

**FEDERAL TRADE  
COMMISSION**

# 2023 FTC Annual Report on Refunds to Consumers

Office of Claims and Refunds, Bureau of Consumer Protection

# FTC Refunds to Consumers

The goal of FTC law enforcement actions is to stop illegal practices, and when possible, get refunds to people who lost money.

Once an FTC lawsuit or settlement is final and the defendants have paid the money ordered by the court, the FTC’s Office of Claims and Refunds develops a plan for returning that money to the right people. If there is money left over at the conclusion of the refund program, or if there is not enough money to provide meaningful refund amounts, then the FTC sends the money to the U.S. Treasury, where it is deposited into the General Fund, as required by court order and the law.

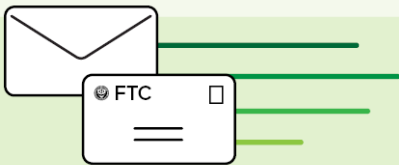
Data about FTC refunds are available in interactive online dashboards at [www.ftc.gov/ExploreData](http://www.ftc.gov/ExploreData). Users can explore refund data [by case](#) or [by year](#) to learn about **where** refunds were sent, the **dollar amounts** refunded, and the **number of people** who benefited from FTC refund programs.

## FTC Refunds to Consumers Snapshot January 1, 2023 – December 31, 2023

**\$324**  
MILLION  
in refunds\*

**\$137.7**  
MILLION  
in refunds directly from FTC

**1.4**  
MILLION PEOPLE  
cashed FTC payments

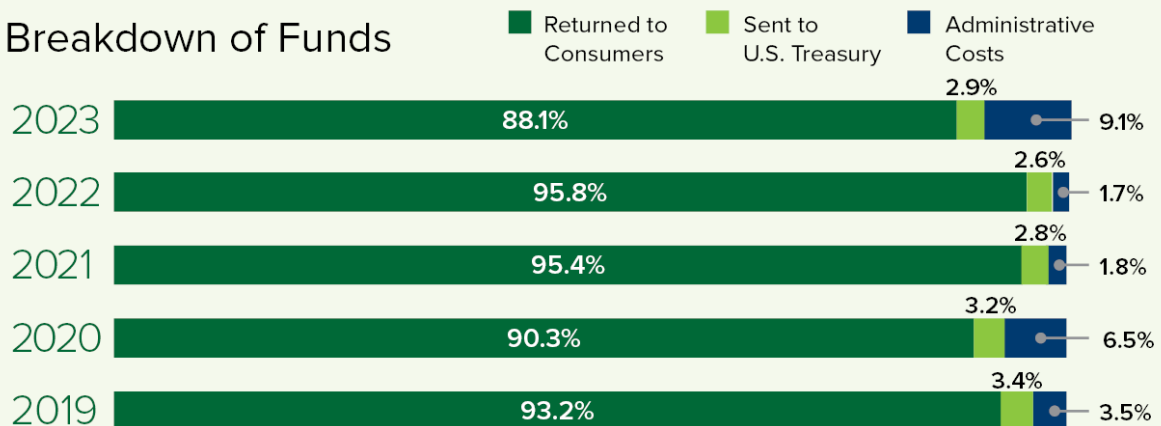


**\$4.5** MILLION  
sent to U.S. Treasury

**\$14.2** MILLION  
paid for  
administrative costs

\*This total includes money returned to consumers as a result of all FTC cases, including refund programs administered by defendants and other federal agencies. The amount sent to the U.S. Treasury does not include civil penalty judgments.

### Breakdown of Funds



Source: Federal Trade Commission | [ftc.gov/ExploreData](http://ftc.gov/ExploreData)



## How the FTC Provides Refunds

Success in getting refunds to people depends principally on whether the FTC has a reliable list of customers, including their contact information and the amount of money they spent. In most of our cases, the FTC has this information, and it mails checks out to a list of known customers. In other cases, there is no list of known customers or there is insufficient contact information, and the agency must use a claims process to identify people who are eligible for a refund. There are at least six steps involved in every refund program:

1. Identify who is eligible for a refund.
2. Determine how the money will be divided.
3. Send refunds.
4. Update names and addresses as needed to deliver payments.
5. Consider whether an additional distribution is feasible.
6. Send any remaining money to the U.S. Treasury.

### Identifying who is eligible for a refund

FTC court orders typically require the company to provide a list of customers, their contact information, and how much each customer paid. If the agency obtains a reliable list of eligible recipients, then the agency mails checks or sends electronic payments directly to them. During calendar year 2023, in cases where the FTC used company data to send checks or electronic payments, 55.6% of eligible consumers have cashed their payment so far.<sup>2</sup> Checks are still being cashed in most of these cases. The FTC expects the average participation rate to exceed 70% once all distribution activity is complete. In fact, the FTC completed first distribution activities for 13 cases in 2023, and the average participation rate for these cases was 75.8%. These cases have either been closed or moved into a second distribution.

