

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Lina M. Khan, Chair
Rebecca Kelly Slaughter
Alvaro M. Bedoya
Melissa Holyoak
Andrew Ferguson

<p>The Matter of</p> <p>MARRIOTT INTERNATIONAL, INC., a corporation,</p> <p>and</p> <p>STARWOOD HOTELS & RESORTS WORLDWIDE, LLC, a limited liability company.</p>	<p>DECISION AND ORDER</p> <p>DOCKET NO. &</p>
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DECISION

The Federal Trade Commission (“Commission”) initiated an investigation of certain acts and practices of the Respondents named in this case. The Commission’s Bureau of Consumer Protection (“BCP”) prepared and furnished to Respondents a draft Complaint. BCP proposed to present the draft Complaint to the Commission for its consideration. If issued by the Commission, the draft Complaint would charge the Respondents with violations of the Federal Trade Commission Act.

Respondents and BCP thereafter executed an Agreement Containing Consent Order (“Consent Agreement”). The Consent Agreement includes waivers and other provisions as required by the Commission’s Rules.

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the Federal Trade Commission Act, and that a Complaint should issue stating its charges in that respect. The Commission accepted the executed Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. The Commission duly considered any comments received from interested persons pursuant to Section 2.34 of its Rules, 16 C.F.R. § 2.34. Now, in further conformity with the procedure prescribed in Rule 2.34, the Commission issues its Complaint, makes the following Findings and issues the following Order:

Findings

payment card number; (e) government-issued identifiers, such as a driver's license or passport numbers; or (f) account information, such as username and password or Loyalty Rewards Program numbers.

8. "Respondents" means (a) Marriott and its subsidiaries, and any successors and assigns; and (b) Starwood and its subsidiaries, and any successors and assigns, individually, collectively, or in any combination.
9. "Security Event" shall mean any compromise to the confidentiality, integrity, or availability of Personal Information held on or accessed through any Marriott information technology ("IT") asset, or any event that gives rise to a reasonable likelihood of such compromise.
10. "Starwood" shall mean Starwood Hotels & Resorts Worldwide, LLC, its subsidiaries, successors, and assigns that collect, store, or process Personal Information; *provided, however*, that in no event shall "Starwood" include any subsidiary of Starwood that is incorporated and operates outside of the United States.

Provisions

I. Prohibition Against Misrepresentations About Privacy and Security

IT IS ORDERED that Respondents, Respondents' officers, agents, and employees, and all other persons in active concert or participation with any of them who receive actual notice of this Order, whether acting directly or indirectly, in connection with any product or service, must not misrepresent in any manner, expressly or by implication:

- A. Respondents' collection, maintenance, use, or disclosure of Personal Information; and
- B. The extent to which Respondents protect privacy, security, availability,

equivalent governing body exists, to ~~also~~ ~~provide~~ ~~to~~ ~~that~~ ~~governing~~ ~~structure~~ ~~outlined~~ ~~above~~ ~~a~~ ~~Covered~~ ~~Incident~~ ~~report~~ ~~promptly~~ ~~(not~~ ~~to~~ ~~exceed~~ ~~120~~ ~~days)~~ after a Covered Incident;

- C. Designate a qualified employee to ~~coordinate~~ and be responsible for the Information Security Program;
- D. Assess and document, at least annually ~~promptly~~ ~~(not~~ ~~to~~ ~~exceed~~ ~~120~~ ~~days)~~ following a Covered Incident, internal ~~and~~ external risks to the security, confidentiality, or integrity of Personal Information (“Risk Assessment”) that could result in the (1) ~~unauthorized~~ collection, maintenance, alteration, destruction, use, or disclosure of, ~~provision~~ of access to, Personal Information; or the (2) misuse, loss, theft, or other ~~compromise~~ of such Personal Information;
- E. Design, implement, maintain, and document ~~the~~ safeguards that control for the internal and external risks Respondents ~~identify~~ based on the Risk Assessment

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Respondents to identify and respond to anomalous events and unauthorized attempts to access or infiltrate Personal Information. Marriott shall appropriately configure and test logging and monitoring services to facilitate effective identification of a Security Event and escalation according to Marriott's incident response plan;

