

Analysis of Proposed Consent Order to Aid Public Comment  
In the Matter of Decusoft, LLC, File No. 1723173

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, a consent agreement applicable to Decusoft, LLC (Decusoft).

The proposed consent order has been placed on the public record for thirty (30) days receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement's proposed order.

This matter concerns alleged false or misleading representations that Decusoft made to consumers concerning its participation in the Privacy Shield framework agreed upon by the U.S. and the European Union (“EU”) and the U.S. and Switzerland (collectively, Privacy Shield frameworks”). The Privacy Shield frameworks allow U.S. companies to transfer data outside the EU and Switzerland consistent with EU and Swiss law. To join the Privacy Shield framework, a company must self-certify to the U.S. Department of Commerce (“Commerce”) that it complies with a set of principles and related requirements that have been deemed by the European Commission and Switzerland as providing “adequate” privacy protection. These principles self-certify every year. Companies are their members of the Privacy Shield frameworks.

Decusoft develops software for use in human resources applications. According to the Commission's complaint, Decusoft has set forth on its website [www.decusoft.com/privacy-policy](http://www.decusoft.com/privacy-policy), privacy policies and statements about its practices, including statements related to its participation in the EU-U.S. and the Swiss-U.S. Privacy Shield frameworks.

The Commission's complaint alleges that Decusoft falsely represented that it was certified to participate in the Privacy Shield frameworks when, in fact, Decusoft never completed the necessary steps to finalize its application and thus, was not certified to participate in either the EU-U.S. Privacy Shield framework or the Swiss-U.S. Privacy Shield framework.

Part I of the proposed order prohibits Decusoft from making misrepresentations about its membership in any privacy or security program sponsored by the government or any other self-regulatory or standard-setting organization, including, but not limited to, the U.S. Privacy Shield framework and the Swiss-U.S. Safe Privacy Shield framework.

Parts II through VI of the proposed order are reporting and compliance provisions. Part II requires acknowledgement of the order and dissemination of the order now and in the future to persons with responsibilities relating to the subject matter of the order. Part III ensures notification to the FTC of changes in corporate status and mandates that Decusoft submit an initial compliance report to the FTC. Part IV requires Decusoft to retain documents relating to its compliance with the order for a five-year period.

Part V mandates that Microsoft make available to the FTC information or subsequent compliance reports, as requested. Part VI is a provision "sunsetting" the order after twenty (20) years, with certain exceptions.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of the proposed complaint or order or to modify the order's terms in any way.