UNITED STATES OF AMERICA
Federal Trade Commission
HEADQUARTERS (HQ)

Office of the Secretary

November 12, 2013

AssertID, Inc.
Keith Dennis, President
226 Julia Ave.
Mill Valley, CA 94941

Re: AssertID, Inc.'s Proposed Verifiable Parental Consent Method Application (FTC Matter No. P135415)

Dear Mr. Dennis:

This letter is to inform you that the Federal Trade Commission has reviewed AssertID, Inc.'s ("AssertID") application for approval of a proposed verifiable parental consent ("VPC") method under the Children's Online Privacy Protection Rule ("COPPA" or "the Rule").

The provision of COPPA allowing for Commission approval of unenumerated VPC methods provides a unique opportunity for the development of new verification methods that provide businesses more flexibility while ensuring parents are providing consent for their children. However, at this time, the Commission has determined that AssertID's proposed VPC method of social-graph verification does not meet the criteria for approval set forth by the Rule.

AssertID submitted a proposed VPC method for approval on July 1, 2013. The proposed VPC product, ConsentID, would ask a parent's "friends" on a social network to verify the identity of the parent and the existence of the parent-child relationship ("social-graph verification"). The Commission published the application in the Federal Register on August 21, 2013 and the public comment period closed on September 20, 2013.[1] The Commission received six comments regarding the application.[2]

COPPA requires an applicant for Commission approval of a parental consent method that is not currently enumerated under Section 312.5(b) to provide: 1) a detailed description of the proposed parental consent method and 2) an analysis of how the method is reasonably calculated, in light of available technology, to ensure that the person providing consent is the child's parent.[3] The Commission has determined that AssertID's analysis of how the method meets Section 312.5(b)(1) contained in its application and supplemental responses to the Commission does not satisfy these criteria.

[1] 78 Fed. Reg. 51677 (Aug. 21, 2013) *available at* http://ftc.gov/os/2013/08/130815assertidfrn.pdf.
[2] The comments are available at http://ftc.gov/os/comments/copparuleassertid/index.shtm.
[3] 16 C.F.R. §§ 312.12(a), 312.12.5(b).

Specifically, AssertID has failed to provide sufficient evidence that its proposed VPC method is "reasonably calculated, in light of available technology, to ensure that the person providing consent is the child's parent" as required by the Rule. Without relevant research or marketplace evidence demonstrating the efficacy of social-graph verification and that such a method is reasonably calculated to ensure the person providing consent is the child's parent, the Commission believes approval of such a VPC method under the Rule would be premature.[4] Although AssertID identified several articles that discuss the general topic of the influence of social networks on trust among their members, none appear to support a claim that AssertID's social-graph verification is an effective method of verification. In fact, most of the articles pre-date the public availability of the particular social network AssertID wishes to use in its service. Moreover, while AssertID's method is premised on verification by a minimum number of verifiers and requires that a minimum "trust score" be met, the cited studies do not establish that a particular "trust score" or a particular number of verifiers is adequate to verify an individual's identity.

Similarly, there is not adequate evidence demonstrating that the techniques which AssertID indicates it will use to improve social-graph verification's efficacy will work in the open marketplace. AssertID's limited beta testing of its product does not demonstrate that social-graph verification will work in a live environment or that the method is reasonably calculated to ensure the person providing consent is the child's parent. We are persuaded by commenters' concerns about the reliability of social-graph verification at this time. First, commenters note that users can easily fabricate Facebook profiles,[5] and in fact, Facebook's own 10-Q filing with the Securities and Exchange Commission indicates it has approximately 83 million fake accounts, which represents about 8.7% of its users.[6] Second, one comment highlights the fact that children under 13 have falsified their age information to establish social media accounts, including very active accounts with significant age-inflation that could appear to be credible.[7] In short, identity verification via social-graph is an emerging technology and further research, development, and implementation is necessary to demonstrate that it is sufficiently reliable to verify that individuals are parents authorized to consent to the collection of children's personal information.

In addition, the Commission notes that AssertID included in its application information about other aspects of its ConsentID service that it provides on behalf of operators to satisfy other Rule requirements, such as the requirement that operators provide direct notices. As these services are not integral to the proposed VPC method, the Commission does not opine as to whether these services satisfy the requirements of the Rule.

By direction of the Commission.

Donald S. Clark
Secretary

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[4] *See* Comments of Aristotle International, Inc. at 1-3; Center for Digital Democracy at 8-10; Phalen; Privacy Vaults Online d/b/a PRIVO at 2-4; and Veratad Technologies, LLC at 3-5.
[5] *See* Comment of PRIVO at 3-4; Veratad Technologies, LLC at 2.
[6] *See* http://www.businessinsider.com/there-are-83-million-facebook-accounts-2012-8.
[7] PRIVO at 3-4.