

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Joseph J. Simons, Chairman
Noah Joshua Phillips
Rohit Chopra
Rebecca Kelly Slaughter
Christine S. Wilson

In the Matter of)
)
mResource LLC, a corporation,) DOCKET NO. C-4663
d/b/a Loop Works LLC.)
)
_____)

COMPLAINT

The Federal Trade Commission (“FTC”), having reason to believe that mResource LLC, a corporation, doing business as Loop Works LLC, has violated provisions of the Federal Trade Commission Act (“FTC Act”), and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent mResource LLC is a Delaware corporation with its principal office or place of business at 660 W. Lake St., #350, Chicago, IL 60661.
2. Respondent offers recruitment and “talent management” services.
3. The acts and practices of Respondent alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act.
4. Respondent has set forth on its website, <https://www.loopworks.com>, privacy policies and statements about its practices, including statements related to its participation in the EU-U.S. Privacy Shield framework agreed upon by the U.S. government and the European Commission.

Privacy Shield

5. The EU-U.S. Privacy Shield framework (“Privacy Shield”) was designed by the U.S. Department of Commerce (“Commerce”) and the European Commission to provide a mechanism for U.S. companies to transfer personal data outside of the EU that is consistent with the requirements of the European Union Directive on Data Protection. Enacted in 1995,

the Directive sets forth EU requirements for privacy and the protection of personal data. Among other things, it requires EU Member States to implement legislation that prohibits the transfer of personal data outside the EU, with exceptions, unless the European Commission has made a determination that the recipient jurisdiction's laws ensure the protection of such personal data. This determination is referred to commonly as meeting the EU's "adequacy" standard.

6. To satisfy the EU adequacy standard for certain commercial transfers, Commerce and the European Commission negotiated the EU-U.S. Privacy Shield framework, which went into effect in July 2016. The EU-U.S. Privacy Shield framework allows companies to transfer personal data lawfully from the EU to the United States. To join the EU-U.S. Privacy Shield framework, a company must self-certify to Commerce that it complies with the Privacy Shield Principles and related requirements that have been deemed to meet the EU's adequacy standard. Any company that voluntarily withdraws or lets its self-certifications lapse must take steps to affirm to Commerce that it is continuing to protect the personal information it received while it participated in the program.
7. Companies under the jurisdiction of the FTC, as well as the U.S. Department of Transportation, are eligible to join the EU-U.S. Privacy Shield framework. A company under the FTC's jurisdiction that claims it has self-certified to the Privacy Shield Principles, but failed to self-certify to Commerce, may be subject to an enforcement action based on the FTC's deception authority under Section 5 of the FTC Act.
8. Commerce maintains a public website, <https://www.privacyshield.gov/welcome>, where it posts the names of companies that have self-certified to the EU-U.S. Privacy Shield framework. The listing of companies, <https://www.privacyshield.gov/list>, indicates whether the company's self-certification is current.
9. Through at least June 2018, Respondent has disseminated or caused to be disseminated privacy policies and statements on the <https://www.loopworks.com/privacy-policy/> website, including, but not limited to, the following statements:

EU-U.S. Privacy Shield

Loop is a participant in the U.S. Department of Commerce's EU-U.S. Privacy Shield and has certified that we adhere to the EU-U.S. Privacy Shield Principles. Loop is subject to the investigatory and enforcement powers of the Federal Trade Commission.

For more information about the EU-U.S. Privacy Shield Framework, visit the U.S. Department of Commerce's Privacy Shield website at <https://www.commerce.gov/privacyshield>

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In cases of onward transfer to third parties of data of EU individuals received pursuant to the EU-US Privacy Shield, Loop remains liable.

10. Although Respondent obtained Privacy Shield certification in December 2016, it did not complete the steps necessary to renew its participation in the EU-U.S. Privacy Shield framework after that certification expired in December 2017. After allowing its certification to lapse Respondent has continued to claim, as indicated in paragraph 9, that it participates in the Privacy Shield framework.

Count 1 – Privacy Misrepresentation

11. As described in Paragraph 9, Respondent represents, directly or indirectly, expressly or by implication, that it is a current participant in the EU-U.S. Privacy Shield.
12. In fact, as described in Paragraph 10, Respondent was not a current participant in the EU-U.S. Privacy Shield. Therefore, the representation set forth in Paragraph 11 is false or misleading.

Violation of Section 5 of the FTC Act

13. The acts and practices of Respondent as alleged in this complaint constitute deceptive acts or practices, in or affecting commerce, in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this fifteenth day of November, 2018, has issued this complaint against Respondent.

By the Commission, Commissioner Wilson not participating.

Donald S. Clark
Secretary

SEAL: