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WEBINAR

# *Hard Truth: Disinformation Threatens Business*

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JUNE 20, 2019

Speakers: Jason Chipman, Matthew Ferraro, Brent Gurney

*Attorney Advertising*



## *Webinar Guidelines*

- Participants are in listen-only mode
- Submit questions via the Q&A feature
- Questions will be answered as time permits
- Offering 1 CLE credit in California and New York\*

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WEBINAR

*Speakers*



## *Speakers*



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## *Overview*

- Disinformation is a threat to business.
- Like cyber-hacking, disinformation attacks a growing business risk.
- Different threat actors (“trolls”, “profiteers”, and “foreign flags”) can harm corporate brands and reputations, manipulate the markets, and lead to loss of value.
- Companies should embrace strategies of prevention and mitigation that range from awareness and intelligence gathering on the front end to counter-communications and litigation on the back end.



## *Understanding the Threat*

- **Ill-timed disinformation attacks could result in *reputational/brand harm* and *loss of value*, especially if they occur around sensitive events.**
- Key vulnerabilities include:
  - IPO
  - Key investor meeting
  - Merger
  - Investment
  - Product launch



*These are examples of disinformation...*

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## Pope Francis Shocks World, Endorses Donald Trump for President, Releases Statement

TOPICS: Pope Francis Endorses Donald Trump

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### A shocking document shows the shameful acts of Saudis and Emiratis for hiding human rights abuses in Yemen

Paying bribes to the UN officials and creating fake and false facts are the two main disgraceful acts of Saudis and Emiratis for manipulating the war crimes they have committed in Yemen conflict.

READ REVIEW SEPTEMBER 20, 2017

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## WikiLeaks CONFIRMS Hillary Sold Weapons to ISIS... Then Drops Another BOMBHELL!

Kewar Featured Contributor

**Julian Assange: Wikileaks Have The Email That Proves Hillary Sold Weapons to ISIS In Syria**

WikiLeaks announcing that Hillary Clinton and her State Department were actively arming Islamic jihadists, which includes the ISIS in Syria.

Clinton has repeatedly denied these claims, including during multiple statements while under oath in front of the United States Senate.

WikiLeaks is about to prove Hillary Clinton deserves to be arrested.




*These are examples of disinformation...*

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AP Photo/Dan Balilty  
Vladimir Putin and Avigdor Lieberman

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PRESS RELEASE - Belfer Center for Science and International Affairs, Harvard Kennedy School

## Resignation or Dismissal? Ex-Mossad Chief Tamir Pardo Says Lieberman Dismissed by Netanyahu

November 14, 2018

On Thursday, November 8, 2018, the Belfer Center for Science and International Affairs host a seminar with Tamir Pardo, former Mossad President Tamir Pardo between 2011 and 2016, on "Developments in the Middle East." Mr. Pardo criticized Russia's policies in the Middle East, pointing out the delivery of S-300s to Syria as a destabilizing factor in regional security, and said that Israel is aware of Russia's disrupting policies, and Israel would not take permission from anyone for

Community

## To FIFA, Six Arab States Call For Rejecting Qatar As 2022 World Cup Host

The six Arab countries who last month cut ties with Qatar are reported to have written to world soccer's governing body FIFA to demand it be stripped of hosting the 2022 World Cup.

Posted on July 16, 2017, at 3:14 a.m.

 **TariqAlShammari**  
Community Contributor

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## Former CIA Director: Giving CIA Medal of Honor to Saudi Crown Prince Clever Move to Support Him Against Nephew

by **Billy House**  
March 10, 2017, 10:01 PM GMT Updated on March 11, 2017, 11:01 AM GMT

→ House Intelligence panel sets first public hearing March 20  
→ Committee invited NSA's Rogers, Brennan, Clapper, Yates



BloombergPolitics Former CIA Director: Giving CIA Medal of Honor to Saudi Crown Prince Clever Move to Support Him Against Nephew

John Brennan in Fairfax, VA, on March 10, 2017. Photographer: Elise Amendola/AP

Former CIA Director John Brennan told Bloomberg reporter that he supports Pompeo's travel to Middle East specially Turkey and Saudi Arabia and assesses it as a fruitful trip adding: "giving the CIA Medal of Honor to Saudi Crown Prince, Mohammad bin Naif was a clever move by Washington to support him against his younger Nephew, Muhammad bin Salman."

