

Wiley Consumer Protection Download (April 9, 2025)

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Welcome to Wiley's update on recent developments and what's next in consumer protection at the Consumer Financial Protection Bureau (CFPB), Federal Trade Commission (FTC), and at the state level. CFPB activity continues to be scaled back in the new Administration, and we are closely watching leadership changes, as the Senate Banking Committee approved the nomination of Jonathan McKernan as the next CFPB Director on March 6, 2025. The FTC has been active under new Chairman Andrew Ferguson, while State Attorneys General (AG) and other state agencies have signaled stronger enforcement.

Wiley also has launched a Trump Administration Resource Center and Resource Guide to track Executive branch priorities during the second Administration of President Trump. With Wiley's deep-rooted understanding of Washington and today's evolving regulatory landscape, the Resource Center and Resource Guide provide critical insights, actionable intelligence, practical solutions, and guidance across key industries to help businesses stay ahead of the curve and manage challenges in 2025 and beyond.

Please reach out to any of our authors with any questions about recent Trump Administration actions and the potential impact on regulations or enforcement activity.

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Federal and State Regulatory Announcements

FTC Chairman Ferguson Appoints Deputy Directors for the Bureau of Competition and Bureau of Consumer Protection. On **March 26**, Chairman Ferguson appointed Taylor C. Hoogendoorn as Deputy Director of the Bureau of Competition and Katherine White as Deputy Director of the Bureau of Consumer Protection. Prior to his appointment, Taylor Hoogendoorn served as a litigator in a private law firm. Katherine White spent nearly 15 years at the FTC in a variety of roles and most recently served as a partner at a law firm.

FTC Recaps Impersonation Rule Enforcement Actions. On **April 4**, the FTC highlighted the agency's recent actions to combat impersonation scams since the Government and Business Impersonation Rule took effect in April 2024. The Impersonation Rule, which we summarized [here](#), makes it unlawful to materially and falsely pose as a government entity, business, or officer thereof, or materially misrepresent affiliation with a government entity or business. In the first year since the rule went into effect, the FTC brought five cases involving alleged violations of the rule, including against an e-commerce business opportunity scheme, student loan debt relief schemes, and a phantom debt collection scheme. The FTC also worked to shut down 13 websites that were unlawfully impersonating the Commission.

FTC Warns Website Operators of Potential Impersonation Rule Violations. On **April 1**, the FTC Bureau of Consumer Protection sent letters to various website operators selling Employer Identification Number (EIN) filing and delivery services, warning that they may be violating the FTC Act and the agency's Impersonation Rule. According to the FTC, consumers complained that operators used seals, logos, or imagery similar to the IRS, or the actual "IRS" acronym on their websites to imply an affiliation with the IRS. The letters encourage the companies to conduct a comprehensive review of their marketing and advertising practices to ensure they are complying with these laws.

CFPB Deprioritizes Enforcement and Supervision of Small Loan Providers. On **March 28**, the CFPB announced that it will not prioritize enforcement or supervision actions with respect to the Payment Withdrawal or Payment Disclosure provisions of the Payday, Vehicle Title, and Certain High-Cost Installment Loans Regulation that became operative on March 30, 2025. Specifically, the rule prohibits creditors from attempting more than two withdrawals from a consumer's account unless the consumer provides new and specific authorization to make additional withdrawal attempts. The rule also requires creditors to provide certain notices to consumers before attempting to withdraw payment for a covered loan. The CFPB states that it will consider a notice of proposed rulemaking to narrow the scope of the rule.

California DFPI Announces Strengthened Partnership with California DOJ to Stop Alleged Cryptocurrency Scams. On **March 10**, the California Department of Financial Protection and Innovation (DFPI) announced a new partnership with the California Department of Justice (California DOJ) through the DFPI's Crypto Scam Tracker. The Crypto Scam Tracker is a searchable database that "allows users to find scam reports by company name, scam type, or keywords." The DFPI announced that it has "shut down more than 26 different

crypto scam websites and uncovered \$4.6 million in consumer losses.” The DFPI also stated that it has “identified seven new scam types based on more than 2,668 complaints submitted by consumers in California and from across the U.S. in 2024.” The DFPI has updated its Crypto Scam Tracker to include the following types of “scams”: Bitcoin Mining Scams, Crypto Gaming Scams, Crypto Job Scams, Crypto Wallet Drainer Attacks, Crypto Giveaway/Airdrop Scam, Investment Group Scams, and AI Investment Scams.

