

### County of Fairfax, Virginia

### MEMORANDUM

**DATE:** January 16, 2024

**TO:** Consumer Protection Commission

FROM: Rebecca L. Makely, Director

Department of Cable and Consumer Services

**SUBJECT:** Consumer Protection Commission Meeting for January 23, 2024

Please find attached the Consumer Protection Commission meeting packet. The next scheduled meeting is **Tuesday**, **January 23**, **2024**, **at 7:30 p.m. in Conference Room 8** of the Government Center, 12000 Government Center Parkway, Fairfax, Virginia.

If you have not already done so, please RSVP with your attendance to Susan Jones by **COB on Monday, January 22, 2024**, at <a href="mailto:Susan.Jones@fairfaxcounty.gov">Susan.Jones@fairfaxcounty.gov</a> or 703-324-5877.

### **Enclosures**

cc: Ellicia Seard-McCormick, Deputy County Executive

Susan C. Jones, Consumer Specialist III
Department of Cable and Consumer Services



### FAIRFAX COUNTY CONSUMER PROTECTION COMMISSION January 23, 2024 AGENDA

Call to Order by the Chairperson (7:30 PM)

### **Remote Participation Motions**

### Minutes

• Approval of the draft November 28, 2023, meeting minutes

### Report of the Director

### **Old Business**

### New Business

- Elections of Officers
- 2024 Items of Interest
- Committees' Resolution

### **Commissioner Matters**

### Report of the Chairperson

### **General Interest**

- Consumer Protection Commission Calendar
- Consumer Protection Commission Membership
- Consumer Affairs Statistics
- Community Outreach
- Consumer Resources

### Minutes of the Fairfax County Consumer Protection Commission

November 28, 2023 7:30 PM

Government Center

12000 Government Center Parkway

Fairfax, VA 22035

Chairperson Kratovil, presiding

Attendance: Commissioners: Belkowitz, Gasimov,

Gulakowski, Kratovil, Rosier, Roark, Springer

Absent: Commissioner: Freedenthal, Hargraves, Kirk,

Kharat, Svab

Staff: Rebecca L. Makely, Director

Cable and Consumer Services

Susan C. Jones, Consumer Specialist III

Consumer Affairs Branch

Carl Newcomb, Consumer Specialist III Regulation and Licensing Branch

The meeting was called to order at 7:34 PM by Chairperson Kratovil.

### **Minutes**

Commissioner Springer moved to accept the October 17, 2023, minutes. Commissioner Gulakowski seconded the motion. The minutes for the October 17, 2023, meeting were adopted unanimously, 7-0-0.

### **Report of the Chairperson**

Chairperson Kratovil had no matters to bring before the Commission.

### **Commissioner Matters**

Commissioner Gasimov had no matters to bring before the Commission.

Commissioner Gulakowski complimented staff and Commissioner Rosier for their efforts to recognize former Chairperson John Fee at the November 21, 2023, Board of Supervisors meeting.

Commissioner Roark had no matters to bring before the Commission.

Commissioner Rosier mentioned her disappointment that some of the Commissioners failed to provide a headshot for the FY 2023 CPC Annual Report.

Commissioner Belkowitz had no matters to bring before the Commission.

Commissioner Springer had no matter to bring before the Commission.

Chairperson Kratovil spoke briefly about credit repair, ways to make legitimate repairs, and illegal ways that companies use to add extra fees. Chairperson Kratovil stated this might be a topic for the Financial Scams and Fraud Committee to consider.

### Report of the Director

Director Makely spoke about recent County elections. Supervisors Gross and Foust decided not to seek reelection. New Board Members Andres Jimenez, Mason District and James "Jimmy" Bierman, Dranesville District were elected. Director Makely stated the Inauguration Ceremony will take place on December 13, 2023. There will be a reception at 5:00 p.m. with the ceremony at 6:00 p.m. at the Fairfax County Government Center Forum. The new Board Members will begin their term on January 1, 2024.

Director Makely stated that Bryan Hill, County Executive, initiated a Board of Supervisors Onboarding for two days to provide a "snapshot" of each department to the new Board Members.

Director Makely informed the Commission that December 5, 2023, is the last Board Meeting of 2023. On December 12, 2023, at the Board Meeting, Channel 16 will be present retirement videos produced for Supervisors Gross and Foust.

