



United States of America
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of the Secretary

February 24, 2014

iVeriFly, Inc.
Seth D. Heyman, Senior Counsel
1851 East First Street, Suite 1260
Santa Ana, CA 92705

Re: iVeriFly, Inc.'s Application for Approval as a COPPA Verifiable Consent Mechanism (FTC Matter No. P135420)

Dear Mr. Heyman,

This letter is to inform you that the Federal Trade Commission has reviewed iVeriFly, Inc.'s ("iVeriFly") application for approval of a proposed verifiable parental consent ("VPC") method under the Children's Online Privacy Protection Rule ("COPPA" or "the Rule"). After careful consideration of the application and the public comment that was submitted in this matter, the Commission has determined that iVeriFly's VPC method is a variation on VPC methods already recognized in the Rule or recently approved by the Commission, and thus has determined that it is unnecessary to approve your specific implementation of these methods.

iVeriFly submitted a proposed VPC method for approval on October 28, 2013. The Commission published the application in the Federal Register on December 16, 2013. The public comment period closed on January 21, 2014.¹ In response to the application, the Commission received one comment regarding iVeriFly's application.² Privacy Vaults Online, Inc. d/b/a PRIVO ("PRIVO"), a current COPPA safe harbor organization, filed a comment asserting, among other things, that iVeriFly's proposed VPC method should be dismissed as "moot" because it is built upon pre-approved VPC methods.

Section 312.12(a) of the Rule allows parties to request Commission approval of parental consent methods not currently enumerated in the Rule.³ This provision seeks to encourage the development of new verification methods that provide businesses more flexibility while ensuring parents are providing consent for their children. COPPA requires an applicant for Commission approval of a parental consent method to provide 1) a detailed description of the proposed parental consent method and 2) an analysis of how the method is reasonably calculated, in light

¹ 78 Fed. Reg. 77026 (December 20, 2013), *available at* http://www.ftc.gov/sites/default/files/documents/federal_register_notices/2013/12/131216iverflyfrn.pdf.

² The Comment is available at http://www.ftc.gov/system/files/documents/public_comments/2014/01/privo_iverify_comments.pdf.

³ 16 C.F.R. § 312.12(a).

of available technology, to ensure that the person providing consent is the child's parent.⁴ Under COPPA, the Commission considers for approval a proposed VPC *method* rather than a party's specific implementation of a VPC method.

In its application, iVeriFly outlines its VPC system, which conducts identity verification in several ways. The initial step iVeriFly uses to verify identity is Social Security number verification, which is an approved VPC method under the Rule.⁵ Another step involves the use of knowledge-based authentication questions, which – since the filing of iVeriFly's application – the Commission recently approved as a new VPC method.⁶

Once a COPPA account is created for the parent, iVeriFly uses verification codes to verify the parent's identity for any future contacts that the parent may have with one of its operators. This mechanism is akin to using passwords or PIN numbers for a previously authenticated parent, which the Commission staff addressed in its set of COPPA frequently asked questions ("FAQs").⁷ As explained in FAQ Section H.8, providing a password or a PIN number would make it easier to confirm the parent's identity for any future contact the operator may have with that parent. Moreover, PRIVO's comment indicates that the method of assigning a unique identifier to a parent who has completed an initial verification process is already in use by many parties in the industry.

Accordingly, iVeriFly's principal methods are either already recognized as a valid means of obtaining verifiable parental consent in the Rule or were recently approved by the Commission. The Commission has concluded that it is therefore unnecessary to approve your specific implementation of these methods.

By direction of the Commission.

Donald S. Clark
Secretary

⁴ 16 C.F.R. §§ 312.12(a), 312.12.5(b).

⁵ 16 C.F.R. § 312.5(b)(v).

⁶ See

<http://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-grants-approval-new-coppa-verifiable-parental-consent-method/131223imperiumcoppa-app.pdf>.

⁷ See *Complying with COPPA: Frequently Asked Questions* at Section H.8. The FAQs is available at <http://www.business.ftc.gov/documents/Complying-with-COPPA-Frequently-Asked-Questions>.