



Sept. 20, 2011

The Hon. Jon Leibowitz
Chairman
Federal Trade Commission
600 Pennsylvania Ave.
Washington, DC
20580

Re: Deceptive mortgage modification advertising on Google

Dear Chairman Leibowitz,

We wrote you last February asking the Federal Trade Commission to investigate Google Inc.'s ongoing role as a facilitator of deceptive advertising in the so-called mortgage modification industry.

Since then Google has reached a record \$500 million settlement with the Department of Justice to avoid criminal charges for its involvement in illegal ads promoting online drug sales from Canada. The settlement was not a mere slap on the wrist; it represented about 20 percent of Google's first-quarter profits. The most troubling aspect of the situation, however, was word from the Justice Department that Google CEO Larry Page knew of Google's illegal activities and condoned them. Google did not merely turn a blind eye to the drug ads. Google actively facilitated illegal drug sales for almost six years.

When we first raised the subject of deceptive mortgage modification advertising with the Commission we wrote, "Because Google so far has turned a blind eye to these fraudsters, perhaps because of the substantial revenue such advertising can generate, we ask that the FTC investigate Google's role as a facilitator of deceptive and fraudulent advertising and act to prevent the Internet giant from continuing its harmful behavior."

Now that it's clear CEO Larry Page condoned illegal drug sales, the question is what other deceptive, illegal and harmful ads is Google willing to offer in the quest for greater profits?

The FTC's Operation Stolen Hope successfully shut down a number of fraudulent foreclosure rescue marketers. Given Google executives' willingness to skirt the law when it came to drug ads, it seems more than likely that they took, and continue to take, the same approach with deceptive real estate ads.

As you may recall, our study, *Liars and Loans: How Deceptive Advertisers Use Google* (<http://www.consumerwatchdog.org/resources/liarsandloansplus021011.pdf>), found that even as one fraudster was shut down by the FTC, others using the same deceptive techniques continued to offer their fraudulent promises of false hope in advertisements on Google's search engine.

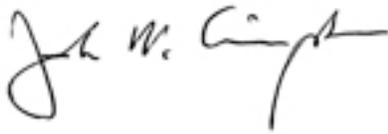
Google, the study found, typically rejects advertising with dubious promises of mortgage help only after regulatory authorities have taken action against the fraudster. This is already too late for many consumers.

Google's willingness to accept such obviously deceptive advertising is the problem. The company must take a proactive role in preventing deceptive ads that prey on vulnerable consumers.

Instead of such a responsible approach in the case of drug advertising, Google worked with the illegal sellers to help them place unlawful ads.

We urge the commission to consider Google's involvement in deceptive financial advertising in light of CEO Larry Page's apparent willingness to flout the law.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Simpson". The signature is fluid and cursive, with a long horizontal stroke at the end.

John M. Simpson

Cc: Commissioner Julie Brill; Commissioner William E. Kovacic, Commissioner J. Thomas Rosch; Commissioner Edith Ramirez; David Vladeck, Director Bureau of Consumer Protection