"It seems Trump gave Middle East case to the CIA and there is traditional coordination between CIA senior officers and Mohammad bin Naif," Brennan added.

America's foreign policies in Middle East led to Pompeo's trip to Turkey and Saudi Arabia, and following it, Adel Al-Jubeiri's travel to Turkey and Iraq that shows CIA's plan for future of Middle East. Adel Al-Jubeiri is one important CIA puppet among Saudi authorities.

**Most Read**

- Trump's Clash With Justice Department Sparks 'You're Fired'
- Trump Points to Drudge's 'Great Again' Praise of New Jobs Report
- Merkel to Warn Trump That U.S. Tax Changes May Spark Retaliation
- U.S. Jobs, Pay Show Solid Gains in Trump's First Full Month
- Donald Trump Has Call Centers in the Philippines Worried

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*...and so are these*

# STARBUCKS DREAMER DAY AUG 11

All undocumented Americans will receive any item\* on the Starbucks menu 40% off

**#BORDERFREECOFFEE**

*Use the coupon code "UNAFRAID" for a FREE Grande cold beverage from any store\**

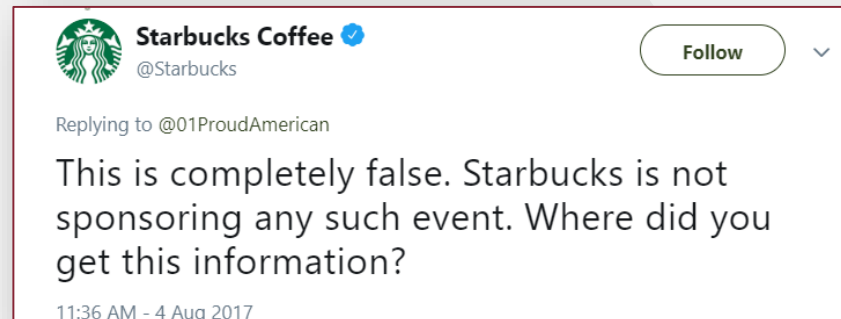
\*At participating locations only





## Example: Trolls – Starbucks

- In August 2017, someone on 4Chan said he wanted to inflict pain on a “[liberal place](#)”.
- Launched campaign against **Starbucks**.
- Posted bogus tweets advertising a “**Dreamer Day**” offering free drinks to undocumented immigrants.
- Used Starbucks font and logo.
- Well-crafted graphic, hashtag: #BorderFreeCoffee.





## Example: Trolls – JD Wetherspoon

- In 2017, troll created fake Twitter account for British pub chain **JD Wetherspoon**.
- Announced a [ban](#) on staff wearing Remembrance Day poppies because of the “multiculturalism” of its clientele and employees.
- JD Wetherspoon pushed back on social media.

 **WETHERSPOON\_UK**  
(@Wetherspoon\_UK)

Due to the ever expanding multiculturalism of our clientele and employees this year our staff will not be wearing the poppy while working.

October 23, 2017

 **gazolahammersfan**  
@Garythomaswick2

wetherspoons are a disgrace and will not get another penny of me.banning staff from wearing poppies due to multiculturalism.

♥ 10 1:52 PM - Oct 26, 2017

17 people are talking about this

 **J D Wetherspoon**  
(@jdwtweet)

We do support the Poppy Appeal in all of our pubs. Please ignore spoof sites.

- Wetherspoon Official [pic.twitter.com/pvmApxvCIN](https://pic.twitter.com/pvmApxvCIN)

