Analysis of Proposed Consent Order to Aid Public Comment In the Matter of Aleksandr Kogan and Alexander Nix, individuals File Nos. 182 3106 and 182 3107

The Federal Trade Commission ("Commission") has accepted, subject to final approval, two agreements containing consent orders from Aleksandr Kogan and Alexander Nix, individuals.

The proposed consent orders have been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreements and the comments received, and will decide whether it should withdraw from the agreements and take appropriate action or make final the agreements' proposed orders.

Aleksandr Kogan, until September 2018, was a Senior Research Associate and Lecturer at the Department of Psychology at the University of Cambridge in the United Kingdom. Kogan was also the developer of a Facebook application called the GSRApp, sometimes publicly referred to as the "thisisyour digital life" app.

Alexander Nix, until April 2018, was the Chief Executive Officer of Cambridge Analytica LLC and the head of SCL Elections Ltd.

The Commission's proposed complaint alleges that Kogan, together with the data analytics company, Cambridge Analytica, LLC, and its Chief Executive Officer, Alexander Nix, used the GSRApp to harvest certain Facebook user profile data from approximately 250,000–270,000 Facebook users who directly interacted with the app ("App Users"), as well as 50–65 million of the "friends" in those users' Facebook social network. The proposed complaint alleges that Respondents obtained the App Users' consent to collect their Facebook profile data through false and deceptive means.

The Commission's proposed complaint alleges a violation of Section 5(a) of the Federal Trade Commission Act, specifically that Respondents' representation to App Users that it would not "download [their] name or any other identifiable information" was deceptive because the GSRApp, in fact, collected identifiable information from these users, including their Facebook User ID.¹

¹ The Commission also issued an administrative complaint against Cambridge Analytica alleging a similar deception count as well as two additional counts related to its participation in Privacy Shield, a framework that allows companies to transfer personal data lawfully from the European Union to the United States. The complaint alleges that representations on Cambridge Analytica's website that Cambridge Analytica participated in Privacy Shield after May 2018 were deceptive because the company did not take the steps necessary to renew Cambridge Analytica's certification when it expired in May 2018. The complaint also alleges that representations on Cambridge Analytica's website that Cambridge Analytica adheres to Privacy Shield's principles were deceptive because Cambridge Analytica failed to comply with Privacy Shield's requirement to affirm to the Commerce Department that the company would continue to apply the principles to personal information that it received during the time it participated in the program.

The proposed consent orders contain injunctive provisions addressing Kogan's and Nix's alleged unlawful conduct. Part I of the proposed consent orders prohibits Kogan and Nix from making false or deceptive statements regarding the extent to which they protect the privacy and confidentiality of Covered Information as defined in the proposed consent orders, including:

- A. The extent to which they collect, use, share, or sell any Covered Information; and
- B. The purposes for which they collect, use, share, or sell any Covered Information.

Part II of the proposed consent orders relates to the deletion and destruction of Covered Information collected through the GSRApp, and any information or work product, including any algorithms, derived from such Covered Information, and requires Kogan and Nix to:

- A. Provide a written statement, sworn under penalty of perjury, with the name, address, and phone number for each person with whom they shared any Covered Information collected from consumers through GSRApp, and any information or work product that originated, in whole or in part, from this Covered Information; and
- B. Delete or destroy all Covered Information collected from consumers though the GSRApp, and any information or work product, including any algorithms or equations, that originated, in whole or in part, from this Covered Information, which destruction must generally occur within ten (10) days from the effective date of the proposed orders. Kogan and Nix must then provide a statement, sworn under penalty of perjury, confirming that the data has been destroyed or deleted.

Parts III through VII of the proposed consent orders are reporting and compliance provisions, which include recordkeeping requirements and provisions requiring Respondents to provide information or documents necessary for the Commission to monitor compliance. The proposed consent orders will be in effect for twenty (20) years.

The purpose of this analysis is to aid public comment on the proposed orders. It is not intended to constitute an official interpretation of the proposed complaint or proposed orders, or to modify in any way the proposed orders' terms.