



Office of Commissioner
Melissa Holyoak

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Concurring Statement of Commissioner Melissa Holyoak

Career Step LLC, FTC Matter No. 2323019

July 30, 2024

I am proud today to support the Commission’s action against Career Step LLC, which targeted military consumers with allegedly false¹ and unsubstantiated representations about its online career-training and certification program. The Commission’s order resolving these allegations provides for \$15.7 million for consumer redress and \$27.8 million in debt forgiveness. It will also require Career Step to instruct consumer reporting agencies to delete the forgiven debt from consumers’ credit reports. Career Step will be prohibited from preventing consumers from accessing their diplomas or certificates because of the debt forgiven by the Commission’s order. In this way, our action will help to restore what consumers lost as a result of Career Step’s allegedly unlawful practices *and* stop ongoing harms from accumulated debt and compromised credit.

Unfortunately, Career Step is not alone in targeting servicemembers with allegedly deceptive marketing. Last year alone, the Commission received nearly 200,000 complaints from military consumers, who reported fraud losses totaling \$477 million.² Any fraud is necessarily harmful to consumers, but fraud targeting servicemembers may have particularly harmful effects on its victims and society, such as compromising military readiness.

July is Military Consumer Month, “an annual observance to increase awareness of consumer protections and financial readiness for servicemembers, veterans, and military families.”³ I am pleased that we can announce this important action during Military Consumer Month, and I commend the staff who brought this action—as well as those working on related efforts year-round. At all times, as the nation’s consumer protection agency, we at the Commission should do our utmost to protect consumers, including through actions that support the brave men

¹ I support Count IV, which alleges violations of Section 521(a) of the GLB Act, which prohibits “obtain[ing] . . . customer information of a financial institution . . . by making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution.” 15 U.S.C. § 6821(a). In some instances, such as here, false statements covered by Section 521 of the GLB Act may also be deceptive under Section 5 of the FTC Act. Importantly, however, Section 521 is *not* entirely congruent with Section 5’s more capacious deception prong. Representations that are literally true may violate Section 5 where they are misleading by implication or omission or from lack of substantiation. *See* FTC Policy Statement on Deception (Oct. 14, 1983), appended to *Cliffdale Assoc., Inc.*, 103 F.T.C. 110, 174 (1984); FTC Policy Statement Regarding Advertising Substantiation (Nov. 23, 1984). But literally true statements—even if misleading in violation of Section 5—are not “false,” and therefore do not violate Section 521 of the GLB Act.

² Consumer Sentinel Network: Data Book 2023, Fed. Trade Comm’n, at 17
https://www.ftc.gov/system/files/ftc_gov/pdf/CSN-Annual-Data-Book-2023.pdf.

³ Military Consumer Month, Nat’l Credit Union Admin., <https://mycreditunion.gov/financial-resources/calendar-events/military-consumer-month> (last visited July 18, 2024).

and women who serve in our military. I look forward to working with my fellow Commissioners to protect those who protect us.