

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

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

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In the Matter of

DOCKET NO. C-4575

HENRY SCHEIN  
PRACTICE SOLUTIONS, INC. ,  
a corporation.

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DECISION AND ORDER

The Federal Trade Commission (“Commission” or “FTC”), having initiated an investigation of certain acts and practices of the Respondent named in the caption hereof, and the Respondent having been furnished thereafter with a copy of a draft of complaint that the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondent with violations of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45 et seq.

The Respondent, its attorney, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order (“Consent Agreement”), which includes: a statement by Respondent that it neither admits nor denies any of the allegations in the draft complaint, except as specifically stated in the Consent Agreement, and, only for purposes of this action, admits the facts necessary to establish jurisdiction; and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the Respondent has violated the FTC Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed Consent Agreement and placed such agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, and having duly considered the comment filed by interested persons, now in further conformity with the procedure prescribed in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its Complaint, makes the following jurisdictional findings, and enters the following Order:

- 1.



5. "Personal Information" shall mean individually identifiable information from or about an individual consumer including, but not limited to: (a) a first and last name; (b) a home or other physical address including street name; (c) online contact information, such as an email address, instant messaging user identifier or screename; (d) a telephone number; (e) Social Security number; (f) a driver's license number or other government issued identification number; (g) a bank account, debit card, or credit card account number; (h) a photograph; and (i) medical information about a consumer including, but not limited to, prescription information, clinical laboratory testing information, health insurance information, physician examination, and medical history.

6. "Respondent" shall mean Henry Schein Practice Solutions, Inc. and its successors and assigns.

I.

IT IS ORDERED that Respondent, directly or through any corporation, subsidiary, division, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any product or service designed to collect or store Personal Information, in or affecting commerce, shall not misrepresent, in any matter possibly of any implication

- A. whether or to what extent the product or service offers industry standard encryption;
- B. the ability of the product or service to help customers meet regulatory obligations related to privacy or security;
- C. the extent to which a product or service maintains privacy, security, confidentiality, and integrity of Personal Information.

II.

IT IS FURTHER ORDERED that Respondent must notify Affected Customers clearly and conspicuously that Dentrix G5 uses a less complex encryption algorithm to protect patient data than Advanced Encryption Standard ("AES"), which is recommended as an industry standard by the National Institute of Standards and Technology ("NIST"). Notification must include the following:

- A. Respondent must identify all Affected Customers who purchased Dentrix G5 prior to January 2014 ("eligible customers").
  - 1. Such eligible customers, and their contact information, must be identified to the extent such information is in Respondent's possession, custody, or control.

2. Eligible customers include those identified at any time through the eligibility period, which runs for one (1) year after the date of service of this order.
- B. Respondent must notify all identified eligible customers by mailing each a notice:
1. The letter must be in the form shown in Attachment A.
  2. The envelope containing the letter must be in the form shown in Attachment B.
  3. The mailing of the notification letter must not include any other enclosures.
  4. The mailing must be sent by first class mail, postage prepaid, address correction service requested with forwarding and return postage guaranteed. For any mailings returned as undeliverable, Respondent must use standard search methodologies such as checking Respondent's records and the Postal Service's National Change of Address database and re-mailing to the corrected address within eight days.
- C. Respondent must notify all eligible customers within sixty (60) days after service of this order and any eligible customers identified thereafter within thirty (30) days of their identification
- D. Respondent must establish toll-free telephone number and an email address dedicated to responding to inquiries about the order and must respond promptly and accurately to such inquiries.
- E. Respondent must submit reports

III.

IT IS FURTHER ORDERED that:

- A. Respondent must pay to the Commission \$250,000, which Respondent stipulates its undersigned counsel holds in escrow for no purpose other than payment to the Commission.
- B. Such payment must be made within eight (8) days of the effective date of this order by electronic fund transfer in accordance with instructions provided by a representative of the Commission.

IV.

IT IS FURTHER ORDERED that:

- A. All money paid to the Commission pursuant to this order may be deposited into a fund administered by the Commission or its designee to be used for relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to Affected Customers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any remaining money for such other relief (including consumer information remedies) as it determines to be reasonably related to Respondent's practices alleged in the complaint. Any money not used is to be deposited to the U.S. Treasury. Respondent may, upon request, be notified whether the money has been deposited to the U.S. Treasury. Respondent has no right to challenge any activities pursuant to this provision. No portion of any payment under this Part shall be deemed a payment of any fine, penalty, or punitive assessment.
- B. In the event of default on any obligation to make payment under this order, interest, computed as if pursuant to 28 U.S.C. § 1961(a), shall accrue from the date of default to the date of payment. In the event such default continues for ten (10) days beyond the date that payment is due, the entire amount will immediately become due and payable.
- C. Each day of nonpayment is a violation through continuing failure to obey or neglect to obey a final order of the Commission and thus will be deemed a separate offense and violation for which a civil penalty shall accrue.
- D. Respondent acknowledges that its Taxpayer Identification Number, which Respondent has previously provided to the Commission, may be used for collection and reporting on any delinquent amount arising



Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.  
The subject line must be: In re Henry Schein Practice Solutions, Inc..

IX.

IT IS FURTHER ORDERED that Respondent, within sixty (60) days after the date of service of this order, shall file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form of its compliance with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, Respondent shall submit additional true and accurate written reports.