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## Facebook, Google Donate Heavily to Privacy Advocacy Groups

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Few companies have more riding on proposed privacy legislation than Alphabet Inc.'s Google and Facebook Inc. To try to steer the bill their way, the giant advertising technology companies spend millions of dollars to lobby each year, a fact confirmed by government filings.

Not so well-documented is spending to support highly influential think tanks and public interest groups that are helping shape the privacy debate, ostensibly as independent observers.

Bloomberg Law examined seven prominent nonprofit think tanks that work on privacy issues that received a total of \$1.5 million over a 18-month period ending Dec. 31, 2018. The groups included such organizations as the Center for Democracy and Technology, the Future of Privacy Forum and the Brookings Institution. The actual total is undoubtedly much higher—exact totals for contributions were difficult to pin down.

The tech giants have “funded scores of nonprofits, including consumer and privacy groups, and academics,” said Jeffrey Chester, executive director at the Center for Digital Democracy, a public interest group that does not accept donations from Google or Facebook.

Further, he says, their influence is strong. The companies have “opposed federal privacy laws and worked to weaken existing safeguards,” Chester said. Accepting donations from these “privacy-killing companies enable them to influence decisions by nonprofits, even subtly,” he said.

Such organizations—which bristle at the notion that donations may affect their views—often have great sway over legislators, journalists, and the public due largely to their collective expertise on complex issues and inside knowledge of the legislative process. But they also often push positions that favor the goals of Google and Facebook, critics say.

Facebook declined to comment for this story. Google declined to discuss their privacy stances and nonprofit contributions. Both companies, however, provided their public third-party political engagement transparency reports.

### **Legislation Draws Lobbyists**

Pressure has been mounting on Congress to rein in companies like Google and Facebook, which report astronomical profits and have enjoyed limited oversight by federal regulators since their creation.

Google reported \$7.1 billion in third-quarter profits while Facebook pulled in \$6.1 billion, according to company filings.

House and Senate lawmakers have privacy legislation high on their list of priorities. The current debate over what should be covered centers around whether Congress should preempt state privacy laws, like the one approved by voters in California, and whether consumers should have a right to sue tech companies for privacy flaws.

Google and Facebook want a federal privacy law, as long as it doesn't disrupt their data collection and advertising empires, critics say.

Executives from both companies have testified that they want Congress to preempt states because of a potential surge in local laws—often with more privacy protections than a federal bill will garner. They do support some new consumer rights, like the ability to transfer data between companies, but that could help Facebook and Google get a larger share of user data.

Overall, Facebook and Google are seen as unlikely to back laws that strongly restrict the sale of data to third parties or affiliates.

The traditional way for companies to get what they want in Washington is pretty straightforward—hire a lobbyist. Indeed, spending in those areas by Google and Facebook has rocketed upward over the past decade.

Google barely had a Washington, D.C., presence in its early years. Founded in 1998, it spent a little more than \$1.5 million on lobbying in 2007, according to the Center for Responsive Politics. By the end of 2018, it spent nearly \$22 million, its highest one-year total ever.

Facebook had an even faster increase, spending about \$200,000 in 2009, a total that quickly climbed to a record \$12.6 million by the end of 2018.

### **Opinion Makers Targeted**

Organizations like the **Center for Democracy and Technology**, which received at least \$960,000 from the two companies in 2018, are often quoted in the media as unbiased third parties and influence how policy is developed in Washington as such, despite receiving the tech company funding.

The group supports allowing tech giants to sell user data to third parties with limited restrictions, a position that is in line with technology companies that profit handsomely from such sales, but not so popular with consumers.

The nonprofit organization received \$430,000 from Google and \$330,000 from Facebook in calendar year 2018, internal numbers voluntarily disclosed by the organization shows.

The group in fiscal year 2018 also received at least \$200,000 from the Chan Zuckerberg Initiative, a nonprofit co-run by Facebook CEO Mark Zuckerberg and his wife, Priscilla Chan. The digital advertising giants' contributions were nearly one-sixth of its reported revenue for the year.

