerk to U.S. District Judge D. Brook Bartlett in Kansas City, Mo.

J. HOWARD BEALES III

Howard Beales is the Director of the Federal Trade Commission's Bureau of Consumer Protection. Appointed by FTC Chairman Tim Muris in June 2001, Mr. Beales has experience in both academia and government. His major areas of expertise and interest include law and economics, the economic and legal aspects of marketing and advertising, and other aspects of government regulation of the economy. Mr. Beales began his career at the FTC in 1977 as an economist specializing in consumer protection issues. After serving in a number of management positions in the Bureau of Consumer Protection, he was named a Branch Chief in the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs. Mr. Beales left government in 1988 to become an Associate Professor of Strategic Management and Public Policy at George Washington University. He has published numerous scholarly articles on advertising and other aspects of consumer protection regulation.



JENNIFER BRENNAN

Jennifer Brennan is a Staff Attorney in the FTC's Western Region Branch Office in Los Angeles. She has been with the FTC for more than four years. Ms. Brennan's cases have targeted deceptive marketing practices and have included a bogus work-at-home paralegal business opportunity, a multimillion dollar pyramid scheme, and a spam e-mail chain letter campaign. In the last few months, Ms. Brennan and Kenneth Abbe filed a lawsuit against Unicyber Technology Inc., a business that used Spanish-language television commercials to deceptively advertise computer equipment. The defendants stipulated to a preliminary injunction; the case is still pending.

BETSY BRODER

Betsy Broder is an Assistant Director in the FTC's Division of Planning and Information, where she helps coordinate the agency's collection and analysis of consumer-related data, including the critical database and information sharing functions for identity theft and consumer fraud. She also assists in the oversight of the FTC's other identity theft initiatives, such as coordination with other law enforcement agencies, outreach to industry, and consumer education. Ms. Broder formerly served as Assistant Director of the FTC's Division of Marketing Practices, where she supervised consumer fraud litigation in federal court. During her 16 years at the FTC, Ms. Broder has led the investigation and civil prosecution of telemarketing boiler rooms, Internet pyramid schemes, and business and franchise scams in courts throughout the United States. Before coming to the FTC, Ms. Broder was an Assistant Attorney General for the state of New York.

ESTHER CHAVEZ

Esther Chavez is an Assistant Attorney General with the Consumer Protection Division of the Office of Texas Attorney General Greg Abbott, where she handles multistate cases and other special litigation. Ms. Chavez previously served as Chief of the Consumer Division's Austin and El Paso Regional Offices. She is a regular speaker and commentator at consumer law seminars and conferences in Texas. Ms. Chavez also has served as Chair of the State Bar of Texas' Hispanic Concerns Section and as the State Bar's Vice Chair of the Committee for Legal Services to the Poor in Civil Matters.

TOM COHN

Tom Cohn has been Senior Assistant Regional Director for the FTC's Northeast Regional Office since July 2000. After practicing business litigation in Boston for five years, Mr. Cohn joined the FTC's Bureau of Consumer Protection in January 1991. He served for more than five years in the FTC's Division of Marketing Practices, where he litigated fraud and rule violation cases, coordinated test shoppings of funeral homes for compliance with FTC's Funeral Rule, and helped develop and implement the Funeral Rule Offenders' Program. From 1996 to 1999, Mr. Cohn served as a Legal Advisor to Jodie Bernstein, former Director of the FTC's Bureau of Consumer Protection. Mr. Cohn assists the Regional Director with supervising the professional staff, leads multiagency law enforcement efforts against various deceptive practices, and acts as the FTC's consumer protection liaison with Massachusetts. He also conducts and coordinates regional outreach efforts to educate consumers, business groups, and law enforcement agencies on how to comply with a variety of laws enforced by the FTC.



JOEL CRUZ-ESPARZA

Joel Cruz-Esparza is the Assistant Attorney General and the Director of the Consumer Protection Division of the New Mexico Office, which is involved in mediation of disputes, preventive legal education, legislative and regulatory work, and litigation. Mr. Cruz-Esparza has been practicing law for 20 years; he began his career as a Legal Services Attorney, providing legal representation to low-income and underrepresented families and individuals. He was in private practice in Albuquerque, N.M., concentrating in immigration law representing clients before the Immigration Court in El Paso, Texas and the Immigration and Naturalization Service in Albuquerque. Mr. Cruz-Esparza was born in the north of Old Mexico and was raised in Mexico City before immigrating with his parents to the United States.

MARYANNE P. DAILEY

Maryanne P. Dailey is Executive Director for the Better Business Bureau Consumer Foundation, based in Charlotte, N.C. Ms. Dailey has been involved with the adult and Latin American populations for the last 13 years in employment and training, advocacy, and consumer fraud prevention. She has worked with the Better Business Bureau for five years, first as its Director of Operations and then as the Executive Director of its Consumer Foundation, a nonprofit charitable organization dedicated to preventing consumer fraud and financial exploitation within the community. Ms. Dailey also volunteers her time with the Charlotte Mecklenburg Police Department and the Queen City Optimist Club.

CINDY D. DAVIS

Cindy D. Davis is the Head Deputy City Attorney in charge of the Consumer and Environmental Protection Unit with the San Diego City Attorney's Office. She has served as a Deputy City Attorney since 1999. Prior to joining the office, Ms. Davis was a Federal Judicial Law Clerk and in private practice in one of San Diego's largest firms. As a Deputy City Attorney, Ms. Davis prosecutes consumer and environmental harms in both the civil and criminal arenas. Based in San Diego, the Consumer and Environmental Protection Unit staffs a bilingual investigator, provides complaint forms in Spanish, and serves as a liaison to the local Spanish television network by providing consumer news pieces.

BRAD ELBEIN

Brad Elbein is the Director of the Federal Trade Commission's Southwest Regional Office. In his previous job, he was Chief of the White Collar Crime Unit for the Fulton County District Attorney's Office in Atlanta, which prosecuted financial crimes from embezzlement and securities fraud to Internet crimes. Mr. Elbein formerly served as Section Chief for the Professional Liability Sections of the Resolution Trust Corporation in Houston and Atlanta. He also served as a Section Chief for the Federal Deposit Insurance Corporation's Litigation Section in Atlanta. Prior to government service, Mr. Elbein conducted an active private practice, which included criminal defense and commercial litigation. Mr. Elbein has published several law review articles, including articles in the *San Diego Law Review* and the *South Carolina Law Review*.



HERSCHEL T. ELKINS

Herschel T. Elkins is the Special Assistant Attorney General for Consumer Policy, Coordination and Development in California. He has served as an Attorney in the California Attorney General's office for 47 years. Mr. Elkins was the Statewide Head of the Attorney General's Consumer Law Section, the first Chair of the California State Bar's Consumer Finance Committee, and the Past Chair of the California District Attorney's Association Consumer Protection Committee. Mr. Elkins also has chaired task forces and investigative committees on consumer protection matters, drafted many of California's consumer protection statutes, and is the author of the *Consumer Protection & Civil Injunctions Points and Authorities Manual*, now in its 18th edition.

MONA FANDEL

Mona Fandel has been the Director of Consumer Affairs for Broward County, Fla., since 1996. The Consumer Affairs Division mediates, investigates, and litigates unfair and deceptive trade practices. In addition, the division regulates all taxis, limousines, moving companies, chauffeurs, auto repair and auto body shops, and technicians operating in Broward County. From 1983 until 1996, Ms. Fandel was an Assistant Attorney General in Florida and Bureau Chief in the Economic Crime Unit. She litigated and investigated RICO, Medicaid fraud, and consumer fraud cases. Ms. Fandel also has an AV rating from Martindale Hubbel.

