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**PUBLIC SUBMISSION**

## Comment from Privacy4Cars - Andrea Amico

Posted by the **Federal Trade Commission** on Jan 25, 2022

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I want to thank the Commission for the opportunity to comment.  
See attached file.

Regards

Andrea Amico  
Founder and CEO  
Privacy4Cars  
<https://privacy4cars.com>

Attachments 1



Privacy4 Cars - Comment for FTC Standards for Safeguarding Customer Information - Jan 2022

 Download ([https://downloads.regulations.gov/FTC-2021-0071-0009/attachment\\_1.pdf](https://downloads.regulations.gov/FTC-2021-0071-0009/attachment_1.pdf))

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<https://Privacy4Cars.com>

# Public Comment for FTC Standards for Safeguarding Customer Information

Submitted to: Federal Trade Commission

(<https://www.federalregister.gov/documents/2021/12/09/2021-25064/standards-for-safeguarding-customer-information#open-comment>)

January 25<sup>th</sup>, 2022

I respectfully submit these comments in response to the request by the Federal Trade Commission ("Commission") for public comments on its [proposed rule](#) for Standards Safeguarding Customer Information "to require financial institutions to report to the Commission any security event where the financial institutions have determined misuse of customer information has occurred or is reasonably likely and at least 1,000 consumers have been affected or reasonably may be affected."

Since its enactment by Congress in 1999, the Gramm Leach Bliley Act (GLBA) remains one of the country's precious few federal regulations protecting consumer data privacy. The framework provided by the GLBA applies to a broad range of financial institutions, including auto finance companies and auto dealerships. However, many of these institutions still lack the fundamentals required by GLBA, including a written policy for how they protect personal information, including the personal information captured by the vehicles they sell such as the contacts, call logs, text messages, biometrics, and GPS history including the home address and the garage door codes.

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<sup>1</sup> Privacy4Cars founder, Andrea Amico, has been heading the Privacy and Cybersecurity initiative at the International Automotive Remarketing Alliance (IARA, [www.iara.biz](http://www.iara.biz)), the industry association that reunites many of the leading players in the \$100 billion vehicle wholesaling industry in the US and Canada, including automotive OEMs, automotive finance companies as large as captives and national blue-chip banks to smaller regional auto leasing and lending companies, most of the main auto auctions, large fleet management and fleet companies such as rentals, vehicle repossession companies, dealers, and many other service providers. At IARA, Amico spearheaded the formation of a partnership with Auto-ISAC, the Information Sharing and Analysis Center, established by the automotive industry to address cybersecurity and privacy issues.

The Commission recognized multiple times the reasonably likely dangers of leaving personal information in vehicles when they are handed off. It did so by issuing statements warning consumers and advising rental car companies and fleets to take action as early as 2016. Unfortunately, the problem has only grown in magnitude. Our audits in the US show that, last year, more than 4 out of 5 vehicles have been sold after being traded in, repossessed, returned at the end of a lease, or after a total loss accident while still containing the personal information of the previous owners and occupants. I hope the Commission will take into account the responsibility auto finance companies and dealerships have in safeguarding the personal information stored in the vehicles they sell, and the critical role these industries can play in shoring up this ongoing data breach that affects tens of millions of American consumers every year!

U.S. courts are beginning to recognize the risk of personal data unscrubbed from physical assets. For example, a [recent \\$60M class action](#) settlement against Morgan Stanley centered on customer information that was left on servers the company resold to third parties. Without properly deleting the personal information of these individuals from their servers, Morgan Stanley exposed sensitive data of approximately 15 million customers.

Last month in California, the Superior Court in the County of San Diego denied the defendant's motion in *Greenley v. Avis Budget Group Inc.* to dismiss a class action lawsuit alleging the company failed to properly disclose to consumers the collection of personal information (e.g., precise GPS data and phone records) that was left on vehicles and exposed to subsequent renters. The plaintiffs argue that since no reasonable consumer would have paid the same amount of money to rent a car had they known about the data collection and subsequent risks, this is a case of unfair competition. The Commission has previously [stated](#) that unfair competition is a current priority for investigation and enforcement.

In fulfilling its responsibility under Subtitle A of Title V of the GLBA, to establish standards for financial institutions, the Commission is in a strong position to significantly improve consumer privacy protections by enforcing the following GLBA requirements for auto finance companies and dealerships:

1. A written policy on how they protect personal information, including the personal information captured by the vehicles they sell,
2. Documented administrative and technical measures that reliably remove personal data from vehicles before sale, and
3. An audit trail of those activities, to demonstrate compliance with GLBA.

Although these are already considered the bare minimum among the data protection community and legal scholarship, and despite the above being mandatory standards for the handoff, refurbishing, and recycling of computers, storage media, and mobile/smartphones, they have not been broadly adopted by the automotive industry - even though modern vehicles have essentially the same data capturing, storage, and sharing capabilities of those covered devices. Perhaps unsurprisingly, the current absence of regulatory enforcement is leaving tens of millions of consumers unprotected, with their only recourse being filing and joining class action litigation in order to force companies to respect their basic privacy rights and best practices.

It does not have to be so. The technology to quickly and effectively delete personal data from individual vehicles and fleets already exists. We're not waiting for innovation to make this possible; it could be done today. In fact, a number of entities in the automotive industry subject to GLB are already following the above recommendations, including some OEM captive finance companies, national and local auto

lenders, and credit unions. Unfortunately, these protections are in place for less than 2% of the approximately 20 million vehicles resold through wholesale channels and less than 1% of the nearly 40 million used vehicle transactions in the United States today.

While meaningful change to increase consumer protections is within reach, only the attention of the Commission and likeminded regulatory bodies can create reasonable and timely safeguards at the scale and speed the industry needs.

Thank you for considering the risks to consumer privacy among auto finance companies and dealerships as you seek to broaden the definition of "safeguards" in the GLB. I'm available for further discussion or additional information as needed.

Sincerely,

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