Google and Facebook's contributions go into a general operating fund that doesn't impact what the organization produces on model privacy legislation, Michelle Richardson, director of the advocacy group's privacy and data project, said.

The center has also pushed for some consumer-friendly issues, Richardson said. It supports the creation of a national federal privacy standard with reasonable limits on data collection. It also creates new affirmative privacy rights including data correction, deletion, and portability, issues that tech companies generally support. Neither company opposes those ideas.

The group was able to secure a coveted spot testifying before the Senate Judiciary Committee’s tech task force. Lawmakers have hosted Snap Inc., Match Group, and Mozilla Corp. at closed-door meetings aimed at getting staff up to speed on privacy and competition policies that are major regulatory threats facing Facebook and Google.

**Payments Made to Nonprofits and Think Tanks in 2018**

	FACEBOOK	Google
Center for Democracy and Technology	\$530,000	\$430,000
Future of Privacy Forum	\$25,000	\$25,000
Access Now	\$108,000	\$100,000
Electronic Frontier Foundation	\$25,000	\$7,500
Brookings Institution *	\$100,000 – \$249,000	\$250,000 – \$499,999
Cato Institute	N/A	N/A
American Enterprise Institute	N/A	N/A

\* Total for fiscal year ending June 30, 2018.

Sources: Interviews with organizations and IRS documents.

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The **Future of Privacy Forum**, another nonprofit, is active in the federal privacy debate, hosting events that aim to influence lawmakers to push for a bill that preempts state privacy laws.

The group told Bloomberg Law the two companies are “top corporate donors.” Future of Privacy Forum won’t say how much Facebook and Google have given, but each donated \$25,000 to the nonprofit in calendar year 2018, according to spokesman Nat Wood. Both companies sit on the group’s advisory board.

Its board of directors also includes Christopher Wolf, the nonprofit’s founder and board chairman. Wolf is of counsel to Hogan Lovells’ privacy and information management practice in Washington, D.C. Google is a client of the firm. Wolf didn’t respond to requests for comment.

Future of Privacy Forum has pushed for a federal privacy law that would avoid conflicts with international data protection regimes, pre-empt state privacy standards, and create incentives for internal security and privacy accountability measures. These are positions are in line with what Facebook and Google want.

“No individual company provides a significant percentage of our support and we also are supported by leading national foundations,” Wood, spokesman for the organization, said.

## **Foundation Support**

**Access Now** is an advocacy group fighting “for human rights in the digital age,” according to its website. The nonprofit aims to influence “decision makers in the halls of parliaments and corporate boardrooms, deliver digital security resources to users at risk, and mobilize global internet users to pressure the powerful.”

Access Now received \$100,000 from Google and \$108,000 from Facebook in calendar year 2018, according to tax documents and figures provided by the nonprofit. The group has pushed for a federal standard that would allow businesses to target consumers with online ads with proper user consent. It has also pushed for increased Federal Trade Commission privacy enforcement powers, including increased fining authority. Their recommendations generally track with industry positions apart from more FTC enforcement powers and fining authority.

Access Now confirmed the donations but didn’t comment further after multiple requests.

The **Electronic Frontier Foundation** received \$7,500 from Google and \$25,000 from Facebook combined in calendar year 2018, Karen Gullo, senior media relations specialist at EFF, said in an email. The fiscal year 2018 totals are a big drop from previous years.

The funding drop is due in part to certain programs, like Google’s policy fellows initiative, that EFF no longer relies on, Danny O’Brien, director of strategy for the organization, said.

Google gave the Electronic Frontier Foundation \$75,000 in calendar year 2017, \$15,500 in calendar year 2016, and \$325,000 in calendar year 2015, according tax forms, annual reports, and interviews with the nonprofit. Facebook gave the advocacy group \$25,000 in calendar year 2017, nothing in calendar year 2016, and \$5,000 in calendar year 2015, the disclosures show.

Facebook’s and Google’s 2018 contributions accounted for 3 percent of EFF’s corporate donations and .002 percent of its 2018 year-end revenue.

