



FTC Crackdown: Fake Online Reviews Banned Starting October

Description

The [Federal Trade Commission](#) unanimously voted on Wednesday to prohibit marketers from utilizing [fabricated endorsements](#), such as those generated through [advanced AI technology](#), and other deceptive tactics to advance their products and services.

All five FTC commissioners endorsed the definitive regulation, which will come into force 60 days subsequent to its proclamation in the [Federal Register](#), the official compendium of governmental directives and notifications.

Typically, [decrees are promulgated](#) expeditiously subsequent to their endorsement, signifying that consumers can anticipate the enactment of FTC's prohibition on fake reviews commencing in mid-October.

Lina Khan, the FTC Chair, articulated, "Spurious reviews not only squander individuals' time and financial resources, but also contaminate the market and divert patronage from forthright competitors." Khan accentuated that the regulation also proscribes the payment for either favorable or unfavorable appraisals to mendaciously augment or detract from a merchandise. Moreover, marketers are barred from inflating their own impact by, for instance, remunerating bots to inflate their adherent count.

Contraventions of the regulation could engender fines for each transgression, as stipulated in the regulation. Consequently, for an e-commerce platform with myriad reviews, penalties for counterfeit or manipulated evaluations could swiftly accumulate.

The prevalence of automated chatbots like [ChatGPT](#) in generating user reviews for online products has surged with the ascendance of e-commerce. Regrettably, consumers at times procure items predicated on spurious accolades or deceitful pledges.

Although bogus endorsements are already illicit, certain e-commerce entities have endeavored to combat this deceptive marketing stratagem autonomously.

For example, Amazon litigated against over 10,000 administrators of Facebook groups in July 2022 for brokering counterfeit appraisals.

Amazon was unavailable for immediate commentary on CNBC's inquiry regarding the FTC's innovative directive.

Under the FTC's fresh regulation, corporations that might have engaged in self-regulation historically will now be subjected to more stringent governmental monitoring.

In lieu of individual prosecutions through the Department of Justice, this regulation will enhance the FTC's capacity to enforce the prohibition internally.



Coinciding with the White House's inaugural "Creator Economy Conference," the disclosure transpired on the same day. At this symposium, Biden administration officials convened with 100 online influencers and digital content connoisseurs to heed concerns regarding the sector.

Vocabulary List:

1. **Prohibit** /prə'hɪbɪt/ (verb): To formally forbid something by law rule or other authority.
2. **Fabricated** /'fæbrɪ,keɪtɪd/ (adjective): Invented or made up; not authentic or genuine.
3. **Deceptive** /dɪ'seɪptɪv/ (adjective): Intended to make someone believe something that is not true.
4. **Contravention** /,kɒntrə'veɪʃən/ (noun): An action that goes against a law rule or agreement.
5. **Ascendance** /ə'sendəns/ (noun): The condition of rising to a position of power or influence.
6. **Scrutinize** /'skru:tɪnaɪz/ (verb): To examine something very carefully in order to find out information.

Comprehension Questions

Multiple Choice

1. What did the Federal Trade Commission unanimously vote to prohibit?
Option: Fabricated endorsements
Option: Enhanced AI technology
Option: Authentic reviews
Option: Competitor collaborations
2. When will the regulation banning fake reviews come into force?
Option: Immediately after voting
Option: 60 days after proclamation in the Federal Register
Option: By the end of the year
Option: In the next fiscal quarter
3. Which individual emphasized that fake reviews contaminate the market and divert patronage?
Option: Lina Khan
Option: Amazon CEO
Option: The Director of the FTC
Option: The Chief Legal Officer



4. What was one of the tactics prohibited by the regulation?

Option: Inflating own impact through bots

Option: Hiring more genuine reviewers

Option: Collaborating with competitors

Option: Reducing product prices

5. Which major e-commerce platform litigated against administrators of Facebook groups for counterfeit appraisals?

Option: Amazon

Option: eBay

Option: Alibaba

Option: Etsy

6. What event coincided with the disclosure of the new regulation?

Option: White House summit

Option: Creator Economy Conference

Option: Industry trade show

Option: Digital marketing seminar

Answer

Multiple Choice: 1. Fabricated endorsements 2. 60 days after proclamation in the Federal Register 3. Lina Khan 4. Inflating own impact through bots 5. Amazon 6. Creator Economy Conference

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. When was the organization's Establishment date?

Option: A) 2000

Option: B) 1985

Option: C) 1992

Option: D) 2010

2. What does the law Prohibit?



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- Option: A) Speeding
Option: B) Texting while driving
Option: C) Littering
Option: D) Loud music
3. Which event affected the whole world?
Option: A) Tornado
Option: B) Earthquake
Option: C) Pandemic
Option: D) Drought
4. Who is most Vulnerable to cyber attacks?
Option: A) Children
Option: B) Elderly
Option: C) Teenagers
Option: D) Adults
5. What does the term Efficacy refer to?
Option: A) Effectiveness
Option: B) Efficiency
Option: C) Economy
Option: D) Ethicality
6. Which process involves working together with others?
Option: A) Competition
Option: B) Collaboration
Option: C) Solitude
Option: D) Innovation
7. What do setbacks typically do to progress?
Option: A) Accelerate
Option: B) Halt
Option: C) Reverse
Option: D) Maintain
8. What is the primary goal of advertising?
Option: A) Educate
Option: B) Entice
Option: C) Confuse
Option: D) Bore
9. What is another term for carefully thinking something over?
Option: A) Rushed



- Option: B) Hasty
- Option: C) Contemplated
- Option: D) Vague

10. What is the act of preventing something?

- Option: A) Encouraging
- Option: B) Enhancing
- Option: C) Thwarting
- Option: D) Ignoring

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

- 11. The new model's features are not _____ to the previous version.
- 12. The company announced the _____ of new policies to improve efficiency.
- 13. Consumers should be aware of online _____ who try to steal personal information.
- 14. Regular software _____ help keep your devices secure and up-to-date.
- 15. Education and training programs can increase _____ of important issues.
- 16. The political party saw a rapid _____ in popularity after the election.
- 17. Any _____ of the rules will result in immediate disqualification.
- 18. It is important to _____ any contracts before signing them.
- 19. Leaving valuables unattended can lead to _____.
- 20. The company implemented various _____ measures to reduce environmental impact.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. The statistics released a report on economic trends.
22. Waiting in long lines at the store can be an for many customers.
23. The evidence presented in court was believed to be .
24. The salesman used tactics to persuade customers to buy unnecessary products.



25. Security guards need to remain to spot any unusual behavior.
26. The new smartphone model is not to its competitors in terms of features.
27. The scientists made a significant in cancer research.
28. The study aims to determine the of the new drug in treating heart disease.
29. In today's digital age it is crucial to be against cyber threats.
30. Optimal resource is essential for maximizing productivity.

Answer

Multiple Choice: 1. A) 2000 2. B) Texting while driving 3. C) Pandemic 4. A) Children 5. A) Effectiveness
6. B) Collaboration 7. C) Reverse 8. B) Entice 9. C) Contemplated 10. C) Thwarting

Gap-Fill: 11. Comparable 12. Implementation 13. Fraudsters 14. Upgrades 15. Awareness 16. Ascendance
17. Contravention 18. Scrutinize 19. Theft 20. Mitigating

Matching sentence: 1. Bureau 2. Inconvenience 3. Fabricated 4. Deceptive 5. Vigilant 6. Comparable
7. Breakthrough 8. Efficacy 9. Vigilant 10. Utilization

CATEGORY

1. Business - LEVEL6

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