## UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

**COMMISSIONERS:** Edith Ramirez, Chairwoman

**Julie Brill** 

Maureen K. Ohlhausen Joshua D. Wright

- 8. Aaron's protects its computer network with certain security features. DesignerWare's website, through which Aaron's franchisees needed to access PC Rental Agent and activate Detective Mode, did not interface smoothly with Aaron's network configurations. In numerous instances, Aaron's franchisees had to seek written permission from Aaron's to access the DesignerWare website so that they could use PC Rental Agent. Senior Aaron's management approved these requests and authorized franchisees to access the DesignerWare website using the Aaron's network. Absent this permission, many Aaron's franchisees could not have used PC Rental Agent, activated Detective Mode, and surreptitiously monitored consumers' activities on rented computers.
- 9. Aaron's also provided its franchisees with trouble-shooting advice relating to installation of PC Rental Agent software on rental computers. Technical conflicts between PC Rental Agent and the antivirus program already installed on computers in rental inventory prevented franchisees from readily installing PC Rental Agent. Aaron's published step-by-step instructions for installing PC Rental Agent on Aaron's rental computers in a newsletter for franchisees and posted those instructions on its website.
- 10. In numerous instances, Aaron's franchisees used the Aaron's computer network to access the DesignerWare website, and then, often using instructions provided by Aaron's, installed PC Rental Agent on computers rented to consumers. Aaron's franchisees directed DesignerWare to send Detective Mode data to the email accounts provided to them by Aaron's. Aaron's computer network was used to receive, store, and access upwards of 100,000 Detective Mode messages, including messages containing private and confidential consumer information about consumers who rented computers from Aaron's franchisees. Aaron's has stored such messages on its computer network since at least 2009.
- 11. Aaron's knew that Detective Mode captured confidential and personal information from consumer computer users without notice to those users. Aaron's IT personnel were aware that company server space was being used to store Detective Mode emails and knew what data those emails contained. One IT employee who reviewed Detective Mode images sent to a franchisee described the program as "very intrusive" in an email to Aaron's chief information officer.
- 12. Aaron's employees responsible for franchisee development and oversight, "franchise representatives," also knew that Aaron's franchisees were installing PC Rental Agent and using Detective Mode without notice to consumers. Franchise representatives discussed PC Rental Agent with franchisee employees, via email and in-person, including at Aaron's-sponsored conferences attended by franchisee employees where PC Rental Agent was an agenda item. Some franchisee employees first heard ab

## **VIOLATION OF THE FTC ACT**

17. Through the means described in Paragraphs 3 through 16, respondent's actions have caused or are likely to cause substantial injury to consumers that cannot be reasonably avoided and is not outweighed by countervailing benefits to consumers or competition. Therefore, respondent's practices constitute unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a).

**THEREFORE**, the Federal Trade Commission, this tenth day of March, 2014, has issued this complaint against respondent.

By the Commission.

Donald S. Clark Secretary