



Office of Commissioner
Rohit Chopra

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

STATEMENT OF COMMISSIONER ROHIT CHOPRA

*Regarding Miniclip and the COPPA Safe Harbors
Commission File No. 1923129*

May 18, 2020

Miniclip is a major player in the mobile gaming space, offering over 1,000 games to users,¹ including children, around the world. Miniclip is owned by Tencent, the Chinese tech conglomerate.²

Today, the FTC is taking action against Miniclip, but not for violations of the Children’s Online Privacy Protection Act (COPPA). Instead, the Commission is ordering Miniclip to stop misrepresenting that it participates in a children’s privacy self-regulatory program.

Miniclip was enrolled in a COPPA “Safe Harbor” program run by the Children’s Advertising Review Unit (CARU). The Federal Trade Commission approves these Safe Harbor programs, and companies that participate in an approved program get special regulatory treatment. According to CARU, “Program participants who adhere to CARU’s Guidelines are deemed in compliance with COPPA and essentially insulated from enforcement actions by the Federal Trade Commission (FTC).”³

In 2015, Miniclip was terminated from CARU’s Safe Harbor program. According to my office’s analysis of COPPA Safe Harbor reports submitted to the FTC, terminations are exceedingly rare.⁴ I commend CARU for demonstrating its willingness to discipline its participants that violate its guidelines, but the specific details regarding Miniclip’s violations that led to its

¹ *Miniclip The Ultimate Games Brand: About*, MINICLIP, <https://corporate.miniclip.com/about/> (last visited May 15, 2020).

² Surveillance and data collection on American children raise concerns that go beyond privacy. According to a State Department official, there are critical national security issues with respect to technology companies affiliated with the Chinese government, such as Huawei, ZTE, Alibaba, Baidu, and Tencent. Dr. Christopher Ashley Ford, Assistant Secretary, U.S. Department of State Bureau of International Security and Nonproliferation, Remarks at the Multilateral Action on Sensitive Technologies (MAST) Conference at the Loy Henderson Auditorium in Washington, D.C., Huawei and Its Siblings, the Chinese Tech Giants: National Security and Foreign Policy Implications (Sept. 11, 2019), <https://www.state.gov/huawei-and-its-siblings-the-chinese-tech-giants-national-security-and-foreign-policy-implications/>.

³ *The Children’s Advertising Review Unit (CARU)*, BETTER BUSINESS BUREAU NATIONAL PROGRAMS., <https://bbbprograms.org/programs/all-programs/caru/CARU-COPPA-safe-harbor> (last visited May 15, 2020).

⁴ Rohit Chopra, Commissioner, Fed. Trade Comm’n, Remarks at the Common Sense Media Truth About Tech Conference at Georgetown University (Apr. 4, 2019), <https://www.ftc.gov/public-statements/2019/04/prepared-remarks-commissioner-rohit-chopra-common-sense-media-truth-about>.

termination remain a secret to the public. If the FTC does not promptly learn about or investigate terminations by COPPA Safe Harbors, the agency may be unable to obtain civil penalties, due to the five-year statute of limitations.

While I support this action, the Miniclip matter reinforces my concerns about the COPPA Safe Harbor programs. The Commission must take many steps to revamp its approach to these third-party privacy policing programs, such as:

- Subjecting the COPPA Safe Harbors to routine reviews and Commission votes to maintain accreditation, rather than the current “lifetime approval” approach
- Disclosing COPPA Safe Harbor performance data to the public, including complaints handled and disciplinary actions taken
- Limiting conflicts of interest by COPPA Safe Harbors by restricting additional fee-based consulting offered by affiliates of the Safe Harbor to participating websites and apps
- Seeking the prompt submission to the FTC of all documentation regarding disciplinary actions
- Terminating Safe Harbor programs that do not adequately fulfill their oversight requirements

Beefing up oversight of the COPPA Safe Harbor program is just one of many actions the Commission must take to strengthen our approach to protecting children’s privacy. The Commission should also issue orders under Section 6(b) of the FTC Act to further study how companies are collecting, sharing, and monetizing data on children, as we look to modernize our rules and enforcement strategy to root out children’s privacy violations.