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## United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEB SITE: <http://commerce.senate.gov>

September 24, 2013

Mr. Charles Townsend  
Chief Executive Officer  
Conde Nast Publications  
4 Times Square  
New York, New York 10036

Dear Mr. Townsend,

I am writing to request that you help the Committee better understand how data brokers collect personal information about American consumers. Consumers increasingly use the Internet to obtain information, advice, and answers to questions related to personal matters, including health, family, and financial circumstances.<sup>1</sup> As seeking information online becomes more commonplace, growing numbers of consumers are voluntarily providing personal information about their lives to websites such as yours.

In October 2012, I initiated an inquiry regarding “data brokers,” private entities that collect and sell data about consumers. The purpose of this investigation is to help the Committee better understand the industry’s practices handling the information they collect. I requested information from nine companies often identified as data brokers regarding their data collection, use, and sharing practices.<sup>2</sup>

One preliminary finding of this review is that hundreds of thousands of websites that gather information directly from consumers may be a source of consumer information for data brokers. Respondent companies have told the Committee they obtain information from consumer-facing website sources. Elaborating on this type of source, one respondent company estimated that “there are over 250,000 websites who state in their privacy policy that they share data with other companies for marketing and/or risk mitigation purposes.”<sup>3</sup>

Unfortunately, to date several major data brokers have refused to identify to the Committee specific sources of the consumer information they obtain – or the specific entities that in turn have compiled information from individual website sources. With respect to consumer-facing websites, they instead have stated more generally that the information they obtain derives from categories such as “surveys,” “questionnaires,” and “sweepstakes.”

<sup>1</sup> Fox, Susannah et al., *Health Online 2013* (Jan. 15, 2013).

<sup>2</sup> Senate Committee on Commerce, Science, and Transportation, *Rockefeller Seeks Information about Data Brokers’ Practices* (Oct. 10, 2012).

<sup>3</sup> Company response to Chairman John D. Rockefeller IV (Mar. 26, 2013).

When consumers provide personal information in interactions with websites, they may not be aware that data they are sharing may be shared with data brokers. Privacy policies are often located on a separate page from the website portal page, and some experts argue that even when a consumer locates and reviews a company's privacy policy, such documents are often difficult to decipher.<sup>4</sup>

Consumers may also not be aware of how that information may be used once it has been shared with data brokers. Based on the responses data brokers have provided to the Committee's inquiries to date, we know that one way data brokers market the information is by grouping consumers into categories such as "Rural and Barely Making It" and "Ethnic Second-City Strugglers." These groupings give potential marketers a general overview of the likely behaviors and characteristics of the consumers who have been placed in each segment.

Regardless of whether such characterizations are positive, negative, or erroneous, the process of determining these characterizations is not transparent to the consumer and is beyond the consumer's control. While some consumers may not object to having their information categorized and used for marketing, before they share personal information it is important that they know it may be used for purposes beyond those for which they originally provided it.

Numerous websites that provide consumers guidance on health, family, and personal finance issues, including self.com, invite consumers to submit personal information related to these matters through tools that websites describe as "surveys," "sweepstakes," and "calculators," among others. At the same time, privacy policies for many such websites appear to leave room for sharing a consumer's information with data brokers or other third parties who in turn may share with data brokers. For example, self.com's policy provides that a consumer's personally identifiable information may be collected through "surveys" and "sweepstakes" – broad categories similar to those data brokers have used when describing to the Committee the sources of their information – and also allows for sharing with third parties.

However, it is difficult to determine from the face of any company's privacy policy how the company actually uses and shares consumer information it gathers – or specifically how it limits any such sharing. Transparency regarding website information practices is increasingly important as greater numbers of consumers turn to the Internet for advice and information. Toward that end, I ask that you provide responses to the following questions by Friday, October 11, 2013.

In each of the questions below, "company," "you," or "your" refers to Self.com and any of its parents, subsidiaries, and affiliates. "Company" includes trade names, operations under assumed names, fictitious business names, corporations, limited liability companies, unincorporated divisions, joint ventures, partnerships, sole proprietorships, associations,

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<sup>4</sup> See, e.g., Federal Trade Commission, *Protecting Consumer Privacy in an Era of Rapid Change: A Proposed Framework for Businesses and Policymakers – Preliminary FTC Staff Report*, at 27 (Dec. 2010) (stating that "privacy policies have become long and incomprehensible, placing too high a burden on consumers to read, understand, and then exercise meaningful choices based on them").

cooperatives, and any other legal entities. "Personally identifiable information" refers to information that alone can be used to identify an individual (e.g., name or social security number), or that can be used to identify an individual when combined with other personal or identifying information which is linked or linkable to a specific individual (e.g. date and place of birth and mother's maiden name).

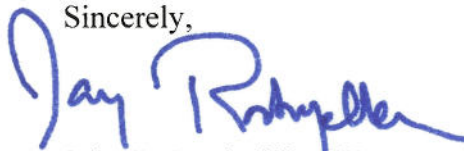
1. Does your company collect health, family, financial or other information from consumers through your self.com website? If yes, does your company link that information to personally identifiable information from or about consumers? Please describe each method or mechanism used to collect and/or link the information, including, but not limited to methods your website may refer to as "questionnaires," "sweepstakes," "surveys," or "calculators."
2. If your answer to question (1) is yes, does your company share with third parties the personally identifiable information and health, family, financial or other information which your company obtains from or about consumers through its website? If yes, identify all such third parties to which your company has disclosed this information since January 1, 2012, and with respect to each entity identified:
  - a. Describe the specific nature of the information shared and whether you provide the information in the form that it is acquired or whether you change the form or content of the data; and
  - b. Describe in detail any prohibitions or limitations you have placed on such third parties regarding disclosure, sale, or use of such personally identifiable information.
3. Does your company allow or enable third parties to directly collect personally identifiable information from or about consumers through your self.com website? Identify all such third parties that have collected information in this manner since January 1, 2012.
4. If the answer to question (3) is yes, with respect to each third-party entity identified:
  - a. Describe each method or mechanism the entity used to collect personally identifiable information from or about consumers, including, but not limited to methods your website may refer to as "questionnaires," "sweepstakes," "surveys," or "calculators"; and
  - b. Describe in detail any prohibitions or limitations you have placed on such third party regarding disclosure, sale, or use of such personally identifiable information.

The Committee is conducting this inquiry under the authority of Senate Rules XXV and

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XXVI. If you have any questions, please contact Melanie Tiano with the Committee staff at (202) 224-1300.

Sincerely,



John D. Rockefeller IV  
Chairman

Enclosure

cc: John Thune  
Ranking Member