



OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHS

October 4, 2017

Ms. Susan Desmond-Hellmann
Lead Director
Facebook, Inc.
1601 Willow Road
Menlo Park, CA 94025

RE: Call for Greater Disclosure on Fake News and Election Interference

Dear Ms. Desmond-Hellmann,

I write again today to express my ongoing concern as an investor and a citizen about the continuing revelations about Facebook's failure to address the misuse use of its platform.

Additional information has come out that shows the measures Facebook has taken to address this issue are insufficient. After the horrible events in Las Vegas, numerous Facebook accounts spread fake news about the shooter and what happened there. As an institutional investor with a financial stake in the company, I am concerned Facebook's inability to address these issues undoubtedly poses greater regulatory, legal, and reputational risks to long-term shareholder value.

I am also concerned as an American. With 44% of Americans saying in a recent poll they get their news from social media, the continued proliferation of fake news on Facebook is deeply troubling. Traditional news sources have standards and procedures to ensure the accuracy of the information they provide. Facebook continues to demonstrate their failure to adopt effective procedures.

As Daniel Patrick Moynihan famously said, "everyone is entitled to his own opinion, but not his own facts." Sadly with Facebook everyone can have their own facts, which makes bringing our country together to fight foreign adversaries abroad or terrorists at home vastly more difficult. The magnitude and spiraling nature of the problem, combined with the company's current insularity, lead me to believe it is highly likely that these recent revelations only scratch the surface as to the breadth of harmful, disreputable, and fraudulent activity abounding on the

State Capitol
Room 219
Springfield, IL 62706
Phone: (217) 782-2211
Fax: (217) 785-2777
TTY: (866) 877-6013

James R. Thompson Center
100 West Randolph Street
Suite 15-600
Chicago, IL 60601
Phone: (312) 814-1700
Fax: (312) 814-5930
TTY: (866) 877-6013

Illinois Business Center
400 West Monroe Street
Suite 401
Springfield, IL 62704
Phone: (217) 782-6540
Fax: (217) 524-3822
TTY: (866) 877-6013

Myers Building
One West Old State Capitol Plaza
Suite 400
Springfield, IL 62701
Phone: (217) 785-6998
Fax: (217) 557-9365
TTY: (866) 877-6013

social media platform.

At this time it is incumbent upon company leaders to confront this issue in an open, transparent, responsible manner. Facebook's reluctance to openly report on the problem, and Facebook's reluctance to include investors, experts, and public officials in the conversation, is cause for concern. When key stakeholders are kept in the dark, not only does this create greater confusion and uncertainty about the company's path forward, but there looms the prospect of reduced confidence. While I appreciate Facebook's expression of regret and its promises to fix this problem, the fact of the matter is that the company's response to date has been inadequate.

Facebook stands at a critical juncture. I hope Facebook will adopt a more transparent and collaborative approach, one that allows a cross-section of industry experts, investigators, and public officials to more effectively diagnose, deliberate, and fix this problem.

To that end, I strongly encourage Facebook to engage investors and the public at large to disclose (1) the extent of illegal and fraudulent activity on Facebook, (2) the success of current efforts to stem said activity, and (3) more broadly, what industry-wide measures are needed to prevent the proliferation of fake news while respecting First Amendment rights.

This is the opportunity for Facebook to step forward as an industry innovator, help launch a unified response effort, restore confidence among investors and government officials, mitigate long-term risks to shareholder value, and stand up for core values – like honesty, integrity, and responsibility – that define our national character.

I look forward to your response and welcome the opportunity to discuss this issue further.

Sincerely,



Michael Frerichs
Illinois State Treasurer