

## WORLD

## How Facebook dealt with cascading scandal

FACEBOOK, FROM PAGE 1

and passed off security and policy decisions to subordinates, according to current and former executives.

When Facebook users learned last spring that the company had compromised their privacy in its rush to expand, allowing access to the personal information of tens of millions of people to a political data firm linked to President Trump, Facebook sought to deflect blame and mask the extent of the problem. And when that failed — as the company's stock price plummeted and it faced a consumer backlash — Facebook went on the attack.

While Mr. Zuckerberg has conducted a public apology tour in the last year, Ms. Sandberg has overseen an aggressive lobbying campaign to combat Facebook's critics, shift public anger toward rival companies and ward off damaging regulation. Facebook employed a Republican opposition-research firm to discredit activist protesters, in part by linking them to the liberal financier George Soros. It also tapped its business relationships, lobbying a Jewish civil rights group to cast some criticism of the company as anti-Semitic.

In Washington, allies of Facebook, including Senator Chuck Schumer of New York, the Democratic Senate leader, intervened on its behalf. And Ms. Sandberg wooed or cajoled hostile lawmakers, while trying to dispel Facebook's reputation as a bastion of Bay Area liberalism.

This account of how Mr. Zuckerberg and Ms. Sandberg navigated Facebook's cascading crises, much of which has not been previously reported, is based on interviews with more than 50 people. They include current and former Facebook executives and other employees, lawmakers and government officials, lobbyists and congressional staff members. Most spoke on the condition of anonymity because they had signed confidentiality agreements, were not authorized to speak to reporters or feared retaliation.

Facebook declined to make Mr. Zuckerberg, 34, and Ms. Sandberg, 49, available for comment. In a statement, a spokesman acknowledged that Facebook had been slow to address its challenges but had since made progress fixing the platform.

"This has been a tough time at Facebook and our entire management team has been focused on tackling the issues we face," the statement said. "While these are hard problems we are working hard to ensure that people find our products useful and that we protect our community from bad actors."

Even so, trust in the social network has sunk, while its pell-mell growth has slowed. Regulators and law enforcement officials in the United States and Europe are investigating Facebook's conduct with Cambridge Analytica, a political data firm that worked with Mr. Trump's 2016 campaign, opening up the company to fines and other liability. Both the Trump administration and lawmakers have begun crafting proposals for a national privacy law, setting up a struggle over the future of Facebook's data-hungry business model.

"We failed to look and try to imagine what was hiding behind corners," Elliot Schrage, former vice president for global communications, marketing and public policy at Facebook, said in an interview.

**"DON'T POKE THE BEAR"**

Three years ago, Mr. Zuckerberg, who founded Facebook in 2004 while attending Harvard, was celebrated for the company's extraordinary success. Ms. Sandberg, a former Clinton administration official and Google veteran, had become a feminist icon with the publication of her empowerment manifesto, "Lean In," in 2013.

Like other technology executives, Mr. Zuckerberg and Ms. Sandberg cast their company as a force for social good.

But as Facebook grew, so did the hate speech, bullying and other toxic content on the platform. When researchers and activists in Myanmar, India, Germany and elsewhere warned that Facebook had become an instrument of government propaganda and ethnic cleansing, the company largely ignored them. Facebook had positioned itself as a platform, not a publisher. Taking responsibility for what users posted, or acting to censor it, was expensive and complicated. Many executives worried that any such efforts would backfire.

Then Donald J. Trump ran for president. He described Muslim immigrants and refugees as a danger to America, and in December 2015 posted a statement on Facebook calling for a "total and complete shutdown" on Muslims entering the United States. Mr. Trump's call to arms was shared more than 15,000 times on Facebook, an illustration of the site's power to spread racist sentiment.

Mr. Zuckerberg asked Ms. Sandberg and other executives if Mr. Trump had violated Facebook's terms of service.

The question was unusual. Politics was Ms. Sandberg's domain. In 2010, Ms. Sandberg, a Democrat, had recruited a friend and fellow Clinton alum, Marne Levine, as Facebook's chief Washington representative. A year later, Ms. Sandberg installed another friend, a well-connected Republican: Joel Kaplan, who had served in the George W. Bush administration.

Some at Facebook viewed Mr. Trump's 2015 attack on Muslims as an opportunity to finally take a stand against the hate speech coursing



Sheryl Sandberg, Facebook's chief operating officer, has overseen an aggressive campaign to fight critics, shift public anger toward rival companies and ward off regulation.



