

Seventh Circuit Guts FTC's Powers – Setting up Supreme Court Showdown

Breaking with eight other circuits, the Seventh Circuit ruled Wednesday that the Federal Trade Commission lacks authority to seek restitution from companies that defraud consumers, and vacated a \$5 million judgment against a credit-monitoring company, **reports** Courthouse News Service.

The case involves a lower court's imposition of \$5 million in restitution from the target of an FTC action. Regulators said Michael Brown and his company, Credit Bureau Center, offered consumers "free" credit reports and then automatically enrolled them in a \$29.94 monthly membership to a credit-monitoring service without notice.

Section 13(b) of the Federal Trade Commission Act authorizes the FTC to seek restraining orders and injunctions, but not specifically restitution, writes Courthouse News' **Lorraine Bailey**.

Read the Courthouse News Service article.