

Public Pressure builds for FTC to punish Zuckerberg for abusing America

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Pressure is growing for federal regulators to hold Facebook CEO [Mark Zuckerberg](#) personally accountable for his company's string of privacy scandals.

The Federal Trade Commission (FTC) is wrapping up a long-running investigation into Facebook over its data practices and is expected to levy a multibillion-dollar fine. But a report from The New York Times said that a rift has opened at the agency over whether to also hold executives like Zuckerberg liable in any enforcement action.

Last month, Facebook told investors that it's expecting to pay a fine as high as \$5 billion to settle the FTC's investigation into its privacy practices. That sort of sum would be the largest fine ever leveled against a tech company in the U.S. — more than 200 times the record \$22.5 million penalty Google received in 2012 for allegedly deceiving users about its privacy practices.

Still, the fine itself would be minuscule for a behemoth like Facebook, which last year made \$55 billion in revenue. Investors largely shrugged off the expected fine, sending Facebook's stock up 10 percent the day after the announcement.

Facebook's critics say that the fine would amount to a slap on the wrist and that in order to hold the company accountable after a string of privacy incidents, the FTC needs to impose restrictions on its handling of user data and make executives individually liable.

That approach also has supporters in both parties.

"As important as remedies on Facebook as a company are, the FTC should impose tough accountability measures and penalties for individual executives and management responsible for violations of the consent order and for privacy failures," Sens. Richard Blumenthal (D-Conn.) and [Josh Hawley](#) (R-Mo.) wrote in a letter to the FTC on Monday.

"Personal responsibility must be recognized from the top of the corporate board down to the product development teams," they continued. "If the FTC finds that any Facebook executive knowingly broke the consent order or violated the law, it must name them in any further action."

But talk of holding Zuckerberg accountable for his company's missteps has sparked alarm in Silicon Valley.

Carl Szabo, the vice president of the trade group NetChoice, which represents Facebook, said that such a move would be extreme and that "anti-tech activists" will not be satisfied no matter how far the FTC goes.

“I think the multibillion-dollar fine that we’ve been hearing about for some time is more than appropriate,” Szabo told The Hill. “Holding business leadership liable risks undermining innovation and leaves America open to foreign technological dominance.”

The FTC opened its investigation last year after it was revealed that the political consulting group Cambridge Analytica had obtained data on millions of Facebook users without their knowledge. The probe is focusing on whether the company’s handling of the incident violated a 2011 consent agreement that ordered Facebook to overhaul its privacy program.

Facebook told The Hill it would not comment on the case, but the company has argued that it did not violate the consent agreement.

Facebook has reportedly agreed to greater oversight of its practices by appointing compliance officers within the company.

“Most of the coverage that I’ve seen focuses on a dollar amount, and you’ll do your own reporting on the precedents around that and how meaningful that is,” Zuckerberg told The Washington Post last month. “I actually think the much bigger deal is basically the things that we would need to do inside and how we would need to change how we operate.”

It’s unclear whether the agency is examining other privacy incidents, like Facebook’s scraping of 1.5 million new users’ email address books. The company admitted to the incident last month, but said it was inadvertent.

The FTC also finds itself in a difficult spot as it faces pressure to take a tougher line on Zuckerberg.

If Facebook doesn't agree to a settlement with the agency, that could lead to a long and costly court battle. And if the FTC pushes terms on executive liability in the talks, which are reportedly close to being completed, it could sink the chances of regulators reaching an agreement with Facebook.

Going to trial against a massive company like Facebook could pose a major risk for the small agency. If the FTC loses in court, it could set a precedent that makes it harder for it to bring similar enforcement cases.

But for some tech critics, it's worth the risk.

"I'm a prosecutor — I've spent most of my life in the courtroom," Blumenthal told The Hill on Monday. "My view is agencies or prosecutors should do the right thing. They can't tailor their remedies or cases to try to fit some expectation about what a court will do."

Chris Hoofnagle, a law professor at the University of California, Berkeley, who has written extensively about the FTC, says that it's not uncommon for the agency to go after executives, but that those actions are not taken evenly across the board.

"The FTC often imposes individual liability," Hoofnagle said in an email to The Hill. "The problem is that it is usually just small companies that get individual liability, which is a bit perverse. Startups always have to worry about individual liability, but once you are big, you can pawn off blame on the largeness of the company."

Still, it wouldn't be the first time the FTC has gone after a powerful executive of a large company. In 2013, the commission

declared that the pomegranate juice maker POM Wonderful was making deceptive advertising claims about its products and named the company's owners, the billionaire couple Stewart and Lynda Resnick, in its cease and desist order.

The Supreme Court later rejected POM Wonderful's attempt to fight the agency's ruling.

As Facebook's chairman and CEO, and with nearly 60 percent of shareholder votes in his pocket, Zuckerberg has outsized control over the \$540 billion company's operations, making him a prime target for critics who want to curtail the tech giant.

On Monday, two organizations, Color of Change and Majority Action, urged Facebook's shareholders to remove Zuckerberg from his perch as chairman of the board.

Blumenthal says that going after Zuckerberg would send a message to a company he believes has "basically thumbed their nose" at the FTC since entering into the consent agreement eight years ago.

"I think they have to do enforcement in a way that has impact," he said of the FTC. "Individual responsibility hits home like nothing else."

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