

significant banking organizations representing entities actively participating in the federal funds and/or other money markets.

Total estimated number of respondents: 277.

Total estimated change in burden: 14,000.

Total estimated annual burden hours: 133,825.

Board of Governors of the Federal Reserve System, September 25, 2024.

Benjamin W. McDonough,

Deputy Secretary and Ombuds of the Board.

[FR Doc. 2024–22324 Filed 9–27–24; 8:45 am]

BILLING CODE 6210–01–P

FEDERAL TRADE COMMISSION

[File No. 232 3042]

DoNotPay, Inc.; Analysis of Proposed Consent Order To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement; request for comment.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices. The attached Analysis of Proposed Consent Order to Aid Public Comment describes both the allegations in the complaint and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before October 30, 2024.

ADDRESSES: Interested parties may file comments online or on paper by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Please write “DoNotPay, Inc.; File No. 232 3042” on your comment and file your comment online at <https://www.regulations.gov> by following the instructions on the web-based form. If you prefer to file your comment on paper, please mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H–144 (Annex D), Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Keith Fentonmiller (202–326–2775), Attorney, Division of Advertising Practices, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and

FTC Rule § 2.34, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of 30 days. The following Analysis to Aid Public Comment describes the terms of the consent agreement and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained at <https://www.ftc.gov/news-events/mission-actions>.

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before October 30, 2024. Write “DoNotPay, Inc.; File No. 232 3042” on your comment. Your comment—including your name and your state—will be placed on the public record of this proceeding, including, to the extent practicable, on the <https://www.regulations.gov> website.

Because of heightened security screening, postal mail addressed to the Commission will be subject to delay. We strongly encourage you to submit your comments online through the <https://www.regulations.gov> website. If you prefer to file your comment on paper, write “DoNotPay, Inc.; File No. 232 3042” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H–144 (Annex D), Washington, DC 20580.

Because your comment will be placed on the publicly accessible website at <https://www.regulations.gov>, you are solely responsible for making sure your comment does not include any sensitive or confidential information. In particular, your comment should not include sensitive personal information, such as your or anyone else’s Social Security number; date of birth; driver’s license number or other state identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure your comment does not include sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any “trade secret or any commercial or financial information which . . . is privileged or confidential”—as provided by Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule § 4.10(a)(2), 16 CFR 4.10(a)(2)—including competitively

sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled “Confidential,” and must comply with FTC Rule § 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request and must identify the specific portions of the comment to be withheld from the public record. See FTC Rule § 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted on the <https://www.regulations.gov> website—as legally required by FTC Rule § 4.9(b)—we cannot redact or remove your comment from that website, unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule § 4.9(c), and the General Counsel grants that request.

Visit the FTC website at <https://www.ftc.gov> to read this document and the news release describing the proposed settlement. The FTC Act and other laws the Commission administers permit the collection of public comments to consider and use in this proceeding, as appropriate. The Commission will consider all timely and responsive public comments it receives on or before October 30, 2024. For information on the Commission’s privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/site-information/privacy-policy>.

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an agreement containing a consent order from DoNotPay, Inc. (“DoNotPay”).

The proposed consent order (“proposed order”) has been placed on the public record for thirty days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement’s proposed order.

This matter involves DoNotPay’s reliance on the emergence of new technology like artificial intelligence

(AI) to market its DoNotPay Service (“the Service”) as a cutting-edge solution for producing legal documents. DoNotPay described its Service as “the world’s first robot lawyer” and as an “AI lawyer” capable of performing legal services such as drafting “ironclad” demand letters, contracts, complaints for small claims court; challenging speeding tickets; and appealing parking tickets. The proposed complaint alleges that the Service was not designed to operate like a human lawyer, and that the company’s claims were false, misleading, or unsubstantiated.

The proposed complaint also alleges that DoNotPay falsely claimed that the Service used artificial intelligence and other technology to analyze a consumer’s small business website for federal and state law violations and could save a consumer hundreds of thousands of dollars in potential legal fees. Further, the proposed complaint alleges that DoNotPay falsely claimed that the General Membership subscription to the DoNotPay Service included some features that, in fact, were not available to General Membership subscribers.

The proposed order contains provisions designed to prevent DoNotPay from engaging in these and similar acts and practices in the future. Provision I prohibits DoNotPay from representing that its Service or any other internet-enabled product or service that it offers operates like a human lawyer or any other type of professional, unless that representation is not misleading and DoNotPay possesses competent and reliable evidence to substantiate the representation. Provision II prohibits DoNotPay from misrepresenting that its Service or any other internet-enabled product or service is capable of analyzing or evaluating a website or any other document for federal and state law violations or will save consumers legal fees. This provision also prohibits misrepresentations about the features, benefits, or attributes included with the purchase of, or subscription to, any such product or service.

