



OFFICE OF ILLINOIS STATE TREASURER

MICHAEL W. FRERICHS

FOR IMMEDIATE RELEASE

November 1, 2017

CONTACT:

Paris Ervin 217.524.5749

Greg Rivara 312.814.1901

Illinois Treasurer Frerichs Calls on Facebook to Take Action to Stop Fake News; Protect Shareholder Value

Frerichs Joins Fellow Investors Demanding Report from Facebook Outlining Risks of Distributing Fake News

SPRINGFIELD – As Facebook, Google, and Twitter testify before Congress today about their role in Russian election interference, Illinois State Treasurer Michael Frerichs announced that he and fellow investors filed a [shareholder proposal](#) demanding that Facebook disclose information on its oversight and policies to stop the spread of fake news, election meddling, and hate speech.

“Facebook can no longer keep its investors and the American public in the dark,” Frerichs said.

“Americans need to know what Facebook is doing to protect the public from fake news and election interference, and investors need to know what Facebook is doing to protect shareholder value.”

Frerichs’ latest call to action is a direct result of recent reports demonstrating Facebook’s continued inability to stop users from abusing its platform to spread misinformation, false advertising, and harmful content.

In September, Facebook admitted that over 3,000 advertisements were bought by suspected Russian operatives during the 2016 presidential campaign. More recently, Facebook was reportedly involved in spreading fake news about the gunman in the Las Vegas mass shooting. Last week, the company was also involved in spreading false advertising that targeted an elected official in Illinois.

The shareholder proposal, lead-filed by investor Arjuna Capital and co-filed by Frerichs, asks Facebook to report to shareholders “on the major global content management controversies... reviewing governance oversight and policies to assess the ethical, legal, and reputational risks of content disseminated on its platform.”

Frerichs sent [three letters](#) to Facebook in recent months outlining his concerns as an institutional investor. Frerichs asked the company to openly report on the problem and its current response efforts in order to restore confidence among investors and address long-term risks to shareholder value. Despite calls from other investors, government officials, and industry experts for greater transparency, Facebook has been reluctant to disclose detailed information or participate in open dialogue.

Frerichs also expressed support for measures calling for Facebook to increase the vetting of content (either in-house or by massively funding independent fact-checkers) as well as calls for Facebook to add overt reporting mechanisms that enable users to quickly flag questionable links.

About the Illinois Treasurer

The Illinois Treasurer is the state's chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state's Chief Investment Officer, he actively manages approximately \$25 billion. The portfolio includes \$13 billion in state funds, \$7 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$28 to the state for every \$1 spent in operations. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

###