



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

April 18, 2017

The Honorable Bill Nelson
Ranking Member
Committee on Commerce, Science, and Transportation
United States Senate
Washington D.C. 20510

Dear Senator Nelson:

Thank you for your March 29, 2017 letter asking the Federal Trade Commission what actions it has taken in response to recent reports of data breaches involving connected toys. We fully share your concern about the need to protect sensitive personal information collected from children. We appreciate your leadership in this area, and the attention your report *Children's Connected Toys: Data Security and Privacy Concerns*¹ has brought to this important topic.

The FTC is committed to using its enforcement tools to bring actions against companies that fail to maintain reasonable and appropriate security measures to protect children's personal information. The Commission has entered into approximately 60 data security settlements related to the failure of companies to protect consumers' personal information.² We have brought over 25 cases related to the failure of websites or other online services to obtain verifiable parental consent prior to collecting personal information from children.³ Most recently, the Commission settled an action with InMobi, a mobile advertising company, related to allegations that the company collected geolocation from mobile apps directed to children without first obtaining parental consent.⁴

While Commission rules prevent me from revealing whether the FTC has opened an investigation into any specific matter, I can assure you that the Commission vigorously enforces the Children's Online Privacy Protection Act ("COPPA"), including in the area of connected toys. The COPPA Rule applies not only to websites, but to other online services, including connected toys and associated mobile apps. Indeed, we have recently updated our guidance *The*

¹ Senate Committee on Commerce, Science, and Transportation, *Children's Connected Toys: Data Security and Privacy Concerns*, 114th Congress (Dec. 14, 2016).

² Commission Statement Marking the FTC's 50th Data Security Settlement, *available at* <https://www.ftc.gov/system/files/documents/cases/140131gmrstatement.pdf> (January 31, 2014).

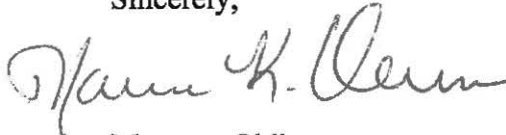
³ Listing of FTC Cases Related to Children's Privacy, *available at* https://www.ftc.gov/tips-advice/business-center/legal-resources?type=case&field_consumer_protection_topics_tid=246 (last visited April 3, 2017).

⁴ See *United States v. InMobi Pte Ltd.*, No. 3:16-v-3474 (N.D. Cal. 2016), *available at* <https://www.ftc.gov/system/files/documents/cases/160622inmobicmpt.pdf>.

*Children's Online Privacy Protection Rule: A Six-Step Compliance Plan for Your Business*⁵ to explicitly state that connected toys are covered by the COPPA Rule. Additionally, Commission staff engages in extensive industry outreach on COPPA compliance and connected toys.

We will, of course, keep you apprised of any future public developments in this area. If you have any additional questions or comments or wish to share additional information, please feel free to contact me or have your staff call Jeanne Bumpus, the Director of our Office of Congressional Relations, at (202) 326-2946.

Sincerely,

A handwritten signature in dark ink, appearing to read "Maureen K. Ohlhausen". The signature is fluid and cursive, with the first name "Maureen" being more prominent and the last name "Ohlhausen" following in a similar style.

Maureen Ohlhausen
Acting Chairman

⁵ *The Children's Online Privacy Protection Rule: A Six-Step Compliance Plan for Your Business*, available at <https://www.ftc.gov/system/files/documents/plain-language/BUS84-coppa-6-steps.pdf>.