Select Federal Enforcement Actions

FTC Sues Business Opportunity Company and Its Owners for Allegedly Deceptive Business Practices. On **March 3**, after a 4-0 vote, the FTC filed a complaint and ex parte application for a temporary restraining order with an asset freeze in the U.S. District Court for the Southern District of Florida against a company that sells business opportunity programs and its owners, for alleged violations of the FTC Act, Consumer Review Fairness Act, Business Opportunity Rule, and Impersonation Rule. The FTC alleges that the defendants misled consumers by advertising the possibility of earning thousands of dollars annually by paying a management fee for use of a proprietary system run by the defendants, who also claimed affiliation with major brands, but the consumers did not see the promised profits. On **March 5**, the court granted the FTC’s request for a temporary restraining order with an asset freeze, which was extended by another order on **April 2**. The FTC is seeking monetary and injunctive relief.

FTC Settles with Online Business Opportunity Company and Its Owners for Allegedly Deceptive Business Practices. On **March 19**, after a 4-0 vote, the FTC filed stipulated orders in the U.S. District Court for the Southern District of Florida against a company that sells business opportunity programs and its owners for alleged violations of the FTC Act and Business Opportunity Rule. In its October 2024 complaint, the FTC alleged that the defendants misled consumers by advertising the possibility of earning thousands of dollars annually by purchasing an online marketplace through the defendants, but the marketplaces were rarely profitable. The defendants agreed to pay a combined total of \$20 million in addition to injunctive relief.

FTC Settles with Online Cash Advance Company for Allegedly Deceptive Business Practices. On **March 27**, after a 2-0 vote, the FTC filed a complaint and stipulated order in the U.S. District Court for the Southern District of New York against an online cash advance company for alleged violations of the FTC Act and Restore Online Shoppers’ Confidence Act. The FTC alleges that the company engaged in deceptive business practices by promising hundreds of dollars in cash advances that were not delivered, charging a subscription fee for instant cash advances without prior disclosure, and making it difficult for consumers to cancel their subscriptions. The defendants agreed to pay \$17 million in addition to injunctive relief.

Select State Enforcement Actions

Massachusetts AG Sues Home Equity Investment Company for Allegedly Predatory Business Practices. On **February 19**, the Massachusetts Attorney General filed a complaint in Suffolk County Superior Court against a home equity investment company for alleged violations of the Massachusetts Consumer Protection Act. The

complaint alleges that the company provided mortgage loans to consumers without adequate financial backing, advertised its reverse mortgages as investments rather than loans, and marketed its loans as interest-free. The Massachusetts AG seeks injunctive and monetary relief.

Washington AG Announces Settlement with Jewelry Company Over Alleged Violations of State Consumer Protection Act. On **March 3**, the Washington AG announced that it entered into a Consent Decree with a Utah-based jewelry company and its owners over alleged violations of the Washington Consumer Protection Act and the Antipyrarnid Promotional Scheme Act (APSA). APSA prohibits companies conducting business in the state of Washington from operating a pyramid scheme, which is defined as “any plan or operation in which a person gives consideration for the right or opportunity to receive compensation that is derived primarily from the recruitment of other persons as participants in the plan or operation, rather than from the bona fide sale of goods, services, or intangible property to a person or by persons to others.” According to the Washington AG, the company and its owners advertised “too-good-to-be-true returns on investments,” among other things. The Consent Decree requires the company to pay a \$1.9 million fine and requires the company to take certain steps to reform its business practices.

Maryland AG Settles with Car Dealership for Alleged Deceptive Fees and Advertising. On **March 4**, the Maryland Office of the Attorney General, Consumer Protection Division, settled with a car dealership for alleged violations of the Maryland Consumer Protection Act. Specifically, the dealership allegedly charged consumers a “Sales Commission” fee that was not a sales commission and consequently advertised vehicles for prices lower than their true selling prices. The Defendants agreed to pay a \$3,000,000 penalty.