ANDREA FOSTER

Andrea Foster is the Director of the FTC's Southeast Regional Office. She is responsible for overseeing all litigation and, in some cases, serves as trial counsel in federal district court trials. Ms. Foster also is involved in regulatory interpretation and compliance review. Ms. Foster started her legal career with the FTC's Atlanta Regional Office as a Staff Attorney. She was lead counsel or second chair on numerous U.S. District Court matters, litigated civil actions against multimillion dollar fraudulent operations, and reviewed several corporate mergers. For three years Ms. Foster was on temporary assignment as a Special Assistant United States Attorney for the Eastern District of Tennessee, where she criminally prosecuted white collar fraud cases. After completing that assignment, she returned to the Regional Office as Assistant Regional Director, a position she held for a year-and-a-half.

LEON T. GETER SR.

Leon T. Geter Sr. has over 17 years of professional experience in administration, management, agency oversight, social delinquency, criminal justice, program development, presentations, and social justice policy issues. Currently, Mr. Geter is the Project Manager for two National Criminal Justice Reference Services (NCJRS) Clearinghouses: the Bureau of Justice Statistics (BJS) Clearinghouse and the Office for Victims of Crime Resource Center (OVCRC). Previously, Mr. Geter served as the Program Director for OAR of Fairfax County Inc., a progressive social justice program. During his career, Mr. Geter has developed workshops, conducted training, and facilitated seminars for corrections and community-based organizations on issues such as victimization and re-entry. Mr. Geter chairs the Montgomery County Commission on Juvenile Justice.



JOHN W. GILLIS

John W. Gillis was confirmed as the Director of the Justice Department's Office for Victims of Crime in September 2001. Mr. Gillis has a long and distinguished career in victim advocacy and law enforcement. Following the 1979 murder of his daughter Louarna, Mr. Gillis helped found Justice for Homicide Victims and the Coalition of Victims Equal Rights, a California organization that works on behalf of the rights of victims and their families. He also is the Founder of Victims & Friends United and an active member of Memory of Victims Everywhere and Parents of Murdered Children, a support group for families of homicide victims. In 1991, President George Bush presented Mr. Gillis with the National Crime Victim Service Award for his work in helping crime victims. In 1993, former Attorney General William Barr recognized Mr. Gillis' crime victim service with a Special Commendation Award. Mr. Gillis also is a member of the American Police Hall of Fame; from 1962 to his retirement in 1988, he served with the Los Angeles Police Department, retiring with the rank of Lieutenant, Assistant Commanding Officer.

MARIO E. GODERICH

Mario E. Goderich is responsible for policy and administration for the Miami-Dade County Consumer Services Department, which is comprised of the County's Consumer Protection Division, Passenger Transportation Regulatory Division, and Cooperative Extension Division. The Department enforces the County's consumer protection laws and regulatory programs. Mr. Goderich has over 20 years of experience in the development of government regulatory programs, cable TV franchise administration, and telecommunications issues. He also serves in an advisory capacity to the county and municipalities in the areas of wireless/cellular towers, rights-of-way management, and FCC rulemakings that affect local government. Mr. Goderich is a regular guest lecturer on consumer protection law and policies at several south Florida universities.

LOIS GREISMAN

Lois Greisman heads the Division of Planning and Information in the FTC's Bureau of Consumer Protection. She supervises the FTC's Identity Theft program, the Consumer Sentinel system, and the implementation of the National Do Not Call Registry, which contains over 59 million telephone numbers. Ms. Greisman also manages the agency's Consumer Response Center and its Internet Lab, and co-chairs the ABA's Consumer and Personal Rights Committee. Most recently, Ms. Greisman served as Chief of Staff to FTC Chairman Timothy J. Muris. She also has served as Attorney Advisor to Chairman Robert Pitofsky and Chairman Janet D. Steiger and, as such, reviewed virtually every consumer protection matter pending before the Commission from 1995 to 2001. Prior to those appointments, Ms. Greisman worked as Legal Advisor to the Director of the Bureau of Consumer Protection. Ms. Greisman joined the FTC in 1991 in its Division of Advertising Practices, after having worked as a Litigator at Steptoe & Johnson.

ROBERT E. GRIFFY

Robert E. Griffy is the Deputy Attorney General for the Nevada Attorney General's Office, Bureau of Consumer Protection, where he focuses on prosecuting violations of deceptive trade practices and securities fraud. He assists in the drafting of search and arrest warrants, drafting criminal and civil complaints, litigating cases in court, and participating in multistate NAAG consumer cases. Prior to his current position, Mr. Griffy worked in a private practice on cases related to criminal law, civil law, and appellate practice. Mr. Griffy also has worked for the Las Vegas City Attorney Criminal Division, the Humboldt County District Attorney, and the Clark County Juvenile Court.



VICKI HANCOCK, Ph.D.

Dr. Vicki Hancock serves as Division Director for Education and Outreach on the OVC Training and Technical Assistance Center project. Since 1987, her primary duties have been in new product development, constituent outreach, competitive intelligence, strategic planning, and process improvement. Dr. Hancock has facilitated the work of senior executive staff for strategic program planning and market expansion activities; planned and delivered professional development institutes and workshops (trainings) addressing professional content; developed and presented specialized content briefings for education groups; and led or co-led facilitation and project management efforts for organizations. Dr. Hancock has published over 40 articles in professional periodicals, and she co-developed a four-textbook series on effective decision-making. She has consulted for numerous schools and districts in the United States, Canada, Europe, Asia, and the Middle East, and has presented at hundreds of conference, workshop, and keynote sessions.

PASTOR HERRERA JR.

Pastor Herrera Jr. has been involved in consumer protection for over 27 years. In March 1991, he was appointed Director of the Los Angeles County Department of Consumer Affairs. The department provides consumer protection services, including consumer counseling, complaint mediation and investigation, community outreach, and consumer education. Prior to his employment with the County of Los Angeles, Mr. Herrera was on staff with United Way Inc. and the East Los Angeles Community Service Organization. He also served as a consultant to community-based organizations. Mr. Herrera is a member of a number of boards and nongovernmental organizations, including the National Consumers League. He is the President and a board member of the Telecommunications Consumer Protection Fund Oversight Corp., and the founding member of the Los Angeles County Hispanic Managers Educational Foundation.

MARCOS DANIEL JIMÉNEZ

Marcos Daniel Jiménez was sworn in as the 49th United States Attorney for the Southern District of Florida on August 5, 2002. As the U.S. Attorney, Mr. Jiménez is the chief federal law enforcement officer for the district. In addition, in January 2003, Attorney General John Ashcroft appointed Mr. Jiménez to serve on the Department of Justice's Attorney General's Advisory Committee. Mr. Jiménez also serves as a Core City U.S. Attorney supervising one of the nine regions for the nation's Organized Crime Drug Enforcement Task Force (OCDETF) program. Born in Havana, Cuba, Mr. Jiménez immigrated to the United States when he was 18 months old. After graduating from law school, Mr. Jiménez worked in private practice before serving as an Assistant U.S. Attorney for the Southern District of Florida from March 1989 until November 1992. Prior to his presidential appointment, Mr. Jiménez was an equity partner of White and Case LLP, where he specialized in commercial litigation and white-collar criminal defense. While in private practice, Mr. Jiménez was recognized for his community service, bar association efforts, and pro bono representation.

J.R. KELLY

J.R. Kelly is the Director of the Division of Consumer Services in Florida. Mr. Kelly worked as a Sales and Use Tax and Corporate Income Tax Auditor with the Florida Department of Revenue until 1985. Thereafter, he worked in private practice as an Attorney before he joined the Florida Department of Agriculture and Consumer Services in 1991 as a Senior Attorney. He remained in that position until he became Assistant Director of the Division of Consumer Services in October 1992. In 1995, Mr. Kelly was promoted to his current position.



FREDERIC A. KERSTEIN

Frederic A. Kerstein is the Chief of the Miami-Dade County Economic Crime Unit, Office of the State Attorney and Deputy Chief Assistant for Special Prosecutions. After working as an Assistant to the General Counsel of Standard Industries Incorporated in New York City, Mr. Kerstein was appointed the Assistant District Attorney in Bronx County, N.Y. He served in the Appeals Bureau and Investigations (Rackets) Bureau of that office. In July 1979, he was appointed Assistant State's Attorney in Dade County; in 1993, he helped create, and was supervisor of, the Hurricane Andrew Task Force. As an Assistant State's Attorney, Mr. Kerstein has successfully prosecuted cases in the areas of contractor fraud, credit card fraud, bank fraud, tax fraud, employee embezzlement, elderly exploitation, and insurance fraud.