Commissioner Rosier asked about security at the Government Center. She came to a meeting at the building and Congressman Connolly was also having a meeting. Commissioner Rosier stated one of the members said there was vehicle rolling in the parking lot outside and felt unsafe. The group left the building. Director Makely stated it is a public building, which means it is open to the public from 7:00 a.m. to 10:00 p.m. Director Makely stated vehicle protests have occurred and if the vehicle maintains a driving pattern in our public parking area, it does not rise to the level that the person would have to make a reservation.

Director Makely stated she met with Deputy County Executive for Safety and Security, Tom Arnold, on Chapter 28.1. He received information from Fairfax County Police Detectives regarding illicit massage practices in Fairfax County. Deputy County Executive Arnold acknowledged the list was deficient. Another meeting has been scheduled for December 4, 2023, and it will be determined whether the Commission can move forward with Chapter 28.1.

### **Old Business**

There was no old business before the Commission.

### **New Business**

1. Charge Up Fairfax Pilot Program. Gina Weil, Climate Mitigation Specialist, Office of Environmental and Energy Coordination, spoke on Fairfax County's GHG Emissions Inventory in 2020, switching to an electric vehicle (EV), the fundamental of charging, EV charging in HOAs, program overview, HOA exploration, Fairfax County's engagement, HOA implementation, reimbursement grant program, equity considerations, timeline, and how to apply.

A discussion ensued on level 2 charging, multifamily communities' interest, location of possible charging stations, payment of the service, personal charging stations, grant money available, County's ability to accommodate all applications, and common amenities allowance for outside use to generate revenue.

2. 2023 Taxicab Biennial Determination Report. Directly Makely presented the staff overview of the 2023 Taxicab Biennial Determination Report which included operator and taxicab certificates required; establishment of public convenience and necessity; taxicab certificates; taxicab demand formula criteria; taxicab demand formula analysis; taxicab company data for total trips, total passengers; and total revenue; and staff recommendation.

A discussion ensued on taxicab demand formula and using the calculation of the average number of trips per certificate. Director Makley responded that the taxicab demand formula results in a recommended fleet size of 378 certificates. However, at this time the taxicab industry has chosen not requested use of all available certificates.

Commissioner Gulakowski moved to accept the staff's recommendation. Commissioner Gasimov seconded the motion. The motion passed unanimously, 7-0-0.

**3. Nomination of Officers.** Chairperson Kratovil let the Commission know that a slate of candidates were needed for elections to be held in January 2024.

The following slate was established: Chairperson – Jason Kratovil Vice-Chairperson – Denis Gulakowski Secretary – Jaqueline Rosier

Chairperson Kratovil moved to accept the slate of candidates. Commissioner Springer seconded the motion. The motion passed, 6-0-1, with Commissioner Belkowitz abstaining.

Chairperson Kratovil stated without objection he will appoint Commissioner Springer as a Special Designee of Officer Selection.

Chairperson Kratovil let the Commission know that the next meeting is on December 19, 2023, and will reach out to see who is available to attend. He will follow up with staff.

Chairperson Kratovil made the motion to adjourn the meeting. Commissioner Gulakowski seconded the motion. The meeting adjourned at 9:28 PM.

### Resolution

At a regular meeting of the Fairfax County Consumer Protection Commission ("Commission"), held in Room 232 of the Government Center at Fairfax, Virginia, on Tuesday, January 16, 2024, at which a quorum was present and voting, the following resolution was adopted:

WHEREAS, the Commission was established by the Fairfax County Board of Supervisors ("Board") and charged with the powers and duties set forth in Fairfax County Code Section 10-3-2; and;

WHEREAS, the Chairperson of the Commission may appoint standing committees and a Chairperson for each with the consent of the majority of the Commission members present and voting pursuant to Article VIII of the Commission's bylaws;

WHEREAS, pursuant to a resolution passed on October 17, 2023, the Commission established two Committees -- the Community Engagement Committee and the Financial Scams and Fraud Committee – and directed that at the first Commission meeting of each calendar year, the Commission may appoint at least four members of the Commission to each committee, of which the Commission shall designate one to serve as the Committee Chairperson, with the consent of a majority of the Commission; now therefore be it