Provisions III requires DoNotPay to pay the Commission \$193,000 in monetary relief. Provision IV describes the procedures and legal rights related to that payment. Provision V requires DoNotPay to provide the Commission customer contact information upon request in order to administer consumer redress. Provision VI requires DoNotPay to provide eligible customers with notice of the consent order and the settlement.

Provisions VII through XI are reporting and compliance provisions. Provision VII mandates that DoNotPay

acknowledge receipt of the order, distribute the order to principals, officers, and certain employees and agents, and obtain signed acknowledgements from them. Provision VIII requires DoNotPay to submit compliance reports to the Commission one year after the order’s issuance and submit notifications when certain events occur. Under Provision IX, DoNotPay must create certain records for 10 years and retain them for five years. Provision X requires DoNotPay to provide information or documents necessary for the Commission to monitor compliance with the order during the period of the order’s effective dates. Finally, Provision XI provides the effective dates of the order, including that, with exceptions, the order will terminate in 20 years.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of the complaint or proposed order, or to modify in any way the proposed order’s terms.

By direction of the Commission.

Joel Christie,
Acting Secretary.

Concurring Statement of Commissioner Melissa Holyoak, Joined by Chair Lina M. Khan

The Commission votes today to accept for public comment an administrative complaint and consent agreement with DoNotPay, Inc., resolving allegations that the company made false and unsubstantiated claims that its artificial intelligence (“AI”)-powered service could function like a human lawyer; that its service could analyze a business website for law violations based solely on the business’s email address; and that some legal services were available as part of its general membership when in fact they were not.

For consumers to benefit from AI (as with any technology), they must be able to trust the claims that companies make about its capabilities. Importantly, this settlement does not suggest that consumers should use expensive professional services, or that companies should avoid offering innovative products that reduce the need for high-priced lawyers.¹ The misdeeds of a few

bad apples shouldn’t dampen pro-consumer innovation. Indeed, we are hopeful that AI will give consumers access to many types of services at lower cost and with greater convenience than has previously been available. Today’s settlement shows the Commission’s important role in eliminating deception from the market so that honest firms can compete to offer consumers innovative, trustworthy products.

Concurring Statement of Commissioner Andrew N. Ferguson

The Commission today issues an administrative complaint and accepts a proposed consent agreement with DoNotPay for deceptively marketing a generative artificial intelligence (AI) system.¹ The Commission’s complaint alleges that DoNotPay advertised its service as “the world’s first robot lawyer” that could “fight corporations, beat bureaucracy and sue anyone at the press of a button.”² DoNotPay told consumers it could “Generate Perfectly Valid Legal Documents in No Time” and guide consumers through filing a lawsuit.³ The DoNotPay website prominently featured a quote that it claimed was from the *Los Angeles Times*: “What this robot lawyer can do is astonishingly similar—if not more—to what human lawyers do.”⁴ But this quote was actually from a high-school student’s opinion piece in the *High School Insider* website, a blog hosted by the *Los Angeles Times* for young people.⁵ DoNotPay told consumers that “[w]hile it is possible to handle suing for assault on your own, it may not be the best approach” and advised them that “it is easier to have the expertise of an entity such as DoNotPay on your side to avoid complications.”⁶ The Commission’s complaint alleges that DoNotPay fell far short of these promises, and that DoNotPay employees had not even tested the quality and accuracy of the legal documents and advice generated by the service.⁷ In some cases, the Commission alleges that DoNotPay advertised features that it simply did not provide.⁸

I am happy to vote for this complaint. It is a great example of the Commission enforcing Section 5 of the Federal Trade

innovative, affordable and competitive market for legal services”).

¹ *In re DoNotPay, Inc.*, Complaint (“Complaint”) & Decision and Order.

² Complaint ¶ 9.

³ *Id.* ¶ 17.

⁴ *Id.* ¶ 10.

⁵ *Id.* ¶ 11.

⁶ *Id.* ¶ 17.

⁷ *Id.* ¶ 20.

⁸ *Id.* ¶ 24.

¹ *Cf.* Sandbox Information for Interested Applicants, Utah Office of Legal Services Innovation, <https://utahinnovationoffice.org/info-for-interested-applicants/> (last visited Sept. 12, 2024) (describing Utah’s “legal regulatory sandbox,” which “enables authorized entities to employ innovative legal service methods and business models . . . to ensure consumers have access to a well-developed, high-quality,

Commission Act⁹ against businesses that deceive consumers about the capabilities of their generative AI services. Businesses that exploit media hype and consumer unfamiliarity with this new technology to cheat people out of their hard-earned money should expect a knock on the door from the Commission and other law-enforcement agencies. In this case, consumers who relied on DoNotPay's wholly inadequate legal advice not only wasted their money but were also likely induced into reliance on the inadequate legal contracts and ineffective legal filings generated by DoNotPay. It does not take a vivid imagination to imagine how such reliance could have ruinous consequences. The Commission's staff deserves great credit for bringing and settling this case.

I write separately to ensure that no one confuses what we are doing today—holding generative-AI companies to the same standards for honest-business conduct that apply to every industry—with the regulation of AI *qua* AI. Congress has given us the power to enforce prohibitions against unfair methods of competition and unfair or deceptive acts and practices.¹⁰ We may reach some AI-related activity incidental to enforcing those prohibitions, as we do today. But Congress has not given us power to regulate AI standing alone. We should not succumb to the panicked calls for the Commission to act as the country's comprehensive AI regulator.¹¹

I write also to clarify that my vote should not be taken as support for the State Bar of California's claim that DoNotPay was engaged in the unauthorized practice of law.¹² The Commission does not enforce state occupational-licensing laws like California's unauthorized-practice-of-law prohibition.¹³ And if a company were to create a computer system capable of giving accurate legal advice and drafting effective legal documents, or honestly advertise a system that provides something less, I doubt that the aggressive enforcement of lawyers'

monopoly on legal services would serve the public interest.

[FR Doc. 2024–22400 Filed 9–27–24; 8:45 am]

BILLING CODE 6750–01–P

FEDERAL TRADE COMMISSION

Agency Information Collection Activities; Proposed Collection; Comment Request; Extension

AGENCY: Federal Trade Commission.

ACTION: Notice.

SUMMARY: The Federal Trade Commission (“FTC” or “Commission”) is seeking public comments on its proposal to extend for an additional three years the current Paperwork Reduction Act (“PRA”) clearance for information collection requirements contained in the Children’s Online Privacy Protection Rule (“COPPA Rule” or “Rule”). That clearance expires on April 30, 2025.

DATES: Comments must be filed by November 29, 2024.

ADDRESSES: Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Write “COPPA Rule: Paperwork Comment, FTC File No. P155408” on your comment, and file your comment online at <https://www.regulations.gov> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC–5610 (Annex J), Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: James Trilling, Attorney, (202) 326–3497, Division of Privacy and Identity Protection, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION:

Title of Collection: Children’s Online Privacy Protection Rule, 16 CFR part 312.

OMB Control Number: 3084–0117.

Type of Review: Extension of currently approved collection.

Affected Public: Private Sector: Businesses and other for-profit entities.

Estimated Annual Burden Hours: 17,700.

Estimated Annual Labor Costs: \$8,687,169.

Estimated Annual Non-Labor Costs: \$0.

Abstract: The COPPA Rule, 16 CFR part 312, requires commercial websites

and online services to provide notice and obtain parental consent before collecting, using, or disclosing personal information from children under age thirteen, with limited exceptions. The COPPA Rule contains certain statutorily required notice, consent, and other requirements that apply to operators of any commercial website or online service directed to children that collect personal information, and operators of any commercial website or online service with actual knowledge that they are collecting personal information from children. The Rule also applies to operators that have actual knowledge that they are collecting personal information directly from users of another website or online service that is directed to children. Covered operators must, among other things: (1) provide online notice and direct notice to parents of how they collect, use, and disclose children’s personal information; (2) obtain the prior consent of the child’s parent in order to engage in such collection, use, and disclosure; (3) provide reasonable means for the parent to obtain access to the information and to direct its deletion; and (4) establish procedures that protect the confidentiality, security, and integrity of personal information collected from children.

Burden Statement

A. Annual Hours Burden: 17,600 hours.

I. New Entrant Operators’ Disclosure Burden

Based on public comments received by the Commission during its 2013 COPPA Rule amendments rulemaking,¹ FTC staff estimates that the Rule affects approximately 280 new operators per year.² FTC staff maintains its longstanding estimate that new operators of websites and online services will require, on average, approximately 60 hours to draft a privacy policy and design mechanisms to provide the required online privacy notice and, where applicable, the direct notice to parents.³ This yields an estimated annual hours burden of 16,800 hours (280 respondents × 60 hours).

II. Safe Harbor Applicant Reporting Requirements

Operators can comply with the COPPA Rule by meeting the terms of

¹ 78 FR 3972, 4005 (Jan. 17, 2013).

² This consists of certain traditional website operators, mobile app developers, plug-in developers, and advertising networks.

³ See, e.g., 80 FR 76491 (Dec. 9, 2015); 84 FR 1466 (Feb. 4, 2019).

⁹ 15 U.S.C. 45.

¹⁰ *Id.* 45(a)(2).

¹¹ See Dissenting Statement of Commissioner Andrew N. Ferguson, Joined by Commissioner Melissa Holyoak, In the Matter of Rytr LLC, at 9–10 (Sept. 25, 2024); Concurring and Dissenting Statement of Commissioner Andrew N. Ferguson, A Look Behind the Screens: Examining the Data Practices of Social Media and Video Streaming Services, at 10–11 (Sept. 19, 2024).

¹² Complaint ¶¶ 25–27.

¹³ See Cal. Bus. & Prof. Code § 6125.