ELAINE KOLISH

Elaine Kolish is the Associate Director for the Division of Enforcement for the Bureau of Consumer Protection. She oversees compliance with more than a dozen statutes, regulations, and guides as well as administrative and district court orders in consumer protection matters. Ms. Kolish also oversees the Class Action Fairness Project, the Hispanic Law Enforcement Initiative, the Bureau of Consumer Protection's regulatory review and reform initiatives, and compliance with the Small Business Regulatory Enforcement Fairness Act. Prior to becoming the Associate Director, Ms. Kolish served as Assistant Director in the Division of Enforcement for eight years. She also served as an Assistant to the Director of the Bureau of Consumer Protection. Ms. Kolish is the 1993 recipient of the Federal Trade Commission's Outstanding Supervisor Award. In 1991, she received the Federal Trade Commission's Paul Rand Dixon Award for her contributions to the FTC's consumer protection mission.

LAURA KOSS

Laura Koss is a Senior Attorney in the FTC's Division of Enforcement. During her 10 years at the FTC, Ms. Koss has worked on a variety of matters, including investigations involving the advertising and promotion of dietary supplement products for weight loss. She is the Coordinator of the Commission's Hispanic Law Enforcement Initiative, which has included systematic monitoring of Spanish-language advertising and increased law enforcement against companies targeting Hispanic consumers. In addition to her work on the Hispanic Law Enforcement Initiative, Ms. Koss is the Project Manager of the Commission's "Made in USA" enforcement project. Prior to working at the FTC, Ms. Koss was an Associate at Crowell & Moring, a law firm based in Washington, D.C.

SOPHIA LOPEZ

Sophia Lopez is a career prosecutor who has served as a Cook County, Ill., Assistant State's Attorney since 1981. She is currently Supervisor of the Consumer Fraud Division, which investigates and prosecutes violations of Illinois consumer law. The Division specializes in consumer fraud and identity theft cases, and is instrumental in prosecuting these cases throughout Chicago and Cook County. Ms. Lopez also worked in the Civil Actions Bureau as well as the Criminal Bureau, Felony Trial Division, where she gained extensive trial experience by trying felony jury and bench trials ranging from murders to drug cases.



GARTH C. LUCERO

Garth C. Lucero is Senior Counsel for the Consumer Protection Division of the Colorado Attorney General's Office with primary duties in consumer protection. For the past 20 years, Mr. Lucero has engaged in general civil litigation, administrative law, and senior management in various divisions of the Colorado Attorney General's Office, overseeing such areas as consumer protection, antitrust, consumer credit, public utilities, and general civil litigation division. Prior to joining the Attorney General's Office, Mr. Lucero was a Staff Attorney for Denver Legal Aid. In addition to prosecuting consumer fraud cases, Mr. Lucero oversees his office's complaint intake and mediation systems, consumer legislation, and consumer education projects.

JONI LUPOVITZ

Joni Lupovitz has served as an Assistant Director in the FTC's Division of Enforcement since October 2000. In this position, she supervises a variety of law enforcement, order enforcement, and regulatory matters involving the marketing of health-related and other consumer products. Ms. Lupovitz previously served as an Attorney in the Division of Enforcement, assigned to handle deceptive advertising investigations and litigation. Before that, Ms. Lupovitz was a Partner with McDermott, Will & Emery, where she had a diverse civil litigation and administrative practice.

RIC MADRIGAL

Ric Madrigal was appointed Assistant Attorney General in the Office of the Texas Attorney General in 1995 and presently serves as the Managing Attorney for the South Texas Regional Office of the Consumer Protection and Public Health Division. As Assistant Attorney General, Mr. Madrigal has successfully litigated cases against payday lenders and fraudulent immigration consultants. Recently, his office filed suit against two notaries engaged in the unauthorized practice of immigration law. These lawsuits are the first prosecutions under a new state law that makes it illegal for a notary public to accept compensation for preparing immigration forms. Formerly, Mr. Madrigal presided as Justice of the Peace in Travis County, Texas. In 1994, he received the Hispanic Leadership Award in Law from the League of United Latin American Citizens (LULAC), Austin Chapter.

ROBERT D. McCALLUM JR.

Robert D. McCallum Jr. was appointed by President George W. Bush and confirmed by the United States Senate on July 1, 2003 to serve as Associate Attorney General. He had served as Assistant Attorney General for the Civil Division since September 2001. The Civil Division, with over 700 attorneys, is the largest legal division in the U.S. Department of Justice. As Assistant Attorney General, Mr. McCallum oversaw litigation involving, for example, the defense of challenges to presidential actions and acts of Congress; national security issues; immigration; benefit programs; commercial issues including health care fraud, banking, insurance, patents, and debt collection; and the Food, Drug and Cosmetic Act. Before joining the Civil Division, Mr. McCallum was a Partner at Alston & Bird in Atlanta. He joined the firm in 1973 and specialized in appellate practice, commercial real estate litigation, insurance class action litigation and administrative proceedings, and medical malpractice defense.



JAY M. MILLER

Jay M. Miller is an Attorney and the Consumer Sentinel Program Manager in the FTC's Bureau of Consumer Protection, Division of Planning and Information. He is responsible for overseeing the FTC's Consumer Sentinel Network, a complaint database and cybertool that supports more than 1,000 law enforcement agencies in investigating and prosecuting consumer fraud, identity theft, and do-not-call matters. Mr. Miller joined the FTC in September 2002 after nearly four years as a Trial Attorney with the Commodity Futures Trading Commission's (CFTC) Western Regional Office. Prior to his work at the CFTC, Mr. Miller practiced business litigation at two Los Angeles law firms.

TIMOTHY J. MURIS

Timothy J. Muris was sworn in on June 4, 2001, as Chairman of the Federal Trade Commission. President George W. Bush named Muris, a Republican, on April 26, 2001, and he was confirmed by the Senate on May 25, 2001. Chairman Muris has held three previous positions at the Commission: Assistant Director of the Planning Office (1974-1976), Director of the Bureau of Consumer Protection (1981-1983), and Director of the Bureau of Competition (1983-1985). After leaving the FTC in 1985, Chairman Muris served with the Executive Office of the President, Office of Management and Budget for three years. He then joined George Mason University School of Law as a Foundation Professor in 1988 and was interim dean of the law school from 1996 to 1997. He was also Of Counsel with the law firm of Collier, Shannon, Rill & Scott (1992-2000) and Howrey, Simon, Arnold & White (2000-2001). A member of the American Bar Association's Antitrust Section, Chairman Muris has written widely on antitrust, consumer protection, regulatory, and budget issues. In 1981, he served as the Deputy Counsel to the Presidential Task Force on Regulatory Relief, headed by then Vice President Bush.

LYDIA B. PARNES

Lydia B. Parnes is the Deputy Director of the Bureau of Consumer Protection (BCP), the nation's only general jurisdiction consumer protection agency. With a staff of about 270 and a budget of \$100 million, BCP enforces a wide range of laws designed to prevent fraud and deception in the commercial marketplace, as well as to provide consumers with important information about the goods and services they purchase. As Deputy Director, Ms. Parnes assists the Director of the Bureau of Consumer Protection on a wide range of consumer protection policy and law enforcement issues, as well as in management of the Bureau. Ms. Parnes joined the FTC in 1981 as Attorney Advisor to the Chairman. During her career, she has held a number of management positions, including Associate Director of the Division of Marketing Practices from 1987 to 1992, and Assistant Director of the Division of Policy and Evaluation from 1985 to 1987.