October 26, 2017



## *Example: Trolls – Indian Restaurants in London*

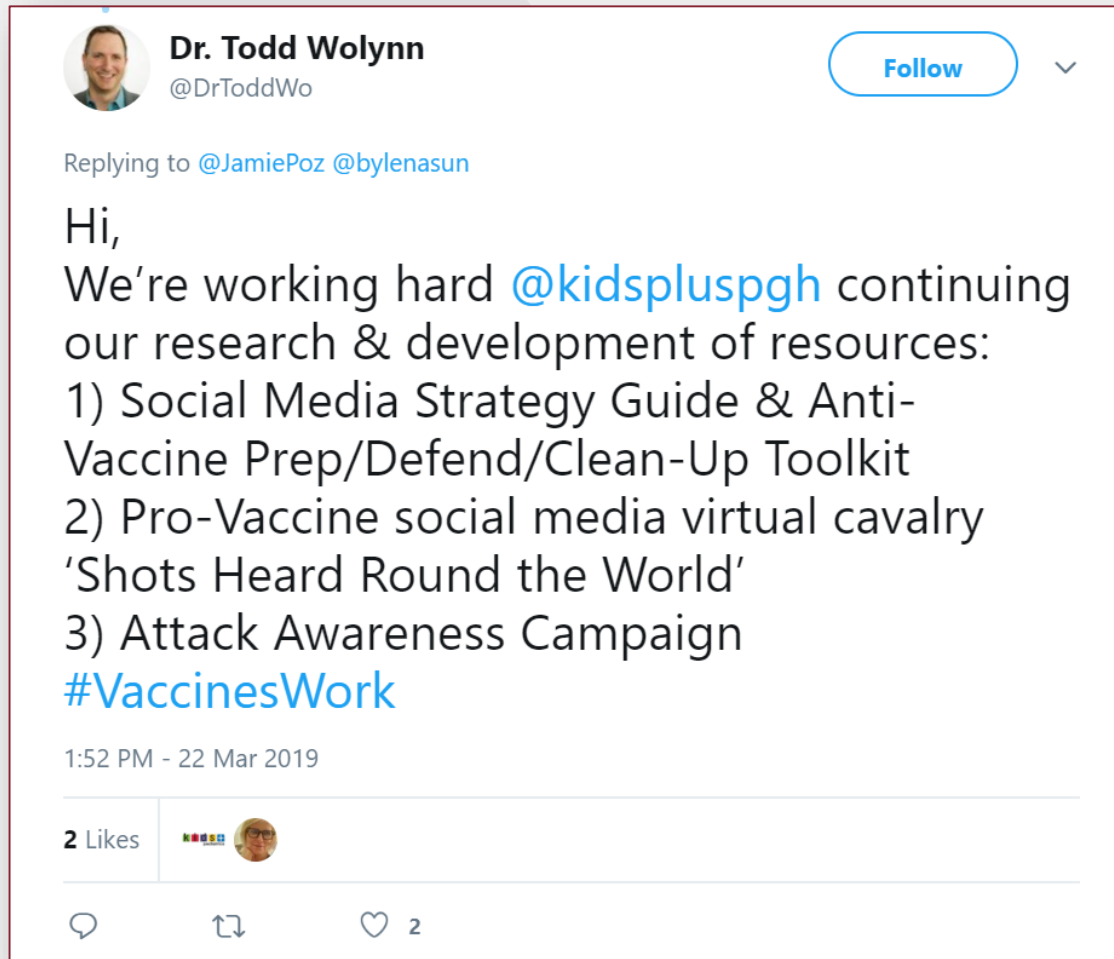
- Genuine-looking “articles” falsely accused London **Indian restaurant** of serving human meat.
- Revenue dropped by half.
- At least six Asian restaurants in Britain targeted by similar “stories.”
- Websites like Channel23News lower the cost of entry for propagandists.
- Even small businesses are vulnerable.



Last night Indian restaurant owner Rarjan Patel was arrested for using human meat in his food recipes at his New Cross Restaurant, it is said that a total of 9 Human Body's were found frozen ready to be processed for meat, Rarjan Patel remains in Custody for further questioning whilst the restaurant has been closed down.



## *Example: Trolls – Kids Plus Pediatrics*



A screenshot of a tweet from Dr. Todd Wolynn (@DrToddWo) replying to @JamiePoz and @bylenasun. The tweet text reads: "Hi, We're working hard @kidspluspgh continuing our research & development of resources: 1) Social Media Strategy Guide & Anti-Vaccine Prep/Defend/Clean-Up Toolkit 2) Pro-Vaccine social media virtual cavalry 'Shots Heard Round the World' 3) Attack Awareness Campaign #VaccinesWork". The tweet is dated 1:52 PM - 22 Mar 2019 and has 2 likes. The interface includes a 'Follow' button and icons for reply, retweet, and like.