Alex Stamos, Facebook's former security chief, was met with criticism for looking into Russian activity on the platform without approval from the company's leaders.



Thanks to intensive coaching and preparation, Mark Zuckerberg, Facebook's chief executive, largely eluded tough questions when he testified at a Senate hearing in April.



Left, at a Senate hearing last November, Facebook and other tech giants were asked about Russian meddling in the 2016 election.



Right, Ms. Sandberg's notes from a hearing before the Senate Intelligence Committee in September.

through its platform. But Ms. Sandberg, who was edging back to work after the death of her husband several months earlier, delegated the matter to Mr. Schrage and Monika Bickert, a former prosecutor whom Ms. Sandberg had recruited as the company's head of global policy management. Ms. Sandberg also turned to the Washington office — particularly to Mr. Kaplan, said people who participated in or were briefed on the discussions.

In video conference calls between the Silicon Valley headquarters and Washington, the three officials construed their task narrowly. They parsed the company's terms of service to see if the post, or Mr. Trump's account, violated Facebook's rules.

Mr. Kaplan argued that Mr. Trump was an important public figure and that shutting down his account or removing the statement could be seen as obstructing free speech, said three employees who knew of the discussions. He said it could also stoke a conservative backlash. "Don't poke the bear," Mr. Kaplan warned.

**MINIMIZING RUSSIA'S ROLE**

In the final months of Mr. Trump's presidential campaign, Russian agents escalated a yearlong effort to hack and harass his Democratic opponents, culminating in the release of thousands of emails stolen from prominent Democrats and party officials.

Facebook had said nothing publicly about any problems on its own platform. But in the spring of 2016, a company expert on Russian cyberwarfare spotted something worrisome. He reached out to his boss, Mr. Stamos.

Mr. Stamos's team discovered that Russian hackers appeared to be probing Facebook accounts for people connected to the presidential campaigns, said two employees. Months later, as Mr. Trump battled Hillary Clinton in the general election, the team also found

Facebook accounts linked to Russian hackers who were messaging journalists to share information from the stolen emails.

Mr. Stamos, 39, told Colin Stretch, Facebook's general counsel, about the findings, said two people involved in the conversations. At the time, Facebook had no policy on disinformation or any resources dedicated to searching for it.

Mr. Stamos, acting on his own, then directed a team to scrutinize the extent of Russian activity on Facebook. In December 2016, after Mr. Zuckerberg publicly scoffed at the idea that fake news on Facebook had helped elect Mr. Trump,

**At times, Facebook's leaders were distracted by personal projects and passed off security and policy decisions to subordinates.**

Mr. Stamos — alarmed that the company's chief executive seemed unaware of his team's findings — met with Mr. Zuckerberg, Ms. Sandberg and other top Facebook leaders.

Ms. Sandberg was angry. Looking into the Russian activity without approval, she said, had left the company exposed legally. Other executives asked Mr. Stamos why they had not been told sooner. Still, Ms. Sandberg and Mr. Zuckerberg decided to expand on Mr. Stamos's work, creating a group called Project P, for "propaganda," to study false news on the site, according to people involved in the discussions. By January 2017, the group knew that Mr. Stamos's original team had only scratched the surface of Russian activity on Facebook, and pressed to issue a public paper about their findings.

But Mr. Kaplan and other Facebook executives objected. Washington was already reeling from an official finding by American intelligence agencies that Vladimir V. Putin, the Russian presi-

dent, had personally ordered an influential blog post went up. It said little about fake accounts or the organic posts created by Russian trolls that had gone viral on Facebook, disclosing only that Russian agents had spent roughly \$100,000 on approximately 3,000 ads.

Just one day after the company's carefully sculpted admission, The Times published an investigation of further Russian activity on Facebook, showing how Russian intelligence had used fake accounts to promote emails stolen from the Democratic Party and prominent Washington figures.

**A POLITICAL PLAYBOOK**

The combined revelations infuriated Democrats, finally fracturing the political consensus that had protected Facebook and other big tech companies from Beltway interference. Republicans, already concerned that the platform was censoring conservative views, accused Facebook of fueling what they claimed were meritless conspiracy charges against Mr. Trump and Russia. Democrats, long allied with Silicon Valley on issues including immigration and gay rights, now blamed Mr. Trump's win partly on Facebook's tolerance for fraud and disinformation.

Twice in October 2017, Facebook was forced to revise its public statements, finally acknowledging that close to 126 million people had seen the Russian posts.

