



Testimony of VPIRG Consumer Protection Advocate Zachary Tomanelli on H.211 – An act relating to data brokers and personal information

Testimony before the House Commerce & Economic Development Committee
February 27, 2026

Introduction

Good morning. My name is Zachary Tomanelli and I am the consumer protection advocate for VPIRG, the Vermont Public Interest Research Group. For more than 50 years, VPIRG has advocated for the public interest in policy debates concerning the environment, health care, consumer protection, and democracy. I appreciate the opportunity to share our thoughts on H.211.

VPIRG supports the latest draft of H.211. While we would ultimately prefer to see Vermont move more rapidly toward establishing a universal opt-out mechanism for data brokers, we believe that creating a consumer right to delete personal information—while the Secretary of State’s office studies the feasibility of a universal opt-out mechanism—is a reasonable and meaningful step forward for consumers. We therefore urge the committee to advance this bill.

Background

In 2018, VPIRG was one of the leading proponents of Act 171, Vermont’s groundbreaking data broker registry legislation. At that time, consumer advocates—including VPIRG—raised the idea of giving consumers opt-out and deletion rights with respect to data brokers and noted that some form of universal opt-out mechanism would be necessary to make such rights workable.

Seeing as no other jurisdiction in the world had even instituted a data broker registry, the legislature took the reasonable, and frankly, prudent approach of establishing such a registry first and using that registry to better understand the data broker industry and their existing opt-out procedures.

Eight years later, however, other states have followed in Vermont’s stead—establishing data broker registries of their own. California (as you’ve already heard) has not only moved forward to require data brokers to honor consumer deletion requests, but they have actually built and implemented the universal opt-out mechanism that was but a hypothetical concept nearly a decade ago.

A model now exists for providing consumers the ability to request all registered data brokers delete their personal data via a simple, straightforward process. We believe it’s time to provide Vermont consumers the same rights that their California counterparts now enjoy.

Why this bill is necessary

Central to any discussion about regulating data brokers is recognizing their unique position in the marketplace: data brokers are third-party companies with whom consumers have no direct relationship.

Data brokers operate largely invisibly, collecting information from public records, online activity, purchase histories, and other sources without direct consumer interaction.

Most people have no idea which data brokers hold their information or even that many of these companies exist. This means that consumers never actually agreed to provide these companies with their information in the first place.

We see this bill as correcting a market failure. Typically, consumers' power in the marketplace comes from the ability to "vote with their wallet." That is to say, consumers can decide what retailers to buy from, what websites to visit, what organizations to provide information to, etc. They don't have that ability with data brokers. Consumers cannot decide which data brokers collect, sell and profit off of their data.

Giving consumers the right to have their data deleted corrects this imbalance. But that right means little if consumers cannot effectively exercise it. That is why establishing a universal opt-out mechanism is critical.

There are more than 300 data brokers currently registered with the state of Vermont (and another 700 listed in the registry as "unregistered"). It would be impractical for consumers to research the various opt-out policies of hundreds of different companies and then individually request opt outs—and periodically do so to ensure their data stays deleted.

A centralized deletion request system would make these privacy rights truly accessible rather than theoretically available but practically unreachable for most consumers.

We recognize, however, that creating such a mechanism is no simple task. We are therefore sympathetic to the Secretary of State's request to gather more information about what it would take to develop the system properly. We support the approach outlined in the current draft of the bill—though we view it as a meaningful interim step rather than a complete solution.

Examples of harms this bill would help prevent

VPIRG's support for this bill isn't about providing consumers' privacy simply for privacy-sake. In the past decade, we have seen numerous examples of real harms resulting from the over-collection and misuse of consumer information by some data brokers:

- According to a 2014 complaint by the FTC, Data broker LeapLab bought payday loan applications from financially strapped consumers and sold that information to marketers it knew had no legitimate need for it. At least one marketer, Ideal Financial Solutions, used the information to withdraw millions of dollars from consumers' accounts without their authorization, affecting at least 2.2 million consumers between 2009 and 2013.¹
- In 2020 and 2021, the Department of Justice charged three data brokers—Epsilon, Macromark, and KBM—with conspiracy to commit mail and wire fraud for knowingly selling, for roughly a decade each, lists of vulnerable Americans, including elderly Americans and people with Alzheimer's, to criminal scammers. The scammers then used that brokered data to steal millions

¹ <https://www.ftc.gov/news-events/news/press-releases/2014/12/ftc-charges-data-broker-facilitating-theft-millions-dollars-consumers-accounts>

of dollars from these people.^{2 3 4}

- In 2022, the FTC sued data broker Kochava for selling geolocation data from hundreds of millions of mobile devices that could be used to track individuals to sensitive locations including reproductive health clinics, places of worship, homeless and domestic violence shelters, and addiction recovery facilities. The data could reveal where people lived by tracking devices at night and combining location information with property records to identify individuals.⁵

In all of these cases, the federal government was able to bring action against these companies for this misuse of consumer data, but in all these cases that action has happened *after* the harm had already been done. Providing consumers with the right to delete the information data brokers hold about them *and* a mechanism to practically exercise that right may prevent similar harms in the future.

Conclusion

In summary, VPIRG appreciates the Committee's time and attention to this matter, and we strongly support H.211, as introduced. We urge you to advance this bill. Thank you for the opportunity to present this testimony.

² <https://www.justice.gov/civil/case/file/1326376/dl?inline=>

³ <https://www.justice.gov/archives/opa/press-release/file/1360881/dl?inline=>

⁴ <https://www.justice.gov/archives/civil/case/file/1404091/dl?inline=>

⁵ <https://www.ftc.gov/news-events/news/press-releases/2022/08/ftc-sues-kochava-selling-data-tracks-people-reproductive-health-clinics-places-worship-other>