FTC Financial Deception Enforcement and Rulemaking Post-AMG Capital

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Financial deception is an increasingly important enforcement priority for the U.S. Federal Trade Commission (FTC). Recent enforcement actions involving earnings claims, business opportunities, multilevel marketing (MLM) programs, and AI-enabled money-making schemes demonstrate the breadth of the agency's consumer protection mandate. Since 2025, the FTC has secured or proposed substantial monetary relief in a series of high-profile financial deception matters.

These actions also illustrate how the FTC has adapted its enforcement approach following the U.S. Supreme Court's 2021 decision in *AMG Capital Management LLC v. FTC (AMG Capital)*, which limited the agency's ability to obtain monetary relief. Concurrently, the FTC has pursued rulemaking initiatives aimed at addressing allegedly deceptive earnings representations and money-making opportunities. This article examines how the FTC is using enforcement actions, alternative statutory authorities, and rulemaking initiatives to address financial deception after *AMG Capital*.

The Post *AMG Capital* Legal Landscape

The FTC enforces Section 5 of the FTC Act, which prohibits "unfair or deceptive acts or practices in or affecting commerce."[1] While banks and certain other financial institutions fall outside the FTC's jurisdiction, the agency retains broad authority over non-bank entities and individuals operating in financial and adjacent markets.[2]

As in other deception matters, financial-deception cases are generally analyzed under the FTC's longstanding deception framework. According to the FTC Policy Statement on Deception, issued in 1983, a representation, omission, or practice is deceptive if it is likely to mislead consumers acting reasonably under the circumstances and is material to the consumer's decision-making.[3] In practice, FTC investigations often focus on whether earnings claims, representations about investment opportunities, or descriptions of financial products were adequately substantiated and accurately conveyed to consumers.[4]

The availability of monetary relief is often a threshold issue in these cases. In *AMG Capital*, the Supreme Court unanimously held that Section 13(b) authorizes the FTC to seek injunctive relief but does not authorize equitable monetary remedies such as restitution or disgorgement.[5] Following *AMG Capital*, the FTC can still obtain court orders prohibiting allegedly deceptive conduct under Section 13(b), but recovering money for consumers generally requires the agency to rely on another statutory authority that expressly permits monetary relief.

As a result, the FTC has increasingly relied on statutes and rules that provide an independent basis for monetary remedies. These include the Restore Online Shoppers' Confidence Act (ROSCA), the Telemarketing Sales Rule (TSR), the Business Opportunity Rule, and the Gramm-Leach-Bliley Act (GLBA), among others.[6] The FTC has also partnered with state attorneys general, who often possess independent authority to seek restitution, civil penalties, or other monetary remedies under state unfair and deceptive acts and practices statutes.[7]

Recent Enforcement Trends

Earnings Claims Remain a Core Enforcement Focus

A recurring theme in recent FTC actions is the agency's focus on earnings representations used to market business opportunities, investment training programs, and MLM ventures. These cases typically involve allegations that false, misleading, or inadequately substantiated claims about potential income led consumers to purchase products or participate in programs.

One of the most significant recent examples is *FTC v. International Markets Live Inc.*, commonly known as *IM Mastery Academy*.[8] In May 2025, the FTC and the State of Nevada sued the company and related individuals, alleging that consumers were promised substantial earnings through financial training services and MLM opportunities. According to the complaint, the defendants allegedly made deceptive earnings representations and violated multiple statutes, including the FTC Act, ROSCA, and the TSR.[9] The FTC subsequently obtained a preliminary injunction and later secured injunctive relief and proposed settlements with individual defendants totaling over $900 million, among the largest proposed relief amounts in FTC financial deception history. [10]

The *IM Mastery Academy* matter is notable not only for the size of the alleged consumer harm but also for its demonstration of the FTC's continued reliance on statutes beyond the FTC Act to pursue monetary relief after *AMG Capital*. The case also reflects the agency's broader emphasis on substantiation of earnings claims and disclosing material information affecting consumers' expected returns.

The FTC's MLM enforcement momentum continued into 2026. In April 2026, the agency announced actions involving Forever Living Products International LLC and certain high-level participants associated with LifeWave, Inc. 11 In both matters, the FTC alleged that prospective participants were misled regarding the income they could realistically expect to earn. These cases reinforce the agency's view that earnings representations remain a central area of consumer-protection risk for MLM operators and participants.