JOSE L. PEREZ

Jose L. Perez is the Deputy Bureau Chief of the New York State Attorney General's Consumer Frauds and Protection Bureau. Mr. Perez began his legal career as an Assistant District Attorney in the office of the Queens County District Attorney working in the Appeals, Criminal Court, and Homicide & Investigations Bureaus. He later served as a Law Guardian with the Legal Aid Society's Juvenile Rights Division, representing abused, neglected, and delinquent children in Family Court proceedings. He also was part of the New York City Housing Authority's Anti-Narcotics Strike Force, where he prosecuted eviction and forfeiture proceedings against public housing residents engaged in illegal activity. Mr. Perez returned to the Legal Aid Society as a Supervising Attorney in the Civil Division's Brooklyn Neighborhood Office, where he supervised the Housing and Family Law practices. Mr. Perez was selected by the Association of the Bar of the City of New York as one of its 1996 Legal Services Award recipients in recognition of his dedicated community service and work.



RICK QUARESIMA

Rick Quaresima joined the FTC in 1990 and is currently Chief of the FTC's Criminal Liaison Unit, which was formed in December 2003 to enhance coordination between the FTC and criminal law enforcement authorities. Prior to that, Rick served as BCP's Regional Office Liaison and as a Legal Advisor to the Bureau Director. Rick also served as a litigating Staff Attorney for nine years in the Division of Marketing and as a Special Assistant U.S. Attorney in the Eastern District of Tennessee prosecuting telemarketing fraud cases.

LISA M. RALEIGH

Lisa M. Raleigh is the Florida Attorney General's Bureau Chief for the Economic Crimes Division. Her practice includes both unfair and deceptive trade practice law and civil RICO actions. Ms. Raleigh has participated in a variety of multistate investigations, including acting as the settlement chair in the \$51 million settlement with Ford Motor Company and negotiating a separate agreement to provide contracts, supporting information, and customer service in Spanish when advertising in Spanish in a 13-state agreement with Echostar. Ms. Raleigh is a frequent speaker and panelist at seminars and is the incoming Vice Chair of the Florida Bar Consumer Protection Law Committee.

ANTHONY RODRIGUEZ

Anthony "Tony" Rodriguez is a Staff Attorney at the National Consumer Law Center (D.C. office) and is co-author of NCLC's "Fair Credit Reporting (5th ed.)." Mr. Rodriguez previously served as the Director of the Massachusetts Attorney General's Disability Rights Project. While at the Massachusetts Attorney General's office, he also worked as an Assistant Attorney General in the Consumer Protection and Civil Rights Divisions, where he litigated telemarketing, credit repair, unauthorized practice of law and medicine, housing discrimination, and public accommodations cases. Mr. Rodriguez also was a Staff Attorney and Housing Unit Coordinator at San Fernando Valley Neighborhood Legal Services Inc., in Los Angeles and is a former President of the Massachusetts Association of Hispanic Attorneys.

GABRIEL ANDREW SANDOVAL

Gabriel Andrew Sandoval serves as the Directing Deputy City Attorney for the Office of Los Angeles City Attorney Rockard J. Delgadillo. Among his other professional responsibilities, Mr. Sandoval oversees the Immigration Fraud Strike Force. After graduating from law school, Mr. Sandoval served as a Judicial Law Clerk to the Honorable Carlos R. Moreno. Mr. Sandoval then joined the Los Angeles office of O'Melveny & Myers L.L.P. as an Associate in the firm's Labor and Employment Department. While at O'Melveny, Mr. Sandoval represented clients in both federal and state court on matters involving the California Fair Employment and Housing Act, National Labor Relations Act, Occupational Safety and Health Act, and Title VII of the Civil Rights Act. More recently, Mr. Sandoval served as Special Counsel to the California Secretary of Legal Affairs and as Special Assistant to the Director of Intergovernmental Relations in the Office of the Governor.



TERESA A. SANTIAGO

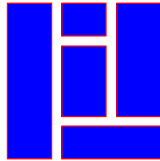
Teresa A. Santiago is Chair and Executive Director of the New York State Consumer Protection Board. Ms. Santiago is a founding member, Chair, and the driving force behind Comité Noviembre, Puerto Rican Heritage Month, a nonprofit organization that promotes and commemorates Puerto Rican culture and heritage nationwide. Under her leadership, Comité Noviembre established an annual fundraising benefit, created the Comité Noviembre Day of Community Service and Social Responsibility, and established the Comité Noviembre Scholarship Awards Program. Ms. Santiago also has worked as Director of Marketing and Public Relations for a dry cleaning business, and as Director of Hispanic Experti, a division of a minority-owned public relations and advertising firm that specializes in the black and Hispanic consumer markets. She served as Deputy Director of Community and Legislative Affairs in the New York State Governor's Office for Hispanic Affairs from 1993 to 1995; as Director of Communications for the Association of Puerto Rican Executive Directors, a nonprofit advocacy organization; and as Director of Amigos de Pataki, the Hispanic component of Governor Pataki's 2002 re-election campaign. In addition, she has served as board chair of the Institute for the Puerto Rican/Hispanic Elderly; on the board of Regional Aid for Interim Needs Inc. (RAIN Inc.), which serves the elderly population of the Bronx; and on the St. Pius V. High School Advisory Board. Ms. Santiago has received numerous awards, including El Diario/La Prensa's Influential Latinas Recognition.

APPENDIX B

Appendix B was presented by Dr. Jeffrey S. Passel, of the Urban Institute, and does not reflect the official view of the Commission, any individual Commissioner, or any government agency that participated in the Workshop.

Jeffrey S. Passel and Michael Fix
Immigration Studies Program
The Urban Institute

Demographic Aspects of the Latino Market



Hispanic Outreach Forum & Law Enforcement Workshop
FTC Conference Center, Washington, DC
May 12, 2004

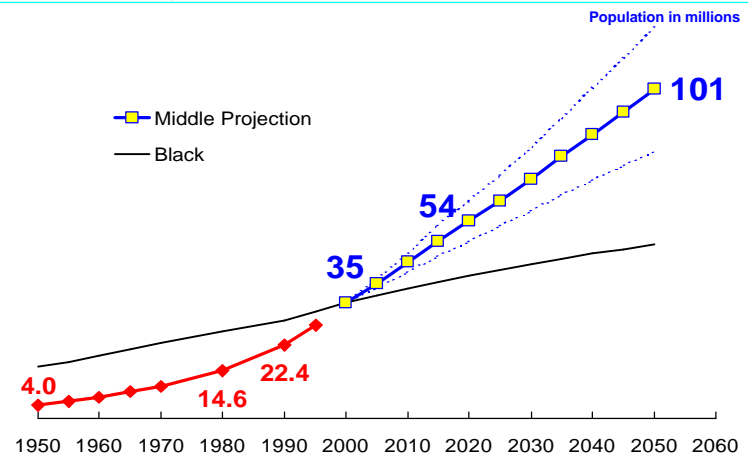
Contours of a Market

- **How Many Latinos?**
- **Where Are They?**
- **Market Segments**
 - Youth, Young Adults, Boomers
 - Generations
 - Share of Purchasing Power
- **Trends**
 - Recent Past to...
 - Near-Term Future (to 2015)

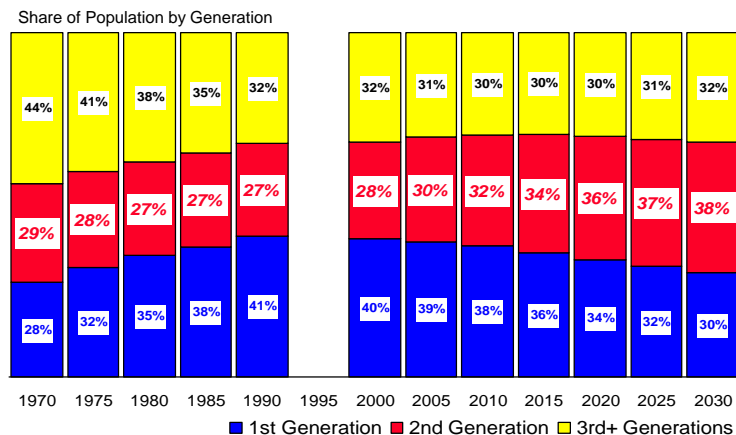
How Many Latinos?

