



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, DC 20580

Prepared Remarks of Chairman Joseph Simons¹
Privacy Shield Annual Review
Washington, D.C.
September 12, 2019

Good morning. Secretary Ross, Director-General Astola, Chairman Karadjov, it is a pleasure to join you today to launch the third Privacy Shield annual review and discuss the continued success of the Privacy Shield framework, which preserves beneficial transatlantic data flows and provides important privacy protections.

I am pleased to update you on the FTC's recent major accomplishments in our privacy program. We collected a record-breaking \$5 billion penalty against Facebook and imposed unprecedented new accountability requirements on the company.² Our settlement also holds Facebook and its executives accountable for the decisions they make about privacy in the future, and prohibits misrepresentations related to the Privacy Shield and similar frameworks. We also announced actions against Alexander Nix, Aleksandr Kogan, and Cambridge Analytica, LLC.³

¹ These remarks reflect my own views. They do not necessarily reflect the views of the Commission or any other individual Commissioner.

² FTC Press Release, *FTC Imposes \$5 Billion Penalty and Sweeping New Privacy Restrictions on Facebook* (July 24, 2019), <https://www.ftc.gov/news-events/press-releases/2019/07/ftc-imposes-5-billion-penalty-sweeping-new-privacy-restrictions>.

³ See FTC Press Release, *FTC Sues Cambridge Analytica, Settles with Former CEO and App Developer* (July 24, 2019), <https://www.ftc.gov/news-events/press-releases/2019/07/ftc-sues-cambridge-analytica-settles-former-ceo-app-developer>.

In our action against Cambridge Analytica, we alleged two Privacy Shield counts for a false claim of participation and a failure to affirm ongoing protections for data.⁴

Since the last review, the FTC has brought seven new actions enforcing the Privacy Shield framework, bringing our total to fifteen Privacy Shield cases. We brought five actions this year for “false starts”— companies that begin signing up with the framework, do not complete the process, yet continue to claim participation.⁵

a global settlement with the Federal Trade Commission, the Consumer Financial Protection Bureau (CFPB), and 50 U.S. states and territories.⁹ The credit reporting company allegedly failed to take reasonable steps to secure its network, which led to a data breach that affected approximately 147 million people. And in March, social networking app Musical.ly, now known as TikTok, agreed to pay \$5.7 million to settle FTC allegations that it illegally collected personal information from children without parental consent, in violation of COPPA.¹⁰

Privacy Shield and other enforcement is only part of the story of our efforts to address privacy. For example, as part of the FTC's Hearings on Competition and Consumer Protection in the 21st Century, we held a series of panels that specifically explored consumer privacy and data security.