

Facebook Shares Tumble Amid Cambridge Analytica Scandal

By Hilarie Bellis, J.D. Candidate 2019 | March 24, 2018

Facebook shares continued to tumble last week, falling [more than 13%](#) and closing just under \$160 per share on Friday, March 23rd. Facebook is under fire after the revelation that Cambridge Analytica, a voter-profiling company, accessed the private information of more than [fifty million Facebook users](#) without their permission. The data was used by Cambridge Analytica to help profile millions of American voters for President Trump's 2016 presidential campaign.

Facebook had originally downplayed the data leak, but founder and CEO Mark Zuckerberg finally issued a statement on Facebook last Wednesday. Zuckerberg [later apologized](#) during an interview on CNN, calling the incident a “major breach of trust.” The scandal has spurred the hashtag [#deletefacebook](#), with Google searches as to how to delete Facebook [tripling last week](#). Sentiment for the movement comes from a variety of places: some users say they did not realize their data was being sold and feel their privacy has been invaded, while others do not like the fact that their profile may have been used to help elect President Trump.

There are already [four lawsuits](#) filed against Facebook in Northern California federal courts, three of which are brought by shareholders of the tech giant. The fourth lawsuit is a class action suit alleging that Facebook had “absolute disregard” for the personal data of the fifty million users whose data was taken without permission by Cambridge Analytica.

Despite losing around \$75 billion in market capitalization last week, COO Sheryl Sandberg said Facebook does not look at user privacy issues as long-term damage to the company's stock price and business model. Yet the company's business model is built on selling its users' data. Should the company face tighter regulations, it may need to rethink its business model, which is likely why the company is taking small, slow steps to address the scandal.

Zuckerberg has been called to testify before both the House and Senate. He has said he would be willing to testify, and that [he was not sure whether](#) or not Facebook should be better regulated. There is talk for more regulation of social media and technology companies. Apple CEO Tim Cook said he thinks tech companies [should be](#) regulated as to how they are allowed to use customer data.