- **Rapid Growth**
 - 250% -- 1980-2000
 - Largest "Minority" since ~2002
- **Driven by Immigration**
 - Impacts Many Characteristics
 - Role Increased to 2000
 - Levels Likely to Maintain
- **On Cusp of Change**
 - More Growth from 2nd Generation
 - 1st Time Since 1940-50

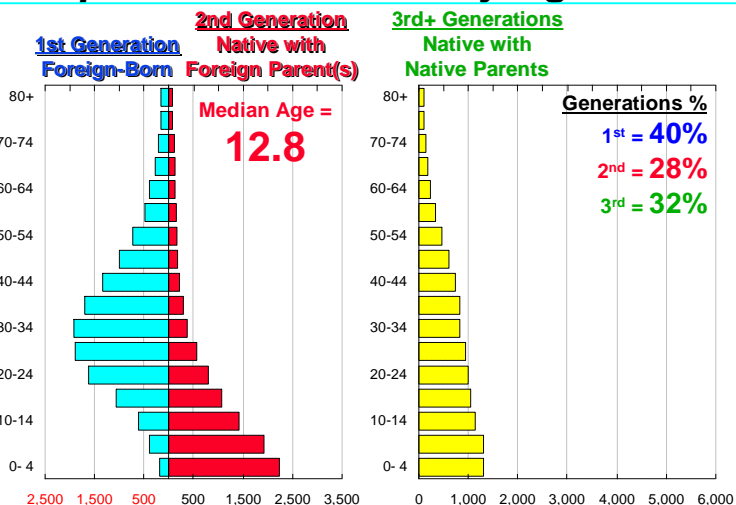
Hispanic Growth Likely to Continue -- Largest "Minority" Since ~2002



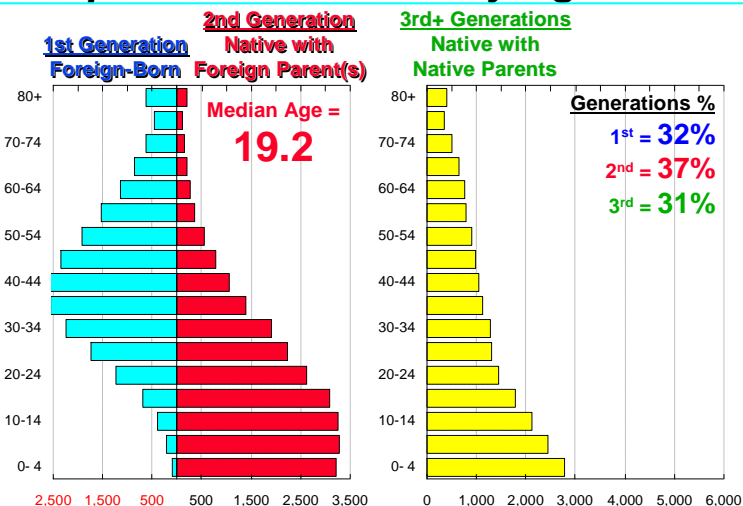
Native Generations Dominate Change After 2000 -- Especially 2nd



Hispanic Generations by Age: 2000



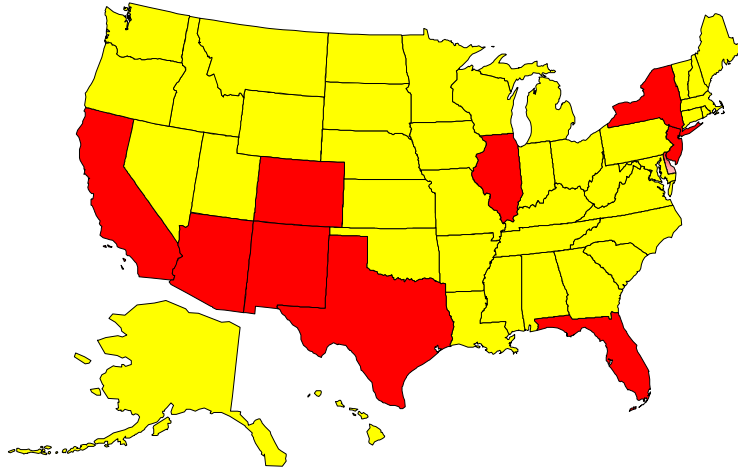
Hispanic Generations by Age: 2025



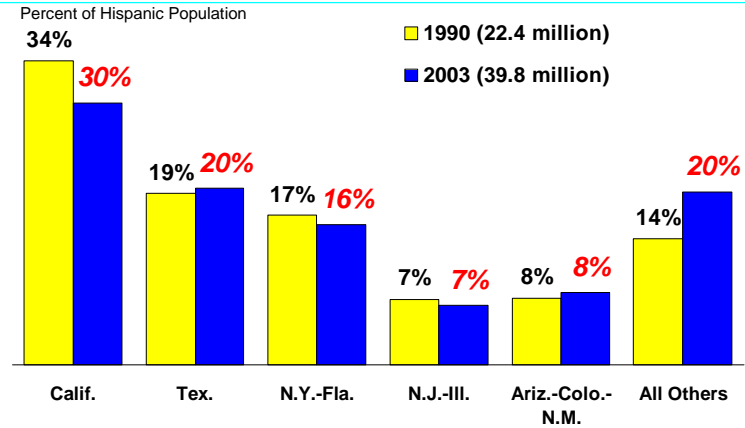
Where Are Latinos Found?

- **Historic Core (85%+)**
Southwest (CA, TX, AZ, CO, NM)
NY-NJ, FL (Miami), IL (Chicago)
- **New Settlements in '90s**
Movement from Core (begins in '80s)
New Communities Emerge
New Destinations for Immigrants
Momentum toward New Areas
- **Momentum toward New Areas**
Doubled in '90s to 20%

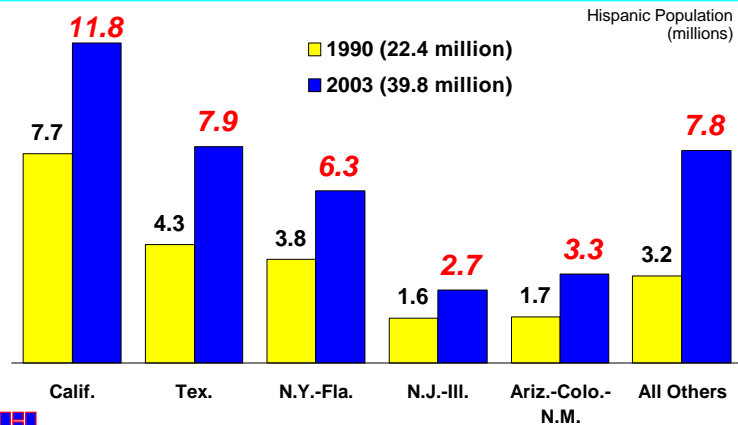
“Core” Hispanic States



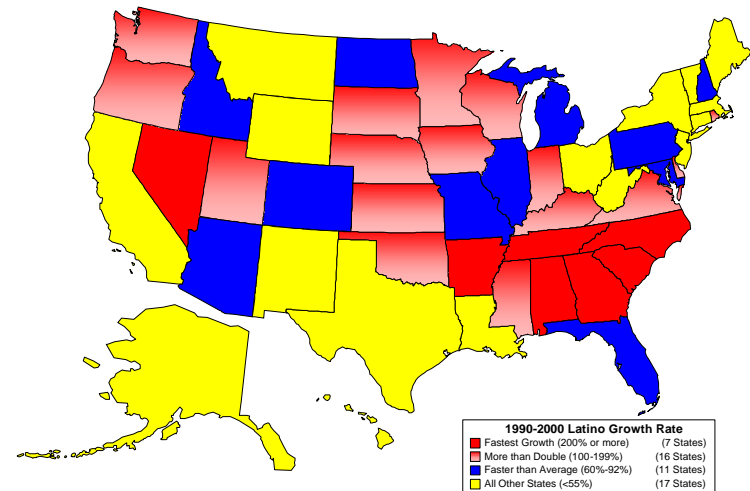
Hispanic Origin Spreads -- Out of CA, NY to “Other” States



