

UNITED STATES OF AMERICA Federal Trade Commission WASHINGTON, D.C. 20580

## DISSENTING STATEMENT OF COMMISSIONER ROHIT CHOPRA

Regarding Final Approval of the Settlement with Zoom Video Communications, Inc. Commission File No. 1923167

February 1, 2021

The global pandemic has made video conferencing a daily necessity for conducting business, attending school, and visiting with friends and family. Millions of Americans have put their trust in Zoom, and Zoom exploited that trust. The Federal Trade Commission charged Zoom with undermining user security and then lying about it. Specifically, Zoom installed a web server onto users' computers without permission, as an end-run that would circumvent a browser security feature, and misrepresented its encryption technology capabilities.<sup>1</sup>

When these allegations were announced in November of 2020, the FTC also solicited public comment on a proposed settlement.<sup>2</sup> I voted against the proposal, since the settlement was weak, providing no help, no notice, no money for victims, and no meaningful accountability for Zoom.<sup>3</sup> Public feedback is critical, since agencies often have limited information or make decisions to conduct partial investigations. Indeed, the Commission's complaint and accompanying documents do not reference any sworn testimony.

Unsurprisingly, this proposal was met with alarm from the public. Yet despite the concerns with the settlement, the Commission has voted to approve the settlement with no changes whatsoever.

Rushing to a final approval of this settlement is completely unwarranted. Unbeknownst to the public during the comment period, Zoom's business practices and access controls allowed at least one foreign state actor – the People's Republic of China (PRC) – to get access to user data.<sup>4</sup> In a separate legal action, the Department of Justice describes Zoom user data being used as a starting point to intimidate the family members of users suspected of participating in discussions on things like the

<sup>2</sup> Comments are available at *Fed. Trade Comm'n., FTC Seeks Comments on Zoom Video Communications, Inc.; File No. 1923167*, Docket ID FTC- 2020-0083 (Nov. 13, 2020), <u>https://www.regulations.gov/docket?D=FTC-2020-0083</u>.

<sup>4</sup> Compl., United States v. Xinjiang Jin, No. 20-MJ-1103 (E.D.N.Y. Dec. 18, 2020), <u>https://www.justice.gov/usao-edny/pr/china-based-executive-us-telecommunications-company-charged-disrupting-video-meetings;</u> Zoom Video Communications, Inc.; Analysis To Aid Public Comment, 85 Fed. Reg. 72650,

<sup>&</sup>lt;sup>1</sup> Compl., In the Matter of Zoom Video Communications, Inc., Comm'n File No. 1923167 (Nov. 9, 2020), <u>https://www.ftc.gov/system/files/documents/cases/1923167zoomcomplaint.pdf</u>.

<sup>&</sup>lt;sup>3</sup> Dissenting Statement of Commissioner Rohit Chopra Regarding Zoom Video Communications, Inc., Comm'n File No. 1923167 (Nov. 6, 2020), <u>https://www.ftc.gov/public-statements/2020/11/dissenting-statement-commissioner-rohit-chopra-regarding-zoom-video</u>.

 $<sup>\</sup>underline{https://www.federalregister.gov/documents/2020/11/13/2020-25130/zoom-video-communications-inc-analysis-to-aid-public-comment.}$ 

Tiananmen Square massacre.<sup>5</sup> I am troubled that a foreign state actor can use an American company to track down and intimidate families. I am not confident that the paperwork requirements in the FTC's settlement would have caught this issue were they in place at the time.

The FTC must think beyond its status quo approach of simply requiring more paperwork, rather than real accountability relying on a thorough investigation. By failing to carefully consider public feedback – even after a major national security incident – and voting to finalize the settlement on the eve of a change of administration, the Commission has further undermined its credibility, both as an enforcer and as a government agency that listens to the public.

For these reasons, I respectfully dissent.

<sup>&</sup>lt;sup>5</sup> Our Perspective on the DOJ Complaint, ZOOM VIDEO COMMUNICATIONS, INC. (Dec. 18, 2020), <u>https://blog.zoom.us/our-perspective-on-the-doj-complaint/;</u> Press Release, U.S. Dep't of Justice, China-Based Executive at U.S. Telecommunications Company Charged with Disrupting Video Meetings Commemorating Tiananmen Square Massacre (Dec. 18, 2020), <u>https://www.justice.gov/opa/pr/china-based-executive-us-telecommunications-companycharged-disrupting-video-meetings</u>. According to the Department of Justice, "[p]art of [a Zoom employee]'s duties included providing information to the PRC government about [Zoom]'s users and meetings, and in some cases he provided information – such as Internet Protocol addresses, names and email addresses – of users located outside of the PRC."