

Wiley Consumer Protection Download (February 18, 2026)

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Welcome to Wiley's update on recent developments and what's next in consumer protection enforcement and regulation. We cover developments with the Federal Trade Commission (FTC), the Consumer Financial Protection Bureau (CFPB), and state Attorneys General, as well as self-regulatory advertising challenges decided by BBB National Programs' National Advertising Division (NAD). Our recent State Consumer Protection Series also provides practical insights into emerging trends and priorities at the state level, including on automatic renewal laws, "junk fees," and robocalls. Wiley also has an FTC Consumer Protection and Privacy Enforcement Series and Trump Administration Resource Center to provide practical insights into emerging FTC and Executive branch priorities. Please reach out to any of our authors with any questions about recent regulatory or enforcement activity on the federal or state level.

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Select Federal Enforcement Actions

FTC Warns Data Brokers of Potential PADFAA Noncompliance. On **February 9**, the FTC sent letters to 13 data brokers warning of potential noncompliance with the Protecting Americans' Data from Foreign Adversaries Act of 2024 (PADFAA). PADFAA prohibits data

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Practice Areas

Cyber and Privacy Investigations, Incidents & Enforcement

FTC and Consumer Protection

Privacy, Cyber & Data Governance

Telecom, Media & Technology

brokers from selling, releasing, disclosing, or providing access to personally identifiable sensitive data about Americans to any foreign adversary country including North Korea, China, Russia, and Iran, or any entity controlled by the countries. Personally identifiable data includes health, financial, genetic, biometric, geolocation, and sexual behavior information, as well as account log-in credentials or government issued identifiers. The letters allege that some data brokers may have offered “solutions and insights involving the status of an individual as a member of the Armed Forces,” which is subject to PADFAA requirements. The letters warn that PADFAA violations may be subject to FTC enforcement and civil penalties of up to \$53,088 per violation, and that the FTC is “monitoring the marketplace” for potential violations.

Select State Enforcement Actions

Massachusetts AG Sues Cryptocurrency Kiosk Operator for Allegedly Misleading Practices. On **February 3**, the Massachusetts Attorney General filed a complaint in Massachusetts Superior Court against a cryptocurrency kiosk operator for alleged violations of the state’s prohibitions on unfair and deceptive acts and practices. The Massachusetts AG alleges that the company misled consumers by failing to fully disclose transaction fees to consumers and failing to implement proper fraud prevention mechanisms and remedies. The Massachusetts AG seeks monetary and injunctive relief.

Washington AG Files Complaint Against Companies Allegedly Operating Unlicensed Electronic Gambling Applications. On **February 3**, the Washington state AG filed a complaint against companies for allegedly operating unlicensed electronic gambling applications. The complaint alleges that the companies violated both the Washington Gambling Act and the Washington Consumer Protection Act because, according to the complaint, none of the companies’ applications ask for player ages or dates of birth, and at least one application allegedly targets children with cartoons. The complaint seeks a civil penalty of \$7,500 for each violation of the Washington Consumer Protection Act.

California AG Settles With Streaming Service Provider for Alleged Violations of the CCPA. On **February 11**, the California AG announced a settlement with a streaming service provider to resolve allegations that the provider violated the California Consumer Privacy Act (CCPA) by failing to effectuate consumers’ requests to opt out of the sale or sharing of their data across devices and streaming services associated with their accounts with the company. The CCPA allows California consumers to request that businesses stop selling and/or sharing their personal information. The settlement requires the service provider to pay \$2.75 million in civil penalties and to implement consumer opt-out methods that fully cease the provider’s sale or sharing of consumers’ personal information.

Select NAD Advertising Challenge Case Decisions

NAD Finds That 401(k) Plan Marketer Should Modify or Discontinue Certain Claims Regarding Fees. On **January 7**, the NAD announced that, in a challenge to advertising claims brought by a company marketing 401(k) plans to small and medium-sized businesses, certain claims about fees and comparative claims should be modified or discontinued. The NAD found the company’s claims that it charged “up to 6x less in fees,” that

the portfolios could be managed for “under 0.15%,” and that it had “4x Lower Asset Fees” than its competitor were either unsubstantiated or not supported by the record. The NAD also found the company’s customer claim that its “annual plan sponsor customer satisfaction score (CSAT) is 93%” had sufficient substantiation to use on its own but was misleading if used for comparison to other plans. The NAD found that several of the company’s other claims were supported.

NAD Determines That Grocery Retailer Price Comparison Claims Were Misleading. On **January 12**, the NAD issued a decision in a challenge brought against a grocery retailer whose ads claimed that consumers could save when shopping at their stores instead of their competitor’s stores. The NAD determined that some of these price comparison claims were misleading because they featured prices that were stale by the time the ads ran. The NAD also found some of the price comparisons were misleading because the retailer used its competitor’s non-discounted prices, rather than discounted prices the competitor offered through loyalty programs that most of its customers paid. Finally, the NAD also found some of the ads were misleading when they told consumers they could save money purchasing the “exact same basket” of groceries at their store instead of their competitor’s store, because the baskets sometimes compared private label groceries to similar national brand groceries.