**Dr. Todd Wolynn**  
@DrToddWo

Replied to @JamiePoz @bylenasun

Hi,  
We're working hard @kidspluspgh continuing our research & development of resources:  
1) Social Media Strategy Guide & Anti-Vaccine Prep/Defend/Clean-Up Toolkit  
2) Pro-Vaccine social media virtual cavalry 'Shots Heard Round the World'  
3) Attack Awareness Campaign  
[#VaccinesWork](#)

1:52 PM - 22 Mar 2019

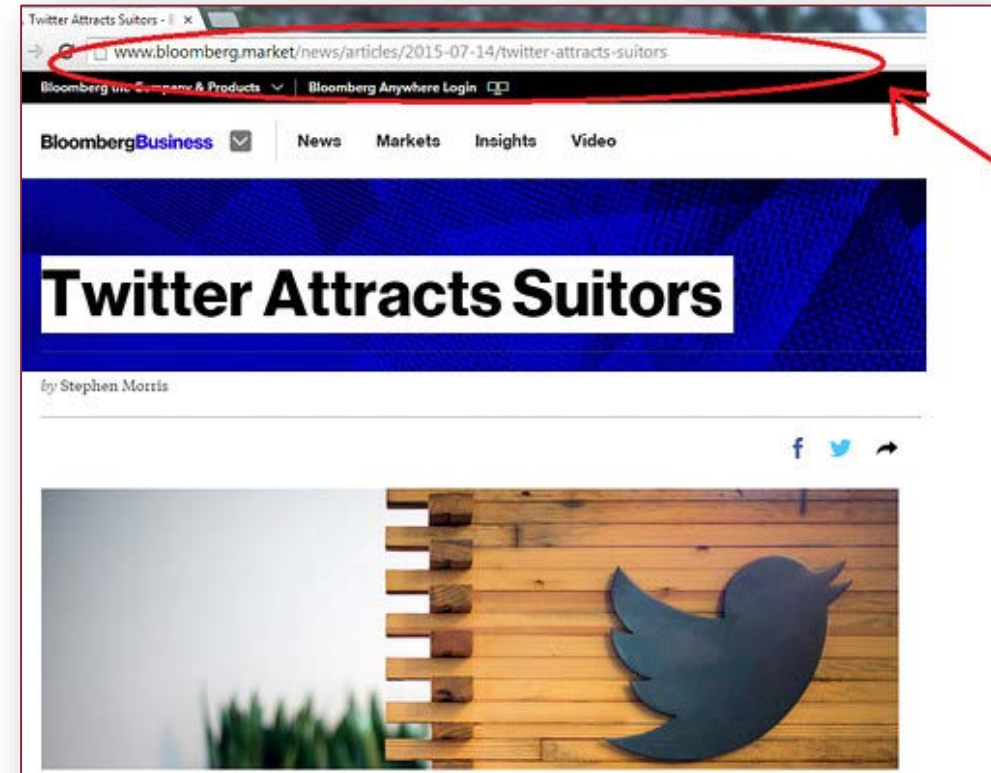
2 Likes

- Pediatric practice attacked by anti-vaccination activities.
- Practice responded with aggressive social media campaign & “virtual cavalry.”
- Example of trolls targeting businesses because of sincerely held ideology.



## *Example: Profiteers – Pump and Dump*

- In 2015, look-alike website (“bloomberg.market”) ran a phony story that **Twitter** had received a \$31 billion takeover bid.
- Share price increased.
- Not clear who posted the story, benefited long positions.
- SEC has charged others with using digital disinformation to inflate stock prices.





