

The Switch

# Latest FTC enforcement action shows why it’s so hard to figure out who to trust online

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By **Andrea Peterson** November 17 Follow @kansasalps



The Federal Trade Commission building is seen in Washington on March 4, 2012. (REUTERS/Gary Cameron)

TRUSTe, a company that is supposed to help consumers figure out which sites to trust online, deceived consumers, the Federal Trade Commission alleged in a [complaint](#) disclosed Monday.

Since 1997, TRUSTe says it has certified the privacy chops of thousands of Web sites -- giving them a digital "privacy seal" to display on their sites as a sign that they could be trusted. It claims big names as clients, including McDonald's and the New York Times.

But the FTC says that the organization failed to conduct annual re-certifications of companies holding TRUSTe privacy seals in over 1,000 cases between 2006 and 2013, despite claiming on its Web site that it conducted such re-certifications yearly. It also says TRUSTe failed to require companies using its seals to update references to the organization’s non-profit status after it became a for-profit company in 2008.

“TRUSTe promised to hold companies accountable for protecting consumer privacy, but it fell short of that pledge,” said FTC Chairwoman Edith Ramirez in a [press release](#). “Self-regulation plays an important role in helping to protect consumers. But when companies fail to live up to their promises to consumers, the FTC will not hesitate to take action.”

The company has agreed to settle charges related to the alleged deception. Under the settlement the company will be prohibited from misleading consumers about its certification process, report on its activities related to a children's Internet safety law and other regulation for 10 years, and pay \$200,000. In a [blog post](#), TRUSTe chief executive Chris Babel acknowledged the issues and said they were fixed in 2013.

"At TRUSTe we take very seriously the role we play in the privacy ecosystem and our commitment to supporting our customers. And if we fall short, we admit it, we address the issue, and we move forward," he wrote.

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The FTC is the [de facto privacy federal government privacy watchdog](#), but its powers are primarily related to protecting consumers from deceptive and unfair practices. Monday's settlement raises even more questions about how much consumers should trust the companies that claim to offer a sense of security online.

*This post has been updated to include comments from a TRUSTe blog post on the settlement.*

Andrea Peterson covers technology policy for The Washington Post, with an emphasis on cybersecurity, consumer privacy, transparency, surveillance and open government.

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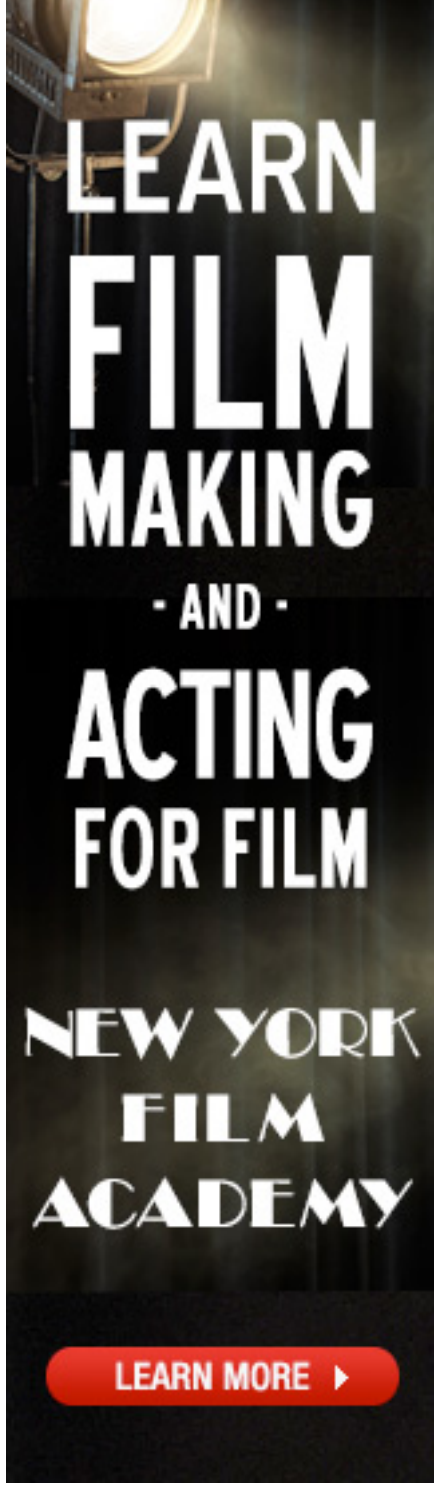
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