

The Federal Trade Commission is the nation's consumer protection agency and one of the government agencies responsible for keeping competition among businesses strong. Its job is to make sure companies compete fairly and don't mislead or trick people about their products and services.

The Commission, which is known as the FTC, was created in 1914 and is part of the federal government. It's an independent agency within the Executive branch of the federal government, although it also reports on its activities to Congress, the Legislative branch. It's run by five Commissioners, nominated by the President and confirmed by Congress. Each Commissioner serves for a seven-year term. The President chooses one Commissioner to act as Chairman. No more than three Commissioners can be of the same political party.

Three bureaus do the work of the FTC: Competition, Consumer Protection, and Economics. Several other offices help implement the mission of the bureaus.

- The Bureau of Competition's job is to promote competition in the marketplace and to challenge business practices that work against competition. The work of this bureau helps make sure that consumers have access to quality goods and services, that businesses can compete on the merits of their work, and that markets stay open and free. It does this by investigating possible violations of the law, challenging possible problems, and bringing cases when needed. The FTC does not choose winners and losers—you, the consumer, do that. Rather, the FTC helps make sure that businesses compete fairly within a set of rules and laws made by the Congress.
- The Bureau of Consumer Protection's job is to protect consumers against unfair, deceptive, or false business practices in the marketplace. This bureau makes sure that companies are playing by the rules in advertising, fair financial and lending practices, telemarketing, the privacy of your personal information, and fraud. The Bureau of Consumer Protection conducts investigations, sues companies and people who break the law, educates consumers and businesses about their rights and responsibilities, and writes rules to protect consumers like you. It also collects consumer complaints online (www.ftc.gov/complaint) or by phone (1-877-FTC-HELP).
- The Bureau of Economics analyzes how the marketplace works and how actions by businesses, the government, and consumers affect different industries. Economists provide advice and research to support competition and consumer protection investigations and court cases.



The FTC can investigate individual companies or entire industries. FTC investigations are confidential to protect the investigation and the company involved. The FTC and the company discuss the company's penalty for breaking the rules and how they can change their practices so they don't break the rules in the future.

If the FTC and the company can't agree, the FTC can sue the company. Whether the FTC and the company agree on a settlement—or a court of law orders the company to stop—the company must be sure it follows what the settlement or court order says. Sometimes the company must pay money as a penalty. The FTC checks up on the company for years to be sure it's doing what it promised to do.

The FTC also writes reports about different business practices and markets, develops rules that explain some of Congress' laws about business activities, and informs consumers about the ways they can gather information to make wise buying decisions and protect themselves in the marketplace.

About 1,200 people work at the FTC in Washington, DC and several cities across the nation. Most of them are lawyers and economists, but there also are paralegals, graphic and Web designers, writers, marketers, librarians, people who manage databases of complaints, keep track of all the FTC's legal files, work with the media, work with Congress, and support all the work of the entire agency.

