FTC and CA AG Settle with DNA Testing Firm for Allegations of Misrepresentation

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The Federal Trade Commission (FTC) and the California Attorney General teamed up against California company CRI Genetics, LLC, filing a joint complaint against the company alleging that it engaged in deceptive practices when it "deceived consumers about the accuracy of its test reports compared with those of other DNA testing companies, falsely claimed to have patented an algorithm for its genetic matching process, and used fake reviews and testimonials on its websites." In addition, the complaint alleged that CRI "used 'dark patterns' in its online billing process to trick consumers into paying for products they did not want and did not agree to buy."

CRI agreed to pay a \$700,000 civil penalty to settle the action, and agreed to change its marketing practices so it does not misrepresent that: its DNA testing product or service is more accurate or detailed than others; it can show the geographic location of ancestors "with a 90 percent or higher accuracy rate"; or it will show "exactly where consumers' ancestors came from or exactly when or where they arrived, among others.

The proposed order also requires CRI to disclose the costs of

products and services to consumers, obtain consent from consumers about how it may share DNA information, and delete the genetic and other information of consumers who received refunds and requested that their data be deleted.

The full FTC unanimously authorized the proposed order which will now be presented to a federal judge for approval.

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