### **RESOLVED** that:

- 1. The following Commissioners are hereby appointed to serve on the Community Engagement Committee:
  - Josef Gasimov Chairperson
  - Howard Belkowitz
  - Denis Gulakowski
  - Pratik Kharat
  - Jason Kratovil
  - Jacqueline Rosier

2.	The following Commissioners are hereby appointed to serve on the Financial Scams				
	and Fraud Committee:				
	•	Maurice Springer – Chairperson			
	•	Josef Gasimov			
	•	Pratik Kharat			
	•	Dennis Kirk			
	•	Jason Kratovil			
	•	Paul Svab			
		A Copy	Teste:		
			Kratovil, Chairperson		
		Fairfax	County Consumer Protection Commission		

### **CPC Calendar**

### **Consumer Protection Commission**

2024 Planning Calendar January 23, 2024

January 23	<ul> <li>Election of Officers</li> <li>2024 Items of Interest</li> <li>Committees' Resolution</li> </ul>
February 20	<ul> <li>Authorization to Advertise a Public Hearing to be held on Tuesday, February 20, 2024, 7:30 p.m. on Proposed Amendments to Fairfax County Code Section 84.1-6-3, Rates, fares, and charges established</li> </ul>
March 19	<ul> <li>Public Hearing on Proposed Amendments to Fairfax County Code Section 84.1-6-3, Rates, fares, and charges established.</li> </ul>
April 16	•
May 21	•
June 18	•
July 16	•
August 20	•
September 17	•
October 15	•
November 19	•
December 17	•

### **CPC Membership**

### **Commissioners**

Fairfax County Resident #1

Jacqueline Rosier (Secretary)

Annt Emires 7/21/2025

*Appt. Expires 7/31/2025* 

Fairfax County Resident #2 **Michael J. Roark** *Appt. Expires* 7/31/2026

Fairfax County Resident #3 **Jason J. Kratovil (Chairperson)** *Appt. Expires* 7/31/2024

Fairfax County Resident #4 **Dennis D. Kirk** *Appt. Expires 7/31/2025* 

Fairfax County Resident #5 **Dirck A. Hargraves** *Appt. Expires* 7/31/2023

Fairfax County Resident #6
Vacant

Fairfax County Resident #7 **Pratik J. Kharat**Appt. Expires 7/31/2024

Fairfax County Resident #8 **Harold G. Belkowitz** *Appt. Expires* 7/31/2024

Fairfax County Resident #9 Chester J. Freedenthal Appt. Expires 7/31/2024

Fairfax County Resident #10 **Josef Gasimov** *Appt. Expires* 7/31/2024

Fairfax County Resident #11 **Paul Svab** *Appt. Expires 7/31/2024* 

Fairfax County Resident #12 **Denis Gulakowski (Vice-Chairperson)**Appt. Expires 7/31/2024

Fairfax County Resident #13

Maurice B. Springer

Appt. Expires 7/31/2024

### **Staff**

Rebecca L. Makely, Director Department of Cable and Consumer Services 703-324-5947 Rebecca.Makely@fairfaxcounty.gov

Susan C. Jones, Consumer Specialist III Consumer Affairs Branch 703-324-5877 Susan.Jones@fairfaxcounty.gov

Main Number 703-222-8435, TTY 711 Fax Number 703-653-1310 consumer@fairfaxcounty.gov

# **Consumer Affairs Statistics**



### Department of Cable and Consumer Services Consumer Affairs Branch Monthly Summary Statistics

### 12/1/2023 Through 12/31/2023

	Curr Mo		Fiscal Da	YR to ite
Cases Received	58		391	
Cases Closed	59		371	
Resolved	33	56%	248	67%
Unresolved	3	5%	28	8%
Referred	6	10%	25	7%
Legal	0	0%	4	1%
Other	17	29%	66	17%
Advice Inquiries Closed	311		2171	
<b>Amount Reclaimed</b> \$11,395.46 \$308,67		675.68		

### **Top Complaint Types**

Tenant-Landlord	48%	
Housing Services	11%	
Automotive	11%	
Retail Stores	9%	
Rental Companies	6%	
Others	15%	

