



FTC Releases Data Broker Report

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While criticizing data brokers for collecting personal information from a number of sources, both online and offline, and largely without consumers' knowledge, the report does acknowledge that consumers do benefit from many of the purposes for which brokers collect such data. In the same report, however, the FTC states that the collection and use of the data also pose several risks to consumers (the FTC provides an example wherein data on a consumer's interests (motorcycling) may cause his or her insurance company to increase his or her automotive insurance premiums or deny them coverage, without the consumer knowing the reason for such increase/denial).

In a statement following the release of the report, FTC Chairwoman Edith Ramirez said that "[t]he extent of consumer profiling today means that data brokers often know as much—or even more—about us than our family and friends, including our online and in-store purchases, our political and religious affiliations, our income and socioeconomic status, and more... It's time to bring transparency and accountability to bear on this industry on behalf of consumers, many of whom are unaware that data brokers even exist."

In addition to making legislative recommendations, the report calls on data brokers to adopt the best-practice principles contained in the FTC's previous [Privacy Report](#) issued two years ago.

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