



Office of Commissioner  
Rebecca Kelly Slaughter

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

**STATEMENT OF COMMISSIONER REBECCA KELLY SLAUGHTER**

*In the Matter of Drizly*

October 21, 2022

The kinds of lax and unreasonable data security practices the Commission has alleged in this settlement with Drizly<sup>1</sup> have caused immense and often incalculable harm to consumers. As the complaint recounts, Drizly's carelessness with customer information led to an intruder gaining access to its systems and downloading the personal information of 2.5 million people.

This order is commendable and marks a meaningful step forward in our data security enforcement. Naming Drizly's CEO, James Corey Rellas, who oversaw these practices, helps ensure that corporate leadership must take seriously their obligation to safeguarding customer information. Mechanisms like the proposed data retention schedule are also an excellent approach to provide accountability for data use and misuse. Ensuring that Drizly only collects information necessary to effectuate its published business needs should exert a disciplining influence on its collection of consumer information. The retention schedule also provides a clear hook for future FTC enforcement actions should Drizly not follow its strict requirements under this proposed order.

Going forward, I believe the law would support us doing more to safeguard Americans' data, including requiring substantive limits on appropriate collection and use. While the disclosure requirements in this order have value, disclosure alone is not enough. We know that endless terms-of-service and other disclosures have not improved customer understanding, facilitated meaningful choice, or protected data from security breaches. But hackers cannot steal data that companies did not collect in the first place; requirements that limit what data can be collected, used, and retained could meaningfully foil and deter data security breaches.

There are many ways to approach data collection guardrails. As the FTC further develops a minimization framework, one framework I hope we consider is centering a consumer's reasonable expectation that there should be limits on the collection and use of their information based on the service they've actually requested. I believe the agency is in a better position to effectuate this expectation than it is to anticipate, understand, and police every claim of reasonable business necessity.

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<sup>1</sup>Drizly is now a wholly owned subsidiary of Uber which reached a settlement with the FTC over its allegedly lax data security practices in 2018. I worry greatly about this matryoshka doll of companies with a spotty track record of protecting consumer data.

A consumer centered data minimization standard could work hand-in-hand with the kinds of disclosures and effective data security practices in this proposed order to protect Americans from the ongoing epidemic of data breaches, which are greatly exacerbated by overcollection of consumer information.

I am grateful to the staff for their hard work on this strong order. I look forward to seeing how our work continues to evolve in the pursuit of protecting Americans' data and ensuring our confidence in the practices of the businesses with which we all transact.