AI Claims Are Being Examined Through Traditional Deception Principles

Recent FTC actions also suggest that the agency is applying traditional deception principles to emerging AI-related claims rather than developing a distinct enforcement framework for AI.

The FTC's action against Click Profit LLC illustrates this approach. Filed in March 2025, the complaint alleged that the company marketed an e-commerce business opportunity by promising consumers significant earnings while misrepresenting the capabilities of its technology, including purported AI-driven features.[12] According to the FTC, consumers were led to believe they could generate substantial income through online storefronts managed using sophisticated automation and AI tools.[13]

The Click Profit case was not simply about AI. Rather, the alleged AI misrepresentations were intertwined with representations concerning expected consumer earnings.[14] The FTC ultimately obtained a temporary restraining order and later reached settlements that imposed more than $20 million in monetary judgments and broad injunctive restrictions.[15] The matter suggests that AI-related statements may attract heightened scrutiny when they are used to support earnings claims or influence consumer purchasing decisions.

Gig-Economy Compensation Claims Are Emerging as a New Area of Focus

Another recent trend involves representations concerning worker compensation. Historically, FTC deception cases focused primarily on consumers purchasing products or services. More recent actions indicate increased attention to representations made to individuals deciding whether to participate in gig-economy platforms or other income-generating opportunities.

In February 2026, the FTC and a coalition of state attorneys general sued Walmart regarding representations allegedly made to drivers participating in the company's Spark Driver delivery platform. 16 The complaint alleged that Walmart misrepresented base pay, incentive payments, and tips drivers could expect to receive. The parties later entered into a settlement that provided approximately $100 million in relief and required operational changes related to earnings disclosures and compensation practices.[17]

The Walmart matter followed earlier FTC actions involving Lyft and Grubhub that also focused on representations concerning driver earnings.[18] These cases suggest that the FTC increasingly views earnings representations made to workers as falling within its broader consumer-protection mandate, particularly when such representations influence decisions to join or remain on a platform.

Proposed Rulemaking Could Expand the FTC's Enforcement Arsenal

Enforcement activity has occurred alongside ongoing FTC rulemaking efforts. In January 2025, the FTC proposed amendments to the Business Opportunity Rule that would expand the rule's coverage to include certain business-coaching and investment-related opportunities.[19] The existing rule requires sellers of covered business opportunities to make specified disclosures, including information relevant to earnings claims. If finalized, the proposed amendments could provide the FTC with an additional mechanism for challenging deceptive earnings representations and seeking monetary remedies.

The FTC also proposed a separate Earnings Claim Rule directed at the MLM industry. Among other provisions, the proposal would prohibit misleading earnings claims, require substantiation for earnings representations, and impose obligations related to disclosure of earnings information. The FTC simultaneously issued an Advance Notice of Proposed Rulemaking (ANPRM) requesting public comment on additional rule provisions for the MLM industry.[20]

Importantly, these initiatives have not been abandoned despite changes in FTC leadership. Although Chairman Andrew Ferguson dissented from the January 2025 proposals, his dissent focused largely on the timing of the rulemaking rather than on a substantive rejection of the underlying consumer-protection concerns. 21 As of mid-2026, these proposals remain pending.[22]

Looking Ahead: Bipartisan Enforcement with Evolving Priorities

Several themes emerge from the FTC's recent financial deception activity. First, earnings claims remain a primary enforcement target, particularly in connection with MLMs, investment-training programs, and other money-making ventures. Second, the FTC continues to adapt to the limitations imposed by *AMG Capital* by relying on statutes and rules that provide a pathway to monetary relief. Third, recent actions suggest that the agency will continue scrutinizing AI-related representations when those representations are tied to consumer purchasing decisions or earnings expectations. Fourth, the Walmart, Lyft, and Grubhub matters may indicate increased attention to representations concerning worker compensation in the gig economy.

These developments illustrate how the FTC has adapted its financial deception enforcement strategy after *AMG Capital* and continued to focus on earnings-related representations across a range of markets.

Endnotes

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