

Business

Lawsuit adds to Facebook woes on data protection

150 companies could access detailed information about Facebook users

WASHINGTON: Facebook's woes mounted Wednesday as it faced a lawsuit alleging privacy violations related to data leaked to a consultancy working on Donald Trump's 2016 campaign, and as a new report suggested it shared more data with partners than it has acknowledged.

Facebook shares already sagging under the weight of the social network's troubles ended the trading day down 7.25 percent to \$133.24 and slipped even lower in after-market trades.

The suit filed by the attorney general for the US capital Washington is likely the first by an official US body that could impose consequences on the world's leading social network for data misuse.

"Facebook failed to protect the privacy of its users and deceived them about who had access to their data and how it was used," said Attorney General Karl Racine in a statement.

"Facebook put users at risk of manipulation by allowing companies like Cambridge Analytica and other third-party applications to collect personal data without users' permission."

The suit filed in Superior Court in Washington seeks an injunction to make sure Facebook puts in place safeguards to monitor users' data and makes it easier for users to control privacy settings, and demands restitution for consumers. Facebook said it was reviewing the complaint and looked forward to continuing discussions with attorneys general in DC "and elsewhere."

The social network has admitted that up to 87 million users may have had their data hijacked by Cambridge Analytica, which shut

down weeks after the news emerged on its handling of private user information. A whistleblower at the consultancy, which worked on Trump's presidential campaign, said it used Facebook data to develop profiles of users who were targeted with personalized messages that could have played on their fears.

The scandal has triggered a series of investigations and broad review by Facebook on how it shares user data with third parties.

Sharing with 150 partners

The New York Times reported that some 150 companies—including powerful partners like Amazon, Microsoft, Netflix and Spotify—could access detailed information about Facebook users, including data about their friends.

According to documents seen by the Times, Facebook allowed Microsoft's Bing search engine to see names of Facebook users' friends without consent and gave Netflix and Spotify the ability to read private messages. The report said Amazon was able to obtain user names and contact information through their friends, and Yahoo could view streams of friends' posts.

While some of the deals date back as far as 2010, the Times said they remained active as late as 2017 — and some were still in effect this year.

Facebook late Wednesday pushed back against critics, saying it had carefully negotiated deals with select partners to explore features such as friends sharing what they were listening to on Spotify or watching on Netflix.

on its earnings. Earlier this year it disclosed that US authorities had requested information on the operations being investigated by Britain and France "that could fall with US jurisdiction."

If the Justice Department inquiry leads to a criminal court case against Airbus and it is found guilty of corruption, it could be excluded from bidding on international contracts for five years, Le Monde said. At around 13:20 pm (1220 GMT) Airbus shares were down more than five percent at 82.34 euros, having lost 9.6 percent at one stage on the Paris stock exchange, which was 1.5 percent lower overall.

High stakes

The use of middlemen to secure contracts is authorised under guidelines set by the Organization for Economic Cooperation and Development, as long as they are clearly identified and their compensation fully disclosed. Le Monde reported that Airbus had recently dissolved its Strategy and Marketing Organization (SMO) department, whose directors oversaw the management of middlemen used to facilitate the deals from 2009 to 2013 being probed.

By showing authorities it is taking drastic action in response to the alleged irregularities, it is hoping the US Justice Department will join the British and French inquiries, Le Monde said. In that case, Airbus might be able to spread the fine among the three agencies, instead of facing a huge US penalty as well as potentially crippling court cases. —AFP



WASHINGTON, DC: Facebook CEO Mark Zuckerberg arrives to testify before a joint hearing of the US Senate Commerce, Science and Transportation Committee and Senate Judiciary Committee on Capitol Hill, in Washington, DC. — AFP

"In the past day, we've been accused of disclosing people's private messages to partners without their knowledge," Facebook vice president of product partnerships Ime Archibong said in a blog post. "That's not true."

To exchange messages or complete tasks such as sharing files or sending money, apps being used require the relevant technical access.

"Why did the messaging partners have read/write/delete messaging access?" Archibong asked rhetorically. "That was the point

of this feature."

The experiences at issue were publicly discussed, and only available when people used Facebook to log into services, according to the social network.

"No third party was reading your private messages, or writing messages to your friends without your permission," Archibong said. Facebook's head of developer platforms and programs, Konstantinos Papamiliadis noted most of the features are now gone. —AFP

Airbus shares plunge on reported US corruption probe

PARIS: Shares in European aircraft maker Airbus tumbled more than nine percent yesterday after French daily Le Monde reported it could face record fines of several billion dollars in a US corruption inquiry. The newspaper said the US Department of Justice had opened a probe for "improper practices" at the end of 2017 and informed Airbus it was under investigation at the end of the summer.

In a statement, the company said it was cooperating with US authorities.

The inquiry stems from Airbus's disclosure in early 2016 that it had neglected to inform authorities about payments to middlemen in securing several contracts, in particular in Asia.

A few months later Britain's Serious Fraud Office opened a fraud, bribery and corruption inquiry over alleged "irregularities concerning third-party consultants." It was cooperating with France's Financial Prosecutor's Office (PNF), which also launched an inquiry into the deals. Airbus warned in October 2017 that the investigations could have a "material impact"

Shares in SoftBank mobile unit rebound after earlier plunge

TOKYO: Shares in the mobile unit of Japanese technology giant SoftBank rebounded after steep early declines on a rollercoaster second trading day yesterday, after a bruising debut saw stocks close 14.5 percent lower. In early exchanges, shares in SoftBank Corp were down 7.6 percent at 1,183 yen as heavy selling dominated at the opening bell. The IPO price was 1,500 yen. The shares were 8.3 percent down at their lowest point — 22 percent below the IPO price. But buyers were found at that level and shares erased all of their early losses, eventually closing in positive territory at 1,296 yen, up 1.09 percent.

The stock in fact bucked the trend on a day of heavy selling on the wider Tokyo market, with the benchmark Nikkei 225 down more than three percent and plunging to a 15-month low.

The volatile trading came after the firm raised some \$23.5 billion in an initial public offering that was Japan's biggest and the second-largest globally after Chinese e-commerce giant Alibaba's debut in 2014. The money raised will swell the

coffers of CEO Masayoshi Son's Vision Fund, which has invested in some of the hottest tech firms, including Uber and WeWork. Analysts said the stock had underperformed for several reasons: a weaker market in general, concerns over increased official intervention in the Japanese mobile sector, and a humiliating technical glitch in the run-up to the IPO. But "after the dips, some are buying partly because they are attracted to expected high dividend yields of the shares," said Hiroaki Hiwata, strategist at Toyo Securities.

'Tough start'

The benchmark Japanese market, the Nikkei 225, also opened down nearly one percent and ended the yesterday session down 2.84 percent as traders fretted over the pace of US Federal Reserve rate hikes next year. Speaking to reporters after Wednesday's stock plunge, Ken Miyauchi, CEO of the SoftBank Corp mobile division, acknowledged it was "unfortunate that the share price ended down". "But this is only the beginning. Many things will happen. We are off to a tough start of our journey... but I see this as a new start for our business," Miyauchi said. SoftBank took more than one-third of its mobile unit public and was able to sell the full offering of 1.76 billion shares at the IPO price of 1,500 yen, beating the previous national records set by NTT in 1987 and its subsidiary NTT Docomo in 1998. —AFP