## Community Outreach

### Outreach Event Calendar January 2024

DATE	EVENT	LOCATION	# of Guests	Event Time	Staff
1/3/2024	Consumer Knowledge	Falls Church High School 7521 Jaguar Trail Fall Church, VA		8:00 a.m 4:00 p.m.	MDP CH
1/4/2024	Consumer Knowledge	Falls Church High School 7521 Jaguar Trail Fall Church, VA		8:00 a.m 4:00 p.m.	MDP CH
1/8/2024	Consumer Knowledge	Hayfield Secondary School 7630 Telegraph Road Alexandria, VA		8:00 a.m 4:00 p.m.	MDP CH
1/9/2024	Consumer Knowledge	Hayfield Secondary School 7630 Telegraph Road Alexandria, VA		8:00 a.m 4:00 p.m.	MDP CH SW
1/10/2024	Consumer Knowledge	West Potomac High School 6500 Quander Road Alexandria, VA		8:00 a.m 4:00 p.m.	MDP CH
1/11/2024	Consumer Knowledge	West Potomac High School 6500 Quander Road Alexandria, VA		8:00 a.m 4:00 p.m.	MDP CH SW
1/17/2024	Consumer Knowledge	Edison High School 5801 Franconia Road Alexandria, VA		8:00 a.m 4:00 p.m.	MDP SW
1/18/2024	Consumer Knowledge	Edison High School 5801 Franconia Road Alexandria, VA		8:00 a.m 4:00 p.m.	MPD CH
1/18/2024	Scam Presentation	Sulgrave Manor Civic Association Virtual		7:00 p.m 8:00 p.m.	PNB
1/22/2024	Consumer Knowledge	Herndon High School 700 Bennett Street Herndon, VA		8:00 a.m 4:00 p.m.	MDP CH
1/23/2024	Consumer Knowledge	Herndon High School 700 Bennett Street Herndon, VA		8:00 a.m 4:00 p.m.	MDP
1/23/2024	Consumer Knowledge	Annandale High School 4700 Medford Drive Annandle, VA		8:00 a.m 4:00 p.m.	CH SW
1/24/2024	Consumer Knowledge	Annandale High School 4700 Medford Drive Annandle, VA		8:00 a.m 4:00 p.m.	MDP CH
1/24/2024	Consumer Connection	Fairfax County Consumer Affairs Facebook		11:00 a.m 11:13 a.m.	SCJ

## Consumer Resources

### **Resource Items**

### Fairfax County Department of Cable and Consumer Services

https://www.fairfaxcounty.gov/cableconsumer

### **Fairfax County Consumer Affairs**

https://www.fairfaxcounty.gov/cableconsumer/csd/consumer

### Fairfax County Consumer Affairs Facebook

https://www.facebook.com/fairfaxcountyconsumer/

Consumer Connection: Energy Conservation Assistance Program (December 18, 2023) https://fb.watch/paAO0vMw3d/

### **Information Items**

FCPD Combats Crypto-Related Scams: How to Avoid Falling Victim to Fraud (more)

Electric Vehicle Charging Stations Coming to Fairfax County Neighborhoods (more)

Hang Up on PCH impersonators (more)

FTC Proposes Strengthening Childres's Privacy Rule to Further Limit Companies' Ability to Monetize Children's Date (more)

### FCPD COMBATS CRYPTO-RELATED SCAMS: HOW TO AVOID FALLING VICTIM TO FRAUD

Posted on December 28, 2023 by FCPD Public Affairs Bureau

**Fairfax County, VA** – Detectives and investigators from our Financial Crimes Division warn community members of Bitcoin and crypto-related scams being reported within the county, with the majority of victims being elderly. The department is committed to raising awareness and providing prevention tips to safeguard our community members against falling victim to these fraudulent activities.

In almost a dozen reported cases since the end of October, our investigators have observed a trend in scams involving cryptocurrency. Criminals are exploiting individuals, particularly the elderly, into depositing money into crypto ATMs and defrauding them of their money.