Hispanic Population Increases -- Fastest Outside of “Big 9” States



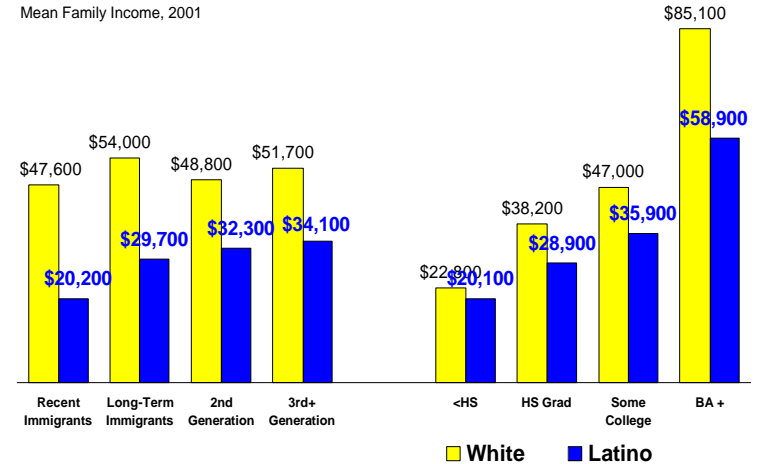
New Latino Growth Centers



The Latino "Market"

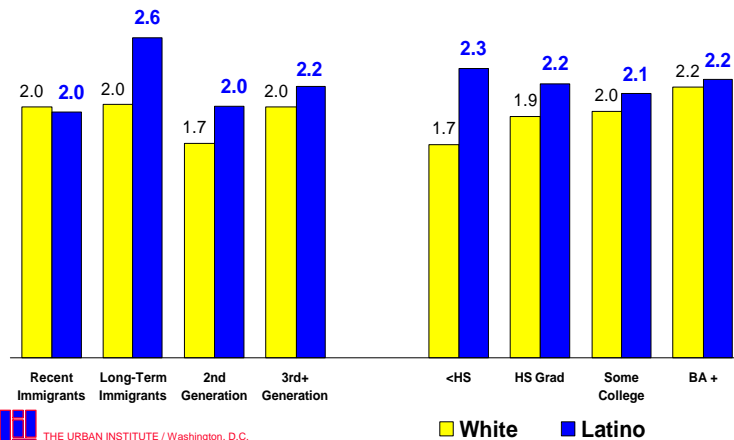
- **Shaped by Income, Size, Place**
Rapid Population Growth
New Dispersal
Low Incomes, but...
- **Hispanic Income Increasing**
Aggregate Growing Rapidly
Family Income Grows
Generational Shift to Better Education & Income
Aging of Young Cohorts, too

Latino Incomes Lag



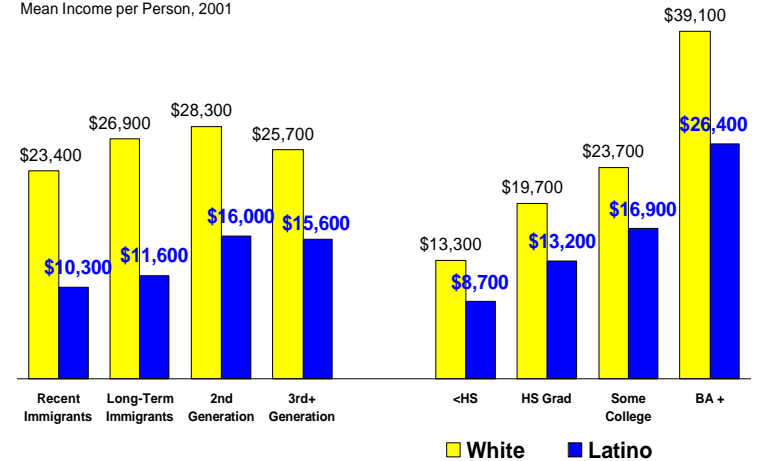
Latino Families Bigger

Average Household Size, 2001

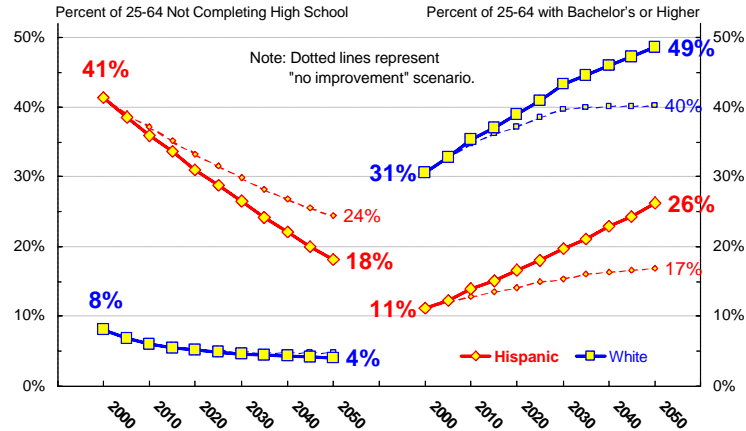


Per Capita Much Worse

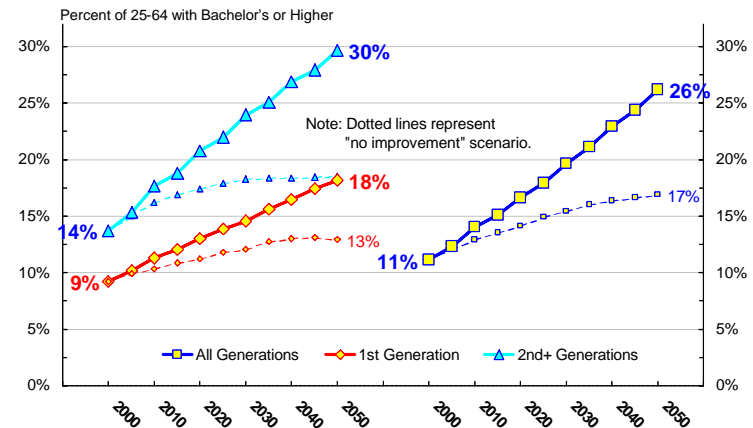
Mean Income per Person, 2001



Hispanic Education Improves -- Lags Behind Whites



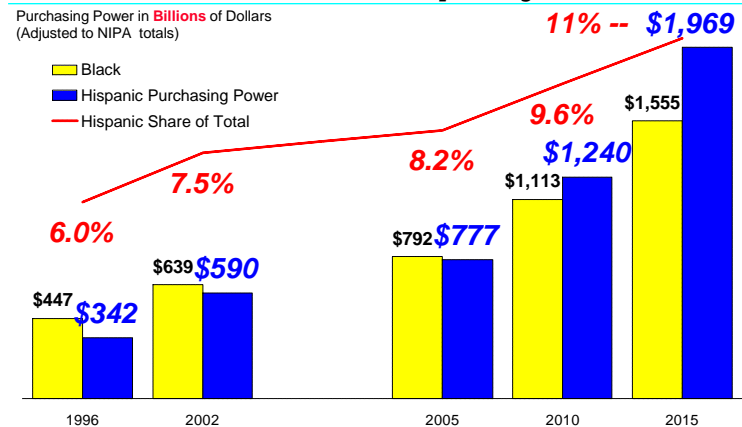
More Latino College Degrees -- Largest Increase in 2nd Gen.