If the agency doesn't have all the data it needs to send payments to eligible consumers, a claims process may be necessary. In such cases, the people affected must apply for a refund. The agency might conduct a media campaign and use paid advertisements to let people know that refund money is available and encourage them to visit our website to apply. A claims process typically increases the administrative costs of the refund program. Generally, the FTC receives claims from 5% to 50% of potential claimants. In 2023, the FTC managed claims processes in seven cases. We expect to send payments for these cases in 2024.

The agency's Consumer Sentinel Network database may be used to find eligible recipients, either as a supplement to data from other sources, or occasionally, as the only source of data. Consumer Sentinel data contains millions of complaints from people who have contacted the FTC, the Better Business Bureau, or other federal, state, and local law enforcement offices. The FTC may search for complaints related to the defendants and use the contact information in those complaints to create a list of potential

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<sup>2</sup> As of March 31, 2024.

refund recipients. The FTC used Consumer Sentinel complaints as the primary source of data for one case in 2023. In that case, more than 83% of eligible consumers have cashed their checks.

## **Determining how the money will be divided**

In cases where the court order does not specify the parameters of the refund program, FTC staff determines eligibility criteria and the formula for calculating payments to eligible recipients. In cases where the settlement fund is not large enough to provide full refunds to every customer, the FTC analyzes the data to determine how much individuals will receive. When making these decisions, FTC staff considers the administrative costs that must be paid for by the fund, the size of the refund to each recipient, how much variation there is between the lowest and highest loss amounts, and other details about the case. In most FTC cases, the money is distributed on a pro rata basis, meaning that each recipient receives an equal percentage of their total loss.

## **Sending refunds**

The FTC has many mechanisms in place to verify the accuracy of our distributions and to confirm that only the approved recipients receive payment. First, unique identifiers are assigned to each potential claimant at the beginning of the case. FTC staff independently reviews each distribution, checks the proposed list of recipients against the master list, and investigates any discrepancies before approving a distribution. The agency also conducts payment audits to verify that only the rightful recipients received payments. In a claims process, we may ask for supporting documents or other information, and we apply analytical tools to root out false or duplicate claims.

Once payments have been sent, the FTC carefully tracks which payments make it into the hands of affected consumers, and the agency uses that information for continuous improvement of our refund processes. In 2023, the FTC sent first round payments totaling more than \$134 million in 15 different FTC cases.

## Cases with First Distributions in 2023

Case Name	Date Sent	\$\$ Sent	Eligible Consumers	Consumers Who Cashed a Payment to Date	Percent of Consumers Who Cashed a Payment to Date
American Financial Benefits Center	08/22/2023	\$9,147,177	22,562	15,332	67.95%
Arete Financial	06/14/2023	\$3,335,694	37,844	25,184	66.55%
Consumer Health Benefits Association	11/06/2023	\$6,891,128	47,166	28,508	60.44%
HomeAdvisor	11/28/2023	\$3,199,684	110,372	49,341	44.70%
Life Management	07/06/2023	\$540,353	4,604	2,686	58.34%
Lions Not Sheep	05/04/2023	\$176,134	11,512	8,298	72.08%
NTS IT CARE	11/07/2023	\$255,046	272	226	83.09%
NutraClick	01/25/2023	\$973,649	17,064	10,545	61.80%
Passport Automotive Group	05/16/2023	\$3,304,013	18,007	13,519	75.08%
RagingBull.com	03/06/2023	\$2,391,323	9,862	6,998	70.96%
Resident Home	03/30/2023	\$44,570	29	29	100.00%
RevMountain	04/25/2023	\$1,149,249	41,934	23,367	55.72%
Vonage	10/30/2023	\$99,426,591	389,106	205,036	52.69%
Warrior Trading	01/10/2023	\$2,930,781	20,402	17,080	83.72%
YF Solutions	05/22/2023	\$557,461	611	497	81.34%
<b>Totals</b>		<b>\$134,322,853</b>	<b>731,347</b>	<b>406,646</b>	<b>55.60%</b>

## Updating names and addresses

Finding current contact information for eligible recipients is a challenge. Court cases sometimes take years to resolve, so the FTC uses several tools for updating addresses.

Before mailing checks, the FTC checks every distribution list against the National Change of Address system, which records change-of-address notices submitted to the U.S. Post Office. If a check is either returned as undeliverable or remains uncashed after its void date, the agency conducts an address search to determine if there is a more recent address for the consumer, and then reissues a new check to the updated address.

