

FTC chair refused Musk's meeting request, told him to stop delaying investigation



Enlarge / FTC Chair Lina Khan speaks during the Spring Enforcers Summit at the Department of Justice in Washington, DC, on Monday, March 27, 2023.

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Twitter owner Elon Musk requested a meeting with Federal Trade Commission Chair Lina Khan late last year, but he was rebuffed and told to stop dragging his heels on providing documents and

depositions needed for the FTC investigation into Twitter's privacy and data practices, a New York Times report said yesterday.

"In a Jan. 27 letter declining the meeting, Ms. Khan told a Twitter lawyer to focus on complying with investigators' demands for information before she would consider meeting with Mr. Musk," the NYT wrote.

Twitter has to comply with conditions in a May 2022 settlement in which it agreed to pay a \$150 million penalty for targeting ads at users with phone numbers and email addresses collected from those users when they enabled two-factor authentication. Last year's settlement was reached after the FTC said Twitter violated the terms of a 2011 settlement that prohibited the company from misrepresenting its privacy and security practices.

Khan's January 27 letter to Twitter reportedly said she was "troubled by Twitter's delays and the obstacles that these delays are creating for the FTC's investigation." Khan's letter criticized Twitter for dragging its heels in providing documents and delaying depositions with witnesses, including Musk, according to the NYT.

"I recommend that Twitter appropriately prioritize its legal obligations to provide the requested information," she wrote to Twitter. "Once Twitter has fully complied with all FTC requests, I will be happy to consider scheduling a meeting with Mr. Musk."

FTC concerned about Twitter staff shortage

An internal FTC email described by The New York Times report said Khan consulted with the FTC Consumer Protection Bureau's enforcement division about Musk's request for a meeting.

“Acting on the enforcement team’s advice, Ms. Khan declined to meet with Mr. Musk at that time,” the article said.

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The FTC declined to comment when contacted by Ars. We contacted Twitter, but the company’s press email now auto-replies to every message with a poop emoji.

The 2022 settlement requires assessments of risks to privacy, security, and confidentiality before Twitter launches new or modified products and services. In November 2022, shortly after Musk bought Twitter, some of the company’s top privacy and security executives resigned amid worries that Musk’s rapid changes would cause violations of the deal with the FTC.

The FTC’s ongoing investigation is focused on whether Twitter “has adequate resources to protect its users’ privacy” after laying off thousands of employees, the NYT wrote. “The agency has separately sought to interview Mr. Musk for the investigation; the interview has not occurred, a person with knowledge of the matter said.”

Musk request shows seriousness of probe

The NYT quoted former FTC Chair William Kovacic as saying that a CEO requesting a meeting indicates that the company is taking the investigation seriously. “If you thought you could simply brush it aside, and it was not a matter of great concern, you’d just ignore it... If you think it’s important, that would be a reason to seek out a meeting,” Kovacic said.

While it’s rare for a CEO to seek a meeting with the FTC chair or commissioners during an investigation, “such meetings sometimes occur when the executives hope to convince the agency’s top officials that they are committed to abiding by their promises to the FTC,” the NYT wrote.

Musk did speak last month with Christine Wilson, the only Republican commissioner at the FTC. Wilson recently said she plans to resign from the FTC and accused Khan of abusing her power. "My fundamental concern with her leadership of the commission pertains to her willful disregard of congressionally imposed limits on agency jurisdiction, her defiance of legal precedent, and her abuse of power to achieve desired outcomes," Wilson wrote in a Wall Street Journal op-ed.

According to an FTC staffer's email paraphrased in the NYT article, Wilson "asked for copies of the agency's letters to Twitter demanding information and documents related to its compliance with the privacy settlement."

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