Latino Purchasing Power

- ~\$600 Billion in 2002 -- (7.5% of total)
- 55% Growth, 2000-05
W (30%), B(30%), API(50%)
60% every 5 years
- Share Reaches 11% by 2015
Aggregate Passes Blacks Next Year
- White Share of Total Drops
-- 82% in 1996
-- 74% in 2015

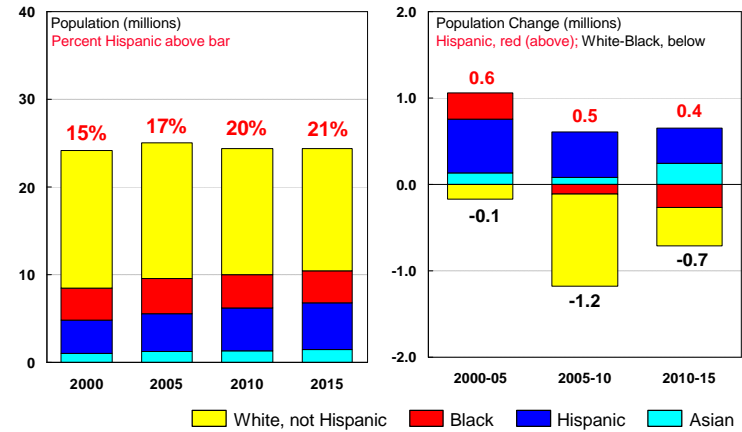
Hispanic Purchasing Power Grows Rapidly



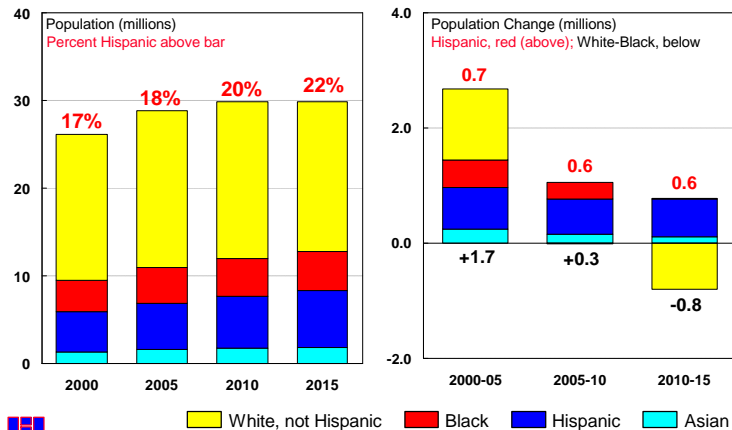
Market Demographics

- **Long-Run Growth (20-50 years)**
 - Continued Immigration
 - Population: 280M to **410M**
 - Hispanics: 12% to **25%**
 - Asians: 4% to **10%**
 - All Groups Age Similarly
- **Short-Run Issues (1-15 years)**
 - Rapid Changes in Age Structure
 - Growth Varies by Age Group

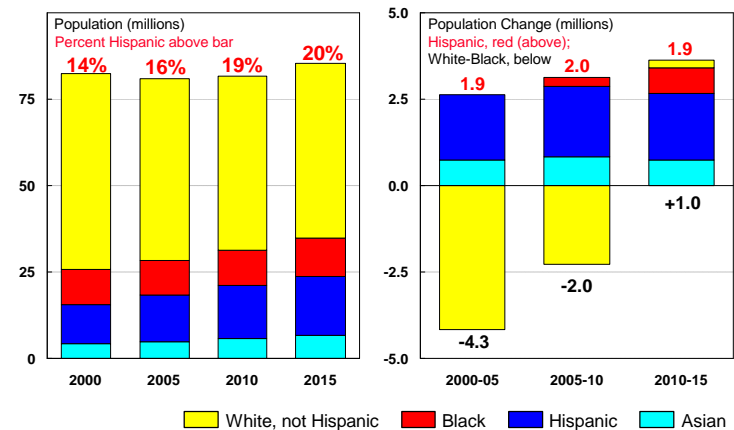
Age 12-17: Little Growth, but Mostly from Latinos (& Asians)



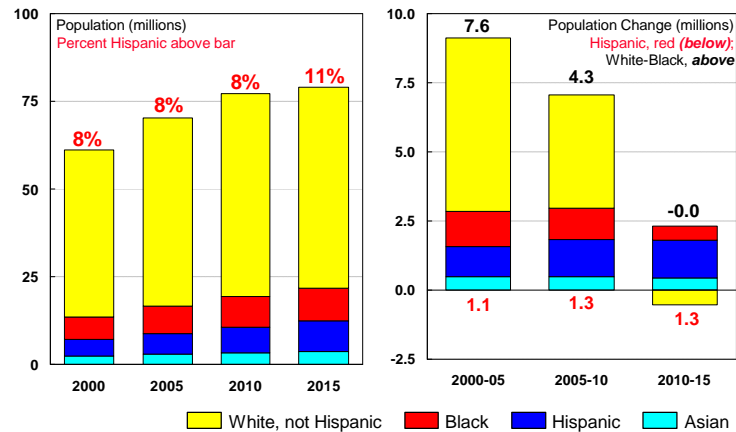
Age 18-24: Modest Growth; Rapid for Latinos Throughout



Age 25-44: No-Growth "Busters"; Rapid Growth in Latinos & Asians



Age 45-64: “Boomers” Grow; Latinos & Asians Growth Steady



For more information,
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 jpassel@ui.urban.org
 www.urban.org

Conclusions

- **Major Demographic Changes**
 - Latino Numbers Continue Up
 - Share Increases
 - New Areas Emerge & Grow
- **Generational Shift**
 - 2nd Gen. Enters Adulthood
 - Education Levels Improve
- **Market Share Grows**
 - Income Gap Reduced
 - Multiplicative Impacts
 - Population * Income Growth

APPENDIX C

The slides in Appendix C are based on preliminary results of the *FTC Staff Report on Consumer Fraud in the United States*, available at <http://www.ftc.gov/reports/consumerfraud/040805confraudrpt.pdf>. The text of this report and its footnotes identify instances where there are differences between the preliminary results and the final *Staff Report on Consumer Fraud in the United States*.

By the Numbers: The FTC Consumer Fraud Survey

J. Howard Beales, III
Director, Bureau of Consumer Protection
Federal Trade Commission

National Fraud Survey

- Conducted in 2003
- Learning About Types of Frauds on U.S. Consumers
- Preliminary Results:

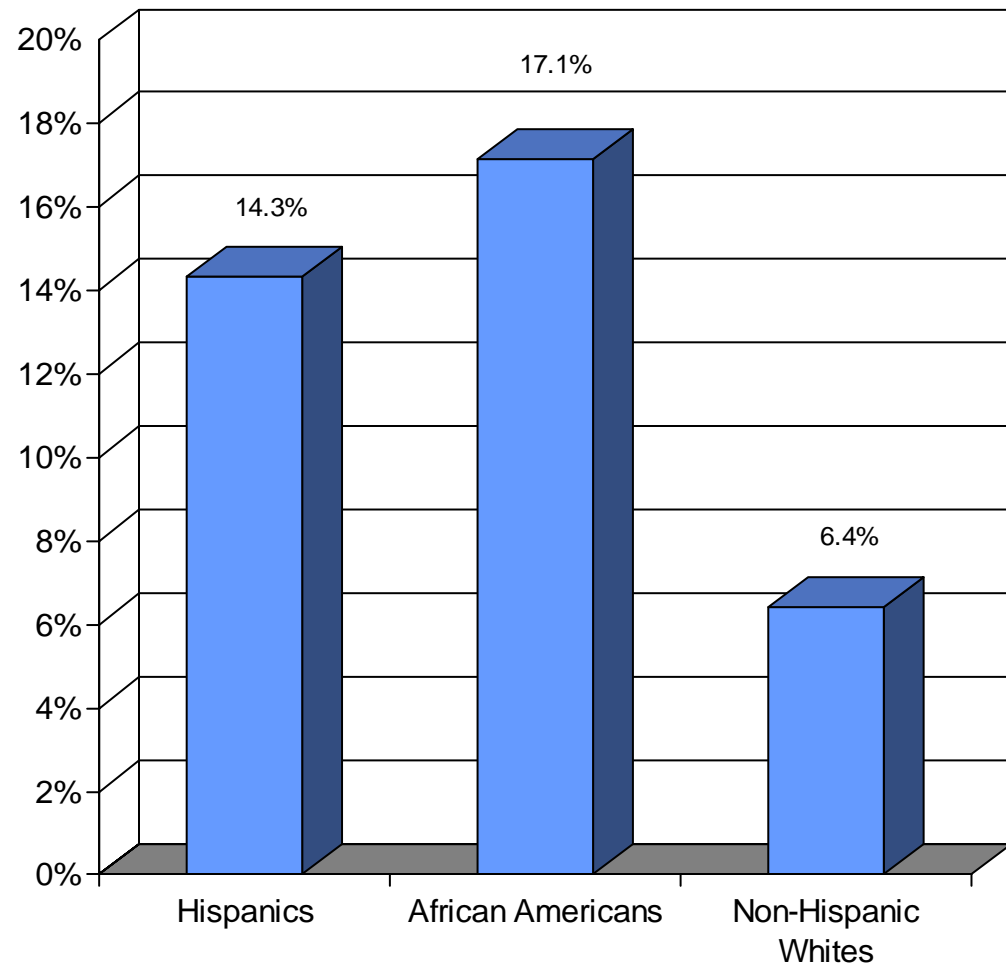
Not controlling for other factors,
Hispanics are about twice as likely as non-Hispanic whites to
be victims of consumer fraud.

