

Congress of the United States

Washington, DC 20515

July 21, 2011

Andrew Mason
Founder and CEO
Groupon Inc.
600 W. Chicago Ave.
Suite 620
Chicago, IL 60654

Dear Mr. Mason:

A July 11, 2011 Washington Post article described Groupon's changes to its privacy policy ("Groupon changes privacy policy to collect, share more information"). According to the article, Groupon will dramatically expand the categories of personal information it collects and shares with its partners. As Co-Chairmen of the Bi-Partisan Congressional Privacy Caucus, we would like to gain a greater insight into Groupon's new privacy policy. Accordingly, we would appreciate answers to the questions that follow.

1. Groupon collects relationship information about its customers from social media interactions, but collects that information only when consumers "register, subscribe, create an account, purchase GROUPONS, or otherwise interact with the Sites or contact Groupon." Please identify the "Sites" mentioned. When interacting with these Sites, is a consumer's information collected without him or her initially interacting with Groupon? At what point are social media interactions tracked?
2. In Groupon's privacy policy, it is mentioned that Groupon collects information, including contact and relationship information, about other people when Groupons are purchased as gifts. Does this statement imply that Groupon would capture personal information about a person who did not interact with Groupon without the customer having knowledge of the data collection? If so, please explain Groupon's reasoning for this practice. If not, please provide further details about this practice.

3. Groupon collects transaction information about how consumers interact with Groupon merchants, business partners, and service providers. Please provide a list of these affiliates. Are they required to adhere to Groupon's privacy policies? If so, what methods does the company use to hold them accountable? If not, why not and do you know if they have privacy policies of their own?

4. Groupon's privacy policy indicates that its mobile application may "be designed to collect information even if you are not logged into the Groupon application or the Sites." Please explain instances when location information would be collected even when consumers are not logged into the application. Would this collection of location data be consistent across mobile devices? If not, why not and why has Groupon not designed its application to create a consistency?

5. Before a consumer uses Groupon's mobile application, are they given an opportunity to opt-in to the collection of their location information? If so, what prompt is used before access into the application? If not, why not?

6. A consumer's personal information is disclosed to service providers that send emails on behalf of Groupon. What service providers does Groupon use and has there been any instances of a breach in consumer's personal information during Groupon's tenure of business with them?

7. Omniture is mentioned as being a third party service that allows consumers to opt out of various tracking and reporting functions. Is this the only third party service that allows this option? Do you maintain a list of affiliated third party services that would allow consumers to opt out? If so, are consumers informed of this list?


8. Groupon has implemented an information security program to protect consumer's personal information. Please explain in more detail Groupon's methods for securing personal information.

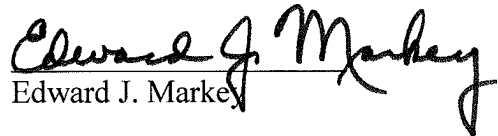
9. Groupon indicated that it omitted a section in its previous privacy policy discussing children's information because its website is not geared toward children. What mechanisms does Groupon have in place to identify the age of its consumers?

10. In a time of increased consumer concern of their personal information being misused online, is Groupon willing to allow consumers to "opt-in" to all tracking methods the company may use when conducting business? If not, why not?

Please provide responses to these questions within fifteen business days or not later than August 10, 2011. If you have any questions, please have a member of your staff contact Emmanuel Guillory of Rep. Barton's staff at 202-225-2002 or Mark Bayer of Rep. Markey's staff at 202-225-2836.

Sincerely,


Joe Barton


Edward J. Markey