In October 2017, Facebook also expanded its work with a Washington-based consultant, Definers Public Affairs, that had originally been hired to monitor press coverage of the company. Founded by veterans of Republican presidential politics, Definers specialized in applying political campaign tactics to corporate public relations.

Definers had established a Silicon Valley outpost earlier that year, led by Tim Miller, a former spokesman for Jeb Bush who preached the virtues of cam-

aign-style opposition research. For tech firms, he argued in one interview, a goal should be to "have positive content pushed out about your company and negative content that's being pushed out about your competitor."

Facebook quickly adopted that strategy. In November 2017, the social network came out in favor of a bill called the Stop Enabling Sex Traffickers Act, which made internet companies responsible for sex trafficking ads on their sites.

Google and others had fought the bill for months, worrying it would set a cumbersome precedent. But the sex trafficking bill was championed by Senator John Thune, a Republican of South Dakota who had pummeled Facebook over accusations that it censored conservative content, and Senator Richard Blumenthal, a Connecticut Democrat and senior Commerce Committee member who was a frequent critic of Facebook.

Facebook broke ranks with other tech companies, hoping the move would help repair relations on both sides of the aisle, said two congressional staffers and three tech industry officials.

**OPPOSITION RESEARCH**

In March, The Times, The Guardian and its sister publication The Observer prepared to publish a joint investigation into how Facebook user data had been appropriated by Cambridge Analytica to profile American voters. A few days before publication, The Times presented Facebook with evidence that copies of improperly acquired Facebook data still existed, despite earlier promises by Cambridge executives and others to delete it.

Mr. Zuckerberg and Ms. Sandberg met with their lieutenants to determine a response. They decided to pre-empt the stories, saying in a statement published late on a Friday night that Facebook had suspended Cambridge Analytica from its platform. The executives figured that getting ahead of the news would soften its blow, according to people in the discussions.

They were wrong. The story drew worldwide outrage, prompting lawsuits and official investigations in Washington, London and Brussels. For days, Mr. Zuckerberg and Ms. Sandberg remained out of sight, mulling how to respond. While the Russia investigation had devolved into an increasingly partisan battle, the Cambridge scandal set off Democrats and Republicans alike.

Then Facebook went on the offensive. Mr. Kaplan prevailed on Ms. Sandberg to promote Kevin Martin, a former Federal Communications Commission chairman and fellow Bush administration veteran, to lead the company's American lobbying efforts. Facebook also expanded its work with Definers.

On Thursday, after this article was published, Facebook said that it had ended its relationship with Definers, without citing a reason.

In public, Facebook was more conciliatory. Mr. Zuckerberg agreed to testify on Capitol Hill. The company unveiled a gauzy advertising campaign, titled "Here Together," to apologize to its users.

**PERSONAL APPEALS IN WASHINGTON**

Ms. Sandberg had said little publicly about the company's problems. But inside Facebook, her approach had begun to draw criticism.

Some colleagues believed that Ms. Sandberg — whose ambitions to return to public life were much discussed at the company — was protecting her own brand at Facebook's expense. At one company gathering, said two people who knew of the event, friends told Ms. Sandberg that if Facebook did not address the scandals effectively, its role in spreading hate and fear would define her legacy, too.

So Ms. Sandberg began taking a more personal role in the company's Washington campaign, drawing on all the polish that Mr. Zuckerberg sometimes lacked.

Facebook also continued to look for ways to deflect criticism to rivals. In June, after The Times reported on Facebook's previously undisclosed deals to share user data with device makers — partnerships Facebook had failed to disclose to lawmakers — executives ordered up focus groups in Washington.

In separate sessions with liberals and conservatives, about a dozen at a time, Facebook previewed messages to lawmakers. Among the approaches it tested was bringing YouTube and other social media platforms into the controversy, while arguing that Google struck similar data-sharing deals.

In a conference call with reporters on Thursday, Mr. Zuckerberg — at times defiant and at times conciliatory — defended the social network, Ms. Sandberg and his own record.

"The reality of running a company of more than 10,000 people is that you're not going to know everything that's going on," he said at one point.

In Washington, Republicans and Democrats threatened to restrain Facebook through competition laws and to open investigations into possible campaign finance violations. Shareholders rapped up calls to oust Mr. Zuckerberg as Facebook's chairman. And activists filed a complaint to the Federal Trade Commission about the social network's privacy policies and condemned Ms. Sandberg for overseeing a campaign to secretly attack opponents.

On Thursday, Facebook's board said it supported Mr. Zuckerberg and Ms. Sandberg.