

Daily Privacy & Consumer Regulatory Alert

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FEDERAL DEVELOPMENTS

Newspaper Subscription Scam

On June 20th, the Federal Trade Commission (FTC) [announced](#) that the U.S. District Court for the District of Oregon imposed an \$8.9 million judgement on the operators of a direct mail marketing scheme which deceived victims into paying for fraudulent newspaper subscriptions. According to a 2016 complaint from the Federal Trade Commission (FTC), the defendants allegedly operated multiple companies which mailed consumers deceptive renewal notices for newspaper subscriptions for *The New York Times*, *The Wall Street Journal*, *The Seattle Times*, and *The Denver Post*. The defendants continued their operation despite multiple cease and desist letters from the newspaper publishing companies. The court permanently banned the defendants from direct mail marketing and required the defendants pay \$8.9 million.

DOJ Charges Payment Processing Company

On June 20th, the Department of Justice (DOJ) [announced](#) that four corporate executives of the Canadian payment processing company PacNet Services were charged with fraud and money laundering. The company allegedly knowingly processed the victims' payments from numerous international mass mailing fraud schemes. The defendants instructed PacNet employees to process the payments from companies that operated sweepstake scams that deceived victims into paying money in advance for a prize.

STATE DEVELOPMENTS

State Data Breach Trends

On June 20th, consumer technology research company Comparitech published an [article](#) comparing data breach trends between states over the last ten years. According to the article:

- The U.S. suffered 9,969 data breaches involving 10.7 billion records since 2008;
- California had the highest number of data breaches and the highest number of compromised records;
- 2017 had the highest number of data breaches nationally; and
- 2016 had the highest number of records compromised.

Background Screening Legislation

Recently enacted state legislation regarding background screening includes:

- Nevada enacted [A.B. 275](#), which requires professional regulatory bodies to maintain the confidentiality of the PII of applicants for certain occupational licenses; and
- Texas enacted [H.B. 3175](#), which requires government agencies to maintain the confidentiality of the PII of applicants for disaster recovery funds.

This newsletter is published by AGG's Privacy and Consumer Regulatory Practice. For more information, please visit www.agg.com or contact Bob Belair, Kevin Coy, or Montserrat Miller. To subscribe, please email dpcra@agg.com.

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