4. Establishing, implementing, and maintaining data access controls for Marriott employees and vendors on Marriott IT assets (including databases) storing Personal Information and policies, procedures, and technical measures to minimize or prevent online attacks resulting from the misuse of valid credentials, including: (a) restricting inbound and outbound connections; (b) requiring and enforcing strong passwords; (c) preventing the reuse of credentials known to Marriott to be compromised to access Personal Information; (d) implementing password resets for credentials known to Marriott to be compromised; and (e) using the principle of least privilege to limit employee access to Personal Information to the minimum required to perform that employee's job;
5. Establishing, implementing, and maintaining multi-factor authentication or equivalent enhanced authentication measures for remote access by Marriott employees and vendors on Marriott IT assets (including databases) storing Personal Information. Respondents need only provide multi-factor authentication or enhanced authentication measure as an option for U.S. consumers for any account that collects Personal Information and authenticates U.S. consumers. Any information collected solely for multi-factor authentication may only be used for authentication purposes and no other purpose;
6. Developing configuration standards to harden operating systems and network devices in Marriott's corporate network segment and other non-property network segments against known threats and vulnerabilities. New operating systems and network devices introduced to such segments shall not be approved for use as Marriott IT assets until they meet Respondents' configuration standards;
7. Identifying instances where Respondents shall Encrypt, tokenize, or use other security measures to protect Personal Information on Marriott IT assets;
8. Establishing, implementing, and maintaining scanning or equivalent tools to regularly inventory and classify Marriott IT assets containing Personal Information that includes hardware, software, and location of any such Marriott IT assets. In the event that Marriott removes any Marriott IT asset containing Personal Information and does not intend to reinstate that asset, Marriott shall remove or Encrypt the Personal Information contained on the asset, or destroy that asset;

9. Establishing, implementing and maintaining vulnerability and patch management policies and procedures to maintain, keep updated, and support the software on Marriott assets containing Personal Information, using measures that take into consideration the impact a

assets. This program shall include an appropriate schedule of risk-based tests including internal and external penetration testing, segmentation testing, and web application penetration testing to be performed on such Marriott IT assets that adequately takes into account security risk. Such testing shall not be less than annual, and promptly (not to exceed 120 days) after a Covered Incident, and shall include retests where necessary to confirm appropriate remediation;

- I. Select and retain vendors capable of safeguarding Personal Information they access through or receive from Respondents, contractually require vendors to implement and maintain safeguards sufficient to address the internal and external risks to the security, confidentiality, or integrity of Personal Information;
- J. Evaluate and adjust the Information Security Program as appropriate in light of any changes to Respondents' operations or business arrangements, a Covered Incident, new or more efficient technological or operational methods to control for the risks identified in Provision II.D of this Order, or any other circumstances that Respondents know or have reason to know may have an impact on the effectiveness of the Information Security Program or any of its individual safeguards. At a minimum, Respondents shall evaluate the Information Security Program at least once annually and notify the Information Security Program based on the results; and
- K. Require the Marriott Franchised Hotels to contract to implement and maintain appropriate safeguards to protect Personal Information. Marriott also shall develop and implement a risk-based program to review compliance of Marriott Franchised Hotels with the obligations imposed by Marriott. Marriott shall retain appropriate contractual rights to enforce a Marriott Franchised Hotel's compliance with such requirements.

III. Information Security Assessments by a Third Party

IT IS FURTHER ORDERED that, in connection with compliance with Provision II of this Order titled Mandated Information Security Program, Respondents must obtain initial and