NAD Recommends That Technology Product Manufacturer Discontinue Advertising Claims Regarding 4K Video Resolution. On **February 4**, the NAD recommended that a maker of technology products for science educators discontinue certain advertising claims about 4K video resolution when promoting its dome and projection system. The NAD found the description of the product as a “4K projector” was unsupported because the product projects images onto a dome at a resolution of 3.66 megapixels, which is less than 4K resolution. The 4K claim referred instead to the theoretical resolution quality of the projector as if it were displayed onto a flat screen – which it is not – and the NAD believed this claim could mislead consumers into thinking they would see 4K resolution images on the dome.

Federal and State Regulatory Announcements

FTC Issues 2025 Ransomware Report. On **February 6**, the FTC issued a second report to Congress regarding the agency’s work on ransomware and other cyberattacks. The report is mandated by the Reporting Attacks from Nations Selected for Oversight and Monitoring Web Attacks and Ransomware from Enemies Act of 2023, which requires the Commission to submit reports to Congress on its work to combat cyberattacks. The 2025 Ransomware Report summarizes FTC activities addressing ransomware and other cyber-related attacks; describes additional FTC enforcement actions involving China and Russia; addresses cross-border cooperation on these topics; provides consumer complaint data and trends related to ransomware and cyber-related attacks; and offers legislative recommendations related to the U.S. SAFE WEB Act.

Colorado AG Releases Report Concerning AI in Schools. On **February 10**, the Colorado AG Office released the January 2026 Safe2Tell monthly report which, among other issues, highlights emerging issues with the misuse of artificial intelligence (AI) in school communities, including one report of a student posting AI-generated, inappropriate images of peers online. Safe2Tell is Colorado’s anonymous reporting system for concerns about the safety and well-being of students. According to the AG, the January Safe2Tell report

“provides visibility into how student behavior and risks are changing as technology becomes a larger part of students’ daily lives.”

Upcoming Events and Deadlines

FTC to Host Workshop on the Impact of Data-Driven Economy to Consumers. The FTC will host a workshop on **February 26** entitled “Measuring Injuries and Benefits in the Data-Driven Economy.” The workshop will examine how to best “understand and measure consumer injuries and benefits that may result from the collection, use, or disclosure of consumer data.” Specifically, the workshop will explore developments since the FTC’s December 2017 Informational Injury workshop and will feature discussions on: (1) quantifying informational injuries and the potential benefits of consumer data collection and use; (2) the impacts of data breaches on consumers and efforts to minimize injuries; (3) the costs and benefits of behavioral and contextual advertising; and (4) measuring consumers’ privacy preferences, beliefs, and decisions. The agenda for the workshop is available here.

More Analysis from Wiley

FTC Sends Warning Letters to Data Brokers on PADFA Compliance

Migrating from Traditional Algorithms to Post-Quantum Cryptography: What Your Organization Needs to Know

Key Takeaways from FTC Age Verification Workshop: COPPA Updates May Be on Horizon

Five Privacy Checkpoints to Start 2026

SB 361: Defending Californians’ Act – Expanding Requirements for Data Brokers

White House Issues Executive Order to Promote National AI Policy Framework and Challenge Certain State AI Laws

2025 State AG Robocall Enforcement Trends: Targeting of VoIP Service Providers Continues, With Coordinated AG Scrutiny of “Intermediate” Providers

AI Chatbots: How to Address Five Key Legal Risks

Automatic Renewals and Risks: State Negative Option Laws and Enforcement Are Trending

Expanding Patchwork of State “Junk Fees” Laws Presents Compliance Challenges

State AGs Discuss Consumer Protection Priorities: Privacy, Health, Junk Fees, and Coordination at the Forefront

California Finalizes Pivotal CCPA Regulations on AI, Cyber Audits, and Risk Governance

Cyber Enforcement Hits Hard: New York DFS Imposes \$19 Million in Penalties

Subscription Cancellation Policies Remain a Top FTC Priority

Amidst Scrutiny of E-Commerce Platforms, FTC Brings First INFORM Consumers Act Case

The Fair Credit Reporting Act – Who Is Covered and How to Comply

PADFA Enforcement – What Companies Need to Know

Practical Tips for When Your Company Gets an FTC CID

Webinar: Navigating FTC Health Care Advertising and Privacy Compliance in the Trump Administration: Key Insights for Health Service Providers

Executive Order on Ticket Resale Market Calls for Greater FTC Enforcement

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