

UNITED STATES OF AMERICA  
Federal Trade Commission



Office of the Director  
Bureau of Consumer Protection

February 9, 2026

Via Federal Express

Datasys Group, Inc.  
c/o Michael Richmond, Co-Founder  
750 Park of Commerce Drive  
Boca Raton, Florida 33487-3650

Re: Protecting Americans' Data from Foreign Adversaries Act of 2024 (PADFAA)

Dear Datasys Group, Inc.:

The Federal Trade Commission ("FTC" or "Commission") is a federal agency whose mission is to protect Americans from unfair, deceptive, and anticompetitive business practices, without unduly burdening legitimate business activity. As part of that mission, we work to educate businesses about their rights and responsibilities, and where necessary, initiate investigations and enforcement actions.

I write to you regarding the Protecting Americans' Data from Foreign Adversaries Act of 2024 (PADFAA).<sup>1</sup> The statute went into effect on June 24, 2024, and grants enforcement authority to the Commission. The Commission treats violations of PADFAA as an unfair or deceptive practice under Section 5 of the FTC Act, 15 U.S.C. § 45(a). The FTC has authority under Section 5 of the FTC Act, 15 U.S.C. § 45(a), to investigate unfair or deceptive acts or practices in or affecting commerce.<sup>2</sup>

In relevant part, PADFAA prohibits data brokers from selling, licensing, renting, trading, transferring, releasing, disclosing, providing access to, or otherwise making available personally identifiable sensitive data of a United States individual to any foreign adversary country or any entity that is controlled by a foreign adversary.<sup>3</sup> PADFAA defines a data broker as an entity that, for valuable consideration, sells, licenses, rents, trades, transfers, releases, discloses, provides access to, or otherwise makes available data of United States individuals that the entity did not collect directly from such individuals to another entity that is not acting as a service provider.<sup>4</sup>

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<sup>1</sup> Pub. L. 118-50, Div. I, § 2, Apr. 24, 2024, 138 Stat. 960, 15 U.S.C. § 9901 (Protecting Americans' Data from Foreign Adversaries Act of 2024) ("PADFAA"), available at <https://www.ftc.gov/legal-library/browse/statutes/protecting-americans-data-foreign-adversaries-act-2024-padfaa>.

<sup>2</sup> An act or practice is deceptive if there is a material representation, omission, or practice that is likely to mislead consumers acting reasonably under the circumstances. *See, e.g., FTC v. Gill*, 265 F.3d 944, 950 (9th Cir. 2001).

<sup>3</sup> 15 U.S.C. § 9901(a).

<sup>4</sup> *Id.* § 9901(c)(3) (defining "Data broker"). The term "data broker" has several exclusions for entities that 1) transmit data at the request of an individual, 2) provide a product or service with respect to which personally identifiable sensitive data, or access to such data, is not the product or service, 3) publish news or information that

The term “sensitive data” includes government-issued identifiers (such as Social Security numbers), health data, financial account details, biometric information, genetic information, precise geolocation, private communications, account or device log-in credentials, information about an individual under the age of 17, information revealing the status of any individual as a member of the Armed Forces, and a range of other demographic and behavioral data.<sup>5</sup> Finally, the term “foreign adversary country” means a country specified in section 4872(d)(2) of title 10, United States Code, which currently includes China, Iran, North Korea, and Russia.

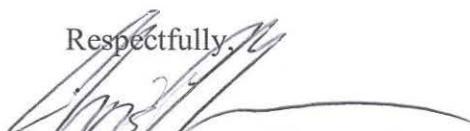
We have identified instances in which your company offers or has offered solutions and insights involving “sensitive data” as that term is defined under PADFAA. Such information is subject to PADFAA’s requirements.

Accordingly, I encourage you to conduct a comprehensive review of your practices and immediately bring your acts and practices into compliance with PADFAA, if you have not already done so. Deceptive and unfair acts or practices that violate the FTC Act may be subject to legal action and court injunctions. In addition, companies that violate PADFAA may be subject to an FTC enforcement action and civil penalties of up to \$53,088 per violation pursuant to Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A). If your company is currently engaged in acts or practices that could be in violation of PADFAA, the FTC Act, or other rules and statutes enforced by the FTC, I strongly encourage you to discontinue those acts or practices immediately.

This letter is not intended to be a comprehensive statement of concerns that may exist in connection with data brokers who sell, license, rent, trade, transfer, release, disclose, provide access to, or otherwise make available personally identifiable sensitive data of a United States individual. Additionally, please note that I am distributing similar notifications to other data brokers, and your receipt of this letter is not intended to suggest that you have engaged in illegal conduct. As always, it is your company’s responsibility to comply with all requirements of federal law, including Section 5 of the FTC Act, PADFAA, and other laws and rules enforced by the Commission. We are monitoring the marketplace for potentially violative acts or practices relating to making available personally identifiable sensitive data of a United States individual to any foreign adversary country or any entity that is controlled by a foreign adversary and will take additional action as warranted.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Katherine McCarron at [kmccarron@ftc.gov](mailto:kmccarron@ftc.gov) or Bhavna Changrani at [bchangrani@ftc.gov](mailto:bchangrani@ftc.gov), including any requests to meet with FTC staff regarding its subject matter.

Respectfully,



Christopher G. Mufarrige  
Director, Bureau of Consumer Protection

Enclosure: Protecting Americans’ Data from Foreign Adversaries Act of 2024 (PADFAA)

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concerns matters of public interest, 4) are reporting, publishing, or making available news that is available to the public, or 5) are acting as a service provider.

<sup>5</sup> *Id.* § 9901(c)(7) (defining “Sensitive data”).