## Considering whether an additional distribution is feasible

After updating addresses and reissuing payments, as necessary, the FTC considers whether the remaining money can be used to send a second round of payments. For example, recipients might get 50% of their money back with the first payment and an additional 10% of their money back with the second payment. In very rare circumstance, the agency may send a third or fourth round of payments, for example, when the agency recovers additional money from the defendants.

Usually, if there are sufficient funds to provide a meaningful refund amount to recipients and to pay for the related costs, the FTC sends a second round of payments. Generally, to be eligible for an additional payment, the consumer must have cashed their previous payment. In addition, the FTC sometimes imposes a minimum check amount that excludes some consumers who otherwise would have been eligible. In general, the FTC does not mail checks of less than \$10.

In 2023, the FTC sent additional payments totaling nearly \$32 million dollars to consumers in 21 different FTC cases.

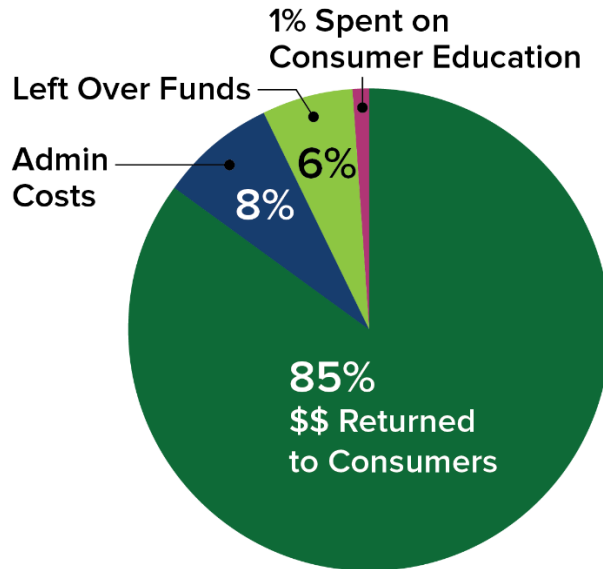
## Cases with Additional Distributions in 2023

Case Name	Date of Most Recent Distribution	Payments Sent in Most Recent Distribution	\$\$ Sent in Most Recent Distribution	\$\$ Returned to Consumers in Previous Distributions	# of Consumers Who Have Cashed At Least One Payment
8 Figure Dream Lifestyle	02/27/2023	1,542	\$394,491	\$740,257	1,572
Apply Knowledge (Coaching Department)	03/29/2023	8,781	\$5,460,799	\$23,804,873	9,583
Avant, Inc.	01/12/2023	4,854	\$303,208	\$3,439,433	15,837
Digital Income System	06/26/2023	970	\$66,692	\$492,712	970
Ed Napleton Automotive	11/15/2023	37,034	\$857,651	\$8,839,557	58,898
Elite IT	01/17/2023	16,432	\$94,822	\$154,944	15,428
Herbalife	03/23/2023	42,713	\$4,232,784	\$194,294,052	260,471
Hold Billing Services	01/24/2023	83,984	\$1,802,074	\$2,987,048	83,989
Kushly	09/26/2023	235	\$7,921	\$9,259	253
LendingClub	06/09/2023	16,710	\$510,996	\$17,042,414	69,887
Lifelock	09/28/2023	338,213	\$2,378,290	\$28,834,804	877,708
Lifewatch	09/15/2023	27,809	\$1,043,039	\$699,195	27,809
Lift International	03/22/2023	3,320	\$1,444,173	\$5,957,324	6,686
Mile High Madison	11/02/2023	11,527	\$133,701	\$854,576	67,010
MOBE	07/11/2023	25,260	\$4,679,556	\$18,905,445	15,458
NeuroMetrix (Quell)	02/14/2023	40,253	\$305,614	\$3,401,378	61,743
Online Trading Academy	01/10/2023	16,186	\$809,807	\$4,612,623	25,765
Point Break Media	03/08/2023	3,854	\$1,887,733	\$444,267	3,613
Reckitt Benckiser Inc. (Suboxone)	04/11/2023	2,573	\$369,150	\$58,441,173	53,330
Triangle Media	02/08/2023	17,284	\$1,362,704	\$7,304,893	151,537
University of Phoenix	07/17/2023	130,652	\$3,657,278	\$45,635,843	130,287
<b>Totals</b>		<b>830,186</b>	<b>\$31,802,483</b>	<b>\$426,896,070</b>	<b>1,937,834</b>



## Cases Closed in 2023: How Funds Were Used

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### **Sending any remaining money to the U.S. Treasury**

Whenever possible, the FTC uses the money it collects from defendants to provide refunds to injured consumers and pay the related administrative costs. When a refund program is not feasible or there is money left over after the refund program is complete, the FTC sends unused funds to the U.S. Treasury or to co-plaintiffs, as required by the court and applicable law.

