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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	)	
214 Technologies, Inc., a corporation, also d/b/a Trueface.ai	)	**DOCKET NO.**

COMPLAINT

The Federal Trade Commission ("FTC"), having reason to believe that 214 Technologies, Inc., a corporation also doing business as Trueface.ai, has violated the Federal Trade Commission Act ("FTC Act"), and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent 214 Technologies, Inc. is a Delaware corporation also doing business as Trueface.ai with its principal office or place of business at 520 Broadway, Santa Monica, CA 90401.

2. Respondent provides face recognition and digital identity verification services.

3. The acts and practices of Respondent as alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act.

4. Respondent set forth on its website, https://www.trueface.ai/privacy, privacy policies and statements about its practices, including statements related to its participation in the EU-U.S. Privacy Shield framework agreed upon by the U.S. government and the European Commission.

5. In fact, Respondent has not been certified to participate in the EU-U.S. Privacy Shield framework.

Privacy Shield

6. The EU-U.S. Privacy Shield framework ("Privacy Shield") was designed by the U.S. Department of Commerce ("Commerce") and the European Commission to provide a mechanism for U.S. companies to transfer personal data outside of the EU that is consistent with the requirements of the European Union Directive on Data Protection. Enacted in 1995, the Directive sets forth EU requirements for privacy and the protection of personal data. Among other things, it requires EU Member States to implement legislation that prohibits the transfer of personal data outside the EU, with exceptions, unless the European Commission has made a determination that the recipient jurisdiction's laws ensure the protection of such personal data. This determination is referred to commonly as meeting the EU's "adequacy" standard.

7. To satisfy the EU adequacy standard for certain commercial transfers, Commerce and the European Commission negotiated the EU-U.S. Privacy Shield framework, which went into effect in July 2016. The EU-U.S. Privacy Shield framework allows companies to transfer personal data lawfully from the EU to the United States. To join the EU-U.S. Privacy Shield framework, a company must self-certify to Commerce that it complies with the Privacy Shield Principles and related requirements that have been deemed to meet the EU's adequacy standard.

8. Companies under the jurisdiction of the FTC, as well as the U.S. Department of Transportation, are eligible to join the EU-U.S. Privacy Shield framework. A company under the FTC's jurisdiction that claims it has self-certified to the Privacy Shield Principles, but failed to self-certify to Commerce, may be subject to an enforcement action based on the FTC's deception authority under Section 5 of the FTC Act.

9. Commerce maintains a public website, https://www.privacyshield.gov/welcome, where it posts the names of companies that have self-certified to the EU-U.S. Privacy Shield framework. The listing of companies, https://www.privacyshield.gov/list, indicates whether the company's self-certification is current.

10. From approximately March 2018 until October 2018, Respondent disseminated or caused to be disseminated privacy policies and statements on the https://www.trueface.ai/privacy website, including, but not limited to, the following statements:

> **Privacy Shield**
> Trueface.ai complies with the EU-U.S. Privacy Shield Framework as set forth by the U.S. Department of Commerce regarding the collection, use, and retention of personal information transferred from the European Union to the United States. Trueface.ai has certified to the Department of Commerce that it adheres to the

> Privacy Shield Principles. If there is any conflict between the terms in this privacy policy and the Privacy Shield Principles, the Privacy Shield Principles shall govern. To learn more about the Privacy Shield program, and to view our certification, please visit the Privacy Shield website (https://www.privacyshield.gov).
>
> In compliance with the Privacy Shield Principles, Trueface.ai commits to resolve complaints about our collection or use of your personal information. EU individuals with inquiries or complaints regarding our Privacy Shield policy should first contact Trueface.ai at: support@trueface.ai.
>
> "Trueface.ai has further committed to refer unresolved Privacy Shield complaints to EU Data Protection Authorities, an alternative dispute resolution provider located in the EU. If you do not receive timely acknowledgment of your complaint from us, or if we have not addressed your complaint to your satisfaction, please contact or visit here (http://ec.europa.eu/newsroom/article29/item-detail.cfm?item_id=612080) for more information or to file a complaint. The services of the EU Data Protection Authorities are provided at no cost to you.

11. Although Respondent initiated an application to Commerce for Privacy Shield certification in January 2018, it did not complete the steps necessary to participate in the EU-U.S. Privacy Shield framework and continued to make the statements described in Paragraph 10 in its privacy policy. Therefore, the representation set forth in Paragraph 10 was false and misleading.

Count 1-Privacy Misrepresentation

12. As described in Paragraph 10, Respondent represented, directly or indirectly, expressly or by implication, that it was a participant in the EU-U.S Privacy Shield framework.

13. In fact, as described in Paragraph 11, Respondent was never certified to participate in the EU-U.S. Privacy Shield framework. Therefore, the representation set forth in Paragraph 10 was false or misleading.

Violations of Section 5 of the FTC Act

14. The acts and practices of Respondent as alleged in this complaint constitute deceptive acts or practices, in or affecting commerce, in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this __ day of ____ 2019, has issued this complaint against Respondent.

By the Commission.

April Tabor
Acting Secretary

SEAL
ISSUED: