

Web-monitoring software gathers data on kid chats

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In this screen shot, the website for The Pulse service is shown. (AP Photo/Echometrix)

(AP) -- Parents who install a leading brand of software to monitor their kids' online activities may be unwittingly allowing the developer to gather marketing data from children as young as 7 - and to sell that information.

Software sold under the Sentry and FamilySafe brands can read private chats conducted through Yahoo, MSN, [AOL](#) and other services, and send that data back to the company. The information is then offered to businesses seeking ways to tailor their marketing messages to kids.

"This scares me more than anything I have seen using monitoring

technology," said Parry Aftab, a child-safety advocate. "You don't put children's personal information at risk."

The [software](#) does not record children's names, addresses or other identifiable information, but it knows how old they are because parents customize the programs to be more or less permissive, depending on age.

Five other makers of parental-control software contacted by The Associated Press, including McAfee Inc. and [Symantec](#) Corp., said they do not sell chat data to advertisers.

One competitor, CyberPatrol LLC, said it would never consider such an arrangement. "That's pretty much confidential information," said Barbara Rose, the company's vice president of marketing. "As a parent, I would have a problem with them targeting youngsters."

The software brands in question are developed by EchoMetrix Inc., a company based in Syosset, N.Y.

EchoMetrix CEO Jeff Greene said parents who don't want the company to share their child's information to businesses can check a box to opt out.

But that option can be found only by visiting the company's Web site. It was not in the agreement contained in the program itself as downloaded Thursday by The Associated Press.

According to the agreement, the software passes along data to "trusted partners." Confidentiality agreements prohibit those clients from sharing the information with others.

In recognition of federal privacy laws that restrict the collection of data on kids under 13, the agreement states that the company has "a parent's

permission to share the information if the user is a child under age 13."

Tech site CNet ranks the EchoMetrix software as one of the three best for parental control. Sales figures were not available.

The Sentry and FamilySafe brands include parental-control software such as Sentry Total Family Protection, Sentry Basic, Sentry Lite and FamilySafe (SentryPC is made by a different company and has no ties with EchoMetrix).

The Lite version is free. Others range from \$20 to download and \$10 a year for monitoring, to about \$48 a year, divided into monthly payments.

The same company also offers software under the brands of partner entities, such as AmberWatch Lookout. AmberWatch Foundation, which licenses its brand to EchoMetrix, declined to comment.

Practically speaking, few people ever read the fine print before they click on a button to agree to the licensing agreement. "Unless it's upfront in neon letters, parents don't know," Aftab said.

EchoMetrix, formerly known as SearchHelp, said companies buying the chat data have included News Corp.'s Fox Broadcasting and Dreamworks SKG Inc. Viacom Inc.'s Paramount Pictures also recently signed on.

None of those companies would comment when contacted by the AP.

EchoMetrix later said only Paramount Pictures agreed to have its affiliation disclosed. The others did not because of competitive reasons. Fox told the AP it never used the system, but sat in meetings in which EchoMetrix pitched the product.

EchoMetrix needs the business. The company has been losing money, and its liabilities exceed its assets by nearly \$25 million as of June 30, according to a regulatory filing. The filing said there is "substantial doubt about the company's ability to continue as a going concern."

To get the marketing data, companies put in keywords, such as the name of a new product, and specify a date range. They get a "word cloud" display of the most commonly used words, as well as snippets of actual chats. The EchoMetrix system can slice data by age groups, region and even the instant-messaging program used.

Greene, the EchoMetrix CEO, said the company complies with U.S. privacy laws.

"We never know the name of the kid - it's bobby37 on the house computer," he said.

What the system will reveal is how "bobby37" and other teens feel about upcoming movies, computer games or clothing trends. Such information can help advertisers craft their marketing messages as buzz builds about a product.

Days before "Harry Potter and the Half-Blood Prince" opened in theaters on July 15, teen chatter about the movie spiked across the Internet with largely positive reactions.

"Cool" popped up as one of the most heavily used words in teen chats, blogs, forums and on Twitter. The upbeat comments foreshadowed a strong opening for the Warner Bros. film.

The system also tracked buzz for Microsoft Corp.'s "Natal," a forthcoming Xbox motion-sensor device that replaces the traditional button-based controller. Microsoft is not a client of Echometrix, but

EchoMetrix used "Natal" to illustrate how its data can benefit marketers.

Greene said children's conversations about Natal were focused on its price and availability, which suggested that Microsoft should assure teens that there will be enough stock and that ordering ahead can lock in a price.

Competing data-mining companies such as J.D. Power Web Intelligence, a unit of quality ratings firm J.D. Power and Associates, also trolls the Internet for consumer chats. But Vice President Chase Parker said the company does not read any data that's password-protected, such as the instant message sessions that EchoMetrix collects for advertisers.

Suresh Vittal, principal analyst at Forrester Research, said EchoMetrix might have to make its disclosures more apparent to parents.

"Are we in the safeguarding-the-children business or are we in the business of selling data to other people?" he said. If it's the latter, "it should all be done transparently and with the knowledge of the customer."

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