



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, DC 20580

**Prepared Remarks of Chairman Joe Simons¹
Facebook Settlement Press Conference
July 24, 2019**

Good morning. I am pleased to announce that the FTC and the Department of Justice have reached a groundbreaking privacy settlement with Facebook. The settlement imposes a record-breaking \$5 billion penalty, includes strict new measures to change the way the company addresses consumers' privacy, and holds Facebook and its executives accountable for the decisions they make about privacy in the future.

but for millions of users, that technology was “on” by default. In addition to these alleged order violations, we also allege that Facebook violated the FTC Act when it told users it would collect their phone numbers to enable a security feature, but did not disclose that it also used those numbers for advertising purposes.

The settlement with Facebook is based on the recommendation of the FTC’s career enforcement staff, and includes three major components. First, Facebook must pay a \$5 billion civil penalty, one of the largest in corporate history. Second, the order subjects the company to new, expanded privacy requirements. Third, the order imposes significant structural reforms on how Facebook does business, including greater corporate accountability, more rigorous compliance monitoring, and increased transparency.

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The second information flow consists of incident reports documenting when data of 500 or more users has been compromised, which Facebook must deliver to the Commission and the assessor within 30 days of the company's discovery of the incident.

The third information flow consists of the independent assessor's biennial assessments of Facebook's privacy program, which must be based on the assessor's independent fact gathering, sampling, and testing. The assessor must review the assessments with the privacy committee and submit them to the FTC.

The fourth and final information flow consists of Facebook management and the assessor briefing the privacy committee qTrivac (P1222)3 (s)7 (h) ()Tj EMC /P16.46.06 Tw 0.32 0 26MC /P <</M

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