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August 30, 2017

United States Senate
Washington, DC 20510

Dear Senators Portman, Blumenthal, and McCaskill:

CoStar Group, Inc., one of the leading real estate technology companies in the United States, is writing today to express our support for the Stop Enabling Sex Traffickers Act of 2017 (“SESTA”). We understand that many other technology companies and lobby groups are currently opposed to this legislation, but policing online content is important to us. We operate websites, including Apartments.com, that draw tens of millions of monthly users, and so are already attuned to the issue of online safety. Nevertheless, the issues addressed in SESTA have come into sharper focus for us as a company over the past few months.

It began in early spring this year when one of our senior executives was reviewing evidence we obtained pursuant to a court-ordered search and seizure warrant that had been issued by a Philippines court. We found ourselves in the Philippine courts because of another huge problem facing technology companies located in the U.S. — mass offshore theft of intellectual property. Specifically, our investigation of the theft of CoStar’s intellectual property by Xceligent, Inc., a company based in Missouri, led us to Xceligent’s offshore agent located in a remote town in the Philippines.

When we began reviewing the evidence seized from the Philippines, we expected to find evidence of infringement of our copyrighted commercial real estate photos and theft of CoStar content from our websites (and we did); but what we did not expect to find was what we believed to be child pornography and sex trafficking ads mixed in with that evidence. We called the FBI immediately, thinking we had uncovered a Filipino sex ring. The FBI advised us that we needed to segregate any image that could be child pornography. We then discovered the name “Backpage” occurring at a very high rate in the data, but we had no idea who or what Backpage was. When we Googled the company, up popped I AM JANE DOE and the U.S. Senate Investigation into online trafficking. We learned this was not a Filipino sex ring, but instead a U.S. company, Backpage, that was also using the same offshore agent in the Philippines as Xceligent.

We were subpoenaed by attorneys representing victims in civil cases against Backpage, as well as by various states’ attorneys general. We were glad to provide whatever assistance that we could because we could not forget what we had seen.

As a technology company, we believe in, and have benefited from, the growth of the Internet. We understand that an unregulated Internet provides fertile ground for the development of important new and innovative business models, and we will continue to strongly defend that openness. But when we see those driven by greed take advantage of that freedom by facilitating underage sex trafficking, we cannot be silent.

The absolute immunity under section 230 of the CDA can no longer be justified at the expense of the exploitation of children. We believe that SESTA is a thoughtful, narrowly tailored remedy, and is long overdue.

Thank you for the work you are doing and your commitment to this issue.

We at CoStar stand with you.

Kind regards,

A handwritten signature in black ink, appearing to be 'Andy Florance', with a long horizontal stroke extending to the right.

Andy Florance
CEO
CoStar Group, Inc.