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

Aleksandr Kogan,
an individual, and   **DOCKET NO.**

Alexander Nix, Individually and as Chief
Executive Officer of Cambridge Analytica,
LLC.

COMPLAINT

The Federal Trade Commission, having reason to believe that Aleksandr Kogan, an individual,

NATURE OF THE CASE

1.   This action seeks to hold Respondents responsible for their deceptive acts and practices to harvest personal information from Facebook users for political and commercial targeted advertising purposes. Respondents, along with Cambridge Analytica, LLC, jointly and severally, developed, operated, analyzed, and used data obtained through an application on the Facebook platform called the "GSRApp," also sometimes referred to publicly as the "thisisyourdigitallife" app. Using the Graph application programming interface ("Graph API") Facebook made available to developers on its platform, the GSRApp harvested Facebook user profile data from approximately 250,000–270,000 Facebook users who directly interacted with the app, as well as 50–65 million of the "friends" in those users' social networks. Cambridge Analytica, LLC, Alexander Nix, and Aleksandr Kogan obtained the app users' consent to collect their Facebook profile data through false and

deceptive means. Specifically, they falsely represented that the GSRApp did not collect any identifiable information from Facebook users who authorized it.

RESPONDENTS

2.   Respondent Aleksandr Kogan ("Kogan") is an American citizen currently residing in New York. Until September 2018, Kogan was a Senior Research Associate and Lecturer at the Department of Psychology at the University of Cambridge in the United Kingdom, where he established and led the Cambridge Prosociality and Well-Being Lab ("CPW Lab"). Kogan was also an owner and co-founder of the now-defunct U.K. corporation, Global Science Research, Ltd. ("GSR"). Kogan has been known at times by the married name, Aleksandr Spectre.

3.

JURISDICTION

7. The acts or practices of Respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, and constitute "deceptive acts or practices involving foreign commerce" as set forth in Section 5 of the FTC Act.

RESPONDENTS' BUSINESS PRACTICES

A.   Agreement to Harvest Facebook User Profile Data for Commercial Purposes

8. In late 2013 or early 2014, Nix, SCL Elections, and Cambridge Analytica became aware of research by individuals at the Psychometrics Centre within the University of Cambridge that found that Facebook profile information could be used to successfully predict an individual's personality traits according to the "OCEAN" scale, a psychometric model that measures an individual's openness to experiences, conscientiousness, extraversion, agreeableness, and neuroticism.

9. Specifically, researchers developed an algorithm that could predict an individual's personality based on the individual's "likes" of public Facebook pages. For example, liking Facebook pages related to How to Lose a Guy in 10 Days, George W. Bush, and rap and hip-hop could be linked with a conservative and conventional personality. The researchers argued that their algorithm, which was more accurate for individuals who had more public Facebook page "likes," could potentially predict an individual's personality better than the person's co-workers, friends, family, and even spouse.

10. Nix, SCL Elections, and Cambridge Analytica were interested in this research because Cambridge Analytica intended to

Facebook allowed this data collection even though the "friends" did not have any direct interaction with the app or website ("Affected Friends"). While Facebook had announced in April 2014 that it was introducing a new version of the Graph API—v.2—that would no longer allow developers to collect profile data from Affected Friends, only from the App Users themselves, existing apps had one year before these limitations went into effect, whereas new apps would automatically be limited. Kogan's app was, thus, "grandfathered" into the more permissive data collection allowable under Graph API (v.1), making Kogan an appealing partner for Nix, Cambridge Analytica, and SCL Elections.

14.   On May 29, 2014, Kogan incorporated GSR to carry out the Project, separate and apart from his duties at the University of Cambridge. Kogan was the Chief Executive Officer of GSR at all relevant times, and worked on all aspects of GSR's products and services before it was dissolved in October 2017.

15.   On June 4, 2014, GSR and SCL Elections entered into a GS Data and Technology Subscription Agreement (the "June 2014 Agreement"). Nix signed this agreement for SCL Elections. Under this agreement, GSR agreed to harvest Facebook profile data from App Users and Affected Friends in 11 U.S. states, generate personality scores for these individuals, and then match these profiles to U.S. voter records provided to GSR by SCL Elections. GSR would then send these matched records along with the associated personality scores back to SCL Elections. GSR retained the

specifically target Facebook users located in the United States to take the GSRApp surveys;

c.   SCL Elections and Cambridge Analytica inserted specific questions to be included in some of the surveys, including a number of questions about national security in the United States because this was a particular topic of interest for one of Cambridge Analytica's U.S.-based clients;

d.   SCL Elections and Cambridge Analytica directly communicated with the U.S.-based survey panel provider about the timing and focus of the GSRApp surveys; and

e.   SCL Elections and Cambridge Analytica actively assisted in the matching of data harvested from App Users and Affected Friends located in the U.S. and Kogan's personality scores with U.S. voter registration records.

18.   Nix was personally involved in the data harvesting Project. In addition to signing the June

18.

22.   The initial trial was a success and showed that the Facebook profile data could be matched with U.S. voter records. Based on this success, Responde

29.   In April 2015, GSR and SCL Elections entered into an addendum to the January 2015 Agreement ("Addendum"), pursuant to which GSR provided SCL Elections and Cambridge Analytica with the underlying Facebook data used to "train" the algorithm that generated the OCEAN personality scores. GSR also provided SCL Elections and Cambridge Analytica with additional information about whether the App Users and Affected Friends included in the second set of data provided pursuant to the January 2015 Agreement had "likes" for about 500 specific pages identified by SCL Elections and Cambridge Analytica.

30.   Nix, SCL Elections, and Cambridge Analytica reported to Kogan that they had very positive feedback from their clients and had expressed an interest in continuing to work with Kogan and GSR on other similar projects. While Kogan and GSR were interested in working on follow-up projects, the parties could not reach an agreement and discontinued their work together after GSR transferred the data agreed to in the Addendum in May 2015.

31.   In December 2015, several news reports were published regarding Cambridge Analytica's use of Facebook data. Following these reports, Facebook demanded that Kogan, Cambridge Analytica, and its SCL affiliates delete all Facebook data in their possession. While Kogan and SCL Elections certified to Facebook that they had deleted the data obtained through the GSRApp, individuals or other entities still possess this data and/or data models based on this data.

VIOLATION OF THE FTC ACT

Deceptive Claim Concerning the Collection of
Personal Identifiable Information

32.   Through the means described in Paragraph 24, Respondents represented, directly or indirectly, expressly or by implication, that the GSRApp did not collect any identifiable information from Facebook users who authorized the app.

33.   In fact, as described in Paragraphs 25-26, the GSRApp collected identifiable information from Facebook users who authorized the App, including the Facebook User ID of those users who used it. Therefore, the representati

THEREFORE, the Federal Trade Commission, this _____ day of _____, 2019, has issued this Complaint against the Respondents.

By the Commission.

April J. Tabor
Acting Secretary

SEAL: