Veratad Technologies, LLC

Online Identity Verification and Knowledge Based Authentication Solutions

Submitted Electronically

September 20, 2013

Donald S. Clark
Secretary
Federal Trade Commission
Room H-135 (Annex E)
600 Pennsylvania Avenue, NW
Washington D.C. 20580

Re: AssertID Application for Parental Consent Method, Project No. P–135415

Dear Mr. Secretary:

Veratad Technologies, LLC (Veratad), a New Jersey based, privately held online age and identity verification provider, submits this comment in response to the Federal Trade Commission's (FTC) notice and request for public comment concerning the above captioned request for review and approval of AssertID's "verifiable parental consent" method under Part 312.12(a) of the Children's Online Privacy Protection Rule.

Veratad is a provider of online/real-time Identity Verification and Knowledge Based Authentication Solutions for those who conduct business on the Internet or any business that needs to verify an individual's age or identity. Our verification solutions are designed to verify an individual's identity and/or age while protecting sensitive personal data and promoting a high level of consumer privacy. Veratad is trusted by companies large and small and our customers include some of the world's most well known corporations that use our solutions to reduce the risk of fraud, comply with financial regulatory requirements, provide a safer online experience and act with a greater sense of social responsibility. Veratad's verification services are approved for use under the ESRB's Privacy Certified program, one of five FTC-approved COPPA Safe Harbors. We believe our industry experience and expertise uniquely qualifies us to offer highly informed insights with respect to issues regarding online identity verification.

We have reviewed the AssertID application, and it is our belief that 1) the primary AssertID method is not reasonably calculated, in light of existing technology, to verify the identity of the person providing consent as a child's parent, and 2) the secondary AssertID method is already covered under the existing Rule.   Our comments and concerns regarding this method of identity verification and authentication are set forth below.

1. AssertID's Primary Method

AssertID's request for approval states:

"AssertID's verifiable parental consent method consist of the following 6 processes which collectively ensure compliance with Part 312.5(b)(1) of the COPPA Rule –ensuring that the individual granting parental consent (or revoking such consent previously granted) is in fact the parent of the child.

> *1. A process for parental notification of consent-request.*
>
> *2. A process of presentment of consent-request direct notices to parents.*
>
> *3. A process for recording and reporting a parent's response to a consent-request to the Operator.*
>
> *4. A process for recording and reporting a parent's request to revoke consent previously granted and to have their child's personal information deleted.*
>
> *5. A process of verification of the parent-child relationship.*
>
> *6. A process to ensure that only a parent of the child for whom consent is being requested can access and respond to such requests.*

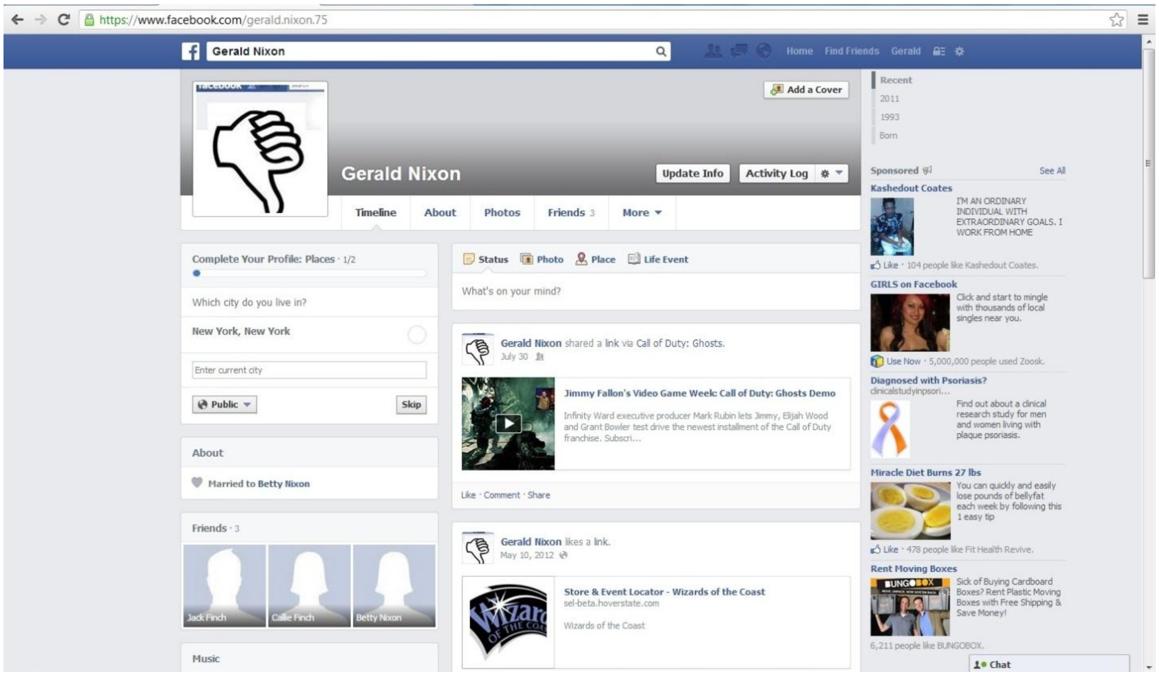
AssertID's request for approval further states:

> ***"2.7 AssertID Verification Process***
> *Central to the AssertID VPC method is AssertID's social-graph identity verification process. This process is employed to verify the identity of a parent as well as to verify each unique parent-child relationship"*

While AssertID's solution appears to include adequate functions and processes for the collection and management of personal data, it seems to be neither an effective verification nor effective authentication process. AssertID's primary method is centrally based on what they call a "social-graph" identity verification process. In this process, identity information from social networks, specifically Facebook, is used to verify identity. This approach to verification is entirely reliant on self-reporting, and may be colloquially described as the "I am who I say I am because I said so" approach. Using Facebook to establish identity could only be effective if Facebook would enforce their own Terms of Use and Information Collection Practices and/or everyone using Facebook volunteered to adhere to them. The FTC has made it expressly clear that social media networks in general (and Facebook in particular) are not reliable methods of age verification or authentication of a parent's identity (see COPPA FAQ 10). AssertID then uses other members of a user's social network to verify identity attributes, including the user's relationship to a child. However, the information provided by such members is subject to the same flaws as information provided by the AssertID user. It is very easy for users to fabricate Facebook profiles using fictitious names and/or fictitious personal attributes, and the information used to populate a Facebook profile is not verified against any impartial third party data source.

We believe that reliance on a “social-graph” identity verification process is not reasonably calculated to verify that the person creating an AssertID account is who he or she says she is.

To illustrate this point, Veratad tested the AssertID procedure using a set of Facebook profiles that are connected to each other.[1] Gerald Nixon is the fictitious “parent” created to provide consent for the child, “Bobby.”



Complete Your Profile: Places · 1/2

Which city do you live in?

New York, New York

Enter current city

Public ▾ Skip

About

Married to Betty Nixon

Friends · 3

Gerald Nixon shared a link via Call of Duty: Ghosts.
July 30

Jimmy Fallon's Video Game Week: Call of Duty: Ghosts Demo

Infinity Ward executive producer Mark Rubin lets Jimmy, Elijah Wood and Grant Bowler test drive the newest installment of the Call of Duty franchise. Subscri...

Gerald Nixon likes a link.
May 10, 2012

Store & Event Locator - Wizards of the Coast
sel-beta.hoverstate.com

Wizards of the Coast

Sponsored See All

Kashedout Coates
I'M AN ORDINARY INDIVIDUAL WITH EXTRAORDINARY GOALS. I WORK FROM HOME
Like · 104 people like Kashedout Coates.

GIRLS on Facebook
Click and start to mingle with thousands of local singles near you.
Use Now · 5,000,000 people used Zoosk.

Diagnosed with Psoriasis?
clinicalstudyinpsori...
Find out about a clinical research study for men and women living with plaque psoriasis.

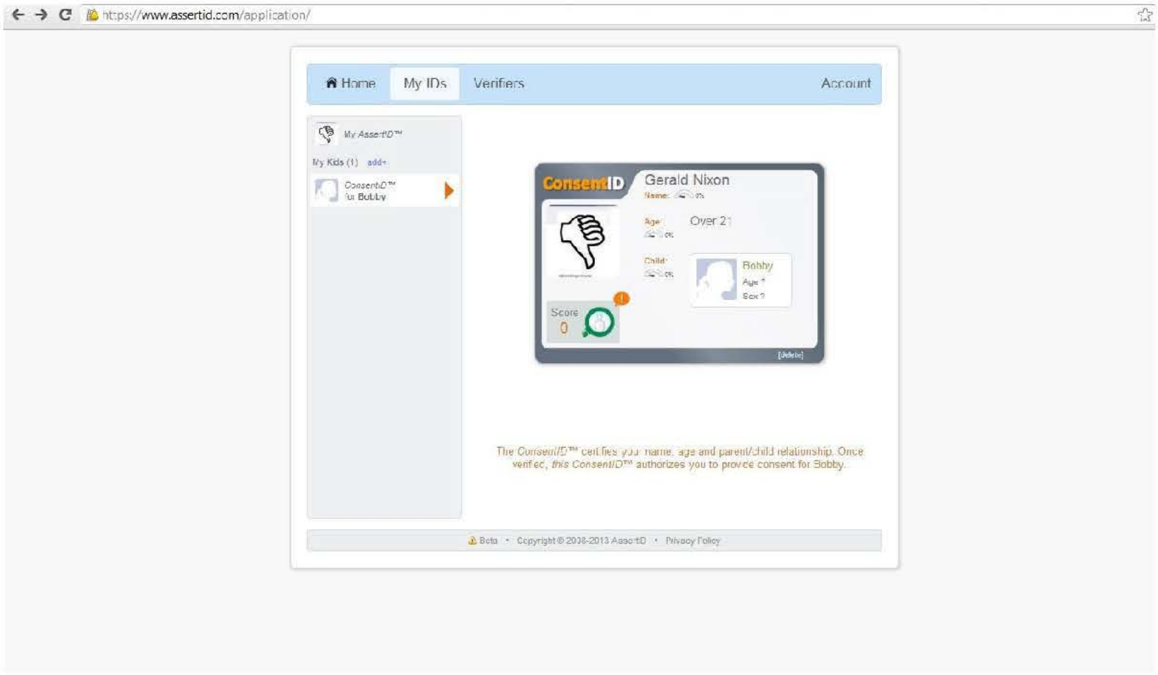
Miracle Diet Burns 27 lbs
You can quickly and easily lose pounds of bellyfat each week by following this 1 easy tip
Like · 478 people like Fit Health Revive.

Rent Moving Boxes
Sick of Buying Cardboard Boxes? Rent Plastic Moving Boxes with Free Shipping & Save Money!
6,211 people like BUNGOBOX.

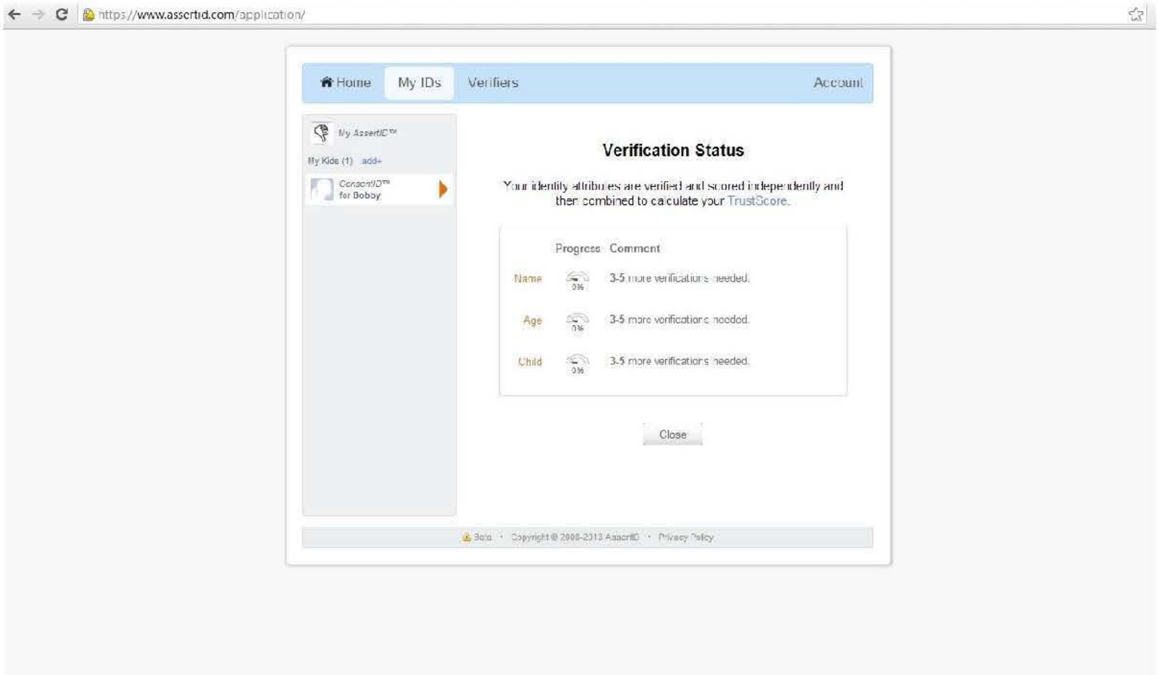
It is a fairly straightforward process to create a fictitious Facebook profile for testing purposes, as the veracity of a Facebook user’s identity is enforced only by its Terms of Service. As noted above, “Gerald Nixon” has a social circle of only three people, all of whom are test accounts.

“Gerald Nixon” was then enrolled in the AssertID solution to provide consent for his son, “Bobby.” His identity and status as “Bobby’s” parent was then easily verified by two of his three “friends,” with minimal verification (AssertID asked if the photo identified was of Gerald, which it is not, whether Gerald was over 21, and whether Gerald was the parent of a child named Bobby).

[1] Please note that these profiles were created merely for testing purposes, and were deleted after the test was complete. Furthermore, the profiles did not engage with any other Facebook account holders other than the other test profiles.



The ConsentID™ certifies your name, age and parent/child relationship. Once verified, this ConsentID™ authorizes you to provide consent for Bobby.


https://www.assertid.com/application/
Home
My IDs
Verifiers
Account
My AssertID™
My Kids (1) add+
ConsentID™ for Bobby
Close
Beta • Copyright © 2008-2013 AssertID • Privacy Policy

Verification Status

Your identity attributes are verified and scored independently and then combined to calculate your TrustScore.

	Progress	Comment
Name	0%	3-5 more verifications needed.
Age	0%	3-5 more verifications needed.
Child	0%	3-5 more verifications needed.

The ease with which the preliminary steps of verifying “Gerald Nixon’s” identity through the primary AssertID method were accomplished indicates that the social graph method of identity verification is not a reliable method.

Further, it appears that even parent accounts that do not have a photo can be authenticated and, while parents can build a child's profile using a name and photo to help others authenticate the relationship, the AssertID method permits a child profile to be built using only a child's name and no other information. Although this collection is permissible under COPPA since it is information collected from a parent, it does not keep with the spirit of the Rule, which is that operators should not collect more information about a child than is necessary to complete the action.

With respect to verification that the individual identified as the parent is in fact the parent of the child, AssertID's solution asks account holders in a parent's social network to confirm that the child is his or hers (AssertID application, pg. 6). However, a parent is only required to give a child's first name. AssertID users may upload photos of their children or disclose more information to AssertID to conduct this process, but offering more information about a child (especially a child's photo) also seems contrary to the spirit of the Rule. *"For user convenience, and provided the user has a Facebook account and authorizes the AssertID application, initial values for these identity attributes are taken from the user's Facebook profile. The user is encouraged to ensure the accuracy of all attributes on their AssertID and if necessary to modify them before requesting verification."* (AssertID application, pg. 21) Altering information to be more accurate appears to undermine the solution; for example, if a photo or other information in a user's AssertID profile is changed, all verifications are set to zero and must be redone.

