

VERIZON 2020 – Child Sexual Exploitation Online

WHEREAS:

- Child sexual exploitation online (including Child Sexual Abuse Material, or CSAM) is an escalating threat to children worldwide exacerbated by the growth in Internet services and mobile technologies (including 5G), i online advertising, and children increasingly accessing the Internet and mobile applications;
- Verizon Communications (Verizon) is a leading Internet Service Provider (ISP), retailer of wireless communication services and devices, and provider of digital content and advertising;
- Lawsuits and news reports highlight the risk of CSAM to Verizon’s businesses, where Verizon notes “significant brand reputational and financial impacts that could affect the company if the disclosure of this activity became...public.” ii
- UNICEF reports that 71% of young people are already online; iii

WHEREAS:

- INTERPOL reported about 4,000 unique child sex images circulating worldwide in 1995;iv yet in 2018, the National Center for Missing and Exploited Children received *45.8 million child sex abuse images and videos*, double the amount from 2017 and a 10,000% increase since 2004;v
- The World Health Organization now estimates 200 million children are sexually abused each year, vi and that much of that abuse is online or captured and distributed digitally—where children are re-victimized with each viewing;
- 1 in 5 children are now sexually solicited online; vii
- Congress passed 2018 legislation to better hold ISPs legally accountable for facilitating sex trafficking on their platforms;

WHEREAS:

- Verizon has faced several recent child exploitation controversies, including:
- CSAM being detected on its Tumblr platform in 2018, which led to Tumblr’s removal from the Apple App Store--subsequently catalyzing a Verizon ban on all pornography from Tumblr to ensure CSAM’s removal. This ban led to a decline in subscribers viii and ad revenue. ix Tumblr was sold in 2019 for an estimated \$3 million; x
- In a federal lawsuit, Verizon testimony noted that CSAM “threatens Yahoo’s advertising revenue stream,” and after Google detected CSAM on a Verizon platform, it “threatened to suspend [it] from Google’s AdSense network.” Verizon stated that “advertisers had boycotted other ISPs as a result of child sex abuse material on those ISPs’ services”; xi
- Yahoo, Yahoo search, and AOL were highlighted in a recent *New York Times* investigation related to lax practices by tech companies on CSAM; xii
- Yahoo’s Messenger was implicated in the live streaming of child sex abuse; xiii
- Proponents note some progress by Verizon, including publication of a policy in 2019, disclosure that staff are investigating some CSAM reports, and involvement in some CSAM-prevention nonprofits -- but believe that the efforts disclosed appear insufficient in dealing with the potential level of CSAM through Verizon’s businesses;

RESOLVED: Shareholders request that the Board of Directors issue a report assessing the potential sexual exploitation of children across the Company’s businesses, including a risk evaluation, at reasonable expense and excluding proprietary/confidential information, by February 2021, including whether the company’s oversight, policies and practices are sufficient to prevent adverse impacts to the company’s brand reputation, product demand, or social license.

- i https://static1.squarespace.com/static/5630f48de4b00a75476ecf0a/t/5a83272c8165f5d2a348426d/1518544686414/6.4159_WeProtect+GA+report.pdf
- ii <https://casetext.com/case/united-states-v-wolfenbarger-6>
- iii https://www.unicef.org/publications/files/SOWC_2017_ENG_WEB.pdf
- iv <https://www.icmec.org/commonwealth-internet-governance-forum-a-joint-report-on-online-child-protection-combatting-child-sexual-abuse-material-on-the-internet/>
- v <https://www.facebook.com/wearethorn/photos/a.539537636085793/2387317711307767/?type=3&theater>
- vi <https://www.undispatch.com/here-is-how-every-country-ranks-on-child-safety/>
- vii https://valueforgood.com/publications/AI_Making_Internet_Safer_for_Children.pdf
- viii <https://www.fastcompany.com/90320659/tumblr-has-lost-100-million-monthly-page-views-since-banning-porn>
- ix <https://www.adweek.com/digital/tumblrs-porn-ban-related-pageview-drop-barely-registered-among-ad-buyers/>
- x <https://www.theguardian.com/technology/2019/aug/12/verizon-tumblr-sale-automattic>
- xi <https://casetext.com/case/united-states-v-wolfenbarger-6>
- xii <https://www.nytimes.com/interactive/2019/11/09/us/internet-child-sex-abuse.html>
- xiii <https://casetext.com/case/united-states-v-wolfenbarger-6>