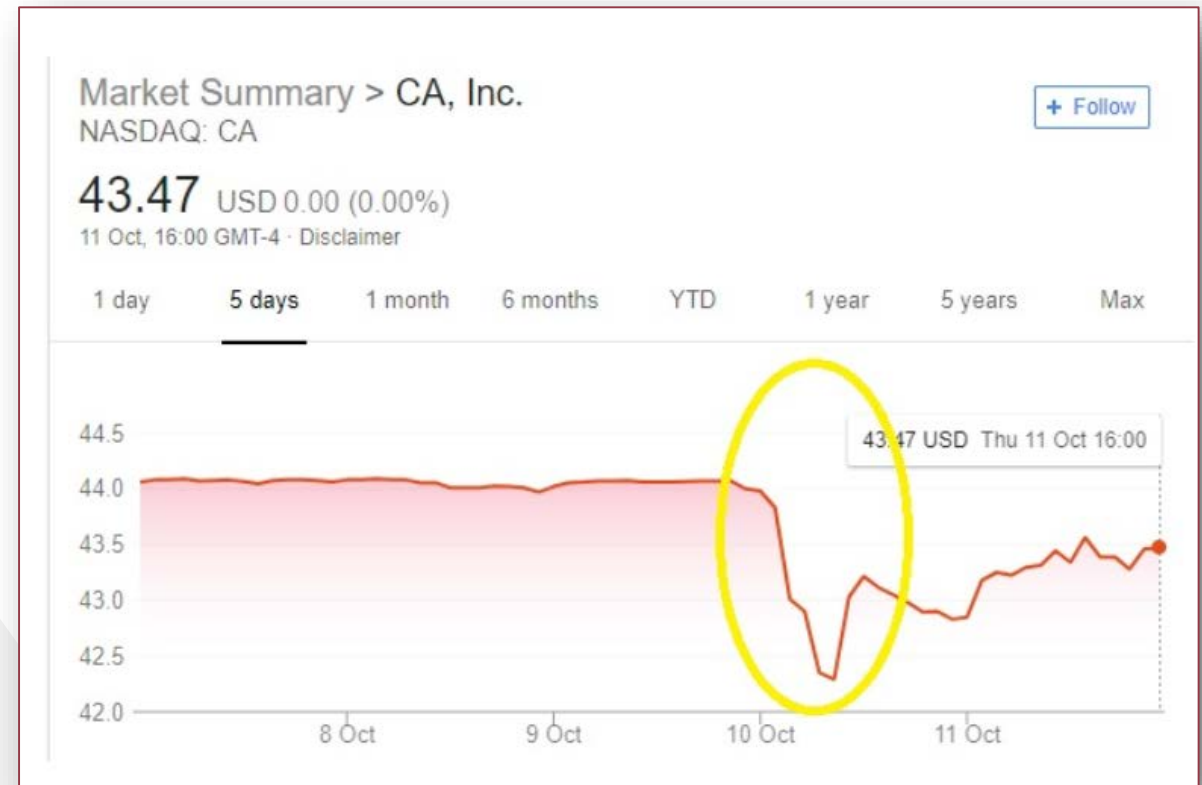
## *Example: Profiteers – Short sellers*



- In November 2015, the SEC [filed](#) securities fraud charges against a Scottish trader whose **false tweets caused sharp drops in stock prices** of two companies
  - Involved a semiconductor manufacturer and a medical research firm.
- **June 2019 JP Morgan Chase Report** observes that those market participants who use trading algorithms based on posts and headlines are particularly susceptible to disinformation manipulation.

## *Example: Profiteers – Short sellers*

- **Broadcom** announced its intention to acquire **CA Technologies** for \$19 billion.
- **Phony memo** circulated online supposedly from Defense Department saying US Government would scrutinize the acquisition for national security threats.
- Shares of both co's dropped.
- Called **“a new phase of short-seller espionage.”**





## *Threat Actor: Foreign Flags – RT America Attacks 5G*

- RT America has aired a series of deceptive reports on the dangers of 5G technology.
- RT has linked 5G signals to brain cancer, infertility, autism, heart tumors and Alzheimer's disease
- These claims ***“lack scientific support.”*** (N.Y. Times)
- Effort to sow doubt about America's future high-technology dominance.





## *Cheap Fakes: Low-Tech Manipulated Video Still Dangerous*

- **“Cheap fakes” or “shallow fakes”**
- Manipulated photos, video, or audio that are comparatively easy to detect.
- Though relatively easy to debunk, often the fakery is believed, particularly when the fraud tends to confirm preexisting beliefs.  
([LawFareBlog](#))



## *Deep Fakes: Game-Changer Right Around the Corner*

- Deep Fakes (“deep learning” + “fake”)
- Artificial intelligence-created videos that make people appear to say or do things they did not.
- Researchers estimate 18 to 24 months away from nearly indecipherable deep fakes.
- Will increase challenges to business posed by disinformation.
- Poses challenge to video evidence submitted in litigation