Date	Victim Age	Description of Incident
10/13/2023	71	Victim was scammed into depositing \$14,900 into crypto ATM
11/15/2023	23	Victim was scammed into depositing \$1,000 into crypto ATM
11/15/2023	76	Victim was scammed into depositing \$21,000 into crypto ATM
11/16/2023	73	Victim was scammed into depositing \$17,900 into crypto ATM
11/20/2023	72	Victim was scammed into depositing \$15,000 into crypto ATM
11/30/2023	86	Victim was scammed by inserting a bank card into ATM. \$25,000 stolen
12/04/2023	78	Victim was scammed into depositing \$15,000 into crypto ATM

12/04/2023	85	Victim was scammed into depositing \$15,000 into crypto ATM
12/06/2023	80	Bitcoin ATM was broken. Nothing stolen.
12/08/2023	70	Victim was scammed into depositing \$12,000 into crypto ATM
12/10/2023	56	Victim was scammed into depositing \$8,000 into crypto ATM

### The Scam:

These scams begin when scammers call victims and pose as legitimate entities, businesses, or even government agencies. Scammers then use varying deceptions to convince victims into depositing funds into a crypto ATM or converting money into gift cards or other forms of payments that are difficult to trace or recover. These criminals often prey on the elderly, taking advantage of their trust and lack of familiarity with the digital currency landscape.

### **Prevention:**

The Fairfax County Police Department urges community members, particularly seniors, to remain vigilant and follow these essential tips to protect themselves from falling victim to phone scams and fraud:

- Verify Caller Identities: Always confirm the identity of the person or
  organization contacting you, especially if they request personal information or
  financial transactions. Apple, Microsoft, Norton, MacAfee, eBay, PayPal,
  Amazon, or Google will never call you on the phone and ask for any kind of
  payment. It is a good idea to hang up and call the institution using their known
  contact information from official websites.
- **Be Skeptical of Unsolicited Calls:** Anyone who calls you on the phone asking for payments with gift cards of any kind (Greendot, iTunes, Google Play, Target, Walmart etc.) should be considered suspicious and it is likely a scam. Other fraud indicators are requests for money through wire transfers (MoneyGram, Western Union, Walmart to Walmart, Zelle, Venmo, CashApp).
- **Consult with Family or Friends**: Before making any financial decisions, especially those involving large sums or unfamiliar technologies, consult with trusted family members or friends.

- **Don't Share Personal Information**: Never share personal or financial information over the phone unless you initiated the call and are certain of the recipient's legitimacy.
- **Use Trusted Platforms**: When dealing with Bitcoin or other digital currencies, use reputable and well-established platforms for transactions.

### Tips:

- Law enforcement will never call you on the phone and ask you to pay money to avoid arrest or post a bond. Other common scams include notices of missing jury duty or a Federal Agent calling you and saying that your name and identity has been discovered being involved in criminal activity or money laundering. The FBI, DEA, SSA, DHS, ICE, FTC, IRS, or any local police, just to name a few, will never call you on the phone and ask for money for any reason.
- Never let anyone "remote" into your computer. Scammers pretending to be from Amazon, Apple, Microsoft, Google (or others) will ask for remote access to your computer to "fix" the issue or attempt to refund money to you for an alleged fraud charge. Do not allow remote computer access, this is a scam. Scammers will claim they are going to refund money to your bank account, but instead they will steal it.

If you have been a victim of a financial crime, please contact the Fairfax County Police Department by filing a report through our <u>Financial Crimes Online Reporting (FiCOR)</u> website. If you are unable to file a report on the computer, call our non-emergency line at 703-691-2131 to have an officer assist you with making a FiCOR report.

For more information about Elder fraud, visit the Department of Justice's Office for Victims of Crimes website by <u>clicking HERE</u>. If you have been a victim of elder fraud and reside outside of Fairfax County, you can call the National Elder Fraud Hotline at 1-833-372-8311.

### Electric Vehicle Charging Stations Coming to Fairfax County Neighborhoods

### ByAnna Maxted

DEC 16, 2023



Fairfax County, Virginia, is taking steps to ensure that electric vehicle (EV) owners in communities without garages or driveways have access to convenient charging stations. Through its Charge Up Fairfax pilot program, the county's Office of Environmental and Energy Coordination (OEEC) is working with homeowners and condo owners associations to install charging stations in 10 selected neighborhoods.

The OEEC has already chosen five communities earlier this year and recently added five more to the program. Interested associations can submit their applications for consideration. Recognizing the challenges faced by households living in condominiums or homeowners associations without private parking, John Morrill, the acting director of the OEEC, emphasized the need for alternative charging solutions.