Methodology

- Phone Survey of 2,500 Adults
 - May 20, 2003 to June 3, 2003
- Asked About Experiences During Past 12 Months
- Conducted by Public Opinion Strategies
- Random Direct Dialing Sampling

Minority Findings

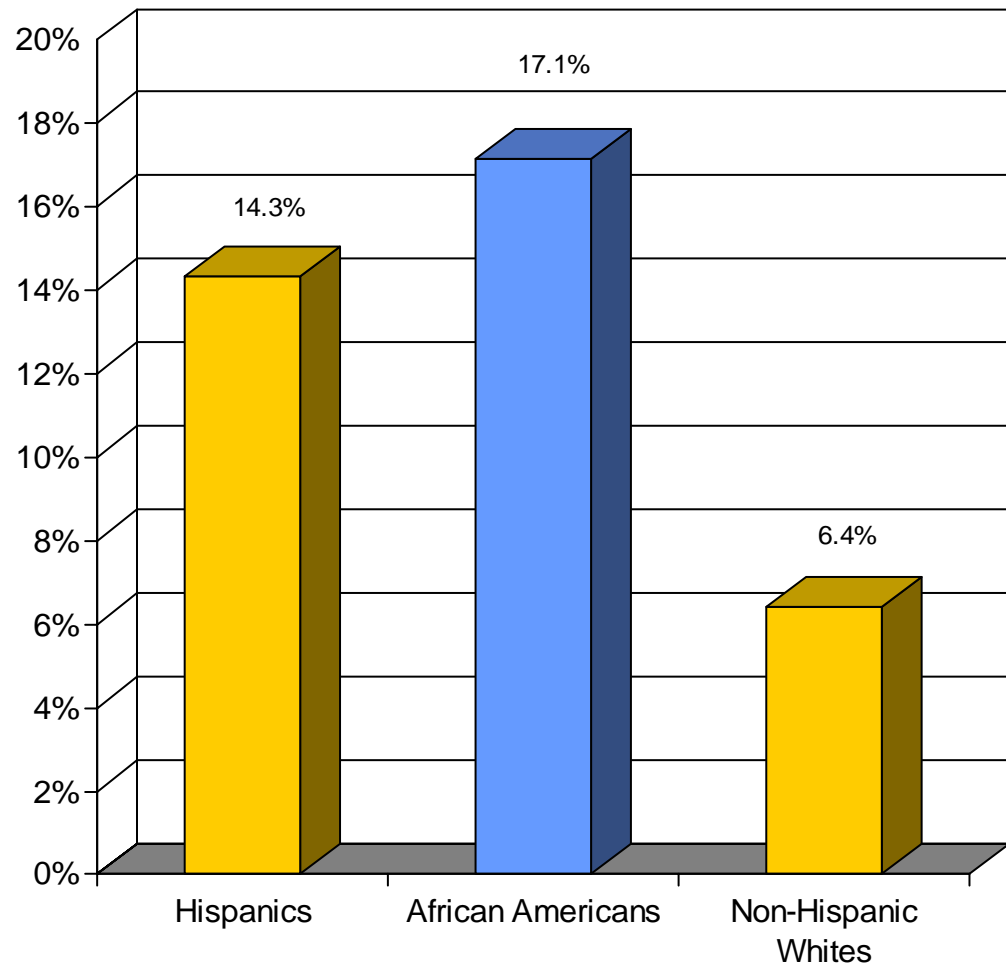
- Generally, Minorities Much More Likely to Be Victims*



* The final Report found that the percentage of those who identified themselves as Asian, Hawaiian, or Other Pacific Islander, or as belonging to more than one racial group, were not more likely to be victims of fraud than non-Hispanic whites. *See Staff Report on Consumer Fraud (cited in note 3).*

Minority Findings

- Generally, Minorities Much More Likely to Be Victims
- Hispanics Twice as Likely to Be Victims than Non-Hispanic Whites



Hispanic Consumer

- On Average, Hispanics Are Younger, Less Educated, and Less Wealthy
- Even Controlling for These Factors, Hispanics Are About Twice as Likely to Be Victims of Fraud

Top Ranking Frauds...

- Advance Fee Loans or Credit Cards
- Buyers' Clubs
- Credit Card Insurance
- Credit Repair (including New Credit ID frauds)

...And Their Effect on Hispanics

Specific Fraud	Hispanics	Non-Hispanic Whites
Paid and advance fee to obtain a loan or credit card that you were promised or guaranteed you would receive	2.9%	0.4%
Billed for buyers' club membership that you had not agreed to purchase	2.4%	0.6%
Purchased credit card insurance	2.0%	0.7%
Paid money to have your credit record improved (Credit Repair or New Credit ID)	2.7%	0.3%

The differences here are not controlling for other factors.

Six Additional Frauds Examined

1. Internet Services
 2. Internet or Pay-Per-Call Information Services
 3. Pyramid Schemes
 4. Business Opportunities
 5. Federal or Postal Job Fraud
 6. Prize Promotions and Sweepstakes
- No Statistically Significant Differences Seen Between Hispanic And Non-Hispanic Whites

Fraud Reporting

- Less than 10% of All Fraud Victims Reported the Incident to BBB or Government Agency
- Over 50% of All Victims Complained to the Seller or Manufacturer
- 30% of All Victims Didn't Complain to Government, BBB, or Seller
- Data Suggestive that Hispanics Complain at Lower Rates than Non-Hispanic Whites*
- Overall, Reporting Rates Are Low Among All Groups

* The final Report did not indicate a lower incidence of complaint reporting by Hispanics. *See* Staff Report on Consumer Fraud (cited in note 3).

FTC Spanish Language Services

- January 2002
 - Spanish IVR Service Added to Phone Lines
 - Spanish Speaking Counselors Provide Live Assistance

- September 2002
 - Spanish Complaint Form on FTC Web Site

- Mid-2003
 - Spanish Do Not Call Registration and Complaint Submission via Phone or Do Not Call Web Site

- December 2003
 - Spanish ID Theft Complaint form on ID Theft Web Site

Spanish Services Usage

- Hispanics Under-Reporting Complaints to the FTC
 - Spanish language services are significantly underutilized
- Hispanic Law Enforcement Initiative - April 2004
 - Spike in utilization of Spanish language services
 - Outreach and education

Rooting Out Fraud

- Consumer Education
 - Online and print publications
 - Outreach events
 - Radio Public Service Announcements and Media Interviews

- Media Monitoring
 - Radio and print ads
 - Hispanic cable channels
 - Complaint database

- Law Enforcement

www.ftc.gov/espanol

www.consumer.gov/idtheft/espanol.html

www.donotcall.gov/default_es.aspx

1-877-FTC-HELP