Federal Trade Commission Chairwoman Edith Ramirez Steps Down

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The *Federal Trade Commission ("FTC")* recently <u>announced</u> that FTC *chairwoman Edith Ramirez* will be stepping down effective February 10, 2017. Ms. Ramirez <u>guided</u> the agency through a period of significant enforcement activity, particularly in the areas of cybersecurity and consumer privacy. *President-elect Donald Trump* will now have the opportunity to fill three vacancies at the federal consumer protection agency.

At the start of 2016, the FTC announced its intention to increase its cybersecurity enforcement authority, and has done just that. The broad power allocated to the FTC under Section 5 of the FTC Act provides it the unique opportunity to regulate private actors, both in handling of data and responding to a data breach.

The FTC has gone after a wide range of data security related private offenders in 2016 including: digital advertising companies (Turn Inc.), medical service providers (LabMD, Inc.), and telemarketing operations (Data Guri LLC). Just last week, the FTC filed a lawsuit against internet router manufacturer, D-Link Corporation, for failure to take proper steps to protect their devices, leaving thousands of customers vulnerable to hackers.

In addition to lawsuits, the FTC has demonstrated its cyber "watchdog" status in 2016 through issuance of: warnings against ransomware, guidelines on background screening, and a report discussing "big data".

The FTC is headed by five Commissioners, nominated by the President and confirmed by the Senate, with one chosen by the President to be Chairperson. No more than three Commissioners can be of the same political party. Following Ms. Ramirez' departure, only two Commissioners remain: Maureen K. Ohlhausen (R) (term expires Sept. 25, 2018) and Terrell McSweeny (D) (term expires Sept. 25, 2017). Thus, Mr. Trump will be able to appoint 2 persons from his party and a Democrat.

While President-elect Trump's stance on cybersecurity is still <u>unclear</u> – Mr. Trump recently <u>announced</u> that former New York City Mayor Rudi Giuliani will head his cybersecurity advisory team – what is clear is that given the number of FTC vacancies, Mr. Trump will have the opportunity to impact the direction of the FTC, including its regulation of cybersecurity and enforcement activity.

National Law Review, Volume VII, Number 16

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