To determine suitability, an engineering firm assesses each neighborhood. If an area decides to install an EV charging station, the community partners with a contractor for the process. To incentivize the initiative, the county offers reimbursement equivalent to up to one-third of the installation cost, capped at \$5,000. Additionally, if an area is identified as vulnerable or in need, the county contributes \$10,000 towards the installation.

The charging station quantity will be determined by each neighborhood, but typically, each charging device has two ports. While none of the selected neighborhoods have yet hired contractors for installation, progress is being made. Morrill expressed optimism that the installations will take place soon as communities obtain pricing details and additional information.

Cost remains a concern for some communities, despite reimbursement. Morrill mentioned that installation quotations have ranged from \$20,000 to \$45,000, depending on factors such as layout and power availability. Nonetheless, the program will continue, with the county aiming to expand it in the spring.

By facilitating the widespread availability of charging stations, Fairfax County is actively supporting its policy goals and making EV ownership more accessible. Morrill emphasized that the county's focus is not merely promoting EVs, but rather ensuring that charging infrastructure is in place to accommodate EV owners' needs.

### **Frequently Asked Questions (FAQ)**

### 1. How are the communities selected for the Charge Up Fairfax program?

Communities are selected for the program based on their applications and consideration of various factors by the Office of Environmental and Energy Coordination (OEEC).

### 2. What incentives are provided to the communities?

The county offers reimbursement up to one-third of the installation cost, with a maximum of \$5,000. If an area is identified as vulnerable or in need, the reimbursement increases to \$10,000.

### 3. How many charging stations will each neighborhood receive?

The number of charging stations in each neighborhood will be determined by the community, but typically, each charging device has two ports.

### 4. Are there any plans to expand the program?

Yes, the county intends to expand the Charge Up Fairfax program in the spring and potentially include more communities.

### Hang up on PCH impersonators

By Ari Lazarus Consumer Education Specialist, FTC December 22, 2023

Have you gotten a call about a prize for a contest you never entered? It might be a scam. We've been hearing about scammers calling to say you've won a boatload of money from Publishers Clearing House (PCH) through a multi-state lottery. They tell you to call a number and press 1 to learn more. If you don't, you supposedly won't get the money. What would you do?



Well, if you press 1, they'll tell you some version of this fictional story: you won several million dollars (you didn't), the winnings are at the Federal Reserve Bank of New York (they're not), and you need to pay a fee to get your money (you really, really don't). No matter what version of the story you hear: it's a scam.

Here are some things to know to avoid this and other prize scams:

- Real prizes are free. If there's a charge, it's a scam. Anyone who tells you to pay to get your prize whether it's for "taxes," "shipping and handling charges," or "processing fees" is a scammer. Stop and walk away.
- Scammers tell you to act NOW. They tell you it's a limited offer and try to rush you. They don't want you to have time to think about what's really happening. If anyone tries to hurry you into paying, stop. Remember that's something scammers do.
- Scammers use names that look like the real thing. But no real sweepstakes company will demand money for a prize. To double-check, reach out to the real company. Make sure to use contact information you found yourself not what the person who called you gave you.

### FTC Proposes Strengthening Children's Privacy Rule to Further Limit Companies' Ability to Monetize Children's Data

Proposed COPPA Rule would require targeted advertising to be off by default, limit push notifications, restrict surveillance in schools, and strengthen data security

December 20, 2023

The Federal Trade Commission has proposed changes to the Children's Online Privacy Protection Rule (COPPA Rule) that would place new restrictions on the use and disclosure of children's personal information and further limit the ability of companies to condition access to services on monetizing children's data. The proposal aims to shift the burden from parents to providers to ensure that digital services are safe and secure for children.

In a <u>notice of proposed rulemaking</u>, the FTC is seeking comment on proposed changes to the COPPA Rule aimed at addressing the evolving ways personal information is being collected, used, and disclosed, including to monetize children's data, and clarifying and streamlining the rule. The COPPA Rule, which first went into effect in 2000, requires certain websites and other online services that collect personal information from children under the age of 13 to provide notice to parents and obtain verifiable parental consent before collecting, using, or disclosing personal information from these children. The rule also limits the personal data that websites and other online services can collect from children, limits how long they can retain such data, and requires them to secure the data.

