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Consumer Protection Division
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May 6, 2025

The Honorable Russell Vought
Acting Director
Consumer Financial Protection Bureau
1700 G St. NW
Washington, DC 20552

Dear Acting Director Vought:

We, the undersigned Attorneys General of Washington, Colorado, Delaware, Illinois, Massachusetts, Minnesota, New York, North Carolina, Ohio, Oregon and South Carolina, and the California Department of Financial Protection and Innovation, write to request the status of—and urge you to prioritize—the distribution of \$4.2 million in consumer refunds, which the Consumer Financial Protection Bureau (CFPB) allocated for distribution in the matter of Prehired LLC.

After multiple consumer complaints from different states, our offices and the CFPB began investigating Prehired, a predatory online training “bootcamp” that lured students with a guarantee that they would “land a \$60k+ job offer” from a tech company of their choice. Instead of fulfilling this guarantee, Prehired trapped its students with illegal and deceptive “income share” loans. Prehired then resorted to abusive debt collection practices—including filing hundreds of debt collection lawsuits—when students could not repay those loans and the job offers Prehired promised did not materialize. Prehired specifically targeted military veterans with its advertising.

On July 13, 2023, the Attorneys General from Washington, Delaware, Minnesota, Illinois, Wisconsin, Oregon, Massachusetts, North Carolina, South Carolina, and Virginia, along with California’s Department of Financial Protection and Innovation, joined the CFPB in filing a bankruptcy court adversary proceeding against Prehired. The enforcement agencies alleged that Prehired violated the Consumer Financial Protection Act, Truth In Lending Act, and Fair Debt Collection Practices Act. On November 20, 2023, the court entered a Stipulated Judgment requiring Prehired to cease all operations, return \$4.2 million nationwide to over 660 consumers who made payments on Prehired’s loans, and cancel all outstanding loan balances, valued by Prehired at nearly \$27 million.

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Prehired was in bankruptcy and unable to issue refunds to its victims. In such cases, the CFPB's Civil Penalty Fund is available to compensate harmed victims. *See* 12 C.F.R. § 1075.103. Our offices worked with the CFPB to secure an allocation from the Civil Penalty Fund, in the amount of \$4,248,249. The CFPB finalized the allocation on May 30, 2024.

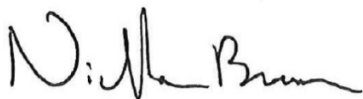
Nearly a year has now passed, yet the CFPB still has not issued any consumer checks. Throughout 2024, we had been in touch with the CFPB and received regular updates regarding its progress toward distributing these refunds. During this timeframe, we worked with the CFPB to confirm identities and mailing addresses of eligible victims. However, in early February 2025, the CFPB stopped providing substantive responses to our inquiries. We have not received any response to our March 12, 2025 email to your office (copy enclosed) asking about the status of the distribution.

Prehired's victims include consumers from each of our respective states, as well as Florida, Texas, Georgia, Pennsylvania, Michigan, and nearly every other state in the nation. These ambitious aspirants, many of them adults already working in other fields, turned to Prehired to improve their career prospects and make better lives for themselves and their families. Instead, they paid thousands of dollars for empty promises and threats of further financial peril from Prehired.

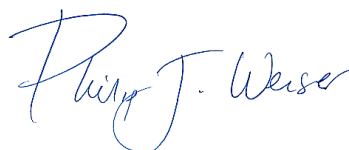
The CFPB committed to provide relief to these consumers when it made the allocation from the Civil Penalty Fund. During these increasingly difficult economic times, hundreds of Americans look to your leadership to deliver on this commitment.

We request that your response include a timeframe in which the CFPB plans to send Civil Penalty Fund checks to Prehired's victims.

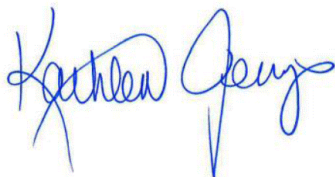
Sincerely,



Nick Brown
Washington Attorney General



Phil Weiser
Colorado Attorney General



Kathleen Jennings
Delaware Attorney General



Kwame Raoul
Illinois Attorney General

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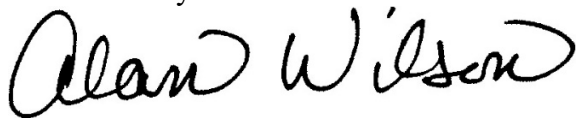
Andrea Campbell
Massachusetts Attorney General



Letitia A. James
New York Attorney General



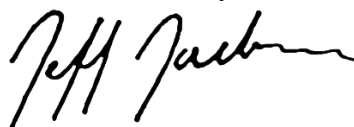
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Mary Ann Smith
Deputy Commissioner, Enforcement Division
California Department of Financial Protection
and Innovation

Enclosure

cc: Mark Paoletta, Chief Legal Officer, CFPB
James Savage, Senior Counsel, CFPB
Anyia Veledar, Senior Financial Analyst, CFPB