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FTC Takes Action Against IntelliVision Technologies for Deceptive Claims About its Facial Recognition Software

Company would be banned from making misrepresentations about the accuracy of its AI-powered technology or its ability to perform free from racial or gender bias

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The Federal Trade Commission is taking action against IntelliVision Technologies Corp. for making false, misleading or unsubstantiated claims that its AI-powered facial recognition software was free of gender and racial bias and making other misleading claims about the technology.

Under a [proposed consent order](#) settling the FTC's allegations, IntelliVision will be prohibited from misrepresenting the accuracy and efficacy of its facial recognition software and its performance across individuals with different genders, ethnicities, and skin tones.

In [FTC's complaint](#), the agency alleges that IntelliVision did not have evidence to support its claims that its software has one of the highest accuracy rates on the market and performs with zero gender or racial bias.

"Companies shouldn't be touting bias-free artificial intelligence systems unless they can back those claims up," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "Those who develop and use AI systems are not exempt from basic deceptive advertising principles."

The San Jose-based IntelliVision sells facial recognition software used in home security systems and smart home touch panels sold by Nice North America, LLC.

The FTC alleges in its complaint that IntelliVision's claim that it has one of the highest accuracy rates on the market is false or misleading and that IntelliVision did not have support for its claim that its software was free of gender or racial bias.

Furthermore, the complaint alleges that IntelliVision did not train its facial recognition software on millions of faces, as it claimed, and instead trained its technology on images of approximately 100,000 unique individuals, and then used technology to create variants of those same images.

The FTC also says that IntelliVision did not have adequate evidence to support its claim that its anti-spoofing technology ensures the system can't be tricked by a photo or video image.

Proposed Settlement Requirements

Under the proposed order, IntelliVision will be prohibited from making misrepresentations about:

- The accuracy or efficacy of its facial recognition technology;
- The comparative performance of the technology with respect to individuals of different genders, ethnicities, and skin tones; and
- The accuracy or efficacy of the technology to detect spoofing.

In addition, the proposed consent prohibits IntelliVision from making any representation about the effectiveness, accuracy, or lack of bias of its facial recognition technology or about the technology's effectiveness at detecting spoofing unless it possesses and relies on competent and reliable testing of the technology.

This is the second major AI facial recognition case the FTC has brought in the last year. In [a settlement first announced last December](#), the FTC banned Rite Aid from using facial recognition technology for surveillance purposes for five years over allegations that the retailer failed to implement reasonable procedures and prevent harm to consumers in its use of facial recognition technology in hundreds of stores.

The Commission voted 5-0 to issue the administrative complaint and to accept the consent agreement with the company. Commissioner Andrew Ferguson issued [a concurring statement](#).

The FTC will publish a description of the consent agreement package in the Federal Register soon. The agreement will be subject to public comment for 30 days after publication in the Federal Register after which the Commission will decide whether to make the proposed consent order final. Instructions for filing comments will appear in the published notice. Once processed, comments will be posted on Regulations.gov.

NOTE: The Commission issues an administrative complaint when it has “reason to believe” that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of up to \$51,744.

The lead staff attorneys on this matter are Robin Rosen Spector and Amanda Koulousias with the FTC’s Bureau of Consumer Protection.

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