

Google Gets Fined by FTC for Consumer Privacy Violations

August 10, 2012 - Google has been hit with a \$22.5 Million FTC fine for violating the privacy of online consumers. The suit was the direct result of research conducted by a student, Jonathan Mayer, at Stanford University. Mayer was able to show that Google was setting tracking cookies on computers running Apple's Safari web browser even though the browser was setup by default to prevent cookies.

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(function() {  
var s = document.createElement('SCRIPT'), s1 = document.getElementsByTagName('SCRIPT')[0];  
s.type = 'text/javascript';  
s.src = 'http://widgets.digg.com/buttons.js';  
s1.parentNode.insertBefore(s, s1);  
})();
```

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(function() {  
var po = document.createElement('script'); po.type = 'text/javascript'; po.async = true;  
po.src = 'https://apis.google.com/js/plusone.js';  
var s = document.getElementsByTagName('script')[0]; s.parentNode.insertBefore(po, s);  
})();
```

Cookies are actually just small files that allow companies to track your viewing habits on the internet. Many websites won't work properly if the ability to set cookies is disabled on your computer. But consumers certainly have the right to disable this type of tracking. And in the case of Apple's Safari browser, the default setting in the browser to deny the ability of websites to use cookies.

Advertisers use cookies to display customize the advertising they display to the specific tastes of the consumer viewing the ad. The result of this is better response rates and higher sales rates for the advertising displayed.

But cookies present a significant privacy concern. In addition to increasing ad response rates, they allow advertisers and website owners to see what sites you visit and what you do on those sites when you are visiting them.

According to the FTC complaint, Google placed tracking cookies on computers running Safari, iPhones and iPads even though the company was publically telling consumers that they would not be tracked because of the default settings provided by

Apple. The FTC called this a "misrepresentation" by Google and said that it violates the company's 2011 privacy agreement with the FTC. The settlement also requires Google to disable any cookies that the company placed on computers running Safari.

While the FTC is claiming that the fine is significant, it is worth noting that Google's 2nd quarter earnings were \$2.8 Billion. That means that the fine accounts for a little more than 17 hours of revenue for the company.

by Jim Malmberg

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