FTC Looking into Proposed Facebook Changes

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New York (AP) — The Federal Trade Commission is looking into a set of policy changes that Facebook proposed in late August, though the agency says it's part of a routine monitoring of the company's privacy practices.

The changes, which have not yet gone into effect, have drawn criticism from privacy groups concerned about how the world's largest online social network uses its members' photos and other information in advertisements. Six privacy-advocacy groups sent a letter to the FTC last week saying that the revisions violate Facebook's 2011 settlement with the agency. As part of the settlement, Facebook had agreed to get explicit approval from users before changing its privacy controls and to submit to government audits of its privacy practices every other year for 20 years.

The FTC's latest review is not a formal inquiry or investigation.

"As in all cases, we're monitoring compliance with the order, and part of that involves interacting with Facebook," FTC spokesman Peter Kaplan said in a statement.

Facebook's proposed [1] changes don't appear to represent a material shift in the way the company uses people's information. For example, the company has already been using people's photos in advertisements it calls "sponsored stories." If a user "likes" Starbucks, Starbucks might show the person's name and profile photo to friends as part of an ad.

Rather, the changes update Facebook's existing policies with language that more accurately describes what the company already does, as it was ordered by a federal judge in San Francisco as part of another settlement in late August. Facebook was also ordered to pay $20 million as part of that settlement.

"It's hard to see what is actually new," said Jules Polonetsky, director of the Future of Privacy Forum, an industry-backed think tank in Washington that was not one of the six groups that wrote to the FTC.

He added that when "you are as important as Facebook is to the day to day lives of people, anything you say or do — even if you are not actually making anything any different — raises tremendous scrutiny."

Facebook Inc. said it "routinely" discusses policy updates with the FTC and said nothing is different this time.

"Importantly, our updated policies do not grant Facebook any additional rights to use consumer information in advertising," Facebook spokeswoman Jodi Seth said in

an emailed statement. "Rather, the new policies further clarify and explain our existing practices. We take these issues very seriously and are confident that our policies are fully compliant with our agreement with the FTC."

Facebook's stock hit $45.62, its highest level ever, on Thursday before closing at $44.75, down 29 cents for the day.

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Online:

Facebook proposal: https://www.facebook.com/notes/facebook-site-governance/10153167395945301 [1]

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[1] https://www.facebook.com/notes/facebook-site-governance/10153167395945301