"Kids must be able to play and learn online without being endlessly tracked by companies looking to hoard and monetize their personal data," said FTC Chair Lina M. Khan. "The proposed changes to COPPA are much-needed, especially in an era where online tools are essential for navigating daily life—and where firms are deploying increasingly sophisticated digital tools to surveil children. By requiring firms to better safeguard kids' data, our proposal places affirmative obligations on service providers and prohibits them from outsourcing their responsibilities to parents."

The FTC <u>initiated the latest review of the COPPA Rule in 2019</u> and received more than 175,000 comments on its request for public comment on whether changes were needed to the rule. The agency also held a <u>workshop in October 2019</u> on whether to update the COPPA Rule in light of evolving business practices in the online children's marketplace, including the increased use of voice-enabled connected devices, educational technology, and general audience platforms hosting third-party child-directed content.

The FTC <u>last made changes to the COPPA Rule in 2013</u> to reflect the increasing use of mobile devices and social networking by, among other things, expanding the definition of personal

information to include persistent identifiers such as cookies that track a child's activity online, as well as geolocation information, photos, videos, and audio recordings.

In a notice that will be published in the Federal Register shortly, the FTC has proposed several changes to the rule, including:

- Requiring Separate Opt-In For Targeted Advertising: Building off the existing consent requirement in section 312.5, website and online service operators covered by COPPA would now be required to obtain separate verifiable parental consent to disclose information to third parties including third-party advertisers—unless the disclosure is integral to the nature of the website or online service. Firms cannot condition access to services on disclosure of personal information to third parties.
- Prohibition against conditioning a child's participation on collection of personal information: The proposal reinforces the current rule's prohibition on conditioning participation in an activity on the collection of personal data to make clear that it serves as an outright ban on collecting more personal information than is reasonably necessary for a child to participate in a game, offering of a prize, or another activity. In addition, the FTC is considering adding new language to this section to clarify the meaning of "activity."
- Limits on the support for the internal operations exception: The current rule allows operators to collect persistent identifiers without first obtaining verifiable parental consent as long as the operator does not collect any other personal information and uses the persistent identifier solely to provide "support for the internal operations of the website or online service." The proposed rule changes would require operators utilizing this exception to provide an online notice that states the specific internal operations for which the operator has collected a persistent identifier and how they will ensure that such identifier is not used or disclosed to contact a specific individual, including through targeted advertising.
- Limits on nudging kids to stay online: Operators would be prohibited from using online contact information and persistent identifiers collected under COPPA's multiple contact and support for the internal operations exceptions to send push notifications to children to prompt or encourage them to use their service more. Operators that use personal information collected from a child to prompt or encourage use of their service would also be required to flag such usage in their COPPA-required direct and online notices.
- Changes related to Ed Tech: The FTC has proposed codifying its <u>current</u> <u>guidance</u> related to the use of education technology to prohibit commercial use of children's information and implement additional safeguards. The proposed rule would allow schools and school districts to authorize ed tech providers to collect, use, and disclose students' personal information but only for a school-authorized educational purpose and not for any commercial purpose.
- Increasing accountability for Safe Harbor programs: The proposed rule would increase transparency and accountability of COPPA Safe Harbor programs, including by requiring each program to publicly disclose its membership list and report additional information to the Commission.

- Strengthening data security requirements: The FTC has proposed strengthening the COPPA Rule's data security requirements by mandating that operators establish, implement, and maintain a written children's personal information security program that contains safeguards that are appropriate to the sensitivity of the personal information collected from children.
- Limits on data retention: The FTC also would strengthen the COPPA Rule's data retention limits by allowing for personal information to be retained only for as long as necessary to fulfill the specific purpose for which it was collected. The proposed change would also prohibit operators from using retained information for any secondary purpose, and it explicitly states that operators cannot retain the information indefinitely. The Rule would also require operators to establish, and make public, a written data retention policy for children's personal information.

In addition, the FTC has proposed changes to some definitions in the rule, including expanding the definition of "personal information" to include biometric identifiers, and stating that the Commission will consider marketing materials, representations to consumers or third parties, reviews by users or third parties, and the age of users on similar websites or services when determining whether a website or online service is directed to children.

The public will have 60 days to submit a comment on the proposed changes to the COPPA Rule after the notice is published in the Federal Register. Information on how to submit a comment will be included in the Federal Register notice. Once submitted, comments will be posted to Regulations.gov.