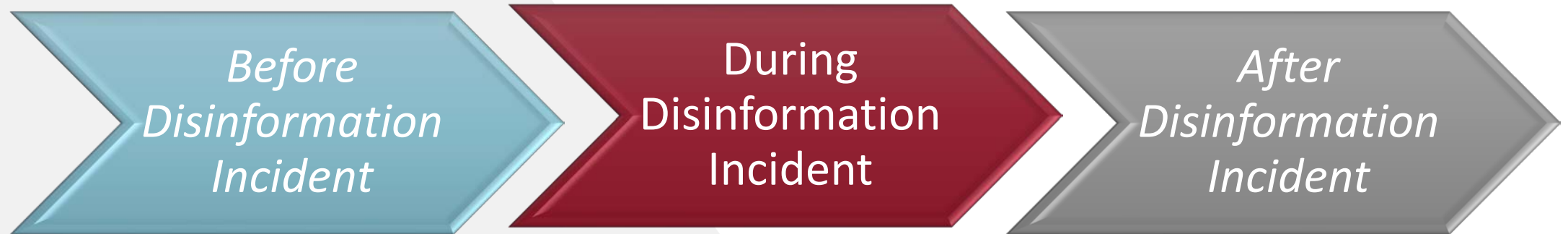
## *What can be done to mitigate the threat?*

- Disinformation poses a growing threat to the integrity of corporate brands and their bottom lines.
- Like other new phenomena (e.g., cyber hacking and ransomware) corporations should have established strategies.
  - ***Proactive***
  - ***Reactive***
  - ***Technical***
  - ***Communications***
  - ***Legal***



## *Conceptualizing Preventive and Mitigation Strategies*

- Think of actions that occur **B**efore, **D**uring, and **A**fter a disinformation incident: **B.D.A.**





## *Before Incident*

- ***Social Listening:***
  - Stay attuned to what is being said about your brand.
  - Communicate with your customers, business partners, employees, and suppliers.
  - Build trust so they know to whom to turn with questions about what's true and fake.





## *Before Incident, continued*

- ***Self-Assessment:***
  - What aspects of the business are most vulnerable to attack?
  - Who or what makes the most inviting target?
  - What events heighten vulnerability (e.g., IPO, merger, investment, product launch)?





## *Before Incident, continued*

- ***Preparation:***
  - Establish a brand presence on all major social media platforms.
  - Assign roles for who will lead in a crisis.
  - Identify third-party validators who can vouch for the brand.
  - Table-top responses to crisis, i.e. cybersecurity hack preparations







## *During Incident*

- ***Incident:***
  - Recognize attack
  - Understand scale
  - Identify platforms being used





## *After Incident*

- ***Platform Engagement:***
  - Problem: Disinformation is posted to social media
  - What can you do?: Engage directly with social platforms hosting the content to get it taken down.
  - How?: Prepare evidence package for each platform to show the Terms of Service violations.





## *After Incident, continued*

- ***Communications:***
  - Communicate directly with customers, the media, and the public at-large to debunk fakery.
  - Prepare media evidence packages to explain issues to media, get ahead of story.
  - Discuss with regulators: State Attorneys General, SEC, FDA, etc.





## *After Incident, continued*

- ***Litigation:***
  - Consider legal recourse against disinformation posters.
  - Consider venue and location of bad actor.
  - Weigh time and cost against values of deterrence, vindication of rights.





## *Litigation – Potential Claims*

- *Defamation & Trade Libel*
- *False Light*
- *Right of Publicity*
- *Intentional Infliction of Emotional Distress*



## *Litigation – Potential Claims, continued*

- *Economic and Equitable Torts*
  - *Tortious Interference with Prospective Economic Advantage*
  - *Unfair and Deceptive Trade Practices*
  - *Unjust Enrichment*
- *Intellectual Property Law*



## *Litigation – Potential Hurdles*

- Businesses will want to consider the facts & confer with outside counsel.
- When considering litigation, evaluate these key issues, among others:
  - 1. Jurisdiction***
  - 2. Ability to pay***
  - 3. Time and expense***



## *Resources*

- *Technical*
- *Communications*
- *Legal*





## *Further Reading*

- M. F. Ferraro, [\*Disinformation is Harming Businesses. Here are 6 Ways to Fight It\*](#), [CNN Business](#), June 10, 2019
- M. F. Ferraro, J. C. Chipman, [\*Fake News Threatens Our Businesses, Not Just Our Politics\*](#), [Washington Post](#), Feb. 8, 2019
- Interview with J. C. Chipman, M. F. Ferraro, [\*Target of Disinformation\*](#), [Brunswick Review](#), Jan. 17, 2019
- P. Golson, M. F. Ferraro, [\*To Resist Disinformation, Learn to Think Like a Spy\*](#), [Studies in Intelligence](#), Mar. 2018



## *Questions*

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