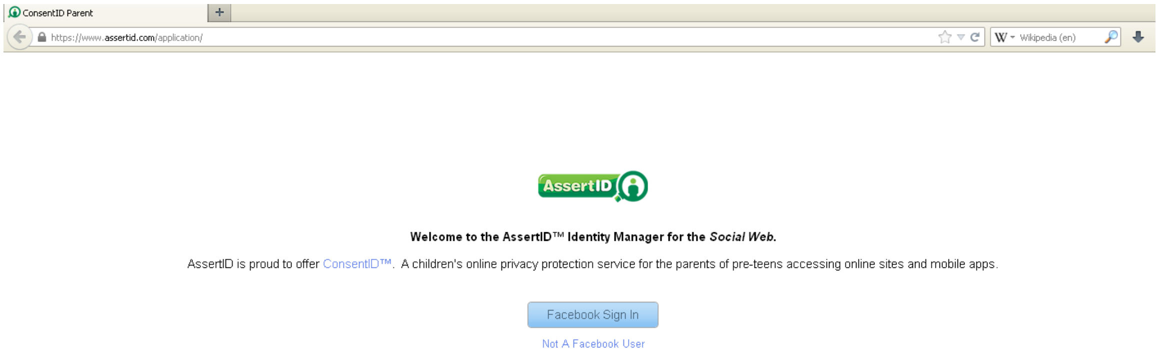
For comparison, Veratad's identity process relies on "trusted and verified" public record data sources for verification of identity. We DO NOT use data from self-reported sources or social networks such as Classmates, Facebook or MySpace or other similar non-verified sources as the foundation of a verification. Examples of trusted and verified data sources would include United States Consumer Reporting Agencies (Credit Header Records), Voter's Registration Records, Motor Vehicle Records, County Government Property Records, National Telco Phone Records, State Government Recreational License Records, Social Security and Death Master Records, United States Postal Service Address Records. These are existing, credible sources of identity verification information. Under the AssertID method, 5-7 approvals from Facebook members are sufficient to verify a user's attributes and that they are in fact the parent of the child in question. Though AssertID states that it seeks out family members and close friends to authenticate users, it at no point uses an impartial or credible third party to verify the parent's identity (AssertID application, pg. 21). AssertID states that this method, which as mentioned above does not confirm the parent's identity using any official identification, is <u>better</u> than methods that use government-issued identification.

"We believe that even a relatively low veracity setting for this specific attribute will result in verification that the individual granting consent is in fact the parent is significantly stronger than the currently approved methods." (AssertID application, pg. 6) A "passing trust score" is 7/10 – no further steps are required. We do not share AssertID's position on this issue. AssertID bills this as a "less intrusive" solution but it is in fact less accurate.

For these reasons, the AssertID verification method appears not to be in sync with the FTC's focus on the use of "reliable and credible" data sources to verify identity but rather seems to rely on a method that utilizes a "data source" expressly discouraged by the FTC for age verification.

2. AssertID's Alternate method

While AssertID states that it uses social networks (plural) to verify and authenticate users, as of September 2013, Facebook is the only social network available for these purposes (as shown below). We are not inclined to believe that the issues we've outlined here would present themselves any differently via a different social network.



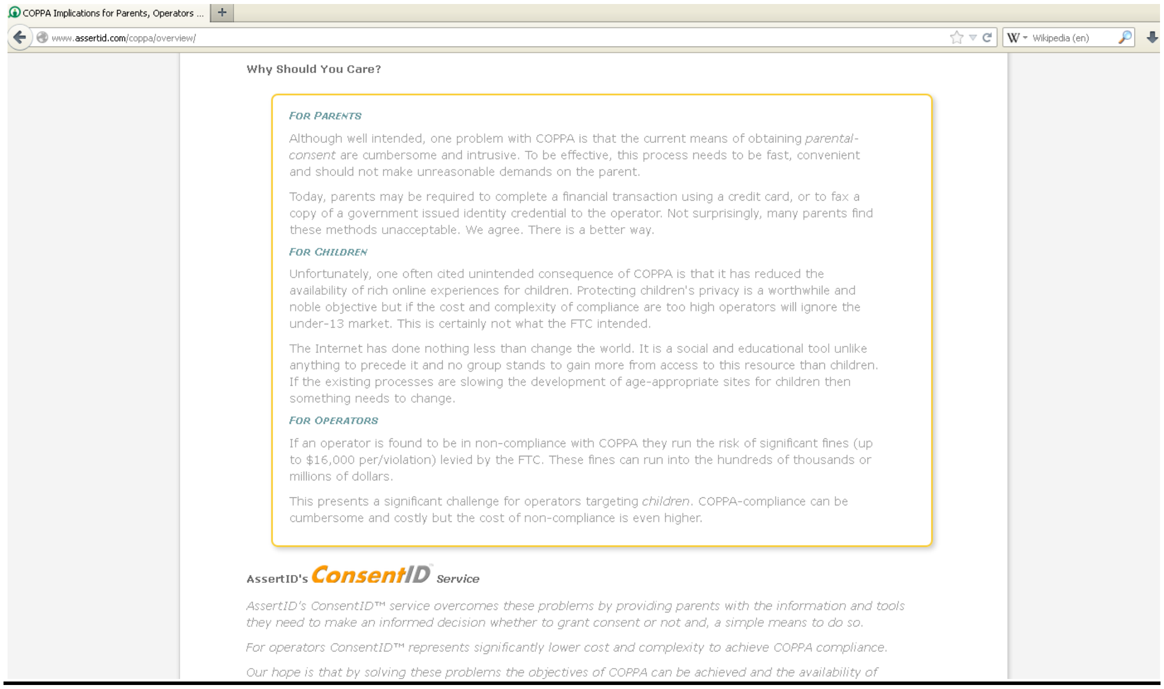
Welcome to the AssertID™ Identity Manager for the *Social Web.*

AssertID is proud to offer ConsentID™. A children's online privacy protection service for the parents of pre-teens accessing online sites and mobile apps.

