



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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PR 18:21  
April 11, 2018

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## **Statement from Treasurer John Chiang on Facebook's Data Privacy Scandal**

**SACRAMENTO** – “Social media and its tallest totem, Facebook, has overtaken the role that broadcast TV and radio played in the last century. For many, these digital platforms have become our main sources of news, entertainment, and public debate. But unlike their predecessors, today’s social media voraciously harvests information about our politics, buying habits, personality traits, belief systems, and even our children in a Wild West frontier free of standards and oversight.

"Whether in government or in private commerce, the absence of transparency and accountability is a breeding ground for fraud, scandal, and ethical hijinks. It should be no surprise that social media behemoths like Facebook treat their responsibility to users as a joke and our privacy rights as the punch line. Both the ad revenue associated with sensational, but phony news and the profitability of allowing third parties to reap and sell our data overcame any allegiance they owed to their nearly 2 billion users.

"This is why it is time to regard the internet as a public interest and social media corporations as public trustees to be treated no differently from how we handle the licensing of radio and TV stations. Since 1912, the federal government's oversight of broadcasting has had two vital public objectives: to promote the safe and sound commercial development of the industry and to ensure the airwaves are used to advance the public’s educational and informational needs. In the 20th century, the broadcast airwaves were seen as a public interest requiring reasonable oversight and accountability to further the public good in a commercial setting.

"In the 21st century, social media is the new and dominant manner in which ideas are shared and debated. With similar oversight and accountability it, too, can grow in the direction of promoting a more informed citizenry rather than serve as a for-hire mercenary that will continue to bludgeon the integrity of our elections, the sanctity of our privacy rights, and the public good that the internet can serve.

"This imperfect, yet effective 'public interest standard' that has governed the broadcast airwaves for a century should inform upcoming Congressional discussions on how to preserve the ability of social media companies to profitably innovate but, at the same time, provide

consumers meaningful protections to safeguard our privacy rights, advance our democracy, and curtail fake news."

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