

Facebook Strikes Again

By Elsie Cheang, J.D. Candidate 2020 | March 4, 2019

Once again in the spotlight, Facebook is facing [regulatory scrutiny](#) regarding its data privacy practices. After a Wall Street Journal media report revealed that Facebook collects users' personal information from third party apps, New York Governor Andrew Cuomo is stepping in to order an investigation. These data include sensitive information such as one's weight, blood pressure, and even ovulation status. In a statement, Facebook claims that the Wall Street Journal's report instead focuses on how third-party apps are handling user data to create ads and that Facebook is actually making a conscious effort to track and remove data that should not be shared with the company.

As regulatory and public stakeholders become more concerned over data privacy, Facebook continues to struggle to instill confidence in this issue. Just a year ago, in early 2018, the Federal Trade Commission initiated an investigation into claims that Facebook improperly shared information that belonged to [87 million users](#) with British political consulting firm, Cambridge Analytica. This time, Facebook is under the probe of two New York state agencies, New York's Department of State and Department of Financial Services.

This is [an unprecedented move](#) by New York's Department of Financial Services. The department usually stays clear from direct supervision of social media companies. However, its role in data privacy is growing as the financial sector faces digital privacy concerns. For example, the department is expected to implement the country's first cybersecurity rules to govern state-regulated financial institutions. These rules would apply to players such as banks, insurers, and credit monitors.

The increasing role of New York's Department of Financial Services in monitoring entity compliance in spaces such as digital privacy and cybersecurity reveals the many ways various industries are taking advantage of social media. The prevalence of social media and the troves of user data associated with it will continue to raise privacy concerns. As a result, more and more state regulatory agencies, who have previously stayed clear from social media, could find their work necessarily overlapped with and influenced by social media and thus the corresponding data concerns. As this reality becomes more likely, Facebook will find itself dealing with new stakeholders and new regulatory players. The omnipresent role of social media across industries



could enable new state agencies to put pressure on companies such as Facebook to hold them accountable for their management of sensitive data. Furthermore, it could also present opportunities for companies such as Facebook to work with new stakeholders on regulation and policies that promote greater user confidence and trust, thus creating a win-win situation for both regulators and corporate players.