

ICDPPC Global Privacy and Data Protection Awards

2019

Entry Form

Deadline 29 July 2019

To submit an entry to the ICDPPC Global Privacy and Data Protection Awards please complete and email this form to ExCoSecretariat@icdppc.org no later than 29 July 2019.

Note: ICDPPC member authorities can submit as many entries as they wish, but a separate form should be used for each different entry, submitted by the deadline of 29 July. Languages: the conference documentation rule 6.2¹ applies:

1. Contact details for this entry:

- a. Name and email address of person completing this form: Guilherme Roschke groschke@ftc.gov
- b. Name of Data Protection or Privacy Authority: U.S. Federal Trade Commission

2. Eligibility: By submitting this entry I confirm that:

- a. The Authority is a member of the International Conference of Data Protection and Privacy Commissioners.
- b. The initiative described in this entry was undertaken since the last edition.
- c. I am aware that the information in the entry (other than the contact details in 1(a) above) will be publicised by the ICDPPC Secretariat.

3. Please indicate which **category you wish to enter (delete those that do not apply; you can enter multiple categories but please use separate forms for each entry):**

- ~~a. Education and public awareness~~
- b. Accountability
- c. Dispute resolution and enforcement
- ~~d. Innovation~~
- e. People's Choice

4. Description of the initiative

- a. Please provide a brief summary of the initiative (no more than 75 words):

In a historic settlement, the FTC imposed upon Facebook an unprecedented \$5 Billion fine, a new privacy structure for accountability at Facebook, and new tools for FTC monitoring of Facebook. The order requires Facebook to restructure its approach to privacy from the corporate board-level down, and establishes strong new mechanisms to ensure that Facebook executives are accountable for the decisions they make about privacy, and that those decisions are subject to meaningful oversight.

- b. Please provide a full description of the initiative (no more than 350 words):

¹ 6.2 Conference documents

Without prejudice to section 4.2, conference documents, including accreditation and observer applications may be submitted in English or in another language. In the latter case, the documents shall be accompanied by an English version. Members with the ability and the resources to do so are encouraged to translate proposed resolutions and other conference documents such as the Conference Rules and Procedures.

Facebook, Inc. will pay a record-breaking \$5 billion penalty, and submit to new restrictions and a modified corporate structure that will hold the company accountable for the decisions it makes about its users' privacy, to settle Federal Trade Commission charges that the company violated a 2012 FTC order by deceiving users about their ability to control the privacy of their personal information.

To prevent Facebook from deceiving its users about privacy in the future, the [FTC's new 20-year settlement order](#) overhauls the way the company makes privacy decisions by boosting the transparency of decision making and holding Facebook accountable via overlapping channels of compliance.

The order creates greater accountability at the board of directors level. It establishes an independent privacy committee of Facebook's board of directors, removing unfettered control by Facebook's CEO Mark Zuckerberg over decisions affecting user privacy.

The order also improves accountability at the individual level. Facebook will be required to designate compliance officers who will be responsible for Facebook's privacy program. Facebook CEO Mark Zuckerberg and designated compliance officers must independently submit to the FTC quarterly certifications that the company is in compliance with the privacy program mandated by the order, as well as an annual certification that the company is in overall compliance with the order. Any false certification will subject them to individual civil and criminal penalties.

The order also strengthens external oversight of Facebook. The order enhances the independent third-party assessor's ability to evaluate the effectiveness of Facebook's privacy program and identify any gaps. The assessor's biennial assessments of Facebook's privacy program must be based on the assessor's independent fact-gathering, sampling, and testing, and must not rely primarily on assertions or attestations by Facebook management. The order prohibits the company from making any misrepresentations to the assessor, who can be approved or removed by the FTC. Importantly, the independent assessor will be required to report directly to the new privacy board committee on a quarterly basis.

As part of Facebook's order-mandated privacy program, which covers WhatsApp and Instagram, Facebook must conduct a privacy review of every new or modified product, service, or practice before it is implemented, and document its decisions about user privacy. The designated compliance officers must generate a quarterly privacy review report, which they must share with the CEO and the independent assessor, as well as with the FTC upon request by the agency. The order also requires Facebook to document incidents when data of 500 or more users has been compromised and its efforts to address such an incident, and deliver this documentation to the Commission and the assessor within 30 days of the company's discovery of the incident.

- c. Please explain why you think the initiative deserves to be recognised by an award (no more than 200 words)

The \$5 billion penalty against Facebook is the largest ever imposed on any company for violating consumers' privacy and almost 20 times greater than the largest privacy or data

security penalty ever imposed worldwide. It is one of the largest penalties ever assessed by the U.S. government for any violation.

The settlement order also imposes unprecedented new restrictions on Facebook's business operations and creates multiple channels of compliance.

"Despite repeated promises to its billions of users worldwide that they could control how their personal information is shared, Facebook undermined consumers' choices," said FTC Chairman Joe Simons. "The magnitude of the \$5 billion penalty and sweeping conduct relief are unprecedented in the history of the FTC. The relief is designed not only to punish future violations but, more importantly, to change Facebook's entire privacy culture to decrease the likelihood of continued violations."

- d. Include a photograph or image if you wish (note this will be published with your entry on the ICDPPC website; the image can be pasted into the entry or send as an attachment or a link may be provided):

FTC Settlement with Facebook

-  **\$5,000,000,000**
Unprecedented **penalty**
-  New **privacy structure**
at Facebook
-  New tools for FTC
to **monitor** Facebook

Source: Federal Trade Commission | FTC.gov

<https://www.ftc.gov/sites/default/files/u52513/fb-socmed-tw-1200x600-summary.png>

- e. Please provide the most relevant link on the authority's website to the initiative (if applicable) (The website content does not need to be in English): <https://www.ftc.gov/news-events/press-releases/2019/07/ftc-imposes-5-billion-penalty-sweeping-new-privacy-restrictions>
- f. Please provide any other relevant links that you wish that help explain the initiative or its impact or success (e.g. links to news reports or articles):
- FTC slaps Facebook with record \$5 billion fine, orders privacy oversight
<https://www.cnbc.com/2019/07/24/facebook-to-pay-5-billion-for-privacy-lapses-ftc-announces.html>

- U.S. government issues stunning rebuke, historic \$5 billion fine against Facebook for repeated privacy violations <https://www.washingtonpost.com/technology/2019/07/24/us-government-issues-stunning-rebuke-historic-billion-fine-against-facebook-repeated-privacy-violations/>
- FTC To Hold Facebook CEO Mark Zuckerberg Liable For Any Future Privacy Violations <https://www.npr.org/2019/07/24/741282397/facebook-to-pay-5-billion-to-settle-ftc-privacy-case>