The core of the nonprofit’s donations comes “from individuals that are interested in protecting the internet, privacy, and free expression,” O’Brien said. The nonprofit never received enough money from Facebook or Google to affect its privacy messaging and the group has found itself “on the opposing side of these companies,” he said.

If Google or Facebook “money went away, we would be fine,” O’Brien said.

## **D.C. Think Tanks**

Facebook and Google are also making contributions to Washington, D.C., think tanks that host a wide array of Beltway power players that have focused their work on privacy and data policy—including the Brookings Institution, The Cato Institute, and the American Enterprise Institute.

Prominent Washington, D.C., think tanks generally take more bipartisan approaches in the federal privacy debate, hosting lawmakers and government officials from both parties at various functions. Bipartisan think tanks are often less forward about their connections to the tech giants, but they benefit from healthy donations

The **Brookings Institution** has taken between \$450,000 to \$999,997 from Facebook, Google, and from an early executive of the search engine giant, according to its annual report for fiscal year 2018 ending June 30, 2018. Brookings only discloses broad ranges for donations.

Facebook donated between \$100,000-\$249,999, according to the think tank's annual report. Google donated between \$250,000-\$499,999. Former Google CEO Eric Schmidt donated between \$100,000-\$249,999 in the same time period.

Brookings doesn't provide "breakdowns for individual funders beyond what is listed," said Brennan Hoban, a spokesperson for the think tank.

Brookings has hosted privacy events featuring an array of privacy advocates, lawmakers, federal enforcers, and international officials. The privacy advocates, however, are sometimes drawn from the groups Google and Facebook are backing. In a July 2018 privacy event, representatives from the Center for Democracy and Technology and the Internet Association, a Facebook and Google trade group, gave their thoughts on whether there should be an online privacy law.

The think tank has "strict" policies that limit influence of donors, Hoban said. "Brookings does not accept gifts from donors who seek to undermine the independence of its scholars' research or otherwise to predetermine or influence recommendations," she said.

Libertarian and conservative leaning think-tanks also take money from Facebook and Google. The **Cato Institute** lists both tech giants among nine corporate sponsors. The group, however, doesn't disclose how much each of its corporate sponsors pays.

Cato has been active in the privacy debate, weighing in privacy disputes central to Facebook and Google. The group, in an Aug. 2 op-ed, defended Facebook and Google's advertising practices saying that the companies' use of targeted advertising is "nothing new." Cato in the op-ed pushed back on the notion that Facebook and Google see users as products, rather they see tech giants adding value to user data it collects.

Cato has also hosted conferences featuring Facebook and Google employees. Its 2018 annual surveillance conference invited "representatives from Facebook, Google, and Mozilla, to discuss issues of surveillance and privacy," according to Cato's 2018 annual report.

Cato doesn't share information on corporate donors, said Corie Whalen, director of media relations at the think tank.

**American Enterprise Institute**, a free-market think tank, also has gotten Google money, according to a [press report](#), though the amount is unknown.

AEI has been active in the federal privacy debate. The group's in-house experts frequently appear before Congress to testify on privacy issues and writes op-eds often defending positions favorable to Facebook and Google. AEI doesn't want to end advertising business models and has written articles in support of so-called "surveillance capitalism," or the mass collection of consumer data.

AEI didn't respond to requests for comment.

## **Tougher Stance Taken**

Lawmakers and others in the privacy debate that are evaluating different proposals should consider big-tech funding, Emily Peterson-Cassin, project coordinator at nonprofit group Public Citizen, said in an interview. Companies will operate in “non-transparent ways” to get through legislative language they support, she said.

Corporations donate to beneficial causes, but it can feel like it is more part of tech company’s advocacy “rather than a truly good-hearted way to come up with the best possible solution through the application of people willing to work for a nonprofit,” Peterson-Cassin said.

“The landscape of advocacy groups in Washington is complicated, and large technology companies benefit from this confusion,” Daniel Stevens, executive director for the Campaign for Accountability, said.

Enforcers and lawmakers “often have no idea that tech companies are ultimately behind the positions being put forth by innocuous-sounding advocacy groups.”

The group, which warns of the negative impact of “shadowy nonprofit groups” on society, according to its website, declined to disclose its donors.