Washington AG Sues Debt Collector for Alleged Violations of the State Collections Act. On **March 5**, the Washington AG sued a collections agency for allegedly failing to disclose to consumers that they are legally entitled to certain information under the Washington Collection Agency Act. The Collection Agency Act requires debt collectors to give notice to consumers receiving collections letters about their right to request information about the debt. According to the complaint, the collection agency allegedly failed to make such disclosures on more than 400,000 such notices about medical debt. The lawsuit seeks up to \$7,500 per violation, along with fees and costs for the Washington AG.

Colorado AG Settles with Real Estate Company for Alleged Unfair Contract Terms. On **April 1**, the Colorado Attorney General settled with a real estate company for alleged violations of the Colorado Consumer Protection Act. Specifically, the AG alleged the real estate company’s broker engagement contracts contained unfair and unconscionable terms, such as a contract life of 40 years. The Defendants agreed to release 171 homeowners with existing contracts from their agreements and will no longer have any remaining claims on property owned by Colorado consumers.

Upcoming Events and Comment Deadlines

FTC to Hold Virtual Workshop to Examine Impact of Big Tech Firm Practices on Kids and Families. The FTC will hold a virtual workshop on **May 28, 2025**, to “discuss how Big Tech companies impose addictive design features, erode parental authority, and fail to protect children from exposure to harmful content.” The

workshop, titled “The Attention Economy: How Big Tech Firms Exploit Children and Hurt Families,” will feature parents, child safety experts, and government leaders. Experts will discuss potential approaches to protect kids online, including age verification and parental consent requirements. The FTC is seeking input from those who are interested in participating as panelists or who may have expertise about these topics by **April 30**.

Please note that the following rulemaking was launched under former CFPB Director Chopra. It is still open for comment at the time of publication, and we will monitor activity by new leadership.

CFPB Seeks Comment on the Collection, Use, and Sharing of Consumer Personal Financial Data.

Comments are due **April 11, 2025** on a Notice and Request for Information (RFI) to better understand how companies that offer consumer financial products or services collect, use, share, and protect consumers’ personal financial data. Among other things, this RFI seeks comments on the effectiveness of existing regulations, how to strengthen the existing framework, and the types of data the public believes the CFPB should monitor on a routine basis.

Aidan Young, a Telecom, Media & Technology paralegal at Wiley Rein LLP, contributed to this newsletter.

More Analysis from Wiley

Executive Order on Ticket Resale Market Calls for Greater FTC Enforcement

Key Takeaways from the California Privacy Agency’s First CCPA Enforcement Action

What Comes Next at the FTC, After Removal of Two Commissioners

What to Expect from New FTC Leadership on Digital Health Care

FCC Grants Limited Waiver for Part of the TCPA Consent Revocation Rule

Trump Administration Revamps Guidance on Federal Use and Procurement of AI

Chinese AI Firm DeepSeek Triggers a Wide U.S. Policy Response

March Privacy Forecast: A Weekly Series

FTC Announces New Labor Market Task Force and Prioritizes Worker Protections

New DOJ Restrictions on Cross-Border Data Transactions Take Effect April 8: Ten Questions as Your Business Prepares to Comply

FTC Seeks Comment on Tech Content Moderation Policies

Wiley Welcomes Former FTC Deputy Director Ian Barlow, Strengthening Regulatory, Enforcement, and Compliance Capabilities

10 Key Privacy Developments and Trends to Watch in 2025

CES 2025: FTC Commissioners Discuss Approach to AI in New Administration

FTC Adopts Amended Children's Online Protection Act Rule

Federal Cybersecurity Policy in 2025: What to Watch in Changing Times

Trump Administration Issues New AI Executive Order

FTC Announces Rule on "Junk Fees" and Pricing Disclosures in Certain Industries

10 Noteworthy CFPB Developments From 2024

CFPB Proposes to Expand Reach of Fair Credit Reporting Act to "Data Brokers" and Beyond

FTC Adopts Final "Click-to-Cancel" Rule with Requirements for Recurring Subscriptions

Key Takeaways from Our Conversation with Oregon and Texas Regulators About Privacy Enforcement

Podcast: Navigating State Privacy Laws: A Conversation with Oregon and Texas Regulators about Privacy Enforcement

Litigation Grows Around Website Technologies, With Focus on Sensitive Data

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