- B. For each Third-Party Assessment, Respondents must provide the Associate Director for Enforcement for the Bureau of Consumer Protection at the Federal Trade Commission with the name, affiliation, and qualifications of the proposed Assessor, whom the Associate Director shall have the authority to approve in her or his sole discretion.
- C. The reporting period for the Third-Party Assessments must cover: (1) the first 365 days after the issuance date of the Order of the initial Third-Party Assessment; and (2) each 2 year period thereafter for twenty (20) years after issuance of the Order for the biennial Third-Party Assessments.
- D. Each Third-Party Assessment must, for the entire assessment period: (1) determine whether Respondents have implemented and maintained the Information Security Program required by Provision II; (2) assess the effectiveness of Respondent implementation and maintenance of sub-Provisions II.A-K; (3) identify any gaps or weaknesses in, or instances of material noncompliance with, the Information Security Program; (4) address the status of gaps or weaknesses in, or instances of material non-compliance with, the Information Security Program that were identified in any prior Third-Party Assessment required by this Order; and (5) identify specific evidence (including documents reviewed, sampling and testing performed, and interviews conducted) examined to make such determinations, assessments, and identifications, and explain why the evidence that the Assessor examined is (a) appropriate for assessing an enterprise of Respondents' size, complexity, and risk profile; and (b) sufficient to justify the Assessor's findings. No finding of any Third-Party Assessment shall rely primarily on assertions or attestations by Respondents' management. The Third-Party Assessments must be signed by the Assessor, state that the Assessor conducted an independent review of the Information Security Program and did not rely primarily on assertions or attestations by Respondents' management, and state the number of hours each member of the assessment team worked on the Third-Party Assessment. To the extent that Respondents revise, update, or add one or more safeguards required under Provision II of this Order during an assessment period, the Third-Party Assessment must assess the effectiveness of the revised, updated, or added safeguard(s) for the time period in which it was in effect, and provide a separate statement detailing the basis for each revised, updated, or additional safeguard.
- E. Each Third-Party Assessment must be completed within 60 days after the end of the reporting period to which the Third-Party Assessment applies. Unless otherwise directed by a Commission representative in writing, Respondents must submit the initial Third-Party Assessment to the Commission within 10 days after Respondents' receipt of the Third-Party Assessment. The submission must be made via email to DEbrief@ftc.gov or by overnight courier (not the U.S. Postal

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by Respondents until the Order is terminated and provided to the Associate Director for Enforcement within 10 days of request.

IV. Cooperation with Third-Party Information Security Assessor

IT IS FURTHER ORDERED that Respondents, whether directly or indirectly, in connection with any Third-Party Assessment required by Provision III of this Order titled Information Security Assessments by a Third Party, must:

- A. Provide or otherwise make available to the Assessor all information and material in their possession, custody, or control that is relevant to the Third-Party Assessment for which there is no reasonable claim of privilege;
- B. Provide or otherwise make available to the Assessor information about Marriott IT assets so that the Assessor can determine the scope of the Third-Party Assessment, and visibility to those Marriott IT assets deemed in scope; and
- C. Disclose all material facts to the Assessor, and not misrepresent in any manner, expressly or by implication, any material to the Assessor's: (1) determination of whether Respondents have implemented and maintained the Information Security Program required by Provision (D) assessment of the effectiveness of the implementation and maintenance of sub-Provisions II.A-K; or (3) identification of any gaps or weaknesses in, or instances of material noncompliance with, the Information Security Program.

V. Annual Certification

IT IS FURTHER ORDERED that Respondents must:

- A. One year after the issuance date of this Order, and each year thereafter, provide the Commission with a certification from the Chief Executive Officer ("CEO") that: (1) Respondents have established, implemented, and maintained the requirements of this Order; and (2) Respondents are not aware of any material noncompliance that has not been (a) corrected or (b) disclosed to the Commission. The certification must be based on the special knowledge of the CEO or subject matter experts upon whom the CEO reasonably relies in making the certification.
- B. Unless otherwise directed by a Commission representative in writing, submit all annual certifications to the Commission pursuant to this Order via email to DEbrief@ftc.gov or by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue

account(s), timely undertake reasonable steps to determine if any suspicious or unauthorized activity has occurred in a consumer Loyalty Rewards Program account(s). Following any review, pursuant to sub-Provision (A) or (B), in the event that Respondents determine that suspicious or unauthorized activity by a third party resulted in any reduction of points associated with a U.S. consumer's Loyalty Rewards Program account, and Respondents determine that the consumer violated the terms of use of the Loyalty Program, Respondents shall restore the reduced points in the relevant consumer's Loyalty Rewards Program account.

VIII. Data Handling

IT IS FURTHER ORDERED that:

A.

