



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, DC 20580

**Prepared Remarks of Commissioner Christine S. Wilson
Facebook, Inc. Press Event
July 24, 2019**

The enforcement action against Facebook that we announce today provides meaningful and immediate protections for Facebook users, and deters future privacy and data security violations by Facebook and other companies. I congratulate the FTC staff who investigated Facebook's order violations, negotiated the new Order that installs privacy guardrails at every level of the company, and recommended that the Commission vote to accept the Order and \$5 billion dollar settlement. Every day, your work benefits American consumers — well done.

Facebook collects, uses, aggregates, shares, and otherwise monetizes vast amounts of consumer data. Roughly 185 million Americans, many of them minors, are daily users of Facebook. They have entrusted personal information to Facebook with the understanding that Facebook would respect the laws and precedent governing consumer privacy. But Facebook's many privacy missteps, and the evidence I reviewed in this case, make clear that Facebook to date has lacked a culture of legal compliance in this area. In practicing law for more than 20 years, I have observed that an effective culture of compliance begins with top management. Thus, when evaluating this matter, I discussed with staff and my fellow Commissioners different options for creating meaningful change at Facebook. Particularly when dealing with a CEO whose expressed preference is to "move fast and break things,"¹ I became convinced of the need

¹ <https://www.businessinsider.com/mark-zuckerberg-2010-10>.

to erect speed bumps that will require both Mr. Zuckerberg and Facebook to slow down and treat consumer privacy with care.

I believe the Order we announce today achieves this goal. While we do not have the legal authority to remove Mr. Zuckerberg from the driver's seat, we can, and have, imposed a robust system of checks and balances that extinguishes his ability unilaterally to chart the path for handling consumer data at Facebook. We have required that privacy risks be taken into account at each fork in the road, and have mandated heightened protection for certain categories of products and services, including those directed at minors. And we have required that decisions regarding these privacy risks be documented and transmitted to Mr. Zuckerberg and the Board of Directors so that knowledge, responsibility, and accountability for privacy decisions is dispersed throughout the organization. We have obligated Mr. Zuckerberg to certify quarterly, on pain of civil and even criminal penalties, that Facebook's privacy program is in compliance with the law. And we have empowered an independent third-party assessor with the tools and authority that he or she needs to assess and monitor compliance with the Order, and to wave caution flags that alert the Board of Directors and the FTC when necessary. Each of these obligations places an additional speed bump in the path of Mr. Zuckerberg and Facebook as they begin a new phase of navigating consumer privacy issues.

I had the honor of serving as Chief of Staff to FTC Chairman Tim Muris when some of the FTC's first privacy and data security cases, like *Eli Lilly* and *Microsoft*, were brought.² Since then, the FTC has developed and enhanced the agency's privacy and data security program as technologies have continued to evolve. The relief in this order builds on that body of work and is tied to the privacy and data security violations we allege in the complaint, as it legally

² In the Matter of Eli Lilly, C-4047 (2002), available at: <https://www.ftc.gov/enforcement/cases-proceedings/012-3214/eli-lilly-company-matter>; In the Matter of Microsoft Corporation, C-4069 (2002), available at: <https://www.ftc.gov/enforcement/cases-proceedings/012-3240/microsoft-corporation-matter>.

must be. I recognize there are many other concerns that have been raised about Facebook, including allegations of monopolization, biased treatment of content, and unfair involvement in elections. Those issues fall outside the scope of this privacy and data security enforcement action and remain unresolved.

I also recognize that consumers are concerned, and some even deeply troubled, by the ways in which Facebook (and other companies in the United States) collect, aggregate, and monetize data. I share concerns about many of the data collection and monetization practices that seem ubiquitous in this era. But an action to enforce the terms of an FTC order is not an appropriate vehicle to set standards for how Facebook, and by extension all other platforms and companies in the U.S., collect, use, aggregate, share, sell, and otherwise monetize data. The FTC historically has been chastised by the courts — and Congress — for overstepping its bounds. In the 1970s, the FTC’s aggressive intervention led detractors to call it “the second most powerful legislature” in America.³ Recognizing the limits of the FTC’s authority, we understand that decisions about what data can be collected and how it can be used and monetized appropriately fall within the purview of Congress.

For these reasons, today I renew the FTC’s bipartisan call to Congress to pass comprehensive privacy and data security legislation. Carefully crafted federal privacy legislation will set expectations for the business community, empower consumers to make informed choices, and fill emerging gaps in sectoral coverage – while preserving or even enhancing incentives to innovate and compete. To enable the FTC to exercise comprehensive oversight, I encourage Congress to repeal the common carrier and nonprofit exemptions to our statute. And to discourage misuse of consumer data, I encourage Congress to grant the FTC civil penalty

³ See, e.g., J. Howard Beales III & Timothy J. Muris, *FTC Consumer Protection at 100: 1970s Redux or Protecting Markets to Protect Consumers?*, 83 *Geo. Wash. L. Rev.* 2157, 2159 (2015) (quoting Jean Carper, *The Backlash at the FTC*, *Wash. Post*, Feb. 6, 1977, at C1).

authority for initial privacy violations. In the absence of legislation, the Commission and its dedicated staff will continue to safeguard Americans' privacy with the tools – and the limitations – that it currently has.