

[Viacom, Others Reach Deal After NY AG's Child Privacy Probe](#)

By Shayna Posses

Law360, New York (September 13, 2016, 7:30 PM EDT) -- Viacom, Mattel, Hasbro and JumpStart have agreed to pay a combined \$835,000 in penalties and implement reforms after an investigation revealed that the children's website operators permitted illegal tracking of kids' online activity, New York Attorney General Eric T. Schneiderman announced Tuesday.

The settlement follows a first-of-its-kind investigation called Operation Child Tracker, which revealed that websites run by these companies — including sites associated with Nickelodeon, Barbie, Neopets and My Little Pony — housed tracking technology that violated the Children's Online Privacy Protection Act, according to the AG's office.

The law bars websites intended for children under the age of 13 from the unauthorized collection of kids' personal information, such as data that is used to track movements across the internet, but the two-year probe revealed that the companies allowed third parties like marketers or advertising companies to follow kids' online activity, the office said.

Federal law demands that children are off-limits to advertisers' "prying eyes," Schneiderman said in a Tuesday statement.

"Operation Child Tracker revealed that some of our nation's biggest companies failed to protect kids' privacy and shield them from illegal online tracking," the attorney general said. "My office remains committed to protecting children online and will continue our investigation to hold accountable those who violate the law by tracking children."

The investigation revealed a number of violations in the companies' websites, including the fact that advertisers and agencies placing ads

on Viacom Inc.'s Nickelodeon and Nick Jr. sites — which feature content associated with popular shows like “SpongeBob SquarePants” and “Dora the Explorer” — introduced technology that regularly engaged in COPPA-prohibited tracking, profiling and targeted advertising, according to the office.

Though the company considered several approaches to mitigate the risks, they didn't implement them in a timely fashion or institute sufficient safeguards, the office said.

Another issue came from Mattel Inc.'s use of technology provided by a data broker to measure metrics on sites for toys like Barbie and Hot Wheels, according to the office. While that is permissible, the technology ultimately introduced other third-party tracking technologies that engaged in barred activities, the office said.

Meanwhile, JumpStart Games Inc., which operates Neopets, and toy-maker Hasbro Inc. integrated outside plug-ins into their websites that allowed users to be tracked, among other violations, the office said.

Under Monday's settlement, the companies agreed to a number of reforms, including running regular scans to monitor for prohibited technologies and adopting procedures to vet third parties' data-collection practices, according to the office.

Viacom will pay \$500,000, Mattel will pay \$250,000 and JumpStart will pay \$85,000, the office said. Hasbro participated in a U.S. Federal Trade Commission-approved safe harbor program and won't pay a penalty, according to the office.

Viacom said in a Tuesday statement that the company takes its longstanding commitment to protecting children's privacy seriously and works hard in the fast-changing digital landscape to insure COPPA compliance.

“Under the agreement with the New York Attorney General, which resolves an investigation of an earlier generation of Nickelodeon websites, Viacom has committed to continue to be at the forefront of children’s safety,” the company said.

Also in a Tuesday statement, Hasbro said that the company is deeply committed to delivering a safe, secure and enjoyable online experience and welcomed the opportunity to bolster its privacy practices in connection with the settlement.

“As technology evolves, and regulation with it, our goal is to set the standard for responsible practices to ensure consumers’ — and especially children’s — privacy comes first,” the company said.

Representatives for Mattel and JumpStart didn’t immediately return requests for comment Tuesday.

--Editing by Emily Kokoll.