



Consumer Federation of America

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STATEMENT OF SUSAN GRANT, DIRECTOR OF CONSUMER PROTECTION AND PRIVACY, CONCERNING THE FEDERAL TRADE COMMISSION'S SETTLEMENT WITH FACEBOOK

Washington D.C. — I am deeply disappointed by the terms of the [agreement](#) with Facebook that the Federal Trade Commission (FTC) announced today. While the \$5 billion penalty sounds impressive, neither that nor the internal controls that the company will implement under the order will change the fundamental business practices of the company, which are based on massive surveillance of individuals and monetizing information gleaned from their behavior. The company remains free to use data about people in any way it sees fit. As FTC Commissioner Rohit Chopra stated in his [dissent](#) to the agreement, it “allows Facebook to decide for itself how much information it can harvest from users and what it can do with that information, as long as it creates a paper trail.” In her [dissent](#), FTC Commissioner Rebecca Kelly Slaughter also noted the failure to make structural change to the company’s data practices, observing that the order “fails to impose any substantive restrictions on Facebook’s collection and use of data from or about users (and non-users)” and places no limits on its ability to transfer that information to third parties or to other Facebook subsidiaries. ” She said that if there were limitations on sharing individuals’ data, they should apply across Facebook’s different properties, including Instagram and WhatsApp. In my view, the FTC should have gone even further and forced the company to divest those assets since , as Commissioner Slaughter points out, “Consumers could intentionally set up wholly different profiles on Facebook, WhatsApp and Instagram – for example, a so their browsing or sharing habits on each platform would not be associated with their profile on the others.” The integration of these platforms helps fuels massive commercial surveillance that Facebook conducts.

I’m also very concerned about an issue that Commissioner Chopra raised, the broad shield that the order provides regarding conduct not addressed in the settlement. The parties agreed that the order resolves not only issues with Facebook’s violations of its original settlement with the FTC but “all consumer-protection claims known by the FTC prior to June 12, 2019, that Defendant, its officers, and directors violated Section 5 of the FTC Act.” There is no reason for this, and it would shut down action on other problems with Facebook that the FTC knew about before that date.

The FTC's timid action in this case, and its institutional constraints – for instance, its inability to obtain civil penalties in privacy cases unless a company has violated a previous order and its lack of any rulemaking authority on privacy -- demonstrate why we need strong legal protection for people's personal information in the United States and a Data Protection Agency that has the powers and resources to enforce it.

[The Consumer Federation of America](#) is an association of more than 250 non-profit consumer and cooperative groups that was founded in 1968 to advance the consumer interest through research, advocacy, and education.