

# Multistate Coalition Urges CFPB to Prioritize and Distribute Consumer Refunds

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Last week, Washington Attorney General Nick Brown, a bipartisan coalition of attorneys general from ten other states, and the California Department of Financial Protection and Innovation [wrote](#) the Consumer Protection Financial Bureau's Acting Director, Russell Vought, pressing the CFPB to issue "long-delayed restitution" to consumers allegedly harmed by a business offering online training for tech positions.

The letter details an investigation brought by the CFPB and the twelve states (collectively, the "States") against Prehired, LLC for making certain earnings claims and employment guarantees and for using allegedly abusive debt collection practices. The CFPB and a similar (though not identical) group of states [filed](#) a bankruptcy court proceeding against Prehired alleging that the company violated the Consumer Financial Protection Act, Truth in Lending Act, and Fair Debt Collection Practices Act. In November 2023, the court ordered Prehired to return over \$4.2 million to over 660 consumers. Because Prehired was in bankruptcy and unable to issue refunds to consumers, the refunds were to be sent from the CFPB's Civil Penalty Fund, which, under 12 C.F.R. § 1075.103, offers funds to compensate harmed victims.

The States now assert that, even though a year has passed since the CFPB finalized the allocation of funds in May 2024, the agency "still has not issued any consumer checks." According to the letter, the CFPB "stopped providing substantive responses" to the States' correspondence in February 2025, and has not provided "any response" to a March 2025 email from the States asking about the status of the distribution.

The letter requests that the CFPB provide the status of the refunds and urges the Bureau to prioritize the matter.

The States' letter is another example of attorneys general alleging consumer harm in the wake of ongoing reductions at the CFPB. We previously [wrote](#) about a multistate amicus brief filed in support of the CFPB that warned of these very concerns and cited this case. For example, that [brief](#) detailed the frequent partnership between states and the CFPB and predicted that the CFPB's absence will leave the Civil Penalty Fund inactive, even though consumers have yet to receive compensation from the Civil Penalty Fund in more than a dozen matters (including the Prehired matter).

While we expect states to largely fill the gaps left by the CFPB, the States' letter demonstrates that some gaps may remain, nonetheless. That said, expect attorneys general (particularly Democratic AGs) to continue to make these challenges public as they push back on the new administration.