

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Joseph J. Simons, Chairman
Noah Joshua Phillips
Rohit Chopra
Rebecca Kelly Slaughter
Christine S. Wilson

In the Matter of)
)
ReadyTech Corporation,) DOCKET NO. C-4659
a corporation.)
)
_____)

COMPLAINT

The Federal Trade Commission (“FTC”), having reason to believe that ReadyTech Corporation, a corporation, has violated the Federal Trade Commission Act (“FTC Act”).

- 3. The acts and practices of Respondent as alleged in this complaint have been in commerce, as “commerce” is defined in Section 4 of the FTC Act.
- 4. Respondent has set forth on its website, <https://www.readytech.com/policies/privacy-policy/>, privacy policies and statements about its practices, including statements related to its participation in the EU-U.S. Privacy Shield framework agreed upon by the U.S. government and the European Commission.

Privacy Shield

- 5. The EU-U.S. Privacy Shield framework (“Privacy Shield”) was designed by the U.S. Department of Commerce (“Commerce”) and the European Commission to provide a mechanism for U.S. companies to transfer personal data outside of the EU that is consistent with the requirements of the European Union Directive on Data Protection. Enacted in 1995, the Directive sets forth 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 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, Commerce and the European Commission negotiated the EU-U.S. Privacy Shield framework, which went into effect in July 2016. The EU-U.S. Privacy Shield framework allows companies to transfer personal data lawfully from the EU to the United States. To join the EU-U.S. Privacy Shield framework, a company must self-certify to Commerce that it complies with the Privacy Shield Principles and related requirements that have been deemed to meet the EU's adequacy standard.
7. Companies under the jurisdiction of the FTC, as well as the U.S. Department of Transportation, are eligible to join the EU-U.S. Privacy Shield framework. A company under the FTC's jurisdiction that claims it has self-certified to the Privacy Shield 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. Commerce maintains a public website, <https://www.privacyshield.gov/welcome>, where it posts the names of companies that have self-certified to the EU-U.S. Privacy Shield framework. The listing of companies, <https://www.privacyshield.gov/list>, indicates whether the company's self-certification is current.
9. Respondent has disseminated or caused to be disseminated privacy policies and statements on the <https://www.readytech.com/policies/privacy-policy/> website, including, but not limited to, the following statements:

Privacy Shield

ReadyTech is in the process of certifying that we comply with the U.S. – E.U. Privacy Shield framework as set forth by the U.S. Department of Commerce regarding the collection, use, and retention of personal data from European Union member countries. To learn more about the Privacy Shield program, and to view ReadyTech's certification, please visit <https://www.privacyshield.gov/welcome>.

In compliance with the US-EU Privacy Shield, ReadyTech commits to resolve complaints about your privacy and our collection or use of your Personal Information. European Union citizens with inquiries or complaints regarding this privacy policy should first contact ReadyTech at [get-info @ readytech.com](mailto:get-info@readytech.com).

ReadyTech has further committed to refer unresolved privacy complaints under the US-EU Privacy Shield to an independent dispute resolution mechanism, JAMS. If you do not receive timely acknowledgment of your complaint, or if your complaint is not satisfactorily addressed by ReadyTech, please visit the JAMS web site at <https://www.jamsadr.com/about/submit-a-case> for more information and to file a complaint.

10. Although Respondent initiated an application to Commerce