

Statement of the Federal Trade Commission
FTC v. LifeLock
December 17, 2015

The Commission has agreed to a \$100 million settlement with LifeLock, Inc. resolving allegations that LifeLock’s advertising and data security practices violated a 2010 court order prohibiting it from misrepresenting its identity theft protection services and requiring it to establish and maintain a comprehensive information security program.¹ Our settlement, which provides for substantial consumer redress, is an important step in ensuring that LifeLock complies with its continuing obligations to engage in truthful advertising and protect the security of its customers’ information.

The Commission initiated a contempt proceeding on July 21, 2015 following an extensive investigation.² We determined there was reason to believe that LifeLock had violated the Commission’s 2010 order by, among other things: (1) failing to maintain reasonable security measures to protect its users’ sensitive personal data, including credit card, social security, and bank account numbers; (2) falsely advertising that it protected consumers’ sensitive data with the same high-level safeguards as financial institutions; and (3) falsely claiming it protected consumers’ identity “24/7/365” by providing alerts “as soon as” it received any indication of a problem. Our charges go to the core of LifeLock’s identity theft protection services and its promises to protect its customers’ data.

We believe the settlement in this case will provide important protection to consumers, both by providing \$100 million of redress to affected consumers and maintaining strong injunctive provisions that require annual assessments and monitoring and prohibit LifeLock from misrepresenting the level of security provided to its customers.

Commissioner Ohlhausen disapproves of the settlement, expressing her view that the Commission lacked sufficient evidence to meet the “clear and convincing” standard in contempt proceedings. In particular, she cites LifeLock’s representations in its annual financial disclosures that it purportedly complied with the Payment Card Industry Data Security Standard (“PCI DSS”) and the alleged lack of evidence that LifeLock suffered a breach affecting subscriber information. We respectfully disagree with Commissioner Ohlhausen.

As with all of our enforcement actions, we carefully considered all of the evidence produced during the course of staff’s careful and thorough investigation and made a decision to proceed with a contempt motion only after concluding that d ur2 10(a)4(d a)4(m)-2l(t)-2(e) 4(r)-7(e)a(e)4(s)-2 must maintain adequate safeguards to protect sensitive consumer information like that at issue here. Certifications alone will not suffice to meet those obligations, if we find evidence of security failures that put consumer information at risk. The injunctive relief we obtained in the *Wyndham* case, cited by Commissioner Ohlhausen, itself corroborates our longstanding view that

¹ This statement reflects the views of Chairwoman Ramirez, Commissioner Brill, and Commissioner McSweeney.

² The contempt motion was lodged under seal in keeping with Commission rules and practice to protect

PCI DSS certification is insufficient in and of itself to establish the existence of reasonable security protections. The *Wyndham* order calls for a number of additional significant protections, including the implementation of risk assessments, certification of untrusted networks, and certification of the assessor's independence and freedom from conflicts of interest.³ In short, the existe