



United States of America  
FEDERAL TRADE COMMISSION  
WASHINGTON, DC 20580

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June 1, 2017

**VIA ELECTRONIC AND U.S. MAIL**

Mr. Edward Palmieri (b)(6)  
Director and Associate General Counsel, Privacy  
Facebook, Inc.  
1155 F Street NW, Suite 475  
Washington DC 20004

RE: *In the Matter of Facebook, Inc., Docket No. C-4365*

Dear Mr. Palmieri:

Thank you for the Assessment dated April 12, 2017 (“April 2017 Assessment” or “Assessment”). We write seeking clarification regarding the scope of this Assessment with respect to Facebook’s acquired entities and affiliates.

Part IV of the Order requires Facebook to establish, implement, and maintain a comprehensive privacy program that is reasonably designed to (1) address privacy risks related to the development and management of new and existing products and services, and (2) protect the privacy and confidentiality of covered information. Part V requires Facebook to obtain third-party assessments which, among other things, explain how Facebook’s specific privacy controls are appropriate to its size and complexity, the nature and scope of its activities, and the sensitivity of covered information, as well as explain how the implemented privacy controls meet or exceed Part IV’s required protections.

The cover letter to the 2017 Assessment by PricewaterhouseCoopers LLP (“PwC”) notes that Facebook made acquisitions during the Reporting Period, and states that it excluded “any independently operated affiliates” from the Assessment. As you may recall, when PwC made a similar statement in its cover letter to the assessment dated April 13, 2015 (“2015 Assessment”), we sent a letter seeking clarification on the extent to which the 2015 Assessment covered whether and how Facebook addressed the impact of acquisitions on its Privacy Program. Based on the responses we received from you and PwC in separate letters dated July 14, 2015, we understand that, as part of its Assessment, PwC nonetheless considered the impacts of acquisitions on Facebook’s Privacy Program, and that when an acquisition was integrated into a Privacy Program process or control, it became subject to testing by PwC.

Based on Facebook's previous submissions, we understand that during the two-year Reporting Period covered by the 2017 Assessment (February 12, 2015 through February 11, 2017), Facebook made the following acquisitions: (b)(4); (b)(3):6(f)

(b)(4); (b)(3):6(f) We write to confirm that, as part of the 2017 Assessment, PwC likewise evaluated whether and how Facebook's acquisitions during this Reporting Period impacted its Privacy Program.

In the "Privacy Program Overview" which prefaces the 2017 Assessment, Facebook asserts that it designed its Privacy Program to accomplish two primary objectives: (1) to address privacy risks related to the development, management, and use of new and existing products, and (2) to protect the information Facebook receives from or about users. Facebook states that it has implemented numerous procedures ("controls") to effectuate these objectives which include "assessing impact on the Privacy Program from acquisitions." For example, Facebook's Privacy Governance Team convenes to discuss the privacy risks associated with newly acquired companies. Moreover, Facebook's Privacy Cross-Functional ("XFN") team routinely reviews new products or features that incorporate newly acquired technology, and assesses the associated risks and controls. As part of the Privacy XFN process and annual privacy summit, Facebook addresses key privacy issues relevant to acquired and affiliate entities, such as data sharing and integration.

We understand that, as part of its assessment, PwC (b)(4); (b)(3):6(f)

(b)(4); (b)(3):6(f)

Please let us know promptly if our understanding of how PwC's 2017 Assessment addressed and evaluated the impact of acquisitions on Facebook's Privacy Program (as described above) is in any way incorrect or incomplete. Additionally, please notify us if Facebook acquired any entities during the Reporting Period that are not referenced above.

Sincerely,

A handwritten signature in black ink, appearing to read "Reenah L. Kim". The signature is fluid and cursive, with the first name being the most prominent.

Reenah L. Kim

cc: Joseph V. DiVito, Jr.  
PricewaterhouseCoopers LLP  
(b)(6)