If a parent does not have a Facebook account, or does not wish to use his or her social network, he or she can follow the "Not a Facebook User" link (as shown in the screenshot above), which will take the parent to a workflow that verifies his or her identity using a credit card (AssertID application, pg. 28). In this workflow, all identity attributes are input by the parent (AssertID application, pg. 21). Again, all of the information collected is self-reported, and does not appear to be verified or checked against any other source of information (AssertID application, pg.28).

AssertID first states that its solution “obviates the need for credit-card transactions,” (AssertID application, pg. 6) and that their method “is non-discriminatory to individuals who do not have a debit or credit card” (AssertID application, pg. 27). AssertID states in their application that this is not an endorsement of the credit card verification system (AssertID application, pg. 32). It is unclear whether a purchase must be associated with the transaction (which is a requirement under COPPA, 312.5(b)(2)(ii) and restated in FAQ 5) because of their language stating that the solution does not involve credit card transactions. Use of a credit card to verify identity is a solution that is already included in the existing COPPA Rule; thus, AssertID is offering a primary verification method that is unreliable and providing an alternate method that does not add a new method of verification.

We found it a point of interest that AssertID’s website calls COPPA “well intended” but paints it as a cumbersome law (see below). We believe that this is not keeping with the spirit of COPPA, which requires these measures to protect children, and not to burden operators that provide online services to children.


COPPA Implications for Parents, Operators ...
+
www.assertid.com/coppa/overview/
W Wikipedia (en)

Why Should You Care?

For Parents

Although well intended, one problem with COPPA is that the current means of obtaining *parental-consent* are cumbersome and intrusive. To be effective, this process needs to be fast, convenient and should not make unreasonable demands on the parent.

Today, parents may be required to complete a financial transaction using a credit card, or to fax a copy of a government issued identity credential to the operator. Not surprisingly, many parents find these methods unacceptable. We agree. There is a better way.

For Children

Unfortunately, one often cited unintended consequence of COPPA is that it has reduced the availability of rich online experiences for children. Protecting children's privacy is a worthwhile and noble objective but if the cost and complexity of compliance are too high operators will ignore the under-13 market. This is certainly not what the FTC intended.

The Internet has done nothing less than change the world. It is a social and educational tool unlike anything to precede it and no group stands to gain more from access to this resource than children. If the existing processes are slowing the development of age-appropriate sites for children then something needs to change.

For Operators

If an operator is found to be in non-compliance with COPPA they run the risk of significant fines (up to $16,000 per/violation) levied by the FTC. These fines can run into the hundreds of thousands or millions of dollars.

This presents a significant challenge for operators targeting *children*. COPPA-compliance can be cumbersome and costly but the cost of non-compliance is even higher.

AssertID's ConsentID™ Service

AssertID's ConsentID™ service overcomes these problems by providing parents with the information and tools they need to make an informed decision whether to grant consent or not and, a simple means to do so.

For operators ConsentID™ represents significantly lower cost and complexity to achieve COPPA compliance.

Our hope is that by solving these problems the objectives of COPPA can be achieved and the availability of

Conclusion

FTC sanctioning of the proposed AssertID solution will most certainly undermine the efforts of companies that provide legitimate and reliable identity verification and authentication services. The best solution for U.S. website and mobile app operators seeking to automate parental verification is to use methods that employ trusted and verified data sources in order to protect the integrity of the verification process.

The FTC has expressly stated that operators may not rely on Facebook's age gate; we would ask, how then are operators to reconcile that mandate with an FTC sanctioned AssertID process that relies solely on Facebook, or other similar social networks, for what might be considered more important identity attributes for verification?

We respectfully submit that due consideration of the foregoing requires that the AssertID Application for Parental Consent Method be denied at this time.

Respectfully submitted,

John E. Ahrens, Managing Director
VERATAD TECHNOLOGIES, LLC