Good morning. I am proud to announce a global settlement arising out of the massive data breach that Equifax revealed in September 2017. This settlement includes at least $575 million—and up to $700 million—in monetary relief, as well as important conduct provisions.

I am particularly pleased to be joined on the podium today by Kathy Kraninger, Director of the Consumer Financial Protection Bureau (“CFPB”), and Attorney General Brian Frosh of the State of Maryland. Their offices, and many others, were instrumental in achieving today’s historic settlement for consumers.

The global settlement contains two main components. First, as I mentioned, it includes monetary relief. At least $300 million of this money will go directly to consumers, through a consumer fund that will be set up by a federal court. If these funds are used up, Equifax will pay up to $125 million more for consumers. The fund will be used to pay for at least four years of free credit monitoring for affected consumers, as well as to compensate consumers for their time and money spent recovering from the breach. We have created a dedicated website, www.ftc.gov/equifax, that will provide consumers with information. Equifax will also pay $275 million in civil penalties to other agencies.

1 These remarks reflect my own views. They do not necessarily reflect the views of the Commission or any other individual Commissioner.
Second, the settlement includes strong conduct relief. Equifax must establish a comprehensive information security program that assesses and addresses not only general risks to consumers’ data, but also the specific practices that led to the 2017 breach. The company’s board of directors is required to oversee, review, and certify compliance with the program. Additionally, an independent third-party assessor will have extensive access to review, assess, and report on the company’s compliance. Moreover, the order gives the FTC robust tools to verify the company’s compliance through assessments, required reporting of security incidents, and the ability to seek more information from the company as needed.

I want to flag an important aspect of this settlement, and a key message for Congress. The CFPB and the states were able to obtain civil penalties for this massive breach by a major financial institution. The FTC could not, because we do not have civil penalty authority for initial violations of the FTC Act or for violations of the Gramm-Leach-Bliley Safeguards Rule. Fortunately, other agencies were able to fill in the gap—this time. But under different circumstances, future breaches might not always be subject to civil penalties, which sends absolutely the wrong signal regarding deterrence. For this reason, I renew my call for Congress to enact federal data security legislation that gives the FTC authority to seek civil penalties for first-time violations.

But make no mistake. Even in the absence of new federal legislation, the FTC will continue its vigorous data security enforcement program. We will seek strong injunctive relief against law violators, to the fullest extent allowed under existing law. I have just described some examples of the relief we obtained against Equifax.

Finally, I would like to highlight the extraordinary collaboration among state and federal agencies that resulted in today’s settlement. This global settlement exemplifies good
government. When a broad, bipartisan coalition of federal and state law enforcers work together, we are able to hold companies accountable for their obligations to protect consumer data. When sensitive personal information is exposed and misused, it can cause devastating harm to consumers. Companies must take seriously their duty to protect consumers’ information. And if they do not, the FTC, CFPB, and state Attorneys General stand ready to act.

Before I give up the floor, I would like to thank the FTC staff responsible for helping to reach this settlement, most significantly Jacqueline Connor, Tiffany George, Molly Crawford, Ben Rossen, Cathlin Tully, Bob Schoshinski, and Maneesha Mithal.

Now, I am happy to turn the podium over to Director Kraninger.