

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman  
Julie Brill  
Maureen K. Ohlhausen  
Terrell McSweeney

\_\_\_\_\_  
In the Matter of )  
)  
NAICS Association, LLC, ) DOCKET NO. C4548  
a limited liability company. )  
)  
\_\_\_\_\_)

COMPLAINT

The Federal Trade Commission, having reason to believe that NAICS Association, a limited liability company, has violated the Federal Trade Commission Act ("FTC Act"), and it appearing to the Commission that this proceeding is in the public interest, do hereby

1. Respondent NAICS Association LLC is a New Jersey limited liability company with its principal office or place of business at 129 Lake Shore Drive, Rockaway NJ 07866.
2. Respondent provides services to assist companies in working with or understanding NAICS ("North American Industry Classification System") and SIC ("Standard Industry Classification") system codes. NAICS and SIC codes are used by federal government defined in Section 4 of the FTC Act.
3. Respondent has set forth on its website, <http://www.naics.com/privacy/>, privacy policies and statements about its practices, including statements related to its participation in the Safe Harbor privacy framework agreed upon by the U.S. and the European Union ("U.S.-EU Safe Harbor Framework") and the U.S. and Switzerland ("U.S. Swiss Safe Harbor Framework").

## The Frameworks

5. The U.S. EU Safe Harbor Framework provides a method for U.S. companies to transfer personal data outside of Europe that is consistent with the requirements of the European Union Directive on Data Protection (“Directive”). Enacted in 1995, the Directive sets forth European Union (“EU”) requirements for privacy and the protection of personal data. Among other things, it requires EU Member States to implement legislation that prohibits the transfer of personal data outside the EU, with exceptions, unless the European Commission (“EC”) has made a determination that the recipient jurisdiction’s laws ensure the protection of such personal data. This determination is referred to commonly as meeting the EU’s “adequacy” standard.
6. To satisfy the EU adequacy standard for certain commercial transfers, the U.S. Department of Commerce (“Commerce”) and the EC negotiated the U.S. EU Safe Harbor Framework, which went into effect in 2000. The U.S. EU Safe Harbor Framework allows U.S. companies to transfer personal data lawfully from the EU. To join the U.S. EU Safe Harbor Framework, a company must self-certify to Commerce that it complies with seven principles and related requirements that have been deemed to meet the EU’s adequacy standard.
7. Companies under the jurisdiction of the U.S. Federal Trade Commission (“FTC”), as well as the U.S. Department of Transportation, are eligible to join the U.S. EU Safe Harbor Framework. A company under the FTC’s jurisdiction that claims it has self-certified to the Safe Harbor principles but failed to self-certify to Commerce, may be subject to an enforcement action based on the FTC’s deception authority under Section 5 of the FTC Act.
8. The U.S. Swiss Safe Harbor Framework is identical to the U.S. EU Safe Harbor Framework and is consistent with the requirements of the Swiss Federal Act on Data Protection.
9. Commerce maintains a public website, [www.export.gov/safeharbor](http://www.export.gov/safeharbor), where it posts the names of companies that have self-certified to the U.S. EU Safe Harbor Framework and the U.S.-Swiss Safe Harbor Framework (“Safe Harbor Framework”). The listing of companies indicates whether their self-certification is “current” or “not current” and a date when recertification is due. Companies are required to re-certify every year in order to retain their status as “current” members of the Safe Harbor Framework.

## Violations of Section 5 of the FTC Act

10. In February 2013, respondent submitted to Commerce a self-certification of compliance with the Safe Harbor Frameworks.
11. In February 2014, respondent did not renew its self-certification to the Safe Harbor Frameworks and Commerce subsequently updated respondent’s status to “not current” on its public website.

12. Since at least February 2010, respondent has disseminated or ~~could~~ be disseminated privacy policies and statements on the <http://www.naics.com/privacy/> website, including, but not limited to, the following statements:

NAICS Association, LLC comply [sic] with the requirements of the U.S.-EU Safe Harbor Framework and the U.S.-Swiss Safe Harbor Framework established by the U.S. Department of Commerce with respect to personally identifiable information (PII) within the scope of the NAICS Association's Safe Harbor certification that is transferred from the European Economic Area or Switzerland to the United States. The NAICS Association adheres to the Safe Harbor Privacy Principles of notice, choice, onward transfer, security, data integrity, access and ~~enforce~~ with respect to such PII. . . For further information about the Safe Harbor Program, see the U.S. Department of Commerce website at <http://www.export.gov/safeharbor/>

13. Through the means described in Paragraph 2, respondent ~~is~~ represents, expressly or by implication, that it ~~is~~ a "current" participant in the U.S.-EU Safe Harbor and U.S.-Swiss Safe Harbor Frameworks

14. In truth and in fact, from February 2014 through April 2015, respondent was ~~not~~ a "current" participant in the U.S.-EU Safe Harbor and U.S.-Swiss Safe Harbor Frameworks. Therefore, the representations set forth in Paragraph 13 were ~~not~~ false and misleading.

15. The acts and practices of respondent as alleged in this complaint constitute deceptive acts or practices, in or affecting commerce, in violation of Section 5(a) of the Federal Trade Commission Act.

**THEREFORE**, the Federal Trade Commission this twenty ~~ninth~~ day of September 2015, has issued this complaint against respondent

By the Commission.

Donald S. Clark  
Secretary

SEAL: