

**IN THE MATTER OF THE LEVESON INQUIRY PURSUANT TO
THE INQUIRIES ACT 2005**

WITNESS STATEMENT OF RICHARD ALLAN

DATED 17 JANUARY 2012

1. I, RICHARD ALLAN, OF WILL SAY AS FOLLOWS. I am the Director of Public Policy for Europe, Middle East and Africa for Facebook. I am responsible for the company's involvement on matters of public policy across the region including the UK. My team works on a broad portfolio of issues including privacy, online child safety, freedom of expression, e-commerce regulation and public sector uses of social media. Prior to joining Facebook in June 2009, I was European Government Affairs Director for Cisco from September 2005 and had been an academic visitor at the Oxford Internet Institute. From 2008 to 2009 I chaired the UK Cabinet Office's Power of Information Task Force working on improving the use of government data. I was Member of Parliament for Sheffield Hallam between 1997 and 2005, and was appointed to the House of Lords in 2010.
2. I attach to this statement three exhibits which I refer to in the course of this statement.

Background on Facebook

3. Facebook was founded in February 2004. It is an online social networking service that helps people communicate more efficiently with their friends, family and colleagues. The company develops technologies that facilitate the sharing by individuals of their information through 'the social graph' – the digital mapping of people's real-world social connections. Anyone aged 13 and over can sign up for Facebook and interact with the people they know in a trusted environment. It is important to note that Facebook does not itself produce the content that is shared via its service.
4. Facebook operates both as a service that is delivered directly to users and as a platform on which others can build their own services. The service is made up of core site features and applications. Fundamental features to the experience on Facebook are a person's Home page and Timeline (formerly, Profile). The Home page includes News Feed, a personalized feed of his or her friends' updates. The Timeline is collection of the photos, stories, and experiences that tells an individual's story. It displays information about the individual he or she has chosen to share, including interests, education and work background and contact information. Facebook also includes core applications – Photos, Events, Videos, Groups, and Pages – that let people connect and share in rich and engaging ways. Additionally, people can communicate with one

another through various channels, including Chat, personal messages, Wall posts, Pokes, or Status Updates.

5. Facebook also operates as a development platform that enables companies and developers to deeply integrate their own applications and services with the Facebook service and gain access to millions of users through the social graph. Many businesses have been developed successfully using the platform. These include social gaming companies such as Zynga and content companies such as Spotify.
6. Facebook has over 800 million active users globally including some 30 million in the UK (who have returned to the site in the last 30 days). It employs more than 3000 employees worldwide. A large number of private and public sector organisations in the UK use the Facebook service for communicating with their communities of interest. For example, Facebook partnered with the Electoral Commission in the run-up to the 2010 General Election to encourage young people to register to vote, and the British Monarchy made extensive use of the service during the celebrations of the Royal Wedding in 2011.
7. The Facebook service is provided free to people at the point of use. The funding to support the service is derived mainly from advertising which is displayed on the website. Revenue is also derived from the sale of Facebook Credits which can be used to buy virtual goods within applications such as games on the site.
8. Facebook is a private company and therefore does not report financial results.
9. Facebook's international headquarters are in Dublin, Ireland. Its global headquarters is in Menlo Park, California. Facebook has sales, user operations and/or engineering offices in: Atlanta; Birmingham, Michigan; Chicago; Dallas; Detroit; New York; Venice Beach, California; Washington, DC; Austin; Seattle; Dublin; Amsterdam; Hamburg; Hong Kong; Hyderabad; London; Madrid; Milan; Paris; Selangor; Singapore; Stockholm; Sydney; Tokyo; and Toronto.
10. The Facebook service is provided to people in countries outside the US and Canada, including the UK, by Facebook Ireland Limited. This is made clear in section 18.1 of the website's Terms of Service or Statement of Rights and Responsibilities (SRR) which can be found at - <https://www.facebook.com/legal/terms> [Exhibit1].
11. The policies and practices related to managing content on the site described in this document are the responsibility of Facebook Ireland Limited and not of Facebook UK Ltd. Facebook UK Ltd carries out a very limited set of functions, which do not include any related to the direct provision of services to users in the UK. Facebook UK Ltd provides Facebook Ireland Limited with services in connection with sales support of advertising spaces, commercial development,

marketing, public relations, communication and legal services to develop Facebook's services and brand in the UK.

Does your company have any policy which relates to complaints about wall posts, messages, instant messages or any other communications between users which are libelous, defamatory or an invasion of privacy?

12. Facebook has a very clear policy and practice in this area. The company has put in place an extensive infrastructure for people using the service to report any content or behaviour that they believe is in breach of Facebook's SRR, which includes posted content which is defamatory, libelous, or an invasion of privacy. The SRR makes it clear that Facebook may remove such content. Sections 5.1 and 5.2 of the SRR are as follows:

5.1 You will not post content or take any action on Facebook that infringes or violates someone else's rights or otherwise violates the law.

5.2 We can remove any content or information you post on Facebook if we believe that it violates this Statement.

13. There are links adjacent to content across the site that offer options for making different kinds of report both directly to other users and to Facebook itself. Facebook has pioneered "social reporting" with a goal of helping people to resolve disputes about content on the site between each other or with the support of trusted third parties. There is an extensive Help Centre on the site which has articles describing the different kinds of report that can be made and a Safety Centre with information tailored for parents, teens, teachers and law enforcement – which can be found at this web address <https://www.facebook.com/safety>.

Does your company have any policy which relates to complaints about users posting links to external sites containing material which is libelous, defamatory or considered to be an invasion of privacy? Do you ever remove availability to such messages, wall posts, links or other communications on that basis in the UK? The Inquiry would be grateful for some examples of this (anonymised if necessary).

14. Facebook staff review content that has been reported and will make a determination based on the specific link, the nature of the content it links to and any other contextual information. In respect of links that point directly to content that has been determined to be libelous or defamatory under UK law and which are properly reported to as such we would normally remove such a link. Where links are of a general nature to a legitimate publication eg to *The New York Times* and that site happens to contain an article which is found to be libelous or defamatory by a UK court, then such links would not normally be removed even if the newspaper decided to leave the particular article on their site. We may however remove links to

whole sites where we have determined that those sites are clearly established for illegal purposes, eg sites that are designed to distribute child abuse material or commit fraud.

Does your company have any policy in relation to users who breach UK law in the course of using Facebook?

15. Facebook's SRR prohibits the violation of laws by users (SRR 5.1 above). Facebook reserves the right to take whatever action it deems necessary when a user violates the SRR. Such actions range from removing violating content to disabling the user account. Our Security team also proactively investigates and escalates to global law enforcement authorities cases where we identify apparent serious illegal activity, especially those concerning possible child exploitation, threats to public safety, and fraud. In particular, Facebook reports all apparent instances of child exploitation appearing on our site from anywhere in the world to the US National Center for Missing and Exploited Children (NCMEC), including content drawn to our attention by government requests. NCMEC coordinates with the International Center for Missing and Exploited Children and law enforcement authorities from around the world.

The Inquiry wishes to understand whether your company could prevent or block users in the UK from accessing material which persons in other countries can see?

16. A methodology has been developed by Internet companies called geo IP blocking that allows for content to be restricted according to the location of the Internet Protocol (IP) address of the requesting party. This methodology works by matching the IP address of an incoming connection with a standard lookup table that assigns geographical locations to the global pool of IP addresses. Facebook has the technical capacity to use this methodology.
17. We do also offer people using Facebook extensive controls over the audiences for each item of content they post. This includes controls over the geographical location for content posted on Facebook Pages. It is therefore possible for the poster of content on a Page to exclude specific countries from its distribution if they choose to do so. This is consistent with our view that people own the content they post on Facebook and have a responsibility for making judgements about how that content is shared on the service.

If yes, does your company ever do this? Would it consider doing so, for example, in order to comply with a court order in the UK? Are there any examples of this happening in the past in relation to an order made by a court in the UK or elsewhere?

18. Most of the complaints we receive that might give cause someone to consider legal action relate to content that is in breach of our SRR on one or more grounds – for example, it may have been posted using a fake identity, constitute bullying or harassment against a private individual, or contain hate speech, all of which are banned on Facebook. Such content is fully removed from the site so no country-specific blocking is required. Blocking measures may be considered where content has been reported as being illegal in a specific jurisdiction but is content that can be

shared quite legally outside the particular jurisdiction and is not in breach of Facebook's Statement of Rights and Responsibilities (SRR). We have not found any instances of Facebook implementing blocking measures pursuant to a court order in the past in the UK. We have found a handful of cases where blocks were put in place for other reasons not related to court orders. Our research has not found instances of blocking of this type being put in place directly pursuant to court orders in other jurisdictions. The more usual process for content-related issues on platforms like Facebook is one of notice and takedown. We would consider taking down material in response to a valid notice, which could involve a court order, if the content in question were as described above – illegal in the UK but not otherwise against our SRR.

Has your company been the subject of any disclosure order in the course of UK civil litigation, in respect of private information about a user held by you? If so, did your company comply with that order?

19. Facebook has been the subject of disclosure orders in the course of UK civil litigation. Facebook has provided disclosure pursuant to such orders of basic subscriber information which allows an individual to be identified by their contact details and the records of the IP addresses they used to log on to our service.

Does your company have a policy on providing disclosure of information to the police where they wish to discover the identity of a user or for any other purpose?

20. Facebook has a comprehensive policy for the limited disclosure of information to law enforcement authorities in compliance with relevant legal standards. This is set out in full at <https://www.facebook.com/safety/groups/law/> [EXHIBIT 2].
21. There are well-established relationships between the Facebook Law Enforcement team and the UK Police. The Police may use the Single Point of Contact (SPoC) mechanism to request basic subscriber information from Facebook using the powers set out in the Regulation of Investigatory Powers Act (RIPA).

Please outline what steps if any your company takes to prevent unauthorized third parties from accessing personal and private information and/or images placed on your website by users.

22. In addition to the privacy tools that Facebook provides to users to control who has access to their data, Facebook takes numerous technical and operational measures to prevent unauthorized access to user data. These measures were reviewed in detail during the recent audit by the Office of the Irish Data Protection Commissioner, who also employed the services of an expert from University College Dublin Centre for Cybersecurity and Cybercrime to focus specifically on these issues.

23. Facebook's measures in respect of its own operations include but are not limited to:
- a) All employees, contractors and vendors are subject to the information security policy, and are required to familiarise themselves with the terms of the policy on a regular basis.
 - b) Employees, contractors and vendors are required to sign a non-disclosure agreement before access to user data is granted.
 - c) An identity management system has been deployed to provision accounts, remove accounts and manage access rights.
 - d) All users are assigned a unique user name and password. Password policy requirements are enforced on all systems.
 - e) Credentials required to access production systems automatically expire on a regular basis requiring a manual process to re-enable access.
24. Facebook also provides its users with powerful security tools to protect their own data against unauthorised access including –
- a) The option to use an encrypted connection to the Facebook servers (HTTPS)
 - b) Extra security checks when an account is accessed from an unfamiliar location.
 - c) The ability to restrict access to specific devices with SMS verification.
25. The Office of the Irish Data Protection Commissioner was impressed by the security measures that Facebook has in place and stated at page 108 that “It is important to state at the outset that as could be expected FB-I places an enormous and ongoing focus on the protection and security of user data. Our audit has confirmed this focus.”

Does Facebook sell users' personal information to third parties? If so, what if any steps are taken by Facebook to ascertain the use to which that information is going to be put by the purchaser?

26. Facebook does not sell users' personal information to third parties.

How do you consider yourself to be regulated?

27. We believe it is important to further define regulation in this context. In particular we look at the regulation of an Internet platform and the regulation of any content created by the users of that platform as two separate issues.
28. As an Internet platform provider, Facebook has to comply with a wide range of regulations in several jurisdictions.
29. Like all users outside North America, Facebook users in the UK have their agreement for Facebook services with Facebook Ireland Limited (FB-I). FB-I is the data controller for UK users and regulated by the Office of the Irish Data Protection Commissioner (DPC), with respect to data protection issues. As a demonstration of the extent of this regulatory supervision, the Office of the Irish Data Protection Commissioner recently completed an extensive audit of

FB-I's data protection practices. The executive summary of this report can be found at <http://www.dataprotection.ie/documents/facebook%20report/final%20report/report.pdf> [EXHIBIT 3].

30. FB-I contracts with Facebook, Inc. to provide both web-hosting and data-processing services. Facebook, Inc. is regulated by the US authorities and recently agreed to a series of undertakings with the US Federal Trade Commission (FTC) in respect of its privacy practices. In practice, because Facebook is a global service many of these undertakings apply to all of Facebook's global operations, including those of FB-I.
31. As described above, the major operations involved in providing the service are those carried out by FB-I and Facebook, Inc. and require these companies to be fully compliant with local regulation. Local Facebook offices such as that of Facebook UK Ltd typically carry out a much smaller range of functions (as described in paragraph 11) and are subject to local regulation in respect of these.
32. There is also an important body of regulation related to the role of an Internet intermediary that is relevant to Facebook. In the context of the UK and other EU countries, the eCommerce Directive is of particular importance in its application to the activities of Facebook Ireland Ltd.

In other jurisdictions in which Facebook operates, is the company subject to a domestic system of regulation? If so, please provide examples of such domestic regulation, including examples of the sanctions which that local system can impose for non-compliance by Facebook or a user of Facebook.

33. Facebook's policy is to comply with all applicable local laws in the jurisdictions in which it operates. As is common with global Internet services the level of engagement with local regulatory authorities increases consistent with the growth of the user base and the establishment of local offices in different countries. Facebook engages frequently with law enforcement and regulatory authorities in a wide range of countries. These engagements may involve concerns that are addressed both to Facebook as a platform and to the users of Facebook in respect of their actions. Examples would include engagement with advertising regulators equivalent to the UK Advertising Standards Authority in respect of local advertising regulations, with law enforcement concerning content that breaches local law such as some forms of Nazi material, and with data protection authorities concerning local variations in data protection law.

The Inquiry would also welcome your views on the extent to which the content of websites, and the manner in which you operate, can be regulated by a domestic system of regulation.

34. As described above, Facebook is already subject to a wide range of regulation in its capacity as an Internet platform. There are additionally a number of self-regulatory schemes where

Facebook is a participant such as the European Safer Social Networking Principles, and the UK's Internet Watch Foundation which acts against child abuse material.

35. Users of the platform have their own responsibility for the legality of anything they post and this is typically applied at the national level. There can be a wide range of civil and criminal penalties faced by an individual private user as a consequence of material that they post on any Internet site including on Facebook. As Facebook is based on a concept of real identity, ie our terms require people to register using their real name and their connections are typically their real friends and family, then there is generally a high degree of accountability for any material posted.
36. Commercial users of the platform, eg those creating Pages on Facebook to publicise their business, have a different set of compliance requirements. For example, in the UK the Advertising Standards Authority treats all marketing messages posted by a business on the Internet, including those posted on Facebook, as being subject to their self-regulatory code.
37. Facebook believes that the current approach to the regulation of Internet services such as it provides to be broadly effective. Platforms have to meet tough requirements in areas such as security and data protection. While individuals are able to share content freely as long as they respect any local legal requirements and observe the rules specific to each platform.

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed ...



RICHARD ALLAN

Dated 17TH JAN 2012