

## FTC Settles Action Against Online Career-Training Company for Deceptive Advertising

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On July 29, the FTC filed a stipulated [order](#) settling claims against an online career-training company on the grounds that it engaged in deceptive advertising. In addition to injunctive relief barring the company from engaging in deceptive acts, the order requires the company to pay a \$15.7 million fine and cancel approximately \$27.8 in consumer debt.

According to the FTC's [complaint](#), the Georgia-based company promoted career training and certification programs for jobs in the healthcare industry, aimed at servicemembers and their spouses. The complaint states that since at least 2019, the company has enticed servicemembers with deceptive advertising on social media and its website, using sales representatives and AI technology to persuade consumers to enroll in its programs.

According to the Commission, the company's representatives claimed that their "career placement team" would help consumers find the "perfect job." In reality, however, the company did not provide any job placement services. The job search assistance it offered was limited to resume drafting or emailing links to job postings that are generally available on the internet.

In addition to false job placement promises, the complaint alleges the company engaged in deceptive advertising in the form of:

- Exaggerated externship opportunities;
- Inflated employment outcomes;
- Representations that several prominent companies in the healthcare industry were its "hiring partners";
- The use of incentivized reviews to promote its services; and
- False claims that students could complete its programs in 4 months or less.

The Commission vote authorizing the settlement was 5-0. The settlement must be approved by a federal judge before taking effect.

**Putting It Into Practice:** The enforcement action calls out deception in advertising, but federal

regulators this year have also honed in on other deceptive practices such as the use of “dark patterns” and misleading fine print (previously discussed [here](#) and [here](#)). Notably, the company deployed AI technology to win over potential customers. State and federal regulators have become increasingly wary of consumer-facing AI models, a trend evidenced by a recent uptick in AI-focused rulemaking and enforcement actions (previously discussed [here](#), [here](#) and [here](#)). Companies should take steps to ensure their use of advertising and other consumer-facing materials are consistent with regulators’ views on deceptive acts and practices.

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