

# United States Senate

WASHINGTON, DC 20510

August 7, 2024

The Honorable Lina Khan  
Chair  
Federal Trade Commission  
600 Pennsylvania Avenue  
Washington, D.C. 20580

Dear Chair Khan,

On Friday, July 19, cybersecurity provider CrowdStrike released a faulty software update which caused some of their customers' Windows computers to crash and fail to restart successfully. Businesses that discovered their computers were impacted had to take quick action to recover. The necessary steps to recover involved technical interventions, sometimes requiring physical access to individual machines, in order to get them back up and running.

While CrowdStrike officially issued detailed technical guidance for organizations to recover from the disruption, scammers were also springing into action. The same day as the outage, CrowdStrike notified customers of "malicious activity leveraging the [outage] as a lure" to gain access or obtain information from affected businesses.<sup>1</sup> Since then, the company has issued multiple notices describing malware, phishing, and fake technical manuals that were all developed by scammers trying to take advantage of the original incident.<sup>2</sup>

This is not the first time that scammers have impersonated CrowdStrike. The company issued a notice in 2022 describing bad actors distributing malware by impersonating CrowdStrike and other cybersecurity companies.<sup>3</sup> The Federal Trade Commission (FTC) is responsible for protecting and educating consumers and businesses on methods to avoid falling victim to potential scams, fraud, and abuse. The FTC is already taking action on impersonation scams, including by publishing data showing recent increases in these scams and starting enforcement of a new rule to combat impersonation scams that took effect in April of this year.<sup>4</sup> The data highlights that scammers often impersonate not only well-known brands and cybersecurity providers, but also federal government agencies and

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<sup>1</sup>CrowdStrike, "Falcon Sensor Content Issue from July 19, 2024, Likely Used to Target CrowdStrike Customers," July 19, 2024, <https://www.crowdstrike.com/blog/falcon-sensor-issue-use-to-target-crowdstrike-customers/>.

<sup>2</sup>CrowdStrike, "Malicious Inauthentic Falcon Crash Reporter Installer Distributed to German Entity via Spearphishing Website," July 25, 2024, <https://www.crowdstrike.com/blog/malicious-inauthentic-falcon-crash-reporter-installer-spearphishing/>.

<sup>3</sup> CrowdStrike, "Callback Malware Campaigns Impersonate CrowdStrike and Other Cybersecurity Companies," July 8, 2022, <https://www.crowdstrike.com/blog/callback-malware-campaigns-impersonate-crowdstrike-and-other-cyber-security-companies/>.

<sup>4</sup> Federal Trade Commission, "FTC Announces Impersonation Rule Goes into Effect Today," April 1, 2024, <https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-announces-impersonation-rule-goes-effect-today>.

employees. The Cybersecurity and Infrastructure Security Agency (CISA) even notified the public of phone scams impersonating CISA and its officials in June of this year.<sup>5</sup>

Individuals and small businesses can be the most vulnerable to scams and fraud. I encourage you to keep individuals and small businesses front and center when taking action to prevent and mitigate impersonation scams.

I request your response to the following questions to help inform our collaboration to combat scam and fraud impacting consumers and businesses,

1. How does the FTC help prevent and mitigate impersonation scams following major cybersecurity or data security incidents?
2. How does the FTC collect and respond to reports from individuals or businesses who are targeted by or fall victim to impersonation scams?
3. How does the FTC leverage its authorities under the The FTC Act to hold bad actors perpetrating impersonation scams accountable?
  - a. Would additional authorities under the FTC Act enhance the FTC's capacity to hold bad actors perpetrating impersonation scams accountable?
  - b. How does the FTC collaborate with other federal agencies like the FBI to disrupt bad actors perpetrating impersonation scams and hold them accountable?
4. What guidance does your agency provide to individuals and small businesses to engage with the FTC and improve their security and resilience to impersonation scams?

I thank you for your attention to these issues and for your continued efforts to combat scams, fraud, and abuse.

Sincerely,



John Hickenlooper

US Senator

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<sup>5</sup> Cybersecurity and Infrastructure Security Administration, "Phone Scammers Impersonating CISA Employees", June 18, 2024, <https://www.cisa.gov/news-events/alerts/2024/06/12/phone-scammers-impersonating-cisa-employees>.