

**FTC Press Release:**

<https://www.ftc.gov/news-events/press-releases/2016/06/mobile-advertising-network-inmobi-settles-ftc-charges-it-tracked>

**Mobile Advertising Network InMobi Settles FTC Charges It Tracked Hundreds of Millions of Consumers' Locations Without Permission  
Company Will Pay \$950,000 For Tracking Children Without Parental Consent**

For Release

June 22, 2016

Singapore-based mobile advertising company InMobi will pay \$950,000 in civil penalties and implement a comprehensive privacy program to settle Federal Trade Commission charges it deceptively tracked the locations of hundreds of millions of consumers – including children – without their knowledge or consent to serve them geo-targeted advertising.

The FTC alleges that InMobi misrepresented that its advertising software would only track consumers' locations when they opted in and in a manner consistent with their device's privacy settings. According to the complaint, InMobi was actually tracking consumers' locations whether or not the apps using InMobi's software asked for consumers' permission to do so, and even when consumers had denied permission to access their location information.

The FTC alleges that InMobi, whose advertising network has reached more than one billion devices worldwide through thousands of popular apps, offers multiple forms of location-based advertising to its customers, including the ability to serve ads to consumers based on their current locations, locations they visit at certain times, and on their location over time.

"InMobi tracked the locations of hundreds of millions of consumers, including children, without their consent, in many cases totally ignoring consumers' express privacy preferences," said Jessica Rich, Director of the FTC's Bureau of Consumer Protection. "This settlement ensures that InMobi will honor consumers' privacy choices in the future, and will be held accountable for keeping their privacy promises."

The complaint alleges that inMobi created a database built on information collected from consumers who allowed the company access to their geolocation information, combining that data with the wireless networks they were near to document the physical location of wireless networks themselves. InMobi then would use that database to infer the physical location of consumers based on the networks they were near, even when consumers had turned off location collection on their device.

The FTC alleges that InMobi also violated the Children's Online Privacy Protection Act (COPPA) by collecting this information from apps that were clearly directed at children,

in spite of promising that it did not do so. The complaint noted that InMobi's software tracked location in thousands of child-directed apps with hundreds of millions of users without following the steps required by COPPA to get a parent or guardian's consent to collect and use a child's personal information.

Under the terms of its settlement with the FTC, InMobi is subject to a \$4 million civil penalty, which is suspended to \$950,000 based on the company's financial condition. In addition, the company will be required to delete all information it collected from children, and will be prohibited from further violations of COPPA.

In addition, InMobi will be prohibited from collecting consumers' location information without their affirmative express consent for it to be collected, and will be required to honor consumers' location privacy settings. The company will also be required to delete the location information of consumers it collected without their consent and will be prohibited from further misrepresenting its privacy practices. The settlement also will require InMobi to institute a comprehensive privacy program that will be independently audited every two years for the next 20 years.

The Commission vote to authorize the staff to refer the complaint to the U.S. Department of Justice and to approve the proposed stipulated order was 3-0. The DOJ filed the complaint and proposed stipulated order on behalf of the Commission in U.S. District Court for the Northern District of California.

NOTE: The Commission authorizes the filing of a complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. Stipulated orders have the force of law when approved and signed by the District Court judge.

The Federal Trade Commission works to promote competition, and protect and educate consumers. You can learn more about consumer topics and file a consumer complaint online or by calling 1-877-FTC-HELP (382-4357). Like the FTC on Facebook(link is external), follow us on Twitter(link is external), read our blogs and subscribe to press releases for the latest FTC news and resources.

#### **FTC**

**Complaint:** <https://www.ftc.gov/system/files/documents/cases/160622inmobicmpt.pdf>

**[Proposed] Stipulated Order for Permanent Injunction and Civil Penalty Judgment (Awaiting Court's**

**Signature):** <https://www.ftc.gov/system/files/documents/cases/160622inmobistip.pdf>