Respondents' Information Security Program and (3) any business entity resulting from any change in structure as set forth in the Provision titled Compliance Reports and Notices. Delivery must occur within 10 days after the Effective Date of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

- C. From each individual or entity to which Respondents deliver a copy of this Order, Respondents must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

X. Compliance Reports and Notices

IT IS FURTHER ORDERED that Respondents make timely submissions to the Commission:

- A. One year after the issuance date of this Order, Respondents must submit a compliance report, sworn under penalty of perjury, in which Respondents must:
 - (a) identify the primary physical, postal, and email addresses and telephone number, as designated points of contact, which representatives of the Commission, may use to communicate with Respondents;
 - (b) identify all Respondents' businesses by all of their names, primary telephone numbers, and primary physical, postal, email, and Internet addresses;
 - (c) describe the activities of each of Respondents' businesses;
 - (d) describe in detail what and how Respondents are in compliance with each Provision of this Order, including a discussion of all of the changes Respondents made to comply with the Order; and
 - (e) provide a copy of each Acknowledgment of the Order obtained pursuant to this Order, unless previously submitted to the Commission.

- B. Respondents must communicate with the Commission regarding their acknowledgment of this Order.

- E. Unless otherwise directed by a Commission representative, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Post Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin with re Marriott International, Inc., FTC File No. 1923022.

XI. Recordkeeping

IT IS FURTHER ORDERED that Respondents must create and retain records for 20 years after the issuance date of this Order, and retain each such record for 5 years. Specifically, Respondents must create and retain the following records:

- A. Accounting records showing the revenue from all goods or services sold;
- B. Personnel records showing, for each person providing services in relation to any aspect of the Order, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; title or position; dates of service; and (if applicable) the reason for termination;
- C. Copies or records of all U.S. consumer complaints related to Respondents' collection, maintenance, use, deletion, or disclosure of Personal Information received through Respondents' customer privacy channels, and any response, except to the extent that deletions of such records has been requested by a consumer;
- D. A copy of each widely disseminated representation by Respondents that describes the extent to which Respondents maintain or protect the privacy, security or confidentiality of any Personal Information, including any representation concerning a change in any website or other service controlled by Respondents that relates to the privacy, security, or confidentiality of Personal Information;
- E. For five (5) years after the date of preparation of each Third-Party Assessment required by this Order, all materials the Assessor relied upon to prepare the Third-Party Assessment, whether prepared by or on behalf of Respondents, including all plans, reports, studies, reviews, audits, trails, policies, training materials, and assessments, and any other materials concerning Respondents' compliance with related Provisions of this Order, for the compliance period covered by such Assessment;
- F. For five (5) years from the date received, copies of all subpoenas and other communications to and from law enforcement, and subpoena responses, if such communications relate to Respondent's compliance with this Order;
- G. For five (5) years from the date created or received, records, whether prepared by or on behalf of Respondents, that demonstrate non-compliance by Respondents with this Order; and

- H. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission.

XII. Compliance Monitoring

IT IS FURTHER ORDERED that, for the purpose of monitoring Respondents' compliance with this Order:

- A. Within 10 days of receipt of a written request from a representative of the Commission, Respondents must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury, and produce records for inspection and copying.
- B. For matters concerning this Order, representatives of the Commission are authorized to communicate directly with Respondents. Respondents must permit representatives of the Commission to interview anyone affiliated with any Respondent who has agreed to such an interview. The interviewee may have counsel present.
- C. The Commission may use all other lawful means, including posing through its representatives as consumers, suppliers, or other individuals or entities, to interview Respondents or any individual or entity affiliated with Respondents, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

XIII. Order Effective Dates

IT IS FURTHER ORDERED that this Order is final and effective upon the date of its publication on the Commission's website (ftc.gov) as a final order. This Order will terminate 20 years from the date of its issuance (which date may be stated in the text of this Order, near the Commission's seal), or 20 years from the most recent date that the United States or the Commission files a complaint (with or without an accompanying settlement) in federal court alleging any violation of this Order, whichever comes later, provided, however, that the filing of such a complaint will not affect the duration of:

- A. Any Provision in this Order that terminates in less than 20 years;
- B. This Order's application to any Respondent that is not named as a defendant in such complaint; and
- C. This Order if such complaint is filed after the Order has terminated pursuant to this Provision.

Provided, further, that if such complaint is dismissed or a federal court rules that any Respondent did not violate any Provision of the Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Order will terminate according to this Provision as though the complaint had never been filed, except that the Order will not terminate between the date such

complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission & R P H L V R O R R Q D N P D Q G V L R Q H X V R Q U H F X V H G

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Secretary

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