The agency generally closes a refund program and sends the remaining money to the U.S. Treasury when there are insufficient funds available for another round of payments, or when affected consumers have received full refunds. On average, the money sent to the U.S. Treasury after a refund program is complete accounts for less than five percent of the total funds collected. In fact, over the last five years (2019-2023), the agency returned over \$2 billion to consumers, while sending less than \$36 million to the U.S. Treasury.

In 2023, the FTC closed refund programs for 21 different cases that together resulted in more than \$106 million returned to consumers.

## Cases Closed in 2023

Case Name	Total Fund	\$\$ Returned to consumers	Admin Costs	Left Over Funds	\$\$ Spent on Consumer Education Campaigns	Consumers Sent a Payment	Consumers Who Cashed At Least One Payment	Percent of Consumers Who Cashed a Payment
Allstar Marketing Group (Merchandise Direct)	\$7,500,000	\$6,764,939	\$504,126	\$230,935	\$0	218,254	147,181	67.4%
American Immigration Center (Forms Direct)	\$2,200,000	\$1,933,024	\$155,221	\$111,755	\$0	49,112	19,578	39.9%
American Student Loan Consolidators	\$1,198,387	\$896,187	\$202,210	\$99,990	\$0	41,048	20,767	50.6%
BASF and DIEM LABS	\$416,914	\$365,636	\$17,310	\$33,968	\$0	1,806	1,627	90.1%
Bob Robinson	\$1,291,360	\$961,469	\$188,797	\$141,095	\$0	87,256	46,070	52.8%
Bronx Honda	\$1,500,000	\$1,432,905	\$58,071	\$9,024	\$0	3,977	3,397	85.4%
Corporate Compliance Services	\$1,200,000	\$915,497	\$127,634	\$156,869	\$0	26,817	12,438	46.4%
Digital Altitude	\$4,726,536	\$4,625,620	\$98,258	\$2,659	\$0	10,249	7,629	74.4%
Fashion Nova	\$7,040,000	\$6,393,674	\$571,450	\$74,876	\$0	518,552	301,256	58.1%
FBA Stores	\$9,180,515	\$9,042,253	\$97,611	\$40,651	\$0	13,368	11,464	85.8%
Global Access Technical Support	\$863,588	\$731,404	\$104,188	\$27,996	\$0	12,140	6,892	56.8%
Health Research Laboratories	\$800,018	\$676,596	\$97,395	\$26,028	\$0	16,596	12,005	72.3%
J.K. Publications	\$23,488,449	\$21,618,706	\$1,670,468	\$199,274	\$0	460,844	344,611	74.8%
LeanSpa	\$6,586,231	\$4,155,776.68	\$916,920	\$169,004	\$1,344,530	25,389	24,391	96.1%
Lights of America	\$21,137,260	\$13,031,699	\$2,347,090	\$5,758,471	\$0	630,381	421,748	66.9%
One Technologies	\$21,899,999	\$19,604,610	\$1,496,746	\$99,381	\$699,262	145,838	143,047	98.1%
Position Gurus	\$1,588,708	\$1,527,663	\$49,670	\$11,375	\$0	\$3,053	2,575	84.3%
Quantum Wellness (ReJuvination)	\$660,000	\$536,751	\$105,075	\$18,174	\$0	12,001	11,202	93.3%
Sale Slash LLC	\$9,426,277	\$8,518,181	\$632,087	\$276,008	\$0	442,888	306,858	69.3%
Student Debt Relief Group	\$1,784,761	\$1,660,262	\$117,597	\$6,902	\$0	19,426	16,645	85.7%
World Patent Marketing	\$1,040,248	\$975,685	\$53,720	\$10,844	\$0	5,503	3,405	61.9%
<b>Totals</b>	<b>\$125,529,251</b>	<b>\$106,368,538</b>	<b>\$9,611,643</b>	<b>\$7,505,279</b>	<b>\$2,043,792</b>	<b>2,744,498</b>	<b>1,840,395</b>	<b>67.1%</b>

## Refund Programs Administered by FTC Defendants and Other Federal Agencies

In rare circumstances, refunds resulting from FTC enforcement actions are provided directly by defendants or by another federal agency. In many of these cases, to protect the interests of affected consumers, FTC staff provides consultation and support, including guidance about the proposed refund program and related communications to affected consumers. The Bureau of Consumer Protection's Enforcement Division engages in close oversight and monitoring of the program to ensure it complies with the order. For example, in 2023, 25,000 consumers who paid money to scammers using Western Union received payments totaling nearly \$40 million, as a result of a lawsuit brought by the FTC, the Justice Department, and the U.S. Postal Inspection Service. Previous distributions in this matter resulted in \$365 million returned to approximately 148,000 consumers, all of whom received full compensation for their losses.